



TE OPE KĀTUA O AOTEAROA
DEFENCE FORCE

New Zealand Defence Force FlexiSaver Scheme

2025

Report



HEI MANA MŌ AOTEAROA
A FORCE FOR NEW ZEALAND

01

Details of scheme 4

02

Information on contributions and scheme participants 5

03

Changes relating to the scheme 6

04

Other information for particular types of managed funds 7

05

Changes to persons involved in the scheme 9

06

How to find further information 9

07

Contact details and complaints 10

Scheme snapshot

As at 31 March 2025



1,647
members



\$24,155
average member balance



\$40 million
invested



192
Prezzy Card winners across
our savings schemes

Message from the Chief People Officer

On behalf of the New Zealand Defence Force Savings Schemes and our dedicated team, I am pleased to welcome you to the 10th Annual Report for the New Zealand Defence Force FlexiSaver Scheme. It is a privilege to present this report and share the key highlights from the past year with you. This year marks a significant milestone as we celebrate 10 years of the NZDF Savings Schemes, a decade dedicated to supporting our members in achieving their financial goals. This milestone reflects our continued dedication to improving the financial wellbeing of the Defence community.

Market Update

The global financial markets have navigated a year of turbulence and economic challenges. The period began with a pause in positive stock market momentum due to rising prices and a slowdown in the US economy, impacting returns across various investment options. However, May and June 2024 brought a resurgence, driven by strong corporate earnings and encouraging economic data. Despite these gains, the latter part of the year brought some challenges.

Unemployment began to rise and by December, the economy contracted. In response to these issues, the Reserve Bank of New Zealand decided to cut interest rates to encourage growth. By March 2025, concerns over US tariffs influenced market sentiment, leading to a cautious outlook. Overall, this year highlighted the dynamic nature of the financial landscape, with opportunities and challenges shaping investor strategies.

Financial Advice and Tools to support our members

In this report, I want to highlight the significance of quality financial advice, and its vital role in helping our members. Making informed financial decisions is essential, and I am proud that the NZDF Savings Schemes are dedicated to providing the tools and information necessary to support our members on their journey towards retirement. Furthermore, the NZDF remains dedicated to supporting our members in achieving their retirement goals, as we believe in helping them secure a financially stable future.

Acknowledgements

Finally, I would like to extend my heartfelt thanks to everyone involved in managing the NZDF Savings Schemes, as well as our partners for their invaluable support. Their collaboration and dedication have been crucial to the success of the New Zealand Defence Force FlexiSaver Scheme over the past decade and our efforts to enhance the financial wellbeing of Defence Community members. I hope this report offers valuable insights and reflects our commitment to our members' financial wellbeing. If you have any questions or need further information, please feel free to reach out to the team at NZDF Savings Schemes or the Benefits team at NZDF.



Jacinda Funnell
Chief People Officer

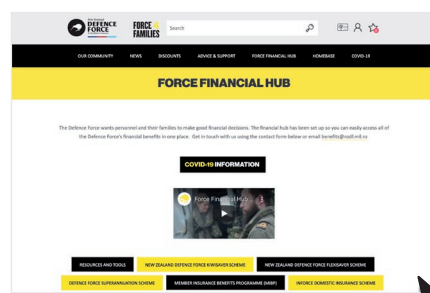
This annual report covers the New Zealand Defence Force FlexiSaver Scheme, one of three savings schemes available to members of the NZDF. As a member of the Defence Community, you can join the New Zealand Defence Force KiwiSaver Scheme and/or the New Zealand Defence Force FlexiSaver Scheme. The Defence 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** 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 or former member, you are able to access products, benefits, services and tools through the Force Financial Hub.

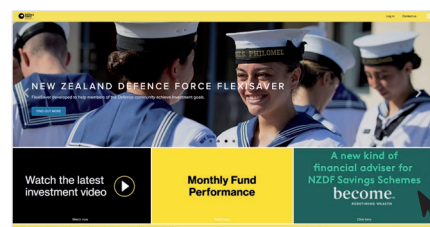
Further information

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:



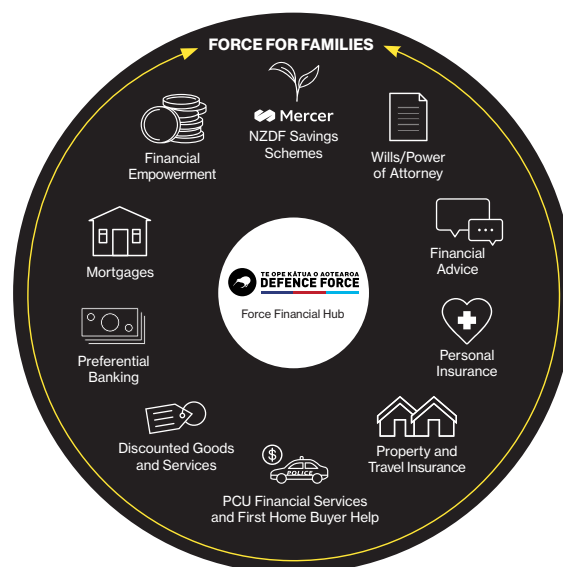
Force Financial Hub

It is a great source of information to help you and your family get sorted financially. Visit **force4families.mil.nz/force-financial-hub** or Google “Force Financial Hub”.



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**.

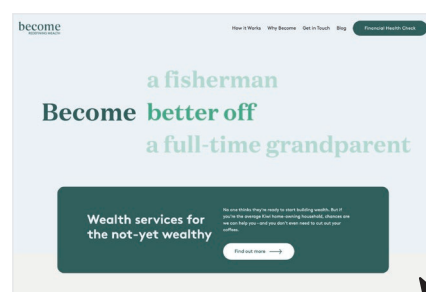


The NZDF is committed to supporting your family to become financially secure.



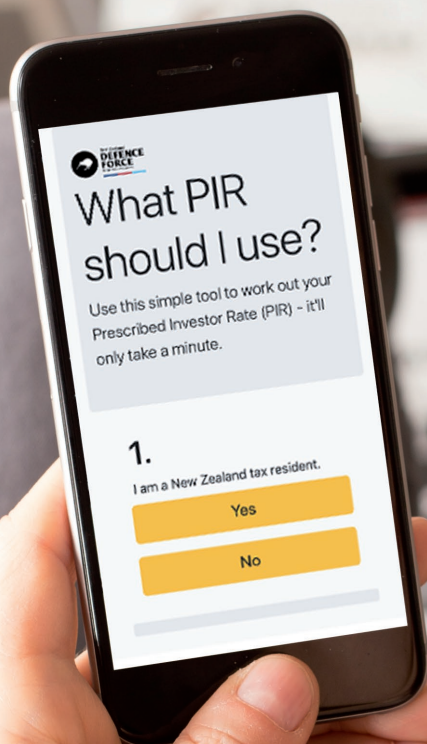
The Retirement Income Simulator

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 to check out this tool.



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**.



**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 9 December 2024 and is open for applications.

Fund updates:

Fund updates for each of the available investment funds for the quarter ending 31 March 2025 were made publicly available on 1 May 2025.

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 2024 to 31 March 2025 and were authorised for issue by the manager, Mercer (N.Z.) Limited, on 24 July 2025.

The auditor's report on those financial statements was dated 29 July 2025. 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 2025.

| Membership details | Total number of members | Members' accumulation |
|--------------------|-------------------------|-----------------------|
| At 1 April 2024 | 2,354 | \$38,192,374 |
| Plus | | |
| New members | 193 | |
| Less | | |
| Exits | 900 | |
| At 31 March 2025 | 1,647 | \$39,784,277 |

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 or the Force Financial Hub at 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 | 1,126 | \$8,326,259 |



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 May 2024 to incorporate further details of our sustainable investment strategy.

The SIPO was updated on 9 December 2024 to take into account changes to the strategic asset allocation of the funds and on 28 February 2025 to take into account the updated Mercer New Zealand Sustainable Investment Policy, and changes to certain benchmark indices.

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 2025 balances of the investment in Mercer FlexiSaver are disclosed below:

| | Opening Balance | Net Change in Fair Value | Closing Balance |
|-------------------|-----------------|--------------------------|-----------------|
| Investment option | 1 April 2024 | | 31 March 2025 |
| Cash | \$2,547,251 | \$129,159 | \$2,676,410 |
| Conservative | \$90,341 | \$4,448 | \$94,789 |
| Moderate | \$89,097 | \$4,719 | \$93,816 |
| Growth | \$6,222,149 | \$379,880 | \$6,602,029 |
| High Growth | \$99,401 | \$6,551 | \$105,952 |
| Total | \$9,048,239 | \$524,757 | \$9,572,996 |

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 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.

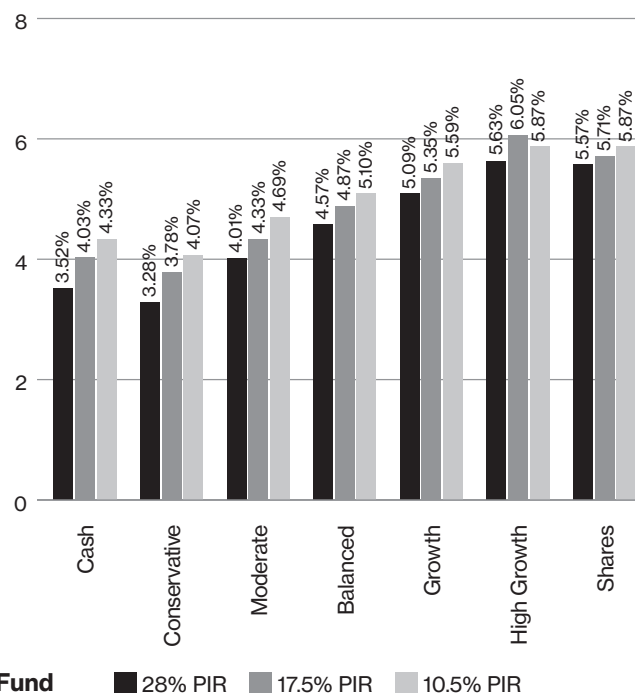
Your latest member annual statement shows how many units you have, their price and your savings balance. You can also view unit prices by signing in to your account www.nzdfsavings.mil.nz at any time.

Unit prices

| Type | 1 April 2024* | | | 31 March 2025 | | |
|--------------|---------------|-----------|-----------|---------------|-----------|-----------|
| | 28% PIR | 17.5% PIR | 10.5% PIR | 28% PIR | 17.5% PIR | 10.5% PIR |
| Cash | 1.1172 | 1.1369 | 1.1434 | 1.1559 | 1.182 | 1.1921 |
| Conservative | 1.2246 | 1.2569 | 1.2643 | 1.2658 | 1.3055 | 1.3167 |
| Moderate | 1.3306 | 1.3492 | 1.3682 | 1.3859 | 1.4096 | 1.4343 |
| Balanced | 1.4726 | 1.5092 | 1.5372 | 1.5432 | 1.5862 | 1.619 |
| Growth | 1.6345 | 1.6989 | 1.7163 | 1.7224 | 1.7949 | 1.8175 |
| High Growth | 1.7846 | 1.8194 | 1.8546 | 1.8918 | 1.9363 | 1.9704 |
| Shares | 1.8879 | 1.9394 | 1.9858 | 2.0003 | 2.0578 | 2.11 |

* Opening price as at 1 April 2024 is the closing price on 31 March 2024.

One year returns as at 31 March 2025
(after tax and fees)



You can find up to date performance information by visiting www.nzdfsavings.mil.nz.

Note: Returns in the graph above are based on the unit prices at 31 March 2025. For the unit prices applied to your account, log in to 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 2025

| Type | Number of members | Total amount |
|--------------------|-------------------|--------------|
| Partial withdrawal | 445 | \$5,115,648 |
| Full withdrawal | 900 | \$3,622,774 |

Are you in the right fund?

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.

become^{NZ}
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 2025:

- 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 2025, 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.

Since the year end, Martin Lewington resigned as CEO of the manager on 27 June 2025.

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

- Toni Ferrier was appointed as a director on 12 August 2024.
- Catherine Hales resigned as a director on 3 March 2025.

Since year end:

- Kirsty Campbell was appointed as a director on 17 April 2025.
- David Bryant was appointed as a director on 8 May 2025.
- Martin Lewington resigned as a director on 27 June 2025.

There was no change to the directors of the supervisor during the year.

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

- On 6 December 2024, the holding company of Mercer (N.Z.) Limited changed from MMC Holdings (New Zealand) ULC to Marsh Mercer Holdings (Australia) Pty Ltd.

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.

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** 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
Website: www.ifso.nz or use 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
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.

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

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 FlexiSaver Scheme



Speak to New Zealand Defence Force Benefits team



Speak to a financial adviser on 0508 BECOME (0508 232 663)

Mercer (N.Z.) Limited is the manager of the New Zealand Defence Force FlexiSaver Scheme and the issuer of this report. The information contained in this report is of a general nature only and does not take into account the personal objectives, financial situation or financial goals of individual members. Accordingly, before making any decisions, you should consider the information in light of your own objectives, financial situation and needs, and read and consider the current Product Disclosure Statement. It is also recommended that you obtain advice from an appropriately qualified financial adviser. A copy of the current Product Disclosure Statement is available on the website at www.nzdfsavings.mil.nz or by calling the Helpline on 0800 333 787. You should be aware that the value of an investment in the New Zealand Defence Force FlexiSaver Scheme may rise and fall from time to time. Neither Mercer, nor Trustees Executors Limited, New Zealand Defence Force, Become Wealth Limited, Marsh McLennan, nor any members of the worldwide Marsh McLennan companies guarantees the investment performance, earnings or return of capital invested in any of the New Zealand Defence Force FlexiSaver Scheme investment options. The investment returns shown in this report do not take into account the unique characteristics that apply to each member (such as timing of cashflow). As a result, the actual returns applying to a particular member are different from the investment returns shown. You should also remember that past performance should not be relied upon as an indicator of future performance.