

Your Super Newsletter

April 2026

Welcome to the first edition of Your Super Newsletter for 2026.

What's included in this edition:

- » Latest changes to KiwiSaver contribution rates
- » An important update on removal of vesting scale for employer contributions
- » Insights on market volatility
- » An overview of the Cash Fund
- » A market update for quarter ended 31 December 2025
- » Investment performance
- » Update on budget advice requirements for hardship claims

As always, we welcome your feedback and questions on the information in this edition, so please don't hesitate to reach out to our Helpline team on 0800 355 900.

Best wishes,

Tim McGuinness (Chairman) and the Trustee Board.

KiwiSaver contribution rate changes

On **1 April 2026**, the default KiwiSaver employee and employer contribution rates automatically increased from 3% to 3.5% of salary.

These default employee and employer contribution rates will further increase to 4% of salary on **1 April 2028**. All employer contributions are subject to Employer Superannuation Contribution Tax ESCT.



How do the KiwiSaver changes impact you:

If you are contributing to the Dairy Industry Superannuation Scheme (the Scheme) and are not contributing to KiwiSaver:

- » Your member and employer contributions will remain unchanged.
- » If you contribute 3% of your salary to a Locked Account in the Scheme, or joined the Scheme on or after 1 April 2008, your contributions and your employer's contributions to a Locked Account will remain unchanged at 3%.

If you contribute to both the Scheme and KiwiSaver, you may notice some changes:

- » **Member contributions:** Your total contributions to KiwiSaver and the Scheme increased by 0.5% on 1 April 2026, and will increase by a further 0.5% on 1 April 2028. The increased contributions will be directed to your KiwiSaver account. Your member contributions to the Scheme will not change.
- » **Employer contributions:** Your employer's total contributions to the Scheme and KiwiSaver increased from a minimum of 3% to 3.5% on 1 April 2026, and will increase to a minimum of 4% on 1 April 2028.

If you joined the Scheme on or after 1 April 2008, and/or you contribute to a Locked Account, and you are currently contributing at least 3% to the Scheme, your total overall employer contributions to the Scheme and KiwiSaver will effectively remain unchanged.

For example, if you are contributing 3% to the Scheme and your KiwiSaver contributions increased from 3% to 3.5% on 1 April 2026, your employer will still be contributing 4.5% in total to the Scheme and KiwiSaver. This will also apply if your KiwiSaver contributions increase to 4% on 1 April 2028.

While your employer's total contributions to the Scheme and KiwiSaver do not change, the way your employer's contributions are split between the Scheme and KiwiSaver may change. Depending on your membership, your employer's contribution to the Scheme may decrease by 0.5%, while your employer's contribution to KiwiSaver will increase by the 0.5% to reflect the change in default contribution rates.

The existing employer contribution cap of 9% of salary remains in place.

How your employer's contributions are divided between your Scheme and KiwiSaver accounts will depend on specific details of your membership, such as when you joined the Scheme (before 1 April 2008 or after 1 April 2008) and/or whether or not you are contributing to a Locked Account in the Scheme. Please refer to the documents listed under "*Where to find more information*" for further information.

Where to find more information

Employer contributions and KiwiSaver fact sheet

Locked Accounts FAQs

Member information booklet

Contribution and benefit scenarios fact sheet

If you have any queries or wish to discuss your contributions to the Scheme further, please contact Helpline on 0800 355 900 or email dairy@mercer.com.

Removal of vesting scale for employer contributions

As previously advised, on **27 March 2026** the Scheme's Trust Deed was amended to **remove the vesting scale that previously applied to employer contributions**. This change was approved by the Financial Markets Authority.



What this means for you

If you have left or leave your employment and are paid a leaving service benefit from the Scheme on or after 27 March 2026, you are entitled to 100% of your employer's contributions made to your Employer's No. 1 Account, regardless of your length of membership in the Scheme.

Locked Accounts remain unchanged

This change only concerns an employer's contributions made to your Unlocked Accounts. Employer contributions to Locked Accounts have always vested immediately and will continue to do so. These funds remain subject to specific rules and cannot be accessed until certain conditions are met, such as reaching the New Zealand Superannuation qualifying age (currently 65).

No action is required from you.

For further information, the updated Trust Deed, Product Disclosure Statement, and member information booklet are available at www.dairysuper.co.nz, or you may contact the Helpline on 0800 355 900.

What is market volatility?

Investment markets can sometimes feel like a rollercoaster - and geopolitical events, including [unrest in the Middle East](#), have added to the recent ups and downs. This is what we call 'market volatility' - the natural fluctuation of investment values as global events unfold. Learn more about market volatility [here](#).

Remember, staying calm during market fluctuations and avoiding rushed decisions is important. If you're feeling uncertain, it may be a great time to chat with a financial adviser who can help align your investments with your personal situation. Visit the Scheme website's [Financial Advice page](#) to review resources available to you. Our Helpline team are also available on 0800 355 900 (or +61 3 8306 0954 from overseas).



Learn more about market volatility

Profiling the Cash Fund: Key insights

Investment composition

The Cash Fund invests 100% in income assets with a time to maturity of up to 12 months. These are mainly New Zealand bank deposits and short-term debt securities issued by the New Zealand Government, banks or prime issuers. The primary objective for the Cash Fund is to achieve returns, before tax and fees, similar to the New Zealand 90-Day bank bills index. This focus on short-term, high-quality cash-like investments allows the fund to maintain high liquidity and low volatility with stable returns, making it suitable for members with a very short investment horizon or low risk tolerance.



Risks

Overall, the Cash Fund is generally considered a low-risk investment, with the primary risks being changes in interest rates and inflation. Because the Fund invests in short-term loans and deposits, its value can fluctuate when interest rates change, but the overall risk in terms of the volatility of returns from month to month remains low. Negative returns are unlikely and as of 27 March 2026, the Fund has a risk rating of 2 (with 1 being low risk and 7 being high risk) on the risk scale, making it the lowest risk investment option within the Scheme. Members should be aware that, over the long term, returns may be modest compared to returns from other investment options and may not be high enough to keep up with inflation. The minimum recommended investment timeframe for this Fund is 1 year.



Historical performance

Over the last five years ended March 2025, the Cash Fund achieved an average return of 1.78% per annum (after annual fund charges and tax at 28%). This performance was driven by historically low (near zero) interest rates in the first two years, followed by a rapid increase in interest rates over the next 18 months before a steep decline in the last nine months of this period.

Looking back over the ten-year period to March 2025, the Cash Fund has returned 1.59% per annum (after fees and tax at 28%), underperforming inflation (2.91% per annum).



Further Information

For the latest performance, fees, and detailed information on the Cash Fund, please visit the 'Documents' page on our Scheme website at www.dairysuper.co.nz/documents. Here you'll find key resources like the Statement of Investment Policy, member information booklet, and Product Disclosure Statement to help you stay informed and make the best choices for your retirement goals.

- » **Statement of Investment Policy and Objectives ('SIPO')**: The SIPO provides information about the Cash Fund and Scheme investments in general. It offers detail regarding the Trustee's investment beliefs, the expected returns and risks, the types of investments they aim to have, the general investment policies they follow, the investment managers they work with and how they evaluate the results.
- » **Member information booklet**: This document provides comprehensive details about all the Funds and their features, including the Cash Fund.
- » **Product Disclosure Statement**: This document offers insights into the risks and fees associated with the Fund.
- » **Fund Updates**: An annual update on Fund performance and changes in investment strategy.

You can find information about each Fund on the Scheme's website at www.dairysuper.co.nz.



Investment commentary

You can read the full commentary for the quarter ended 31 December 2025 here:

[Read the article](#)

Investment performance

The table below shows how the Scheme's investment options have performed over the year to date (April to December) and since investment choice was made available to members in 2003. Returns are determined monthly and take into account the effect of compound interest, fees and tax at a rate of 28%.

Returns for each investment option after tax, fees and expenses

	Cash	Cash/ Conservative	Conservative	Conservative/ Balanced	Balanced	Balanced/ Growth	Growth
Scheme year to 31 March 2025	3.37%	3.62%	3.86%	4.13%	4.40%	4.68%	4.96%
Returns for periods ending 31 December 2025							
Scheme year to date provisional crediting rates (9 months)	1.45%	3.66%	5.91%	8.01%	10.15%	11.57%	13.00%
1 year	2.1%	4.0%	5.8%	7.5%	9.3%	10.3%	11.3%
5 years (average p.a.)	2.1%	2.4%	2.8%	3.6%	4.4%	5.2%	5.9%
10 years (average p.a.)	1.6%	2.5%	3.3%	4.4%	5.4%	6.1%	6.7%
Since 31 March 2003 (average p.a.)	2.5%	3.3%	4.2%	4.9%	5.6%	6.1%	6.5%

The latest credited interest rates are also published on the website.

Mandatory budget advice for hardship claims

Budget advice is now a mandatory requirement for all hardship claims. The Trustee recommends that you consult a budget adviser to clarify your financial situation before applying.

Where can you access budget advice:

The Citizens Advice Bureau (0800 367 222) is available to help you find a budgeting service that suits your situation and provide information regarding a free service in some areas.

Fonterra employees can access free financial support through the EAP offering by calling 0800 327 669 or visiting www.eapservices.co.nz and selecting 'Financial Guidance'. Please bring recent payslips, bank statements, bills and any other documents that detail your income and expenses to your appointment. You must submit a document summarising the budget advice with your hardship claim.

Questions? Contact the Helpline on 0800 355 900 or your HR representative. We recommend acting promptly to ensure a smooth claims process.



Helpline can be reached on 0800 355 900 between 9am and 7pm Monday to Friday to answer any questions about your accounts, this newsletter, or the Scheme.



Retirement
calculator



Financial
advisers



Helpline
0800 355 900



Risk
quiz

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