



NZ Funds KiwiSaver Scheme Fundamentals

June 2025

Product Disclosure Statement

New Zealand Funds Management Limited is the issuer of the NZ Funds KiwiSaver Scheme.

The Product Disclosure Statement and the Disclose Register contain important information to help you to understand how your money is managed and the risks associated with investing.

For further information or to request a copy of the NZ Funds KiwiSaver Scheme Product Disclosure Statement, please contact New Zealand Funds Management Limited or visit our website at www.nzfunds.co.nz.

Even if you have invested with NZ Funds for many years, please take the time to read these documents regularly as the content is frequently updated.

Important Legal Information

Please note that this brochure has been provided for information purposes only. The content of this document is not intended as a substitute for specific professional advice on investments, financial planning or any other matter. While the information provided in this document is stated accurately to the best of our knowledge and belief, New Zealand Funds Management Limited, its directors, employees and related parties accept no liability or responsibility for any loss, damage, claim or expense suffered or incurred by any party as a result of reliance on the information provided and opinions expressed except as required by law. Please also note that past performance is not necessarily an indication of future returns.

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About KiwiSaver

About KiwiSaver

KiwiSaver is a government-initiated voluntary savings program designed to help New Zealanders prepare for retirement. It was introduced in 2007 and is available to New Zealand citizens and residents.

Independent providers, like NZ Funds, manage these schemes, giving you the option to select a provider to oversee your savings.

Unlike a standard savings account, where your money earns modest interest, KiwiSaver funds are invested in diversified portfolios like shares, bonds, and property. These investments have the potential to deliver higher returns over time, helping your savings grow faster.

Joining KiwiSaver

Who can join KiwiSaver?

Regardless of whether you are employed, self-employed or not in work, you can join KiwiSaver if you:

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

You cannot join if you have a temporary, visitor, work, or student visa.

How can you join KiwiSaver?

There are three ways to join KiwiSaver:

- Automatic enrolment when starting a new job
- Opting in through your employer
- Opting in through a KiwiSaver provider, like NZ Funds

Joining KiwiSaver if you are under 18

If you are under 18 you can only join KiwiSaver directly through a scheme provider. You cannot join through your employer. If you are under 16 you need all of your parent/legal guardian(s) to sign your application. If you are between 16 and 17, you need at least one legal guardian to co-sign your application. If you do not have a legal guardian, contact your chosen KiwiSaver scheme provider.

NZ Funds currently rebates all fund fees, charges and expenses incurred by Members under the age of 18.

Joining KiwiSaver before turning 18 comes with unique benefits that can set young savers up for long-term financial success. Here's why it's a great idea to start early:

- 1 More Time for Growth & Compounding Returns**
- 2 Develops Good Savings Habits**
- 3 First Home Advantage**
- 4 Investment Growth Instead of Low Savings Interest**

Opting out

You can opt out between the end of week two and week eight of starting work. If you do not opt out, you will stay in KiwiSaver and your employer will continue to deduct contributions from your pay.

The benefits of KiwiSaver

3% + 3%¹

Doubles your contribution every year²

Tax efficient

0% to ~3% tax on long-term share returns³

\$261 p.a.

Government contributes \$261 every year⁴

First home

Withdraw balance for first home deposit⁵

1. Increasing to 3.5% from 1 April 2026 and 4% from 1 April 2028.
2. Employers must contribute 3% of your gross salary if you contribute 3% or more.
3. Capital gains on most Australasian shares are tax free and imputation credits on NZ dividends can offset tax payable. Most foreign shares are taxed on 5% of their daily market value.
4. So long as you contribute \$1042.86 each year and earn \$180,000 or less of taxable income per year.
5. Provided the first home withdrawal requirements are met.

Contributions

If you are making KiwiSaver contributions and you are aged 18 and over, the Government will make an annual contribution to your KiwiSaver account. The maximum annual Government contribution you are entitled to is \$260.72.

How does it work?

To be eligible for the full Government contribution, you must contribute at least \$1,042.86 a year to your KiwiSaver account and earn \$180,000 or less of taxable income per year. Employer contributions and Government contributions do not count towards eligibility.

If you contribute less than \$1,042.86 from your pay, you can make voluntary contributions to ensure you receive the full contribution from the Government (assuming you are otherwise eligible). Otherwise you will receive a Government contribution that is proportionate to the amount you have contributed.

Employer contributions

If you are an employed New Zealander, your employer is required to contribute a minimum of 3% (less tax) of your gross pay directly into your KiwiSaver account. As long as you are contributing, and between the ages of 16-65, your employer will make these contributions. From 1 April 2026, the minimum employer contribution will increase to 3.5%, and it will increase to 4% from 1 April 2028.

Your employer does not have to contribute if:

- you are under 18
- you are eligible to withdraw your funds
- you are on a savings suspension
- they already pay into another complying scheme for you

Employee contributions

If you are employed, contributions will be deducted directly from your gross pay and invested in your KiwiSaver account. You can choose to contribute at a rate of 3%, 4%, 6%, 8% or 10% of your gross pay. If you do not choose a rate, your employer will deduct 3%. From 1 April 2026, the minimum employee contribution will increase to 3.5%, and it will increase to 4% from 1 April 2028.

Voluntary contributions

If you are self-employed or not in work, you need to decide how much you want to contribute. You need to contribute approximately \$20 per week (or a total of at least \$1,042.86 per year) and earn \$180,000 or less of taxable income per year to qualify for the full amount of annual Government contribution.

First home withdrawal

You can apply to withdraw some of your investment to purchase a first home in New Zealand if you meet the following criteria⁶:

- you have belonged or contributed to a KiwiSaver scheme or complying superannuation fund for at least three years;
- the property you intend to purchase is, or is intended to be, your principal place of residence;
- you have never held an 'estate in land'; and
- you have not made a withdrawal from a KiwiSaver scheme for the purchase of a first home before.

Under the KiwiSaver rules, you must leave a minimum of \$1,000 in their KiwiSaver account after the first home withdrawal. Any funds transferred from an Australian complying superannuation fund cannot be withdrawn as part of a first home withdrawal.

Second chance withdrawal

In some circumstances, if you have previously owned a house or land you may still be eligible to withdraw from your KiwiSaver account as a second chance withdrawal. To qualify, you must satisfy the Kainga Ora - Homes and Communities criteria. You will need to make an initial application to Kainga Ora - Homes and Communities, including details of your income and any assets or liabilities you have.

6. Special rules apply for Maori land and trustees of trusts that own property.

NZ Super is modest and has not kept pace with inflation⁷

\$32,611

per year for a single person living alone (before tax).

\$24,776

per person per year for a couple who both qualify (before tax).

7. Rates valid from 1 April 2025 until 31 March 2026.

The power of compounding⁸

- Think decades, not years

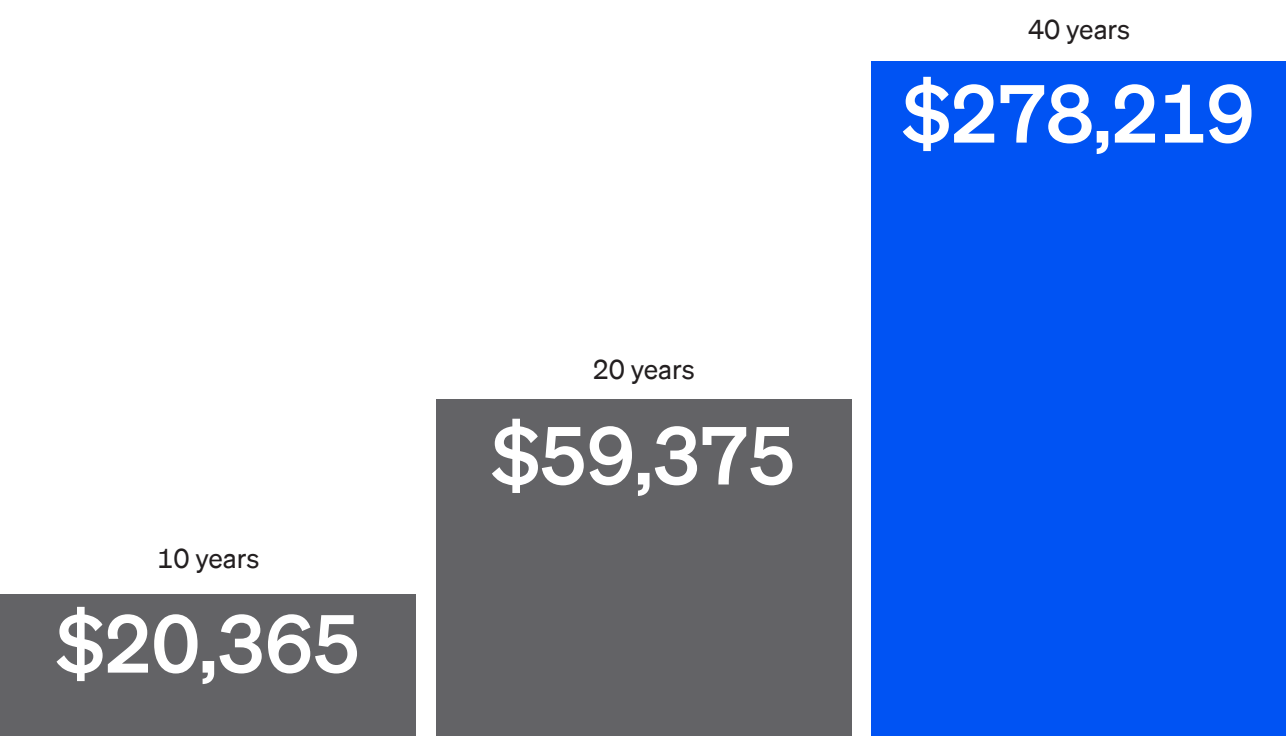
Tax-adjusted performance to 31 December 2023 for New Zealand and Australian shares



8. The graph illustrates the historical performance of the NZ Funds approach of managing New Zealand and Australian Shares. The Composite Strategy is tax-adjusted to remove, as much as possible, the impact of the different tax regimes that applied during the calculation period. The returns are stated pre-tax and after maximum Portfolio management fees and expenses, but before any advisory fees or investor tax. For more detail on the calculation of each of the Composite Strategies please contact NZ Funds. The performance of the Composite Strategy is not an indication of future returns of the New Zealand and Australian Shares Portfolio.

KiwiSaver for self-employed⁹

\$261 Government contribution each year, if member contributes \$1,042 each year.



9. Based on KiwiSaver member saving \$1,042 p.a. and assuming a taxable income of \$180,000 or less each year NZ Funds' calculations. Calculation details are available on request.

Which strategy is right for you?¹⁰

Most investors need growth to fund retirement.

Income Strategy  Growth Strategy 



10. Member balance at age 30 = \$20,000, salary \$75,000 with growth of inflation. Contribution rate 3% + 3%. NZ Funds Income and Growth average return series from NZ Funds Wealth Technologies projected forward until age 65.

About NZ Funds

About NZ Funds

36 years

Track record managing
New Zealanders' wealth.

30,000+

New Zealand individuals, families
and trusts invest with us.

12.7 years

Average tenure of NZ Funds'
wealth management clients.¹

200+

Estimated number of individual
securities held in an average
client's portfolio.

2.6 billion

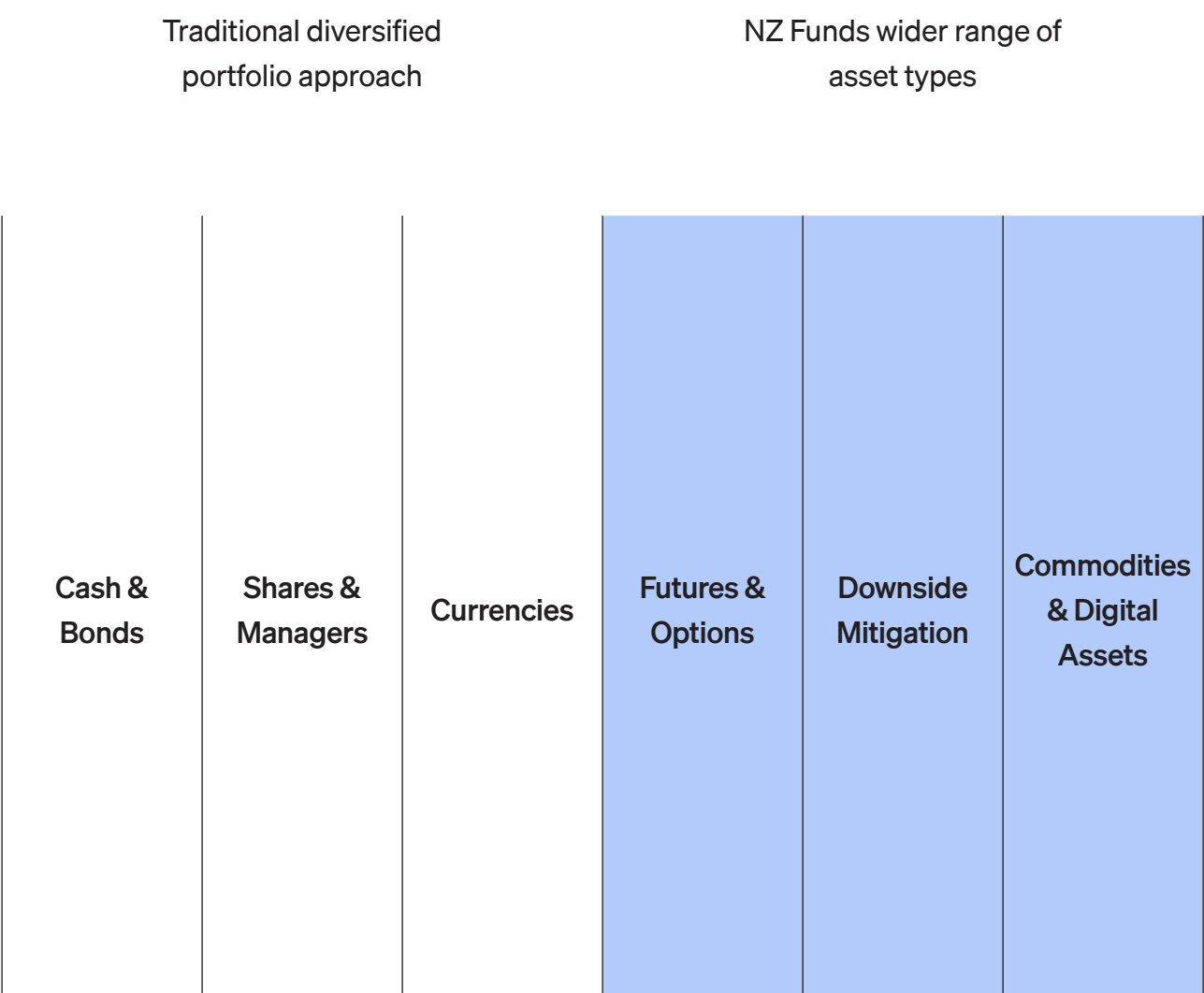
We manage \$2.6 billion of
investments for New Zealanders.²

26,504

NZ Funds KiwiSaver Scheme
members with total investments
of \$1 billion.²

1. Based on Active Series 5-year redemption rate.
2. As at 31 May 2025.

Investment diversification



Investment options

| 1 Balanced | 2 Self Select | 3 Life Cycle |
|---|--|--|
|  | Likelihood of higher balance at retirement *  |  |
| The Balanced Fund is a simple option with zero management fee available for everyone but great for someone starting out on their wealth journey | Who's it for? Self Select allows you to customise your asset allocation to suit your needs | Our proprietary Life Cycle software adjusts your asset allocation automatically as you age |
|  Fixed | Asset allocation *  Manual |  Automated |
| Passive Passively managed with no downside mitigation | Active or passive management? Active Access to three actively managed strategies with downside mitigation | Active Allocation into three actively managed strategies with downside mitigation and automated asset allocation |
|  | All our funds are responsibly invested  |  |
|  Access our call centre | What if I need advice?  Personal financial adviser |  Personal financial adviser |
| 0% | Management fees ** 1.12-1.65% | 1.39-1.60% |

*Likelihood of a higher balance at retirement in Self Select will be highly impacted by Members' Strategy allocations over time. The Balanced Fund and the Strategies have different risk profiles. See the NZ Funds KiwiSaver Scheme Product Disclosure Statement for more information on risk, or talk to your financial adviser. **Estimated annual fund charges as disclosed in this PDS.

Comparing our investment options

See the NZ Funds KiwiSaver Scheme Product Disclosure Statement (PDS) dated 12 December 2024 for more information.

| Investment option | Objective | Description | Risk indicator | Estimated annual fund charges ^{3,4} | Estimated annual fund charges after fee rebate ^{3,4,5} | Total invested > \$1 million |
|--|--|---|--|--|---|------------------------------|
| Balanced Fund¹ | | | | | | |
| Balanced Fund | To provide an entry level option, which uses a passive investment approach to gain exposure to a balanced mix of income and growth assets. | Anticipated to mainly own New Zealand, Australian and international bonds and shares ⁶ over the minimum suggested timeframe. | <div> <div>← Lower risk</div> <div>1 2 3 4 5 6 7</div> <div>Higher risk →</div> </div> <div> <div>← Potentially lower returns</div> <div>Potentially higher returns →</div> </div> | 0.00% | 0.00% | |
| Self Select | | | | | | |
| Income Strategy | To generate income by investing in a range of income producing assets and other assets in a way that seeks to mitigate the downside through active management. | Anticipated to mainly own and trade New Zealand, Australian and international bonds and other authorised asset classes ⁶ over the minimum suggested timeframe. | <div> <div>← Lower risk</div> <div>1 2 3 4 5 6 7</div> <div>Higher risk →</div> </div> <div> <div>← Potentially lower returns</div> <div>Potentially higher returns →</div> </div> | 1.12% | 1.12% | |
| Inflation Strategy | To mitigate the impact of inflation on your investment over the medium and/or long term with active management. | Anticipated to mainly own and trade New Zealand, Australian and international bonds and shares and other authorised asset classes ⁶ over the minimum suggested timeframe. | <div> <div>← Lower risk</div> <div>1 2 3 4 5 6 7</div> <div>Higher risk →</div> </div> <div> <div>← Potentially lower returns</div> <div>Potentially higher returns →</div> </div> | 1.42% | 1.25% | |
| Growth Strategy | To grow your investment over the long term through active management. | Anticipated to mainly own and trade New Zealand, Australian and international shares and/or hedge funds and other authorised asset classes ⁶ over the minimum suggested timeframe. | <div> <div>← Lower risk</div> <div>1 2 3 4 5 6 7</div> <div>Higher risk →</div> </div> <div> <div>← Potentially lower returns</div> <div>Potentially higher returns →</div> </div> | 1.65% | 1.25% | |
| Life Cycle² (default option) | | | | | | |
| Life Cycle Age 0-54 | | Income Strategy 5% Inflation Strategy 10% Growth Strategy 85% | <div> <div>← Lower risk</div> <div>1 2 3 4 5 6 7</div> <div>Higher risk →</div> </div> <div> <div>← Potentially lower returns</div> <div>Potentially higher returns →</div> </div> | 1.60% | 1.24% | |
| Life Cycle At age 65 | To allocate your investment across the three Strategies based on your age. | Income Strategy 27% Inflation Strategy 34% Growth Strategy 39% | <div> <div>← Lower risk</div> <div>1 2 3 4 5 6 7</div> <div>Higher risk →</div> </div> <div> <div>← Potentially lower returns</div> <div>Potentially higher returns →</div> </div> | 1.43% | 1.21% | |
| Life Cycle At age 75 | | Income Strategy 35% Inflation Strategy 34% Growth Strategy 31% | <div> <div>← Lower risk</div> <div>1 2 3 4 5 6 7</div> <div>Higher risk →</div> </div> <div> <div>← Potentially lower returns</div> <div>Potentially higher returns →</div> </div> | 1.39% | 1.20% | |

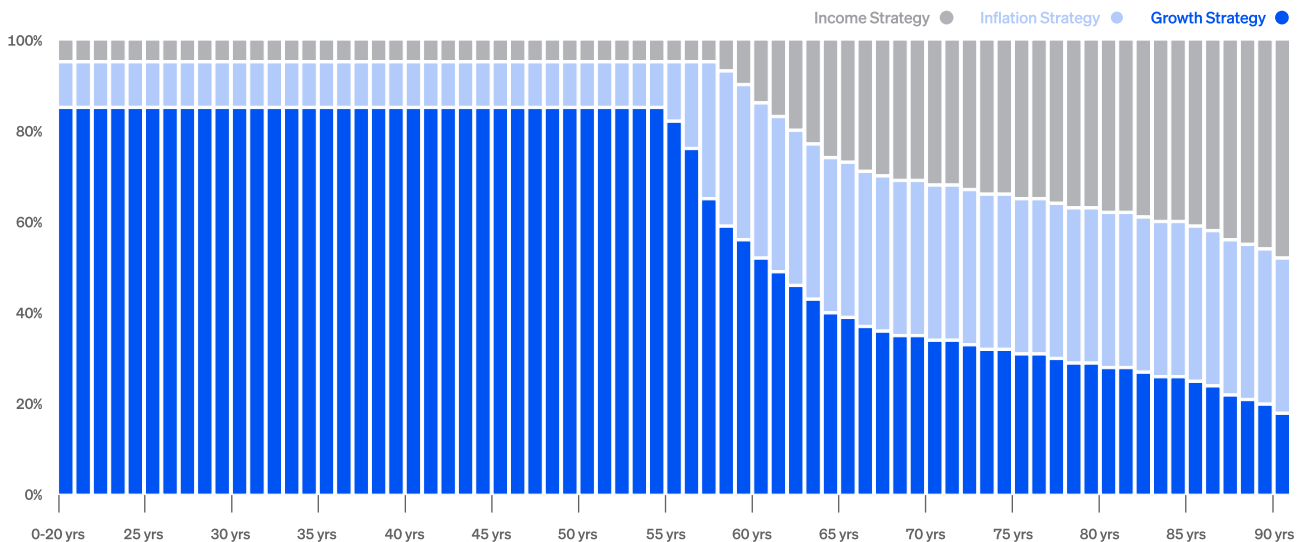
If you are 18 or over, there is an administration fee of \$29.76 a year.
 NZ Funds currently rebates fees incurred by Members under the age of 18.

See page 11 of the PDS for an explanation of the risk indicator and pages 11 and 12 of the PDS for information about other risks that are not included in the risk indicator. To help you clarify your attitude to risk, seek financial advice or work out your risk profile at portal.nzfunds.co.nz/RiskLaunch/.

1. The Balanced Fund has not been in existence for a full five years to 30 September 2024. Accordingly, the risk indicator uses returns based on a market index as well as actual returns. Market index returns have been used for the period prior to 31 August 2021. As a result, the risk indicator may be a less reliable indicator of the potential future volatility of the Balanced Fund. 2. Life Cycle automatically allocates your investment across the Strategies each year based on your age. We have selected three examples (age 0-54, at age 65 and at age 75) to provide information on Life Cycle in the PDS. More information on Life Cycle can be found on page 8 of the PDS. 3. As a percentage of the net asset value of the Balanced Fund or each Strategy. 4. Includes estimated performance fees, where applicable. See pages 13 and 14 of the PDS for more information. 5. If you invest more than \$1 million in funds offered by NZ Funds, a fee rebate will apply. The fund charges shown are after this fee rebate. See pages 13 and 14 of the PDS for more information. 6. See pages 10 and 11 of the PDS for the authorised asset classes and target investment mix for the Balanced Fund and each Strategy.

Life Cycle automated asset allocation

Our Life Cycle asset allocation automatically matches your assets to your age, so you achieve a higher estimated balance.



Life Cycle is:

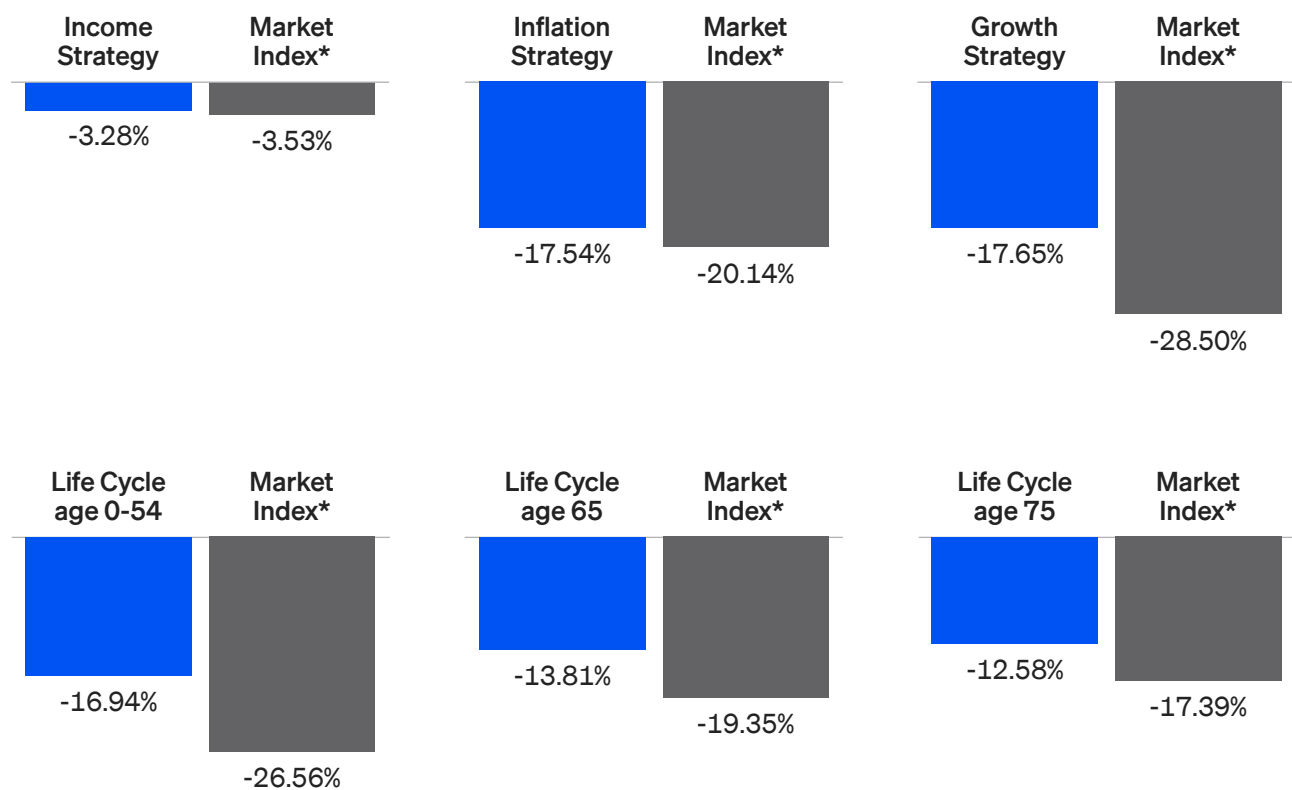
- 1** Lifetime asset allocation
– for ages 0-100.
- 2** Three strategies working together
– instead of a single fund.
- 3** Costless annual rebalancing
– according to client age.

We're experts at downside mitigation

In the actively managed Strategies, we use sophisticated tools and techniques to seek mitigate the downside in a falling market and capture the upside in a rising market.

COVID-19 Sell-Off

01 January 2020 to 23 March 2020 – Current market low point



Not available in the Balanced Fund

Other NZ Funds benefits

Parental Leave

Parental leave NZ Funds currently rebates all fund fees, charges and expenses incurred by Members on parental leave (as that term is defined in the Parental Leave and Employment Protection Act 1987). To receive this rebate, you need to tell us that you are on parental leave. The rebate is available from the date that you notify us that you are on parental leave to the expiry of that leave.

Member contribution cover

NZ Funds (in conjunction with Partners Life) provides free Member contribution cover to all Scheme Members who are employees, aged from 18 to 65 years

Cover is provided to Members aged from 18 to 65 years for employee contributions, for a period of up to six months if you are unable to work due to illness and injury (subject to eligibility criteria)

The contributions payable will be based on the Member's average employee contributions over the preceding 12 months before the claim was made and will be paid into the Scheme on behalf of the Member over the term. If the Member has been a Member of the Scheme for less than 12 consecutive months, the contributions payable will be based on 3% of the Member's gross salary.

Tax matters

Selecting your correct Prescribed Investor Rate (PIR) ensures you pay the right amount of tax on your KiwiSaver account.



Our fees are fair and transparent

We believe you get what you pay for and that New Zealanders will be better off over time working with a team of experts.

0.00%
P.A.

Balanced Fund

Total estimated annual fund charges

1.60%^{*}
P.A.

Life Cycle – age 0-54

Total estimated annual fund charges

1.12%
P.A.

Income Strategy

Total estimated annual fund charges

1.43%^{*}
P.A.

Life Cycle – age 65

Total estimated annual fund charges

1.42%^{*}
P.A.

Inflation Strategy

Total estimated annual fund charges

1.39%^{*}
P.A.

Life Cycle – age 75

Total estimated annual fund charges

1.65%^{*}
P.A.

Growth Strategy

Total estimated annual fund charges

*Additional performance fees may be charged on a portion of the assets of the strategy, where the performance exceeds the hurdle rate and high water mark. See the Product Disclosure Statement for more details.

Annual fund charges are forward-looking estimates as set out in the NZ Funds KiwiSaver Scheme Product Disclosure Statement (PDS). They include forward-looking performance fee estimates. Actual fees and performance may vary significantly. The actual annual fund charges are set out in the quarterly Fund Updates. In addition, a \$29.76 p.a. administration fee is charged by an external administration manager and is disclosed in the PDS. We do not charge entry, exit or account closure fees. For more information, please see the PDS, which is available on request and at www.nzfunds.co.nz.

We manage money responsibly

We work with global experts ISS ESG to screen your investments.

NZ Funds wishes to build sustainable long-term relationships with all parties in its community. We believe that supporting positive environmental, social and governance behaviour will improve the duration and quality of our relationship with clients, advisers, employees, owners and the companies in which we invest.

Responsible investment exclusions



Tobacco



Alcohol



Gambling



Fossil fuels



Civilian firearms



Adult material



Human rights
abuses



Armaments



Corruption



Labour rights
violations



Environmental
destruction



Controversial
weapons

NZ Funds' responsible investment policy does not apply exclusions to derivatives as we believe they are not tied to any source or method of production, nor in our view do they provide funding to underlying excluded activities.

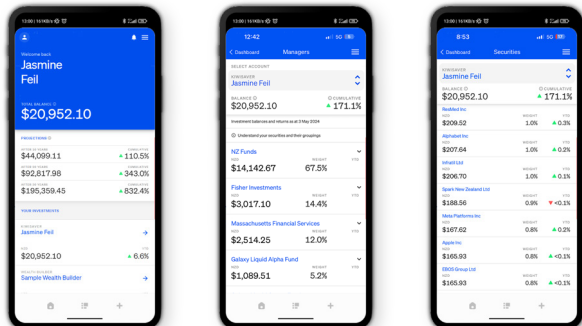
Top-rated KiwiSaver service

NZ Funds is top rated for Service & Communication by Sorted.*

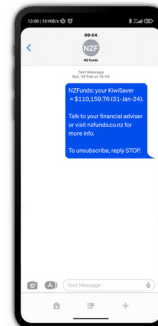


*As rated by the Sorted website, 31 March 2025.

Top-rated KiwiSaver service



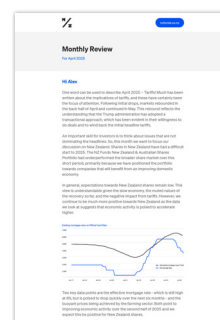
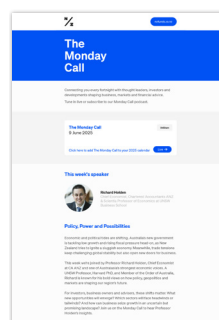
Online balance, transactions and detailed security listings updated daily via the NZ Funds Digital Wallet.



Elect to get your balance texted to you quarterly.



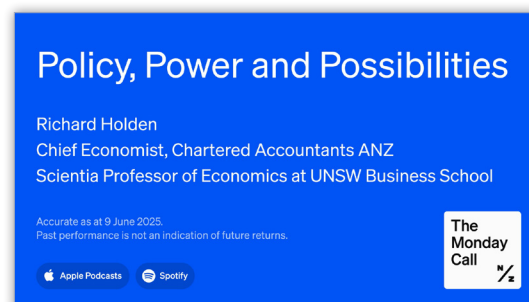
Receive annual investment reports.



Regular emails including monthly Investment Updates.



Receive quarterly Portfolio Insights



Fortnightly webinar



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