# Product Disclosure Statement

Offer of interests in the

## *Maritime Retirement Scheme*

issued by the trustees of the Maritime Retirement Scheme

# Dated: 21 May 2022

This document replaces the Product Disclosure Statement dated 5 November 2021

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.companiesoffice.govt.nz/disclose. The trustees of the Maritime Retirement Scheme have 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.

# 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. The trustees (**Trustees, we, us or our**) of the Maritime Retirement Scheme (**Scheme**) will invest your money and charge you fees for its services. The returns you receive are dependent on the investment decisions of the Trustees (and of their investment managers) 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 Scheme offers three investment portfolios for you to invest in, the Growth Portfolio, the Balanced Portfolio and the Conservative Portfolio.

These investment portfolios are summarised below. More information about the investment target and strategy for each investment portfolio is provided in section 3 *Description of your investment options.*

**Growth Portfolio**

The Growth Portfolio comprises a 80:20 split between growth assets (such as shares) and income assets (such as bonds and cash).

The objective is to outperform over the medium term the weighted average return of the indices used to measure the performance of the portfolio’s underlying assets.

**Risk indicator:**

| ⇦ Potentially lower returns | | | | | | Potentially higher returns ⇨ |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | **5** | 6 | 7 |
| ⇦ Lower risk | | | | | | Higher risk ⇨ |

| | |
|---|---|
| Estimated fund charges | 0.73% of the net asset value of the portfolio. |
| Other fees and charges *(as relevant)* | Nil |

| **Balanced Portfolio** |
| --- |
| The Balanced Portfolio comprises a 60:40 split between growth assets (such as shares) and income assets (such as bonds and cash).<br>The objective is to outperform over the medium term the weighted average return of the indices used to measure the performance of the portfolio's underlying assets.<br>**Risk indicator:** |

| ⇦ Potentially lower returns | | | | | | Potentially higher returns ⇨ |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | 2 | 3 | **4** | 5 | 6 | 7 |
| ⇦ Lower risk | | | | | | Higher risk ⇨ |

| | |
| --- | --- |
| Estimated fund charges | 0.66% of the net asset value of the portfolio. |
| Other fees and charges *(as relevant)* | Nil |

| **Conservative Portfolio** |
| --- |
| The Conservative Portfolio comprises a 20:80 split between growth assets (such as shares) and income assets (such as bonds and cash).<br>The objective is to outperform over the medium term the weighted average return of the indices used to measure the performance of the portfolio's underlying assets.<br>**Risk indicator:** |

| ⇦ Potentially lower returns | | | | | | Potentially higher returns ⇨ |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | 2 | **3** | 4 | 5 | 6 | 7 |
| ⇦ Lower risk | | | | | | Higher risk ⇨ |

| | |
| --- | --- |
| Estimated fund charges | 0.58% of the net asset value of the portfolio. |
| Other fees and charges | Nil |

***Important information about the risk indicator:***

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 https://www.sorted.org.nz/calculators/investment-planner.

## Who manages the Maritime Retirement Scheme

The Scheme is managed by the Trustees.

See section 7 *Who is involved?* for more information.

## How can you get your money out?

As the main purpose of the Scheme is to assist you to save for your retirement, you will, in most cases, not be able to access your savings until you are age 65. However, early withdrawals are permitted in limited circumstances. Withdrawal rights include:

*For Waterside Workers:*

- when you reach 65 years of age; or
- if you retire on or after turning 60 years of age and leave the Waterfront Industry; or
- if you leave the Waterfront Industry before turning 60 years of age; or
- if you are made redundant or, if you are employed under a fixed term contract, if at the expiration of the fixed term contract, your employer decides not to renew it or offer you a new contract of employment; or
- if you die; or
- if you suffer significant financial hardship; or
- if you leave the Waterfront Industry because you are no longer able to continue working due to ill-health or permanent incapacity; or
- if you are diagnosed as having a Terminal Illness and have a life expectancy of 6 months or less; or
- when you are purchasing a first home.

*For Seafarers:*

- when you reach your Normal Retirement Date - age 65 (for Members who joined the Scheme on or after 1 January 1996) or age 60 (in respect of any other Seafarer Members (**Normal Retirement Date**)
- if you leave the Seafaring Industry after turning 60 years of age; or
- if you are made redundant; or
- if you die; or
- if you leave the Seafaring Industry because you are no longer able to continue working due to ill-health or permanent incapacity; or
- if you are suffering a Total and Permanent Disablement; or
- if you suffer significant financial hardship; or
- when you are purchasing a first home.

In each case you will be entitled to your benefit in the form of a lump-sum payment. In addition, if you are entitled to a benefit, you may:

- defer your benefit and take your benefit later in the form of lump sum payment(s) and/or regular payments; or
- transfer your benefit from this scheme to another scheme.

Your investment in the Scheme cannot be sold or transferred to anyone else.

No Member is permitted to assign, charge, alienate or borrow against the security of these benefits.

See section 2 *How does this investment work?* for more information on withdrawal restrictions.

## How will your investment be taxed?

The 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**). To determine your PIR, go to [http://www.ird.govt.nz/toii/pir/workout/toii-pir-workout-how.html](http://www.ird.govt.nz/toii/pir/workout/toii-pir-workout-how.html).

## Where can you find more key information?

We are required to publish annual updates for each investment portfolio. 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.maritimeretirementscheme.nz.

We will also give you copies of those documents on request.

# Contents

**Page number**

## 2 How does this investment work?

This document is an offer to join the Maritime Retirement Scheme, a restricted workplace savings scheme registered under the Financial Markets Conduct Act 2013 (**FMC Act**). The Scheme is a managed investment scheme established as a trust under a Trust Deed dated 31 March 2016 and subsequent amendments dated 11 November 2016, 23 February 2017, 3 May 2017 and 8 September 2020.

The Scheme is designed primarily to assist Waterside Workers and Seafarers to save for their retirement.

The Trustees are responsible for the administration of the Scheme and the management of the Scheme's investments where your money is pooled with other investors' money for investment purposes. The Trustees determine the investment portfolios that are available for you to invest in and they select the fund manager(s) for the different asset classes and sectors within these portfolios.

The Scheme currently provides three investment portfolios for you to invest in, a Growth Portfolio, a Balanced Portfolio and a Conservative Portfolio.

The money you contribute to the Scheme is credited to an account in your name called your Member's Account. The money your employer contributes to the Scheme on your behalf is credited in your name to an account called your Employer's Account. The money in your Member's Account and Employer's Account is invested in the investment portfolio(s) you choose.

Each investment portfolio invests in assets, such as shares, bonds and cash. Your investment does not give you legal ownership of the investment portfolio's assets but does give you rights to the returns on the assets.

The value of your investment depends on the value of the investment portfolio(s). The Trustees calculate the earnings for each investment portfolio monthly, deduct expenses including investment management fees, and credit the net earnings to your accounts after deducting tax at your PIR.

A change in the value of the assets in your investment portfolio(s) affects the value of your investment. In other words, the value of your investment will change as the market value of the assets in your investment portfolio(s) change. This means that the value of your investment may rise or fall.

Assets of an investment portfolio are available to be applied to meet other liabilities of the Scheme. However, the Trustees believe it is very unlikely that this will occur. It might occur, for example, if the Scheme did not have sufficient funds to pay the Additional Death Benefit (Waterside Workers only) as a result of a large number of Waterside Workers dying at any one time, or in quick succession.

The key benefits of investing in the Scheme are:

- it enables you to save for your retirement by making regular contributions;
- your contributions attract employer contributions, subject to the terms of your employment;
- your savings are professionally and efficiently managed and administered, and invested in pooled products which gives you access to a wider diversity of investments than you may otherwise have access to;
- the Scheme offers investment options that enable you to match your investments to your personal financial circumstances; and
- when you retire, you can defer your benefits and make occasional lump sum and/or regular withdrawals, which may help you better manage your finances in your retirement.

## Joining the scheme

All Waterside Workers are eligible to join the Scheme, and all other persons working within the Waterfront Industry are eligible to join subject to any terms and conditions the Trustees may determine from time to time.

All Seafarers employed by an employer who participates in the Scheme, and all Seafarers who are either employees of the Maritime Union of New Zealand (**MUNZ**) or financial members of MUNZ are required to join the Scheme.

The Trustees may reject any application from a person who is not eligible to join the Scheme.

If you are eligible and wish to join the Scheme:

1. read this PDS
2. complete the application form
3. return the form to your employer. If you are a Waterside Worker, your employer is required to sign the application form and forward it to the Administration Manager.

See section 10 *How to apply* for more information about how to join the Scheme.

## Making investments

***For Waterside Workers:***

The minimum contribution you can make to the Scheme (unless you are a member of a KiwiSaver scheme) is 4% of your earnings (being your salary or wages). Your contributions to the Scheme, up to 7% of earnings, are generally matched by your employer, less employer superannuation contribution tax.

Your employer's contributions are subject to the terms of your employment contract. If your employment contract requires a greater contribution rate from you and/or your employer, the contributions rates set out in your employment contract prevail.

If you are a member of the Maritime KiwiSaver Scheme (**MKS**), your contributions to that scheme can count towards the minimum 4% contribution to the Scheme. If you contribute to a KiwiSaver scheme other than MKS you may elect to decrease your contribution to the Scheme by the amount you contribute to that other scheme providing you still make a minimum contribution to the Scheme of 3% of earnings.

Contributions will be automatically deducted from your pay through your employer's payroll.

With the Trustees' approval, you may make additional contributions to the Scheme which your employer is not required to match.  Any additional contribution must be made through your employer's payroll.

The Trustees may accept into the Scheme amounts transferred from other superannuation or similar schemes in which you participated.

***For Seafarers:***

Your contributions and your employer's contributions are subject to the terms of your employment agreement. If you are also contributing to a KiwiSaver scheme, you may elect to reduce your contributions to the Scheme by the amount you are contributing to that KiwiSaver scheme. If you do this the contributions your employer makes to the Scheme on your behalf will be reduced by the amount they are contributing to that KiwiSaver scheme.

Contributions will be automatically deducted from your pay through your employer's payroll.

With the Trustees' approval, you may make additional contributions to the Scheme which your employer is not required to match.  Any additional contribution must be made through your employer's payroll.

The Trustees may accept into the Scheme amounts transferred from other superannuation or similar schemes in which you participated.

***Reserve Accounts***

Special Reserve Accounts are kept by the Trustees to pay (where applicable and in relation to Waterside Workers only):

- death benefits; and
- pensions to retired Members who have chosen to receive a pension.

The Trustees have established a General Reserve Account and in the future may establish other Reserve Accounts.

Any money not credited to other accounts, i.e. Member's Accounts, Employer Accounts or the Special Reserve Accounts, is credited to the General Reserve Account or may be credited to other General Reserve Accounts for the Scheme (if any).

The Trust Deed also allows the General Reserve Account (or Other Reserve Accounts) to be used for a number of other purposes including (where applicable):

- payment of the Scheme's expenses;
- increasing the retirement benefits of all Members on an equitable basis;
- providing benefits other than retirement benefits for all Members on an equitable basis;
- providing personal benefits for Members or their dependants in the case of hardship;
- payment of all or any part of an Employers' contributions of the Scheme if they have suspended or terminated their contributions; and
- payment of all or part of the contributions of all Members in any year on an equitable basis.

***Choosing your investment portfolios***

You are offered the choice of three investment portfolios, a Growth Portfolio, a Balanced Portfolio and a Conservative Portfolio. Until you exercise this choice, your funds will be invested in the Balanced Portfolio. You can choose to split your contributions and the funds in your Member’s Account and Employer’s Account between these two options.

You can also change the investment portfolio or portfolios you are contributing into and you can switch your funds between portfolios at any time. For more information on switching your investment between portfolios, please see page 15.The Trustees may add or remove investment portfolios at any time.

## Withdrawing your investments

As the main purpose of the Scheme is to assist you to save for your retirement, you will, in most cases, not be able to access your savings until you are age 65. However, early withdrawals are permitted in limited circumstances.

Benefits are paid from the Scheme in the following circumstances:

**Retirement or Redundancy Benefit**

If you are a Waterside Worker and you attain age 65, or if you retire or leave the Waterfront Industry having attained age 60, you are entitled to a Retirement Benefit consisting of the total balance of your Member’s Account and Employer's Account.

If you are a Seafarer and reach your Normal Retirement Date or leave the Seafaring Industry and resign from MUNZ having attained age 60, you are entitled to a Retirement Benefit consisting of the total balance of your Member’s Account and Employer's Account.

You are also entitled to the Retirement Benefit where, in the Trustees' opinion, you are declared redundant, or if you are a Waterside Worker, you are on a fixed-term contract and your employer decides not to renew your contract or offer you a new contract.

The Retirement Benefit is generally paid as a lump sum although you can request to defer payment of all or part of the benefit to a later date.

**Death Benefit**

If you die while you are a Scheme member, your legal personal representative (i.e., the executor or administrator of your estate) or one or more of your dependants will receive the total balance of your Member's Account and Employer's Account.

The Trustees may pay the Death Benefit in such shares and proportions as they at their discretion determine, for example they may pay part of the benefit to one or more dependants of yours and the balance to your legal personal representative.

**Additional Death Benefit (*Waterside Workers only)***

If you die before age 65 while in the service of an employer (and provided you are still contributing) your estate will be entitled to an Additional Death Benefit.

This Additional Death Benefit is equal to twice the contributions (excluding voluntary contributions) up to 7% you would have made in the year ending 31 March in which your death occurred had you not died, multiplied by the number of years and complete months (with completed months counting as a fraction of a year) between 31 March preceding your death and your 65th birthday. The contributions will be based on your current rates of earnings and contributions up to 7%.

For example, if a Member dies on 1 April at exactly age 47 (18 years to go before retirement) and is currently earning $85,000 and contributing 7%, that Member's estate will be entitled to an additional death benefit of $214,200 (18 years x 14% x $85,000).

To be eligible for this Additional Death Benefit you and your employer must be contributing at least 4% to the Scheme at the time of your death.  Otherwise, your Death Benefit will be restricted to the total balance of your Member's Account and Employer’s Account.

**Disablement Benefit**

If you are a Waterside Worker and you leave the Waterfront Industry before attaining age 65 or if you are a Seafarer and you leave the Seafaring Industry before attaining age 65 (for members who joined the Scheme prior to 1 January 1996) or otherwise before attaining age 60, in each case because you are no longer able to continue working owing to ill health or permanent incapacity, you will be entitled to the Disablement Benefit consisting of the total balance of your Member’s Account and Employer's Account.

Permanent incapacity means an illness or injury suffered by you the result of which, in the Trustees' opinion acting on medical advice, you are unlikely ever again to follow any occupation within the Waterfront Industry or Seafaring Industry (as relevant) for which you are reasonably suited by training, education or experience.

The Trustees' decision as to whether you are no longer able to continue working owing to permanent incapacity is final and binding.

**Withdrawal Benefit**

If you are a Waterside Worker and you leave the Waterfront Industry before age 60 or if you are a Seafarer and you cease to be a Seafarer prior to age 65 (for members who joined the Scheme prior to 1 January 1996) or otherwise prior to age 60, other than for reasons of retirement or redundancy, ill health or permanent incapacity, you will be entitled to a Withdrawal Benefit consisting of the total balance of your Member's Account plus a percentage of your Employer's Account.

If you have been a Scheme member for one complete year, 20% of your Employer’s Account shall vest in you for that complete year increasing at a rate of 20% per year for each subsequent complete year of Scheme membership to a maximum of 100% on the fifth anniversary of your Scheme membership. This is the vesting scale for both Waterside Workers and Seafarers.

If you are a Seafarer and have received a partial withdrawal from the Scheme and subsequently become entitled to a Withdrawal Benefit before completing five years continuous membership, your entitlement to a share of your Employer's Account will be adjusted to reflect the proportion, if any, of your Employer's Account that was included in the Partial Withdrawals Benefit.

The formula to calculate the adjustment is:

[[EA + EPWB] x VS] - EPWB

where

EA = is the Employer's Account

EPWB is your partial Withdrawal Benefit, and

VS is the percentage of the Employer's Account as determined above.

For both Waterside Worker and Seafarers, your Withdrawal Benefit will include the total balance of your Employer's Account where you elect to defer payment of your benefit until the date you would have qualified for 100% of your Employer's Account or where you elect, at the Trustees' discretion, to transfer all of your benefits to another superannuation scheme registered under the FMC Act.

You may take your Withdrawal Benefit in the same manner (and with the same options) as set out for the Retirement Benefit.

**Terminal Illness Benefit (*Waterside Workers only)***

If the Trustees, acting on medical advice, consider that you have been diagnosed as having six months or less to live but you continue working, you can elect to withdraw up to 50% of your Withdrawal Benefit that would be payable had you left the Waterfront Industry at that time. Receipt of this benefit will not affect you qualifying for further Scheme benefits on leaving the Waterfront Industry. The Trustees' decision as to whether you are entitled to a Terminal Illness Benefit is final and binding.

**Significant Financial Hardship**

If you can provide the Trustees with evidence that you're suffering significant financial hardship, you may make a written request to the Trustees to withdraw some of the total balance of your Member's Account and Employer's Account. Significant financial hardship is currently defined to include significant financial difficulties that arise because of

- your inability to meet minimum living expenses; or
- your inability to meet mortgage repayments on your principal family residence resulting in the mortgagee seeking to enforce the mortgage on the residence; or
- the cost of modifying a residence to meet special needs arising from your disability or your dependant's disability; or
- the cost of medical treatment for an illness or injury to you or your dependant; or
- the cost of palliative care for you or your dependant; or
- the cost of a funeral for your dependant; or
- your suffering from a serious illness (as defined by the KiwiSaver Act 2006 (**KiwiSaver Act**)).

The Trustees may limit the amount you are able to withdraw, taking into account what is required to alleviate your hardship. Otherwise, the Scheme's significant financial hardship withdrawal criteria mirror those in the KiwiSaver Act.

**First Home Benefit**

If you have been contributing to the Scheme (or have belonged to a KiwiSaver scheme) for 3 or more years and you are not eligible for any other Scheme benefit, then with the Trustees' consent you may make a withdrawal from the Scheme to purchase a first home. The amount withdrawn must be used to settle the purchase and cannot be used for another purpose such as paying the deposit. The maximum amount that can be withdrawn is your Member’s Account balance. Otherwise, the Scheme's first home purchase withdrawal criteria mirror those in the KiwiSaver Act.

**Deferral**

If you become entitled to a Retirement or Redundancy Benefit, Disablement Benefit or Withdrawal Benefit, you may request that the Trustees (in such form as the Trustees prescribe) defer payment of the whole or a part of that benefit. During any period of deferment, your benefit will continue to attract earnings.

You may elect to withdraw all or part of your deferred benefit as a lump sum or periodic lump sums, and/or by regular payments, subject to such other terms and conditions prescribed by the Trustees from time to time.

Final payment of your deferred benefit will be paid as soon as practicable following your request.

**Transferring to another Scheme**

When you cease to be a Scheme member or leave the Waterfront Industry or Seafaring Industry, the Trustees may, at your request, transfer all of your Member’s Account and Employer’s Account to another scheme which you join or become a member of on such terms and conditions as the Trustees may determine.

Such a scheme (including a KiwiSaver scheme) must be registered under the FMC Act and operated by any new employer, or in which your new employer participates, or otherwise must be a superannuation scheme approved by the Trustees for this purpose.

You are also entitled to transfer your full benefits to another scheme if you transfer to another employer within the Waterfront Industry or Seafaring Industry and are no longer entitled to be a Scheme member or to receive contributions by your employer, other than by virtue of your ability to defer payment of all or part of your benefits.

If your role or employment category changes, the Trustees may, at your request or in their discretion if permitted under legislation, transfer all of your Member’s Account and Employer’s Account to another scheme of your employer which you join or become a member of on such terms and conditions as the Trustees may determine.

**Benefit payments while a Seafarer *(Seafarers who were members of the Maritime Retirement Scheme on 1 April 2017 only)***

You may, on such occasions and in such circumstances as the Trustees in their discretion specify, make application to the Trustees for an in-service benefit payment in the required manner. The amount of any such payment must be approved by the Trustees and paid as a lump sum. This benefit is at the Trustees' discretion and may change at any time.

## How to switch between funds

You can change the investment portfolio(s) you are contributing into and you can switch your funds between portfolios at any time.

Any changes will be made as soon as practicable after we receive your completed Switch Investment Form. This form is available online at www.maritimeretirementscheme.nz.

# 3 Description of your investment options

The objective of all the investment portfolios is to outperform over the medium term the weighted average return of the indices used to measure the performance of the portfolio's underlying assets.

## Growth Portfolio

***Investment strategy***

Invests in a wide range of assets, about 80% comprising growth assets such as shares and about 20% comprising income assets such as bonds and cash.

***Suitability***

Suited to longer-term investors who want a diversified portfolio of assets with a high exposure to shares and other growth assets and are willing to accept more ups and downs than can be expected from the Balanced and Conservative Portfolios.

***Risk Indicator***

| | | | | | | |
|---|---|---|---|---|---|---|
| ⇦ Potentially lower returns | | | | | | Potentially higher returns ⇨ |
| 1 | 2 | 3 | **4** | 5 | 6 | 7 |
| ⇦ Lower risk | | | | | | Higher risk ⇨ |

***Minimum suggested investment time frame***

7 years

## Balanced Portfolio

***Investment strategy***

Invests in a wide range of assets, about 60% comprising growth assets such as shares and about 40% comprising income assets such as bonds and cash.

***Suitability***

Suited to longer-term investors who want a diversified portfolio of assets with a high exposure to shares and other growth assets and are willing to accept more ups and downs than can be expected from the Conservative Portfolio.

***Risk Indicator***

| | | | | | | |
|---|---|---|---|---|---|---|
| ⇦ Potentially lower returns | | | | | | Potentially higher returns ⇨ |
| 1 | 2 | 3 | **4** | 5 | 6 | 7 |
| ⇦ Lower risk | | | | | | Higher risk ⇨ |

***Minimum suggested investment time frame***

7 years

## Conservative Portfolio

### *Investment strategy*

Invests in a wide range of assets, about 20% comprising growth assets such as shares and about 80% comprising income assets such as bonds and cash.

### *Suitability*

Suited to shorter-term investors who want fairly consistent returns with less ups and downs than can be expected from either the Growth or Balanced Portfolios.

### *Risk Indicator*

| ⇦ Potentially lower returns | | | | | | Potentially higher returns ⇨ |
|---|---|---|---|---|---|---|
| 1 | 2 | **3** | 4 | 5 | 6 | 7 |
| ⇦ Lower risk | | | | | | Higher risk ⇨ |

### *Minimum suggested investment time frame*

3 years

The Trustees regularly review our statement of investment policies and objectives (**SIPO**). The latest version is available at www.companiesoffice.govt.nz/disclose.

The Trustees may change the SIPO from time to time, including for example as a result of changes in the market. Any changes to the SIPO will be advised in either the Scheme's twice yearly newsletter, the annual report, and/or on www.maritimeretirementscheme.nz.

Further information about the assets in the fund can be found in the fund updates at www.maritimeretirementscheme.nz.

# 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.

Example risk indicator:

| | | | | | | |
|---|---|---|---|---|---|---|
| ⇦ Potentially lower returns | | | | | | Potentially higher returns ⇨ |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| ⇦ Lower risk | | | | | | Higher risk ⇨ |

The risk indicators for the investment portfolios offered by the Scheme are shown in section 3 *Description of your investment options*.

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets is expected to go 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.sorted.org.nz/calculators/investment-planner](http://www.sorted.org.nz/calculators/investment-planner).

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.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the 5-year period to 31 March 2021. 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 this fund.

## General investment risks

Some of the things that may cause the Scheme's value to move up and down, which affect the risk indicator, are investment portfolio risks, market risks, interest rate risks and currency risks.

**Investment Portfolio Risk:** The risk of each portfolio is primarily determined by the mix of assets in the portfolio. Portfolios with more growth assets are likely to be more risky and portfolios with more income assets are likely to be less risky. Pooled funds are designed to minimise stock and security selection risks by fund managers diversifying investments. There are nevertheless stock and security selection risks if fund managers make poor stock and security selections.

**Market Risk:** Investment returns and their volatility are affected by the performance of markets generally. Upheavals in financial markets can cause systemic investment losses.

**Interest Rate Risks:** The market value of investments, particularly fixed interest securities, is affected by changes in interest rates. Relatively small changes in interest rates can significantly impact the value of fixed income assets.

**Currency Risk:** Where funds are invested outside New Zealand without currency hedging, returns will be affected by movements between the value of the New Zealand dollar and other currencies.

## Other specific risks

The Growth, Balanced and Conservative Portfolios are typical of portfolios offered in New Zealand. Hence there are few specific risks that are not characteristic of these portfolios.

There is a risk that the Scheme will not have sufficient funds to pay the Additional Death Benefit (Waterside Workers only) if a large number of Waterside Workers die at any one time, or in quick succession. The Trustees consider this risk minimal.

# 5 What are the fees?

You will be charged fees for investing in the Scheme. Fees are deducted from your investment returns. The fees you pay will be charged in the form of regular deductions from investment earnings. Small differences in these fees can have a big impact on your investment over the long term.

The estimated total annual costs as a percentage of the Net Asset Value of each portfolio are:

| | **Total annual fund charges as a percentage of the net asset value of the fund** |
|---|---|
| **Growth Portfolio** | 0.73% |
| **Balanced Portfolio** | 0.66% |
| **Conservative Portfolio** | 0.58% |

The costs of the Scheme comprise:

- management and administration costs; and
- investment management fees.

None of the above costs are fixed.

Costs are charged to members in proportion to their account balances.

While the Trustee estimates the costs of managing and administering the Scheme, and the fees for investment management, members are charged actual costs rather than a fixed predetermined charge.

## Example of how fees apply to an investor

John invests $10,000 in the Balanced Portfolio.

John is charged a share of the scheme's management and administration costs, and investment fees which work out to about $58 (0.58% of $10,000).

These fees might be more or less if his account balance has increased or decreased over the year.

**Estimated total fees for the first year**

Fund charges: $58

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 Balanced Portfolio. If you are considering investing in other funds or investment options in the Scheme, this example may not be representative of the actual fees you may be charged.

## The fees can be changed

The fees or charges you pay in respect of your investment in the Scheme may change and will depend entirely on the actual fees and charges incurred by the Scheme.

The Trustees must publish a fund update for each fund showing the fees and charges actually charged during the most recent year. Fund updates, including past updates, are available at www.maritimeretirementscheme.nz.

## 6 What taxes will you pay?

The 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 http://www.ird.govt.nz/toii/pir/workout/toii-pir-workout-how.html. 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 the Trustees your PIR when you invest or if your PIR changes. If you do not tell the Trustees, 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.

# 7 Who is involved?

## About the Trustees

The Trustees are the manager of the Scheme. As at the date of this PDS, the Trustees comprise:

- up to four trustees appointed by MUNZ;
- up to two trustees appointed by the Stevedores and Ports NZ Incorporates or its successor (**Port Industry Assoc**);
- up to two trustees appointed by the other Trustees to represent the interests of employers in the Seafaring Industry;
- one person appointed to be an independent Chairman by the above appointed Trustees; and
- one Licensed Independent Trustee appointed by the other Trustees.

As at the date of this Document, the Trustees are:

| Name | Occupation | Appointed by: |
|---|---|---|
| Raymond Joseph Carroll Fife | Union official | MUNZ |
| Craig John Harrison | Union secretary | MUNZ |
| Russell Lawrence Mayn | Union official | MUNZ |
| Carl Gordon Findlay | Union official | MUNZ |
| Deepthi Pandadu Swarnapuri | Senior manager | Port Industry Assoc |
| Raymond Paul Welson | Company director | Port Industry Assoc |
| Brodie Stevens | Company director | Trustees |
| Walter Melville Rushbrook | Company director | Trustees |
| David William Young (Independent Chairman) | Company director | Trustees |
| Simon Brodie (Licensed Independent Trustee) | Investment manager | Trustees |

## Contact

You can contact the Trustees via the Administration Manager at:

**Postal address**
Melville Jessup Weaver
PO Box 1096
Wellington 6140, New Zealand

**Street address**
Level 7, Kiwi Wealth House
20 Balance Street
Wellington 6011, New Zealand

**Telephone**: 0800 947 357
**Fax**: +64 04 499 0488
**Email**: maritime@mjw.co.nz

## Who else is involved?

| | Name | Role |
|---|---|---|
| Administration Manager | Melville Jessup Weaver | Appointed to provide administration services to the Scheme. |
| Auditor | Deloitte | Appointed to undertake the annual audit of the Scheme's financial statements. |
| Custodian | Maritime Retirement Scheme Nominees Limited | Appointed to hold the assets of the Scheme on behalf of investors. |
| Investment Manager | ANZ New Zealand Investments Limited | Appointed to manage global equities and NZ bonds and cash investments. |
| Investment Manager | Implemented Investment Solutions Limited | Appointed to manage global bonds investments |
| Investment Manager | Nikko Asset Management New Zealand Limited | Appointed to manage global bonds investments. |
| Investment Manager | Fisher Funds | Appointed to manage NZ and Australian equities investments. |
| Investment Manager | Salt Investment Funds Limited | Appointed to manage NZ equities investments |

## 8 How to complain

Any complaints about your investment in the Scheme should in the first instance be directed to the Administration Manager using the following contact details:

**Postal address**
Melville Jessup Weaver
PO Box 1096
Wellington 6140, New Zealand

**Street address**
Level 7, Kiwi Wealth House
20 Balance Street
Wellington 6011, New Zealand

**Telephone**: 0800 947 357
**Fax**: +64 04 499 0488
**Email**: maritime@mjw.co.nz

If the Administration Manager is unable to resolve your complaint, please contact Joe Fleetwood using the Trustees' contact details in section 7 *Who is involved?.* In addition, the Trustees are a member of Financial Services Complaints Limited, a dispute resolution scheme approved under the Financial Service Providers (Registration and Dispute Resolution) Act 2008.

If you have made a complaint to the Trustees and it has not been resolved within 40 days, you may direct your complaint to:

Financial Services Complaints Limited
4th Floor, 101 Lambton Quay
PO Box 5967, Wellington
Telephone: 0800 347 257 or (04) 472 3725
Fax: (04) 472 3728

Financial Services Complaints Limited will not charge a fee to any complainant to investigate or resolve a complaint.

## 9 Where you can find more information

Further information relating to the Scheme and the managed investment products (for example, financial statements) is available on the offer register and the scheme register at www.companiesoffice.govt.nz/disclose.

A copy of information on the offer register or scheme register is available on request to the Registrar.

The following information may also be requested from the Trustees free of charge, by contacting the Trustees in writing, using the Trustees' contact details in section 7 *Who is involved?*:

- further copies of this PDS
- copies of all written investor communications sent to you (including annual reports, financial statements, fund updates and confirmation information)
- a written statement of your interest in the Scheme, as detailed in the Scheme's register of investors
- minutes of all investor meetings
- resolutions passed by investors

These documents can also be inspected during work hours at the Trustees' address, set out in section 7 *Who is involved?*

## 10 How to apply

You can apply to join the Scheme by completing the application form at the end of this PDS and sending it in the manner set out in the application form.

## Application Form

# MARITIME RETIREMENT SCHEME

### APPLICANT INFORMATION

Title: Mr / Mrs / Ms / Miss (Please circle applicable title)

First Names: ______________________________________ Surname: ___________________________________________

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Date of Birth IRD Number

Current address:

_______________________________________________________________________________________

_______________________________________________________________________________________

_______________________________________________________________________________________

Email address: ____________________________________________ Phone number: ___________________________

Prescribed Investor Rate (PIR). Please circle applicable rate: 10.5% 17.5% 28.0%

If you do not advise your PIR then your PIR will automatically be 28%

### MEMBER DECLARATION

I hereby apply for admission as a member of the Maritime Retirement Scheme (Scheme) and I:

- acknowledge that I have received information regarding the main provisions of the Scheme and have read and understood the Product Disclosure Statement;
- agree to abide by the terms and conditions of the Trust Deed from time to time in force;
- authorise my employer to give the Trustees the information set out below and any further information necessary for the purposes of the Scheme;
- authorise the Trustees to disclose any personal information relating to myself to the Scheme's advisors as necessary for the purposes of the Scheme;
- authorise my employer to deduct my elected contributions from my salary/wages; and
- acknowledge that my employee and employer contributions will be invested in the Balanced Portfolio until I instruct the Trustees otherwise.

_________________________________________________________________ ________________________

Signature Date

**EMPLOYER VERIFICATION (WATERFRONT WORKERS ONLY SECTION)**
(to be completed by the employer)

Employee name:
______________________________________________________________________________

Employer name: ____________________________________ Date joined Scheme ____/____/______dd/mm/yyyy
Date joined Employer ____/____/______dd/mm/yyyy

Contribution start date: ____/____/______dd/mm/yyyy Contribution Rate: Member \ Employer

I/We acknowledge that I/we have verified the identification of the employee.

Signature of employer: ______________________________________ Date: _____________________

Position: ______________________________________

**MUNZ VERIFICATION (SEAFARERS ONLY SECTION)**
(to be completed by the union)

Date joined Union ____/____/______ __ dd/mm/yyyy Union Number ___________________

Employee name:
______________________________________________________________________________

Employer of first assignment name and location (if known):

______________________________________________________________________

I/We acknowledge that I/we have verified the identification of the employee.

Signature of authorised MUNZ representative: _____________________________________ _ Date: _____________________

Position: _____________________________________ _

**Please return the completed form to:**
**Maritime Retirement Scheme, PO Box 1096, Wellington, 6140 or by email to maritime@mjw.co.nz**