



27 MARCH 2024

# Product Disclosure Statement

**This is a replacement product disclosure statement. It replaces the product disclosure statement dated 30 June 2023.**

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**

Mercer

# Kiwisaver scheme



welcome to brighter



# 01/Key information summary

## What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Mercer (N.Z.) Limited (Mercer) will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of Mercer and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

## What will your money be invested in?

The Mercer KiwiSaver scheme offers seven funds. These investment options are summarised on page 4. 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 Mercer KiwiSaver scheme?

The manager of the Mercer KiwiSaver scheme is Mercer. Further information regarding the manager is set out in Section 7 (Who is involved?).

## How can you get your money out?

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

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

Conditions apply.

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

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

## How will your investment be taxed?

The Mercer KiwiSaver scheme is a portfolio investment entity (PIE). The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (PIR). This can be 10.5%, 17.5% or 28%. See Section 6 of the PDS (What taxes will you pay?) on page 15 for more information.

## Where can you find more key information?

Mercer is required to publish quarterly updates for each fund. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at [www.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	Estimated annual fund charges (percentage of fund's net asset value)
<b>Cash<sup>#</sup></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.	<p>Lower risk <span style="float: right;">Higher risk</span></p> <p>Potentially lower returns <span style="margin-left: 100px;">Potentially higher returns</span></p>	<b>0.33%</b>
<b>Sustainable Conservative<sup>#</sup></b>	Invests mostly in defensive assets such as fixed interest, with only limited investment in growth assets such as shares. 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>Lower risk <span style="float: right;">Higher risk</span></p> <p>Potentially lower returns <span style="margin-left: 100px;">Potentially higher returns</span></p>	<b>0.47%</b>
<b>Sustainable Plus Moderate<sup>#*</sup></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. This fund may be suitable for investors who want to invest in a fund with a broad mix of assets and who are comfortable with a higher degree of volatility in returns than can be expected from the Sustainable Conservative fund.	<p>Lower risk <span style="float: right;">Higher risk</span></p> <p>Potentially lower returns <span style="margin-left: 100px;">Potentially higher returns</span></p>	<b>0.69%</b>
<b>Sustainable Plus Balanced<sup>#*</sup></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. This fund can expect to have a higher degree of volatility in returns than can be expected from the Sustainable Plus Moderate fund and is more suited to investors who can invest for the long term.	<p>Lower risk <span style="float: right;">Higher risk</span></p> <p>Potentially lower returns <span style="margin-left: 100px;">Potentially higher returns</span></p>	<b>0.79%</b>
<b>Sustainable Plus Growth<sup>#*</sup></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. This fund may be suited to investors wanting to invest mostly in growth assets who are comfortable accepting more volatile returns than those expected from the Sustainable Plus Balanced fund with a view to achieving higher longer-term returns.	<p>Lower risk <span style="float: right;">Higher risk</span></p> <p>Potentially lower returns <span style="margin-left: 100px;">Potentially higher returns</span></p>	<b>0.88%</b>
<b>Sustainable Plus High Growth<sup>#*</sup></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.	<p>Lower risk <span style="float: right;">Higher risk</span></p> <p>Potentially lower returns <span style="margin-left: 100px;">Potentially higher returns</span></p>	<b>0.93%</b>
<b>Sustainable Plus Shares<sup>#*</sup></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.	<p>Lower risk <span style="float: right;">Higher risk</span></p> <p>Potentially lower returns <span style="margin-left: 100px;">Potentially higher returns</span></p>	<b>0.96%</b>

**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.riskquiz.co.nz](http://www.riskquiz.co.nz).**

<sup>^</sup>A combination of actual fund returns and market or composite index returns have been used to determine these risk indicators due to an asset allocation change on 31 August 2020. The risk indicator may therefore provide a less reliable indicator of the potential future volatility of the funds. For the five year period ending 31 December 2023, market index returns have been used for the Sustainable Conservative fund, and composite market and peer group indices have been used for the Sustainable Plus Moderate, Sustainable Plus Balanced, Sustainable Plus Growth and Sustainable Plus High Growth funds, up to 31 August 2020, with actual fund returns used for the balance of the period to 31 December 2023. Additional information about the composite indices used is available on [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

<sup>#</sup>This fund is managed with reference to environmental, social and governance (ESG) factors and is certified by the Responsible Investment Association of Australasia.

<sup>\*</sup>The funds labelled with Plus have a more active management approach than the Cash and Sustainable Conservative funds.

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## 02/How does this investment work?

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

The Mercer KiwiSaver scheme is governed by a trust deed (as amended from time to time).

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

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

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

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

Each unit represents an equal beneficial interest in the net investments of the relevant fund. Units do not give rise to an interest in any particular investment of any fund.

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

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

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

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

There are seven funds. An investor may invest in any one or more of the 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 global investment expertise
- sector specialist active investment management
- certification by RIAA (Responsible Investment Association Australasia)
- experienced superannuation administration
- comprehensive reporting, innovative and personalised tools.

Responsible investment, including environmental, social, and governance considerations, is taken into account in the investment policies and procedures of the scheme as at the date of this product disclosure statement. You can obtain an explanation of the extent to which responsible investment is taken into account in those policies and procedures at the issuer's Internet site at

<https://www.mercerfinancialservices.co.nz/sustainable-investment.html>.

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

The funds labelled as sustainable which are available in this scheme may be suitable for investors who want to invest according to the ethical criteria as set out in the Policy and have a higher proportion of sustainability-themed assets.

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

## Joining the scheme

You are eligible to join the Mercer KiwiSaver scheme if you are:

- a New Zealand citizen or are entitled to live in New Zealand indefinitely; and
- living or normally living in New Zealand (with some exceptions).

You can also join the scheme if you are:

- an existing KiwiSaver investor with another scheme and looking to transfer; or
- a non-KiwiSaver investor, but are eligible to join as:
  - a new employee where your employer has chosen the scheme as their preferred KiwiSaver scheme; or
  - a person (whether a new employee or not) who is eligible to join and elects to opt into the scheme.

Mercer may reject any application. There is no minimum level of contribution but Mercer may impose a minimum in the future.

See Section 10 (How to apply) for further information.

## Making investments

If you are an employee, you can choose to contribute 3%, 4%, 6%, 8% or 10% of your gross salary or wages (as defined in the KiwiSaver Act 2006). This currently includes salary or wages from employment, other remuneration such as bonuses and overtime, as well as certain other benefits. You can change your contribution rate at any time by notifying your employer.

If you do not select a rate, your contribution rate will be 3%.

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

You can also make additional regular or lump sum contributions to the scheme at any time.

You could be eligible to receive compulsory employer contributions which are currently 3% of your before-tax salary or wages.

Eligibility criteria include being aged 18 years or older, not reaching the age of eligibility (currently 65) and being an employee contributing via your salary or wages. Employer's superannuation contribution tax (ESCT) is deducted from employer contributions before these are provided to the scheme.

If you are self-employed, not working or not contributing you can make contributions at any time. More information on how to make contributions can be found at [www.mercerfinancialservices.co.nz](http://www.mercerfinancialservices.co.nz).

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

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

## Withdrawing your investments

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

An investor may only withdraw contributions made to the Mercer KiwiSaver scheme in the following circumstances:

Withdrawal Type	Your Contributions	Employer Contributions	Government Contributions	Government Kick-Start <sup>^</sup>	Funds Transferred From Australia
Superannuation qualification age	✓	✓	✓	✓	✓
First home withdrawal (A)	✓	✓	✓	✓	-
Significant financial hardship	✓	✓	-	-	✓
Serious illness or life-shortening congenital condition	✓	✓	✓	✓	✓
Death	✓	✓	✓	✓	✓
Permanent emigration to Australia (B)	✓	✓	✓	✓	✓
Permanent emigration to countries other than Australia (C)	✓	✓	-	✓	-
Retirement withdrawal of Australian savings from age 60	-	-	-	-	✓
Foreign superannuation transfer - NZ tax or student loan obligation	✓	✓	-	-	-

<sup>^</sup>The Government kick-start applies only if you first joined KiwiSaver prior to 2pm on 21 May 2015

(A) At least \$1,000 needs to be left in your KiwiSaver account.

(B) Withdrawals need to be transferred to an Australian complying superannuation scheme.

(C) Withdrawals are available only one year after emigration.

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.mercerfinancialservices.co.nz](http://www.mercerfinancialservices.co.nz).

**Superannuation qualification age:** You can usually begin withdrawing your KiwiSaver savings when you turn 65. However, if you first joined KiwiSaver (or a complying superannuation fund) before 1 July 2019, a five-year membership requirement usually applies. You can opt out of the five-year membership requirement by notifying us. If you do that, from age 65 you won't be eligible to receive any Government contributions and your employer can stop its contributions.

At that time you can:

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



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

**Significant financial hardship:** If you are suffering or are likely to suffer significant financial hardship, you can apply to the supervisor to withdraw some of your investment. You cannot withdraw accumulated contributions from the Government.

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

If you withdraw the full balance of your investment, your KiwiSaver account will be closed.

**Death:** In the event of your death, Mercer must pay the full balance of your investment to your estate's personal representatives.

**Permanent emigration:** After at least one year has passed since your permanent emigration from New Zealand (other than to Australia), you can apply to Mercer for a withdrawal, but this will be less any Government contributions or any amount transferred from an Australian complying superannuation scheme.

If you emigrate to Australia, you can transfer your KiwiSaver savings to an Australian complying superannuation scheme.

Conditions apply to each of these withdrawals.

**Transferring your interest in a foreign superannuation scheme:** Where you are required to pay additional tax or make a student loan repayment following a transfer of foreign superannuation, you may be able to withdraw some of your KiwiSaver savings for the repayment.

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

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

## Suspending withdrawals

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

## How to switch between funds

You are able to switch from one fund to one or more funds within the scheme by signing in to your Mercer KiwiSaver scheme account online at [www.mercerfinancialservices.co.nz](http://www.mercerfinancialservices.co.nz) or by calling Mercer on 0508 637 237. You may also redirect your ongoing contributions to one or more funds within the scheme.

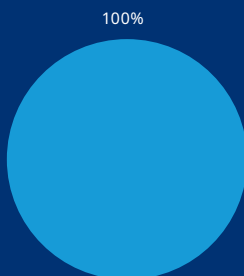
A switch is considered a withdrawal from one fund and an application for units in another fund. Valid switch instructions received before 4.00pm on a business day (New Zealand time) will be processed using the declared unit prices for that day, once known. Investment switch requests received after 4.00pm 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.

# 03/Description of your investment options(s)

Fund	Target investment mix	Minimum recommended investment timeframe	Risk Indicator
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## Cash<sup>#</sup>

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.



No minimum recommended timeframe

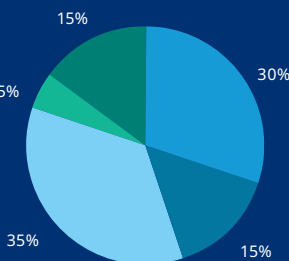
Defensive



2

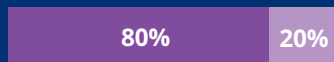
## Sustainable Conservative<sup>#</sup>

Invests mostly in defensive assets such as fixed interest and cash, with only limited investment to growth assets such as shares. 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.



3 years

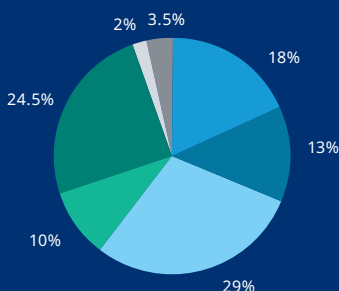
Defensive / Growth



3<sup>^</sup>

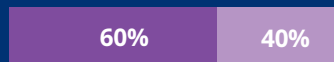
## Sustainable Plus Moderate<sup># \*\*</sup>

Invests mainly in defensive assets such as fixed interest and cash, with about 40% invested in growth assets such as shares and real assets. This fund may be suitable for investors who want to invest in a fund with a broad mix of assets and who are comfortable with a higher degree of volatility in returns than can be expected from the Sustainable Conservative fund.



5 years

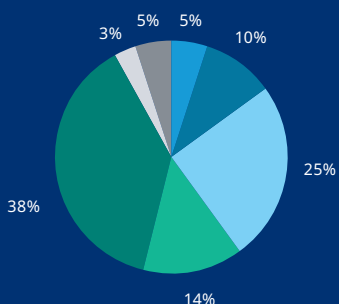
Defensive / Growth



4<sup>^</sup>

## Sustainable Plus Balanced<sup># \*\*\*</sup>

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. This fund can expect to have a higher degree of volatility in returns than can be expected from the Sustainable Plus Moderate fund and is more suited to investors who can invest for the long term.



8 years

Defensive / Growth



4<sup>^</sup>

Fund

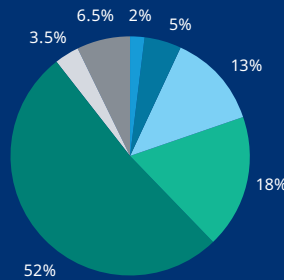
Target investment mix

Minimum recommended investment timeframe

Risk Indicator

### Sustainable Plus Growth<sup>#\*\*</sup>

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. This fund may be suited to investors wanting to invest mostly in growth assets who are comfortable accepting more volatile returns than those expected from the Sustainable Plus Balanced fund with a view to achieving higher longer-term returns.



10 years

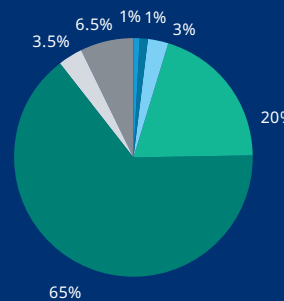
Defensive / Growth



5<sup>^</sup>

### Sustainable Plus High Growth<sup>#\*\*</sup>

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.



13 years

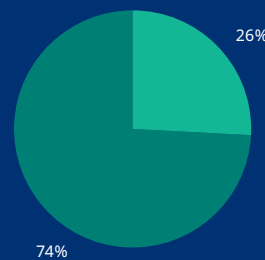
Defensive / Growth



5<sup>^</sup>

### Sustainable Plus Shares<sup>#\*\*</sup>

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.



13 years

Growth



5

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, 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. Any changes to the SIPO will be advised in the scheme's annual report but will not otherwise be separately notified to investors.

\*Listed Infrastructure and Unlisted Infrastructure

<sup>^</sup>A combination of actual fund returns and market or composite index returns have been used to determine these risk indicators due to an asset allocation change on 31 August 2020. The risk indicator may therefore provide a less reliable indicator of the potential future volatility of the funds. For the five year period ending 31 December 2023, market index returns have been used for the Sustainable Conservative fund, and composite market and peer group indices have been used for the Sustainable Plus Moderate, Sustainable Plus Balanced, Sustainable Plus Growth and Sustainable Plus High Growth funds, up to 31 August 2020, with actual fund returns used for the balance of the period to 31 December 2023. Additional information about the composite indices used is available on [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

<sup>#</sup>This fund is managed with reference to environmental, social and governance (ESG) factors and is certified by the Responsible Investment Association of Australasia.

<sup>\*\*</sup>The funds labelled with Plus have a more active management approach than the Cash and Sustainable Conservative funds.

#### Key:

- Defensive
- Growth
- Cash
- Australasian equities
- NZ Fixed Interest
- International equities
- International Fixed Interest
- Unlisted property
- Other\*

# 04/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.

### This is an example of a risk indicator:



See the table on page 4 showing the filled-in risk indicator for the Mercer KiwiSaver scheme funds.

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down (volatility).

A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.riskquiz.co.nz](http://www.riskquiz.co.nz). 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 data for the five years to 31 December 2023. While risk indicators are usually relatively stable, they do shift from time to time.

You can see the most recent risk indicator in the latest fund update for the relevant fund.

## General investment risks

Some of the things that may cause the fund's value to move up and down, which affect the risk indicator, are:

<b>Investment Portfolio and Asset Class Risk</b>	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.
<b>Market Risk</b>	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.
<b>Currency Risk</b>	Where a fund invests outside of New Zealand, its returns will be affected by movements between the other currencies and the New Zealand dollar.
<b>Interest Rate Risk</b>	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. In order to follow a sustainable investment approach exclusions are applied to these funds which may mean they are 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 headed "Other Material Information – Risks" available at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) (search under "Offers" for Mercer KiwiSaver scheme).

## 05/What are the fees?

You will be charged fees for investing in the Mercer KiwiSaver scheme. Fees are deducted from your investment and will reduce your returns. If Mercer invests in other funds, those funds may also charge fees. The fees you pay will be charged in two ways:

- regular charges (for example, annual fund charges). Small differences in these fees can have a big impact on your investment over the long term;
- one-off fees (currently none).

### Total annual fund charges

Fund	Manager's Basic Fee (% Per Annum)	Other Management and Administration Charges (Estimated % Per Annum)		Total Annual Fund Charges (Estimated % Per Annum)
		Other Expenses (Estimated % Per Annum)	External Manager Performance Fees (Estimated % Per Annum)	
Cash	0.28%	0.05%	n/a	0.33%
Sustainable Conservative	0.42%	0.05%	n/a	0.47%
Sustainable Plus Moderate	0.59%	0.06%	0.04%	0.69%
Sustainable Plus Balanced	0.68%	0.06%	0.05%	0.79%
Sustainable Plus Growth	0.77%	0.06%	0.05%	0.88%
Sustainable Plus High Growth	0.82%	0.06%	0.05%	0.93%
Sustainable Plus Shares	0.90%	0.06%	n/a	0.96%

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

The total annual fund charges are set out as a percentage of the net asset value of the fund. They are charged by Mercer and cover fees of Mercer (Manager's Basic Fee) and the estimated supervisor and custodian fees (included in Other Expenses) in performing their management and supervisory functions. Certain expenses incurred in relation to the scheme (such as legal, audit and regulatory compliance costs) can also be recovered by Mercer and the supervisor. An estimate has been used as these can change year on year.

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

External manager performance fees are 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.

If fees on an individual action basis are introduced further information will be published at [www.mercerfinancialservices.co.nz](http://www.mercerfinancialservices.co.nz).

### Example of how fees apply to an investor

Jo invests \$10,000 in the Sustainable Plus Balanced fund. This means that the starting value of her investment is \$10,000.

She is charged management and administration fees, which work out to about \$79 (0.79% of \$10,000). These fees might be more or less if her account balance has increased or decreased over the year.

### Estimated total fees for the first year

Individual action fees	Nil
Fund charges	\$79
Other charges	Nil

See the latest fund update for an example of the actual returns and fees investors were charged over the past year.

This example applies only to the Sustainable Plus Balanced fund. If you are considering investing in other funds in the scheme, this example may not be representative of the actual fees you may be charged.

### The fees can be changed

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

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

## 06/What taxes will you pay?

The Mercer KiwiSaver scheme is a portfolio investment entity (PIE). 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. 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.

## 07/Who is involved?

### About Mercer

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

We can be contacted at:

**Mercer (N.Z.) Limited**  
Level 11, 15 Customs Street West  
Auckland 1010  
Telephone: 0508 637 237

### 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>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.

## 08/How to complain

### 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:** 0508 637 237

**Email:** feedbacknz@mercer.com

Mercer may consult the Supervisor when considering your complaint.

### If we are unable to resolve your complaint, you may contact the supervisor at:

Trustees Executors Limited  
PO Box 4197, Auckland 1140

**Attn:** The Manager -  
Corporate Trustee Services

**Telephone:** 0800 878 783

Mercer is a participant of the Insurance & Financial Services Ombudsman Scheme (the 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](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

**Telephone:** 0800 347 257

**Address:** PO Box 5967, Wellington 6140

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.



## 09/Where you can find more information

Further information relating to the Mercer KiwiSaver scheme and membership of the scheme, including financial statements, is available on the offer register and the scheme register which can be found at [www.disclose-register.companiesoffice.govt.nz](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.

A PIE Tax Statement will be provided to you each year you are a member of the Mercer KiwiSaver scheme. This will include the amount of PIE income attributed to you and the amount of PIE tax paid or refunded at your PIR.

Fund updates and other information are 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 **0508 637 237**.

This information can be obtained from Mercer without charge.

## 10/How to apply

### Apply online at [www.mercerfinancialservices.co.nz](http://www.mercerfinancialservices.co.nz)

It will take you 2-5 minutes to complete the online form.

You will need your:

1. IRD number
2. NZ Driver's Licence or NZ Passport details
3. Email address
4. Full legal name
5. Residential address

### Complete the paper application form

The application form to join the Mercer KiwiSaver scheme is included with this product disclosure statement. Complete the form and post it back to us. No stamp is required.

Mercer KiwiSaver scheme  
Freepost Authority Number 3629  
PO Box 1849  
Wellington 6140



# Application for membership form

If you need help completing this form please call us on 0508 637 237.

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

## Step 1 – Complete your personal details

Title: Mr  Mrs  Ms  Miss  Other

Date of birth   /   /

First name

Middle name(s)

Surname

### Residential address

Number Street Name

Suburb

City Postcode

### Mailing address (if different from residential address)

Number Street Name

Suburb

City Postcode

### Telephone

Mobile

Daytime

Email

## Step 2 – Your tax details

**!** To join you must provide your IRD number. If you do not elect a PIR, the investment income may be taxed at 28%.

IRD number    -    -

Please select  your Prescribed Investor Rate (PIR):

10.5%  17.5%  28%

You can work out your PIR here: [purl.co.nz/pir](http://purl.co.nz/pir)

## Step 3 – Your contributions

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

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

## Step 4 – Funds

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

Cash	%	Sustainable Plus High Growth	%
Sustainable Conservative	%	Sustainable Plus Shares	%
Sustainable Plus Moderate	%		
Sustainable Plus Balanced	%		
Sustainable Plus Growth	%	Total (must equal 100%)	<b>100%</b>

## Step 5 – Confirming your identity and address



Under the Anti-Money Laundering and Countering the Financing of Terrorism Act 2009, Mercer (N.Z.) Limited are legally required to collect and verify information to confirm applicants identity.

Once we have received your application, we will send you an SMS via our third-party service provider to verify your identity and address electronically.

If you choose to confirm your identity by post, please refer to our Confirmation of Identity guide, which can be found on our website at [www.mercerfinancialservices.co.nz/documents](http://www.mercerfinancialservices.co.nz/documents) under 'Member documents & guides.'

## Step 6 – Sign the declaration

By signing this form I:

- apply to become a member of the Mercer KiwiSaver scheme (the 'scheme')
- acknowledge that Mercer (N.Z.) Limited ('Mercer') does not make any recommendations regarding the scheme or guarantee the investment performance, earnings or return of any capital invested in it. There is the potential to get back less than the amount invested. I am also aware that markets can fluctuate resulting in a change in the value of my investment
- acknowledge that I have received a copy of the Product Disclosure Statement (PDS) dated 27 March 2024 for the scheme
- confirm that I meet the eligibility criteria for joining the scheme as set out in the PDS
- agree to be bound by the provisions of the governing documents of the scheme
- authorise Mercer (the Manager) and my employer (if my employer is making contributions in respect of me) to obtain, use and disclose any personal information relating to me as may be necessary for the purposes of the scheme
- acknowledge that the Manager may request information from me and that where information requested is not supplied or is incorrect, the Manager has the power to make appropriate adjustments
- understand that the choices I have indicated on this form will remain in force until I advise the Manager otherwise, with the effective date of change being as advised by the Manager
- acknowledge that if I have applied to join via an adviser or a distribution platform that Mercer has a distribution agreement with, or is otherwise linked to an adviser, the adviser or the distribution platform may be remunerated by Mercer.
- authorise the Manager of the scheme to contact my previous superannuation plan and/or KiwiSaver provider to arrange for transfer of funds as specified in this application, and to pay these funds directly into my account in the scheme
- give my express consent to the receipt of both electronic messages and commercial electronic messages (as defined in the Unsolicited Electronic Messages Act 2007), which messages may also include a World Wide Web uniform resource locator, until such time as I advise the Manager, via the functional unsubscribe facility, to cease sending such messages.
- **Your Privacy:** To protect your information, the scheme has a Privacy Policy, which you can access by contacting the scheme's Privacy Officer. Personal information on this form and in relation to your account will be handled to provide and manage your account, including to process your contribution choices.
- Your personal information may be disclosed to the Manager, and your employer, your adviser, and other third parties (including any parent/guardian) as required, to the extent necessary for the purposes of verifying your identity as well as providing and managing your account.
- Your personal information may also be used and/or shared with third parties authorised by the Manager for the purposes of introducing other products and services.
- 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 you consent to the handling of your personal information. If you do not provide this information, the Manager may not be able to provide your account and/or investment choices.

Signature of (if 16 years or older) applicant

X
---

Date   /   /

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

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

Notes for someone under the age of 18:

Identity and address documents must be provided for both parents/legal guardians or Oranga Tamariki guardian as per step 5. I confirm that I have read and accepted the information contained in Step 6 above on behalf of the applicant named in Step 1 of this form.

If a parent or guardian	
Full name	
Relationship to applicant	Date / /
Telephone	
Signature	Date / /
X	

Notes for individuals holding power of attorney:

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

If a parent or guardian	
Full name	
Relationship to applicant	Date / /
Telephone	
Signature	Date / /
X	

Please send your completed application to: Mercer (N.Z.) Limited, Freepost Authority Number 3629, PO Box 1849, Wellington 6140.

# Mercer KiwiSaver scheme

If you need any help in completing this form please phone us on 0508 MERCER (0508 637 237)

## 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 Mercer KiwiSaver scheme, PO Box 1849, Wellington 6140.

## Direct debit authority

Name of my bank account to be debited:

Initiator's authorisation code:

0	3	1	5	7	0	8
---	---	---	---	---	---	---

Name of my bank:

My bank account number:

<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>
Bank	Branch number	Account	Suffix

Approved

1570

09/2018

### From the acceptor to their bank:

I authorise you to debit my account with the amounts of direct debits from Mercer KiwiSaver scheme with the Authorisation Code specified on this authority in accordance with this authority until further notice.

### I agree that this authority is subject to:

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

The following information will show on your bank statement:

M E R C E R K S 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.

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FOR FURTHER INFORMATION

[www.mercerfinancialservices.co.nz](http://www.mercerfinancialservices.co.nz)  
0508 637 237



@MercerKiwiSaver



Mercer New Zealand



Mercer New Zealand YouTube

RIAA's RI Certification Symbol signifies that a product or service offers an investment style that takes into account environmental, social, governance or ethical considerations. The Symbol also signifies that the Mercer KiwiSaver scheme adheres to the strict operational and disclosure practices required under the Responsible Investment Certification Program for the category of Product. The Certification Symbol is a Trademark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and the Mercer KiwiSaver scheme's methodology, performance and stock holdings can be found at [www.responsiblereturns.com.au](http://www.responsiblereturns.com.au), together with details about other responsible investment products certified by RIAA.<sup>1</sup>

1. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

