

MERCER KIWISAVER SCHEME

PRODUCT DISCLOSURE STATEMENT

This is a replacement product disclosure statement. It replaces the product disclosure statement dated 11 September 2018.

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. 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 adviser to help you to make an investment decision.

Issuer: Mercer (N.Z.) Limited

SECTION 1

KEY INFORMATION SUMMARY

WHAT IS THIS?

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

WHAT WILL YOUR MONEY BE INVESTED IN?

The Mercer KiwiSaver scheme offers seven funds. These funds are summarised on the following page. More information about the investment target and strategy for each fund 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?*) of this product disclosure statement (PDS).

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 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 12 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. The manager will also give you copies of those documents on request.

FUND	INVESTMENT OBJECTIVE	RISK INDICATOR	NOTE	ESTIMATED ANNUAL FUND CHARGES PER INVESTOR [^] (PERCENTAGE OF THE NET ASSET VALUE OF THE FUND)
Mercer Cash	Invests mainly 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 shorter term.			0.37%
Mercer Conservative	Invests mostly in cash and fixed interest, with only limited investment in growth assets such as shares and real assets. May be suitable for investors who want to achieve slightly higher returns than those expected from investing solely in cash. Investors need to be comfortable with the possibility of some fluctuations in returns.			0.58%
Mercer Moderate	Invests in cash and fixed interest, with about a third of investments being in growth assets such as shares and real assets. May be suitable for investors who want to invest in a broad mix of assets and who are comfortable with a higher degree of volatility in returns than can be expected from the Conservative fund.		*	0.73%
Mercer Balanced	Invests in a wide range of assets. May be suitable for investors who want a diversified investment with exposure to shares, real assets, alternative assets, fixed interest and cash, who are comfortable with a higher degree of volatility in returns than can be expected from the Moderate fund and who can invest for the long term.			0.85%
Mercer Growth	Invests mainly in growth assets such as shares, real assets and alternative assets with only a limited amount in cash and fixed interest. May be suitable for investors wanting to invest mostly in growth assets who are comfortable accepting more volatile returns than those expected from the Balanced fund with a view to achieving higher longer-term returns.		*	0.95%
Mercer High Growth	Invests almost entirely in growth assets such as shares, real assets and alternative assets, with only a small amount invested in cash and fixed interest. May be suitable for investors wanting to invest predominately in growth assets, who want higher long-term returns and are comfortable with high volatility in returns.			0.98%
Mercer Shares	Invests almost entirely in the share market. May be suitable for investors seeking exposure mostly to shares and who are comfortable with a high level of volatility in returns.		*	0.93%

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.

* Note: A combination of actual fund returns and composite index returns have been used to determine the risk indicator for the Moderate and Growth funds and a combination of actual fund returns and market index returns for the Shares fund as these funds commenced operation on 18 February 2015. The risk indicator may therefore provide a less reliable indicator of the potential future volatility of these funds. For the five year period ending 30 June 2019, composite or market index returns have been used up to 28 February 2015 with actual fund returns used for the balance of the period to 30 June 2019.

[^] An administration fee of up to \$30 per annum is also charged, irrespective of how many of the funds you invest in. Mercer may offer or agree to waive or discount its administration fee for certain member groups.

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SECTION 2

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.

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

As an investor, every time you contribute to the scheme you will receive units corresponding to whichever of the funds within the scheme you invest in. Mercer makes the investment decisions and looks after the general operations of the scheme and each fund. Mercer's duties are supervised by Trustees Executors Limited, the supervisor of the scheme.

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

Units only give a beneficial interest in a fund. Each unit represents an equal beneficial interest in the net investments of that fund. A unit does not give rise to an interest in any particular investment of the relevant fund.

An investor can only access the value of their investment by redeeming units. There are no regular distributions from the scheme. 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 the investor 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 of the seven funds, or in a combination of these funds. The assets of one fund are not available to meet the liabilities of any other fund.

The key benefits of investing in the scheme managed by Mercer are:

- access to global investment expertise
- flexible choice of investments, you can choose one or a combination of funds
- sector specialist active investment management
- certification by RIAA (Responsible Investment Association Australasia)
- experienced superannuation administration
- comprehensive reporting, award winning communications, 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 www.mercerfinancialservices.co.nz.

There is no Crown guarantee in respect of any KiwiSaver scheme or investment product of a KiwiSaver scheme. Because the scheme is a default KiwiSaver scheme, we and the supervisor must take all reasonable steps to ensure that our trust deed is consistent with the instrument of appointment for the scheme. That instrument will prevail over the terms of our trust deed if the two are inconsistent.

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;
 - a new employee and Inland Revenue automatically allocates you to a default KiwiSaver scheme (of which Mercer is one); 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 other than an allocation of a default investor by Inland Revenue. There is no minimum level of contribution but Mercer reserves the right to impose a minimum in the future.

Further information about applying to join the scheme is set out in Section 10 (*How to apply*).

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 from time to time 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 automatically default to 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.

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:

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. From 1 April 2020, 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 Housing New Zealand 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 or permanent disability affecting your ability to work.

You may withdraw the full balance of your investment and 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: You may apply to Mercer to withdraw your full KiwiSaver balance or have it transferred to a foreign superannuation scheme specified in the KiwiSaver Act 2006 after one year has passed since your permanent emigration from New Zealand (less the amount of any accumulated Government contributions). These withdrawals do not apply if you emigrate to Australia.

If you emigrate to Australia you will, instead, be able to transfer the full balance of your investment to an Australian complying superannuation scheme. Conditions apply to each of these withdrawals.

Transferring your interest in a foreign superannuation scheme: You may withdraw an amount from your account (excluding any Government \$1,000 kick-start (if applicable when you joined) and Government Contributions) to pay any tax liability that arises as a result of transferring your foreign superannuation interest to the scheme.

A withdrawal will also be available if a student loan repayment obligation arises on transfer of your foreign superannuation interest.

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 or by calling Mercer on **0508 637 237**. You may also redirect your ongoing contributions to one or more funds within the scheme.

SECTION 3

DESCRIPTION OF YOUR INVESTMENT OPTION(S)

INVESTMENT OPTION, STRATEGY AND OBJECTIVES	TARGET INVESTMENT MIX	RISK INDICATOR	MINIMUM RECOMMENDED INVESTMENT TIMEFRAME
<p>Mercer Cash Invests mainly 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 shorter term.</p>		1	No minimum recommended timeframe
<p>Mercer Conservative Invests mostly in cash and fixed interest, with only limited investment in growth assets such as shares and real assets. May be suitable for investors who want to achieve slightly higher returns than those expected from investing solely in cash. Investors need to be comfortable with the possibility of some fluctuations in returns.</p>		2	Minimum 3 years
<p>Mercer Moderate Invests in cash and fixed interest, with about a third of investments being in growth assets such as shares and real assets. May be suitable for investors who want to invest in a broad mix of assets and who are comfortable with a higher degree of volatility in returns than can be expected from the Conservative fund.</p>		3 [^]	Minimum 5 years
<p>Mercer Balanced Invests in a wide range of assets. May be suitable for investors who want a diversified investment with exposure to shares, real assets, alternative assets, fixed interest and cash, who are comfortable with a higher degree of volatility in returns than can be expected from the Moderate fund and who can invest for the long term.</p>		3	Minimum 7 years
<p>Mercer Growth Invests mainly in growth assets such as shares, real assets and alternative assets with only a limited amount in cash and fixed interest. May be suitable for investors wanting to invest mostly in growth assets who are comfortable accepting more volatile returns than those expected from the Balanced fund with a view to achieving higher longer-term returns.</p>		4 [^]	Minimum 8 years
<p>Mercer High Growth Invests almost entirely in growth assets such as shares, real assets and alternative assets, with only a small amount invested in cash and fixed interest. May be suitable for investors wanting to invest predominately in growth assets, who want higher long-term returns and are comfortable with high volatility in returns.</p>		4	Minimum 10 years
<p>Mercer Shares Invests almost entirely in the share market. May be suitable for investors seeking exposure mostly to shares and who are comfortable with a high level of volatility in returns.</p>		4 [^]	Minimum 10 years

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. 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.

Further information about the assets in the funds can be found in the fund updates at www.mercerfinancialservices.co.nz.

*Listed Infrastructure and Unlisted Infrastructure

**Listed Infrastructure, Unlisted Infrastructure and Alternatives

[^]Note: A combination of actual fund returns and composite index returns have been used to determine the risk indicator for the Moderate and Growth funds, with a combination of actual fund returns and market index returns used for the Shares fund as these funds commenced operation on 18 February 2015. The risk indicator may therefore provide a less reliable indicator of the potential future volatility of these funds. For the five year period ending 30 June 2019, composite or market index returns have been used up to 28 February 2015 with actual fund returns used for the balance of the period to 30 June 2019.

Key:

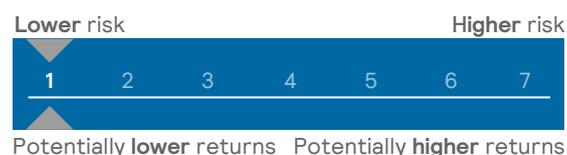
- Defensive
- Cash
- NZ Fixed Interest
- International Fixed Interest
- Growth
- Australasian equities
- International equities
- Listed property
- Unlisted property
- Commodities
- Other

SECTION 4

WHAT ARE THE RISKS OF INVESTING?

UNDERSTANDING THE RISK INDICATOR

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.



See the table on page 3 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.

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 the returns data for the five years to 30 June 2019 or a combination of composite or market index and actual returns (where applicable). 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:

Investment Portfolio and Asset Class Risk

Each fund will be subject to the particular risks applying to the types of assets the fund invests in. Funds with a higher concentration of growth assets have a corresponding higher level of risk.

Market Risk

Returns on a fund's investments will be affected by the performance of the investment markets generally. Market performance is affected by demand and supply, economic, technological, political, tax and regulatory conditions as well as market sentiment.

Currency Risk

Where a fund invests outside of New Zealand, its returns will be affected by movements between the other currencies and the New Zealand dollar.

Interest Rate Risk

The market value of a fund that includes fixed income securities can change due to changes in interest rates generally. Relatively small changes in interest rates can significantly impact the market value of fixed income assets.

OTHER SPECIFIC RISKS

There are circumstances which may arise and significantly increase the risk to returns for investors (and which are not already reflected in the risk indicators). These risks relate to Mercer's particular approach to management of the funds' investments.

Mercer is a "manager of managers" and therefore there is the risk that a manager we select underperforms, resulting in lower returns than the relevant market or objective. To reduce this risk, we have a thorough manager research and monitoring process, and we also diversify across a number of managers.

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 (search under "Offers" for Mercer KiwiSaver scheme).

SECTION 5

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 AND OTHER CHARGES

FUND	MANAGER'S BASIC FEE	OTHER MANAGEMENT AND ADMINISTRATION CHARGES		TOTAL ANNUAL FUND CHARGES	OTHER CHARGES
	% Per Annum	Other Expenses (Estimated % Per Annum)	External Manager Performance Fees (Estimated % Per Annum)	(Estimated % Per Annum)	Dollar Based Administration Fee (Total Per Annum)
Mercer Cash	0.32%	0.05%	n/a	0.37%	Up to \$30*
Mercer Conservative	0.50%	0.05%	0.03%	0.58%	
Mercer Moderate	0.59%	0.05%	0.09%	0.73%	
Mercer Balanced	0.68%	0.05%	0.12%	0.85%	
Mercer Growth	0.77%	0.05%	0.13%	0.95%	
Mercer High Growth	0.82%	0.04%	0.12%	0.98%	
Mercer Shares	0.90%	0.03%	n/a	0.93%	

*The administration fee is a set charge on a monthly basis per investor of up to \$2.50 (\$30 per annum) and does not vary if an investment is made in more than one fund. Mercer may offer or agree to waive or discount its administration fee for certain member groups.

The fees disclosed are on a before-tax basis. GST may be added to fees and may be included in some expenses, 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.

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. From time to time, Mercer may incur extraordinary expenses which may be recovered from the scheme (subject to supervisor approval). An estimate has been used as these can change year on year,

The other charges cover fees that relate to the administration of your account, referred to as administration fees. They are charged by Mercer and are paid monthly.

External manager performance fees have been estimated based on average annual performance fees over five years.

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.

EXAMPLE OF HOW FEES APPLY TO AN INVESTOR

Ms Smith invests \$10,000 in the Mercer Balanced fund of the Mercer KiwiSaver scheme. She is not charged an establishment fee or a contribution fee, because there are currently none.

This means that the starting value of her investment is \$10,000.

She is charged management and administration fees, which work out to about \$85 (0.85% of \$10,000). These fees might be more or less if her account balance has increased or decreased over the year.

Over the year, Ms Smith also pays \$30 in other charges.

ESTIMATED TOTAL FEES FOR THE FIRST YEAR

Fund charges	\$85
Other charges	\$30

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 Mercer Balanced fund of the Mercer KiwiSaver scheme. If you are considering investing in other funds in the scheme, this example may not be representative of the actual fees you may be charged.

THE FEES CAN BE CHANGED

The existing fees may be changed or new fees imposed in accordance with the trust deed and applicable law. The fees charged to default investors (i.e. employees that Inland Revenue has automatically allocated to the default investment product of the Mercer KiwiSaver scheme) may not be increased without the approval of the relevant Government minister. 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.

SECTION 6

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 www.ird.govt.nz/roles/portfolio-investment-entities/using-prescribed-investor-rates. If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department. It is your responsibility to tell Mercer your PIR when you invest or if your PIR changes. If you do not tell Mercer, a default rate of 28% will be applied. If the advised PIR is lower than the correct PIR, you will need to complete a personal tax return and pay any tax shortfall, interest, and penalties. If the default rate or the advised PIR is higher than the correct PIR, you will not get a refund of any overpaid tax.

SECTION 7

WHO IS INVOLVED?

ABOUT MERCER

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

We can be contacted at the following address:

Mercer (N.Z) Limited
151 Queen Street
Auckland 1010
Telephone: 0508 637 237

WHO ELSE IS INVOLVED?

	NAME	ROLE
Supervisor	Trustees Executors Limited	Supervisor of the scheme under the Financial Markets Conduct Act 2013, responsible for supervising Mercer as manager of the scheme
Custodian	BNP Paribas Fund Services Australasia Pty Ltd	Holds the assets of the scheme separate to the manager and on behalf of the supervisor

Stan Walker is the brand ambassador for the Mercer KiwiSaver scheme and has consented to his image being used on the cover of this PDS.

SECTION 8

HOW TO COMPLAIN

Please direct any complaints about your investment to Mercer:

Mercer (N.Z.) Limited
151 Queen Street
PO Box 105591
Auckland 1010

Attn: Inquiries and Privacy Officer
Telephone: 0508 637 237
Email: FeedbackNZ@mercer.com

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

Trustees Executors Limited
Level 7, 51 Shortland Street
Auckland 1140

Attn: Client Manager – Corporate
Trustee Services
Telephone: 09 308 7100

Mercer is a member of the Insurance and Financial Services Ombudsman Scheme (IFSO) and the supervisor is a member of Financial Services Complaints Limited (FSCL) both of which are independent dispute resolution schemes.

If you make a complaint to us and the complaint cannot be resolved, then you may refer it to the IFSO subject to certain conditions being met.

Office of IFSO
Level 2, Solnet House
70 The Terrace
Wellington
PO Box 10-845
Wellington 6143

Telephone: 04 499 7612 or 0800 888 202
Email: info@ifso.nz

The IFSO will not charge a fee to any complainant to investigate or resolve a complaint. Further information about referring a complaint to the IFSO can be found at www.ifso.nz.

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

4th Floor, 101 Lambton Quay, Wellington
PO Box 5967,
Wellington 6140

Telephone: 0800 347 257
Email: complaints@fscl.org.nz

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.

SECTION 9

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. 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. You will also be asked to confirm your IRD number and PIR.

Fund updates and other information are available at 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.

SECTION 10

HOW TO APPLY

APPLY ONLINE AT WWW.MERCERFINANCIALSERVICES.CO.NZ

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

YOU'RE GOING TO NEED YOUR:

1. IRD number
2. Driver's licence number (for verification of your identity)
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

If you have been sent this by Inland Revenue you have been enrolled in the Mercer KiwiSaver scheme and don't need to apply to join.

MERCER KIWISAVER SCHEME 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

Citizenship(s)

Gender Male Female

Residential address

NUMBER STREET NAME

SUBURB

CITY POSTCODE

Mailing address (if different from residential address)

NUMBER STREET NAME

SUBURB

CITY POSTCODE

Telephone

Mobile

Evening

Email

Daytime

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 -

You can work out your PIR here: purl.co.nz/pir

Prescribed Investor Rate (PIR):

Tick one only: 10.5% or 17.5% or 28%

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 - YOUR FUND



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. If you do not choose a fund, your savings will be invested in the Mercer Conservative fund.

Total must add up to 100%.

Mercer Cash	<input type="text"/>	%
Mercer Conservative	<input type="text"/>	%
Mercer Moderate	<input type="text"/>	%
Mercer Balanced	<input type="text"/>	%
Mercer Growth	<input type="text"/>	%
Mercer High Growth	<input type="text"/>	%
Mercer Shares	<input type="text"/>	%

TOTAL EQUALS 100%



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:

Name of my bank:

My bank account number:

Bank Branch number Account Suffix

Approved

1570

09/18

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.



FOR FURTHER INFORMATION

www.mercerfinancialservices.co.nz
0508 637 237

Like or follow us:

 MercerKiwiSaver

 Mercer New Zealand

 Mercer_NZ

The Certification Symbol signifies that a product or service offers an investment style that takes into account certain 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 Superfund Option. The Certification Symbol is a Registered Trade Mark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and Mercer KiwiSaver scheme's methodology and performance can be found at www.responsiblereturns.com.au, together with details about other responsible investment products certified by RIAA.¹

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