

SELECTED MARKET INDICATORS FOR PERIODS ENDED 30 NOVEMBER 2018

MONTHLY REPORT

MERCER COMMENTARY

The MSCI World Index, representing developed markets including the US, Canada, Europe, Australia and New Zealand, rose (+1.2%) over the month in local currency terms, despite recent market volatility (markets going up and down) experienced in October.

Share markets in North America and the Pacific received especially positive gains and managed to recover some of the losses over the last few months as they responded positively to the possibility of slower rate rises in the US.

Not all markets enjoyed the positive rebound. Most European markets, the UK, and Australia struggled to make positive gains for the month. Australia in particular experienced a near two-year low, weighed down by the banking sector that remains under scrutiny from the Royal Commission investigation which is looking into their misconduct.

Low investor confidence continued following the dramatic losses experienced in October. Signs of a slowing economy and corporate earnings growth, tightening monetary policy and ongoing China-US trade tensions continue to cause uncertainty among investors.

Emerging markets rebounded from recent falls, returning positive results in November, responding to the possibility of slower rate hikes in the US. In local currency emerging markets returned +3.0% for the month.

Concerns are mounting that the meteoric rise in tech company valuations might be ending; each of the FAANG stocks (Facebook Apple, Amazon, Netflix and Google) experienced wild price swings during the month, with single day movements of between +6.9% and -6.6%.

MAKE TOMORROW, TODAY





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MONTHLY REPORT

MONTH IN A SNAPSHOT

- Global share markets returned a positive result for November, despite markets going up and down recently.
- New Zealand markets performed well, managing to close off the month in the positive territory.
- Investors remain uncertain at the financial outlook, as ongoing political negotiations and wild price swings in technology giants cause market unease.
- Take a moment to review your investment option to ensure you are in the best fund(s) that aligns with your personal financial goals and risk tolerance.

MAKE TOMORROW, TODAY



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SIGNIFICANT RECENT ITEMS INCLUDE:



▼ U.S

The Reserve Bank of New Zealand kept the Official Cash Rate (OCR) on hold at 1.75% in its September meeting, stating that while Gross Domestic Product (GDP) growth in the June quarter was stronger than anticipated, the downside risks to the growth outlook remain. It is likely lower interest rates would likely remain until 2020. This is good for borrowers but not so good for savers or investors.

▼ UK & EUROPE

Theresa May and the European Union agreed to a Brexit deal in late November. The deal will need to be approved in the UK parliament's House of Commons before it can become official.

▼ CHINA AND U.S

The G20 summit, held on 30 November and 1 December resulted in a 90-day truce between China and the US in order to formalise a trade agreement. If an agreement is not met, the US will follow through with threats of increased tariffs.

INVESTMENT RETURNS

MERCER KIWISAVER SCHEME

MERCER-MANAGED INVESTMENT OPTIONS		1 MONTH	1 YEAR	5 YEARS
28% PRESCRIBED INVESTOR RATE (PIR)	Cash	0.12%	1.47%	1.94%
	Conservative	-0.11%	1.24%	4.41%
	Moderate	-0.09%	0.99%	na
	Balanced	-0.20%	0.85%	6.31%
	Growth	-0.34%	0.41%	na
	High Growth	-0.49%	0.50%	8.40%
	Shares	-0.86%	-0.50%	na

MERCER-MANAGED INVESTMENT OPTIONS		1 MONTH	1 YEAR	5 YEARS
17.5% PRESCRIBED INVESTOR RATE (PIR)	Cash	0.13%	1.68%	2.22%
	Conservative	-0.04%	1.47%	4.87%
	Moderate	0.02%	1.29%	na
	Balanced	-0.03%	1.27%	6.81%
	Growth	-0.09%	0.96%	na
	High Growth	-0.22%	1.01%	8.92%
	Shares	-0.60%	-0.10%	na

MERCER-MANAGED INVESTMENT OPTIONS		1 MONTH	1 YEAR	5 YEARS
10.5% PRESCRIBED INVESTOR RATE (PIR)	Cash	0.14%	1.82%	2.40%
	Conservative	0.00%	1.64%	5.13%
	Moderate	0.10%	1.50%	na
	Balanced	0.08%	1.47%	7.07%
	Growth	0.05%	1.12%	na
	High Growth	-0.03%	1.40%	9.17%
	Shares	-0.39%	0.27%	na

Notes

- The investment returns shown on this page are based on the unit price movements of each investment portfolio and are net of tax at the rate indicated and net of fund charges that are charged within the unit prices.
- Each investor's returns within an investment portfolio will depend on timing of contribution payments and actual fees charged allowing for any fee rebates. The net returns shown are therefore indicative of investment results but may differ from the actual net of fees and tax returns achieved by individual investors.
- 'na' indicates that investment option was not operating for the full period or did not have funds invested for the full period.

INVESTMENT RETURNS MERCER SUPER TRUST

MERCER-MANAGED INVESTMENT OPTIONS		1 MONTH	1 YEAR	5 YEARS
28% PRESCRIBED INVESTOR RATE (PIR)	Cash	0.14%	1.16%	1.62%
	Conservative	-0.09%	0.89%	4.07%
	Moderate	-0.08%	0.75%	5.21%
	Balanced	-0.18%	0.57%	6.24%
	Growth	-0.29%	0.28%	7.31%
	High Growth	-0.44%	0.27%	8.41%
	Shares	-0.85%	-0.66%	9.54%

MERCER-MANAGED INVESTMENT OPTIONS		1 MONTH	1 YEAR	5 YEARS
17.5% PRESCRIBED INVESTOR RATE (PIR)	Cash	0.15%	1.32%	1.83%
	Conservative	-0.03%	1.12%	4.45%
	Moderate	0.03%	1.03%	5.58%
	Balanced	-0.01%	0.91%	6.62%
	Growth	-0.08%	0.65%	7.72%
	High Growth	-0.21%	0.79%	8.72%
	Shares	-0.57%	-0.27%	9.92%

MERCER-MANAGED INVESTMENT OPTIONS		1 MONTH	1 YEAR	5 YEARS
10.5% PRESCRIBED INVESTOR RATE (PIR)	Cash	0.16%	1.42%	1.96%
	Conservative	0.01%	1.23%	4.66%
	Moderate	0.11%	1.15%	5.75%
	Balanced	0.13%	1.16%	6.82%
	Growth	0.07%	0.93%	7.89%
	High Growth	-0.04%	1.09%	9.02%
	Shares	-0.37%	0.11%	10.13%

Notes

- The investment returns shown on this page are based on the unit price movements of each investment portfolio and are net of tax at the rate indicated, net of investment management fees and net of any administration fees that are charged within the unit prices. Administration charges can vary between plans in Mercer Super Trust and portions of such fees may be rebated through the granting of extra units to investors.
- Each investor's returns within an investment portfolio will depend on timing of contribution payments and actual fees charged allowing for any fee rebates. The net returns shown are therefore indicative of investment results but may differ from the actual net of fees and tax returns achieved by individual investors.
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- Fees may be deducted by redeeming units.

INVESTMENT RETURNS

MERCER FLEXISAVER

MERCER-MANAGED INVESTMENT OPTIONS		1 MONTH	1 YEAR	2 YEARS
28% PRESCRIBED INVESTOR RATE (PIR)	Cash	0.09%	1.18%	1.16%
	Conservative	-0.13%	0.90%	3.06%
	Moderate	-0.12%	0.77%	4.15%
	Balanced	-0.24%	0.52%	5.79%
	Growth	-0.35%	0.26%	7.67%
	High Growth	-0.49%	0.35%	9.00%
	Shares	-0.83%	-0.70%	10.38%

MERCER-MANAGED INVESTMENT OPTIONS		1 MONTH	1 YEAR	2 YEARS
17.5% PRESCRIBED INVESTOR RATE (PIR)	Cash	0.11%	1.44%	1.46%
	Conservative	-0.08%	1.17%	3.45%
	Moderate	-0.01%	1.05%	4.45%
	Balanced	-0.05%	1.05%	6.25%
	Growth	-0.12%	0.72%	7.94%
	High Growth	-0.24%	0.82%	9.27%
	Shares	-0.58%	-0.12%	10.73%

MERCER-MANAGED INVESTMENT OPTIONS		1 MONTH	1 YEAR	2 YEARS
10.5% PRESCRIBED INVESTOR RATE (PIR)	Cash	0.11%	1.47%	1.44%
	Conservative	-0.07%	1.20%	3.56%
	Moderate	0.06%	1.20%	4.51%
	Balanced	0.06%	1.25%	6.40%
	Growth	0.03%	1.05%	8.18%
	High Growth	-0.03%	1.21%	9.58%
	Shares	-0.39%	0.13%	10.97%

Notes

- The investment returns shown on this page are based on the unit price movements of each investment portfolio and are net of tax at the rate indicated, net of investment management fees and net of any administration fees that are charged within the unit prices. Certain fund charges can vary between investors in Mercer FlexiSaver and portions of such fees may be rebated through the granting of extra units to investors.
- Each investor's returns within an investment portfolio will depend on timing of contribution payments and actual fees charged allowing for any fee rebates. The net returns shown are therefore indicative of investment results but may differ from the actual net of fees and tax returns achieved by individual investors.
- 'na' indicates that investment option was not operating for the full period or did not have funds invested for the full period.

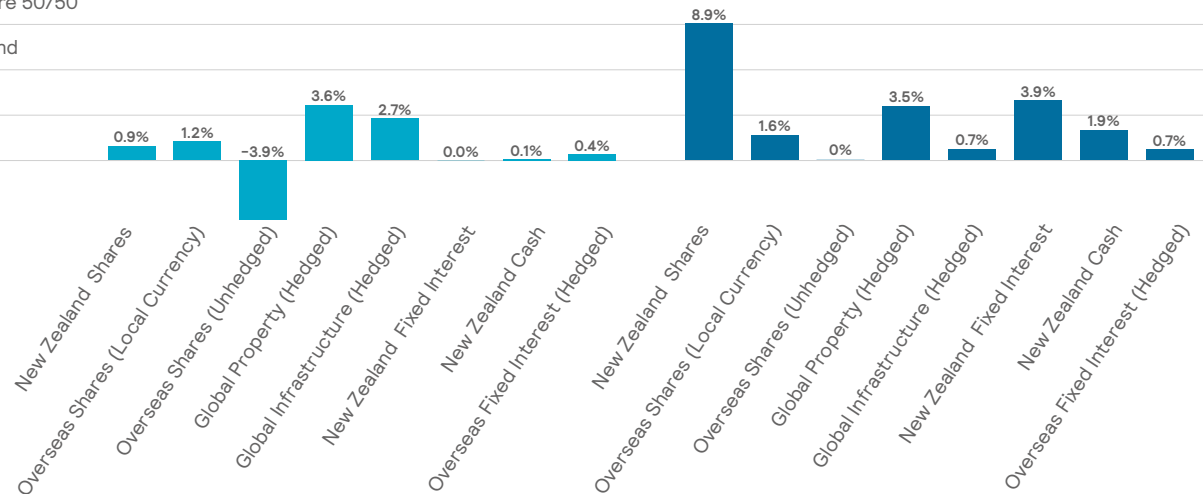
FINANCIAL MARKETS

ONE MONTH

ONE YEAR

KEY

NZ SHARES	S&P/NZX 50 (with ICs)
OVERSEAS SHARES (LOCAL CURRENCY)	MSCI World (Local Currency)
OVERSEAS SHARES (UNHEDGED)	MSCI World (Unhedged)
GLOBAL PROPERTY (HEDGED)	FTSE EPRA NAREIT Developed
GLOBAL INFRASTRUCTURE (HEDGED)	FTSE Global Core Infrastructure 50/50
NZ FIXED INTEREST	S&P/NZX NZ Government Bond
NZ CASH	S&P/NZX 90 Day Bank Bills
OVERSEAS FIXED INTEREST (HEDGED)	Bloomberg Global Agg



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