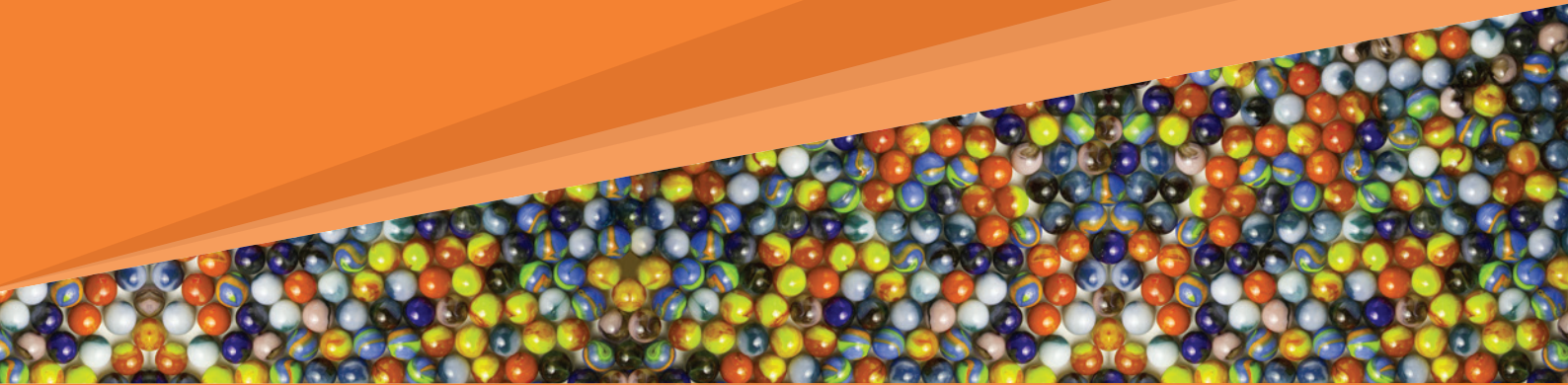


HELPING KIWIS RETIRE WITH MORE

MERCER SUPER TRUST ANNUAL REPORT 31 MARCH 2014



MESSAGE FROM MARTIN LEWINGTON

Introducing the Mercer Super Trust Annual Report 2014

Welcome to the Mercer Super Trust Annual Report 2014. The 2014 financial year has been very positive. We have delivered some pleasing investment returns for members in our diversified investment options.

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Investment performance

Mercer continues to provide members with very good investment outcomes. The Mercer multi-sector and single-sector investment options continue to perform well. The Mercer Trans-Tasman Share investment option fund returned 21.86% for the year (after fees and 28% tax), which is an impressive result.

We have added several new investment specialists to the New Zealand investment team during the year. The New Zealand team has 11 specialists with over 120 years of combined investment experience. Our local expertise in combination with our global network of over 1,200 investment specialists helps provide members with consistent long-term performance.

Diversification is at the heart of our investment beliefs

Every investor has unique objectives. Mercer's tools, expertise, global scale and decades of experience will help you meet yours. Mercer is one of the largest investment advisers in the world with a comprehensive menu of investment tools, advice and solutions to help you navigate complex markets.


Central to Mercer's investment beliefs is diversification – spreading investments across a range of investment types and risk profiles to smooth out periods of volatility. It's about increasing returns by sharing in as many potential opportunities as possible while softening the impact of assets under stress.

With the Mercer Super Trust we provide you with access to several diversified investment options across a range of risk profiles. We have done this to suit your changing needs in an ever changing world.

Looking to the future

As we move into the future our focus is on continuing to deliver consistent long-term investment returns and improving our services to members.

If you have any questions about the Scheme or your investment please feel free to call us on 0508 637 237 or contact us online.



Martin Lewington
Mercer CEO and Director of Mercer Investments
(New Zealand) Limited

01 YOUR MERCER SUPER TRUST

BOARD OF DIRECTORS

This 2014 annual report has been prepared and distributed to you as a member of the Mercer Super Trust either in the Defined Contributions Division offered through your employer or you are investing directly in the Personal Savings Division.

The Trustee

Mercer Investments (New Zealand) Limited, (MINZL), PO Box 105 591, Auckland 1143.

Martin Stevenson

I am an independent Director and Chairman of MINZL. I joined the Board on 9 February 2011.



"Make sure you are paying the right amount of tax and update your PIR once a year or as your circumstances change. You can do this easily by signing in to your online account."

Martin Lewington

I joined Mercer in 2007 and have been a Director of MINZL since 30 January 2009. I am Managing Director of Mercer (N.Z.) Limited.



"While it's not compulsory to tell us your IRD number, not doing so could end up costing you money better saved towards your retirement. Simply sign in to your online account to provide your IRD number."

Philip Houghton-Brown

I was appointed a Director of MINZL on 1 January 2013 and I lead the investments business in New Zealand. I have 25 years investment experience.



"Use tools and calculators on the website to understand how your own tolerance of risk can help you choose a suitable investment option. To help you plan for retirement, don't forget to check out your personalised Retirement Income Simulator."

02 YOUR INVESTMENTS

How has your investment option performed during the year to 31 March 2014?

The following investment returns are shown after investment management and trustee fees and after tax at the Prescribed Investor Rate (PIR).

What investment options are available to you?

Depending on your employer plan, you may only have a choice of some of the options.

Please check your plan details booklet available on www.mercersupertrust.co.nz.

DEFINED CONTRIBUTIONS DIVISION

MERCER-MANAGED INVESTMENT OPTIONS	28.0% PIR	17.5% PIR	10.5% PIR
Mercer Cash	2.03%	2.20%	2.31%
Mercer Fixed Interest	0.16%	1.35%	2.02%
Mercer Conservative	4.77%	5.71%	6.13%
Mercer Moderate	7.24%	8.25%	8.85%
Mercer Active Balanced	8.83%	9.77%	10.41%
Mercer Growth	9.94%	11.26%	12.02%
Mercer High Growth	12.48%	13.53%	N/A
Mercer Shares	17.04%	17.81%	18.25%
Mercer Trans-Tasman Shares	21.86%	22.32%	N/A
Mercer Global Shares	15.12%	15.55%	N/A
Mercer Real Assets	10.31%	12.44%	N/A
EXTERNALLY-MANAGED INVESTMENT OPTIONS			
AMP Capital Balanced	6.32%	6.67%	N/A
AMP Capital Responsible Leaders Balanced	9.15%	9.25%	N/A
SIL Balanced Plus	9.33%	9.53%	9.73%
Fisher Institutional Balanced	7.91%	7.84%	8.40%

The investment returns shown above are based on the unit price movements of each stated investment portfolio and are net of tax at the rate indicated, net of investment management fees and of any administration or Trustee fees that are charged within the unit price.

PERSONAL SAVINGS DIVISION

MERCER-MANAGED INVESTMENT OPTIONS	28.0% PIR	17.5% PIR	10.5% PIR
Mercer Cash	1.75%	1.95%	N/A
Mercer Fixed Interest	-0.18%	1.24%	1.80%
Mercer Conservative	4.31%	5.35%	5.78%
Mercer Moderate	6.96%	7.93%	N/A
Mercer Active Balanced	8.64%	9.57%	10.23%
Mercer Growth	9.90%	11.11%	11.59%
Mercer High Growth	12.02%	13.34%	14.01%
Mercer Shares	16.98%	17.50%	17.92%
Mercer Trans-Tasman Shares	21.95%	N/A	N/A
Mercer Global Shares	14.96%	15.63%	16.16%
Mercer Real Assets	10.13%	12.51%	N/A

The investment returns shown above are based on the unit price movements of each investment portfolio and are net of investment management and administration fees that are charged in the unit price.

It's important to note that investment returns shown don't tell you how the investment options will perform in the future.

Your individual 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 after fees and after tax returns achieved by you.

You can find the latest and historic monthly investment returns, as well as daily historic unit prices for the investment options by signing in to your Scheme's website

www.mercersupertrust.co.nz

03 INVESTMENT MANAGERS

Your Mercer Super Trust savings are invested through Mercer Investment Trusts New Zealand (MITNZ), a series of wholesale investment trusts. Mercer Investments (New Zealand) Limited (a wholly owned subsidiary of Mercer) is the trustee of the MITNZ and is the lead investment manager. The MITNZ invest through a broad range of underlying investment managers as described below.

UNDERLYING INVESTMENT MANAGERS*

CASH	FIXED INTEREST	TRANS-TASMAN SHARES	INTERNATIONAL SHARES	REAL ASSETS	ALTERNATIVE ASSETS
AMP Capital Investors	Alliance Bernstein	Milford Asset Management	Arrowstreet	Fisher Funds Management	Mercer Liquid Alternatives**
	H2O Asset Management	Harbour Asset Management	Ballie Gifford	Colonial First State Asset Management	
	Challenger Financial Services Group	Devon Funds Management	Blackrock	Magellan	
	AXA Global Management		Global Thematic Partners	Rare Infrastructure	
	Colonial First State		Hexavest	Macquarie	
	Wellington Management		Lingohr & Partner Asset Management	Wesbourne Capital	
	BlackRock Investment Management		Schroder Investment Management	Industry Funds Management	
	Investec Asset Management		Franklin Equity Group	Henderson Global Investors	
	Stone Harbor Investment Partners		Fidelity	New Forests Asset Management	
	ANZ Investments		Acadian	Brookfield Investment Management	
	BT Investment Management		First Eagle	Centersquare	
	Macquarie Investment Management		Magellan	Principal Global Investors	
			Veritas	Global Commodities	
			ReallIndex	Goodman Funds Management	
				Investa Property Group	
				LendLease Investment Management	

* Manager appointments are as at 31 March 2014. Managers may change from time to time.

** This fund is a multi-manager fund typically holding approximately 20 managers. It is managed by the specialist Mercer Alternatives team in London.

04 MEMBERSHIP INSIGHTS

Here you'll find membership and other important information relating to the Mercer Super Trust for the year ended 31 March 2014.

Additional complying superannuation fund disclosures

Heinz Watties Superannuation Scheme as at 31 March 2014:

- The market value of the Scheme's assets subject to complying fund rules was \$2,819,165 relating to 185 members.
- The value of withdrawals subject to complying fund rules totaled \$430,058 withdrawn by 20 members.

MEMBERSHIP	DEFINED CONTRIBUTION DIVISION	PERSONAL SAVINGS DIVISION	TOTAL
Total membership as at 1 April 2013	5,178	234	5,412
New entrants	499	22	521
Exits	949	11	960
Total membership as at 31 March 2014	4,728	245	4,973



05 SUMMARY FINANCIAL STATEMENTS

This report includes summary financial statements for the Mercer Super Trust for the year ended 31 March 2014.

The summary financial statements are a summary of, and have been extracted from, the full financial statements and do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements. The full financial statements for each period presented have been audited and the audit report did not refer to a fundamental uncertainty and was not modified in any way.

The Mercer Super Trust is a profit-oriented entity and the full financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZGAAP) and made explicit and unreserved statements of compliance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS) in their full financial statements.

The summary financial statements have been prepared in compliance with Financial Reporting Standard No.43 – Summary Financial Statements. A copy of the full financial statements may be obtained free of charge from the Administration Manager. The financial statements are presented in New Zealand dollars which is the functional and presentation currency in which the Mercer Super Trust operates and are rounded to the nearest New Zealand dollar.

There has been no material change since the financial statements were signed. Other than this, there has not arisen in the interval between the end of the financial year and the date of this financial report any item, transaction or event of a material and unusual nature likely to affect significantly the operations of the Mercer Super Trust Defined Contributions Division and Personal Savings Division, the results of those operations, or the state of affairs of the Schemes.

The full financial statements were authorised for issue by the Trustee, Mercer Investments (New Zealand) Limited, on 8 August 2014.

Other Important Information

ADMINISTRATION MANAGER

Mercer (N.Z.) Limited,
PO Box 1849, Wellington, 6140
New Zealand

INSURER

AMP New Zealand Limited.

Note: Some plans in the Defined Contributions Division may have a different insurer.

AUDITOR

PricewaterhouseCoopers

PROSPECTUS

The last Prospectus registered for the Scheme is dated 9 September 2013 and this was extended on 16 December 2013.

TRUST DEED

There were no amendments to the Trust Deed for the year.

SUMMARY STATEMENTS OF NET ASSETS AS AT 31 MARCH 2014

	TOTAL		DC DIVISION		PS DIVISION	
	2014	2013	2014	2013	2014	2013
ASSETS	\$	\$	\$	\$	\$	\$
Cash at bank	4,429,888	4,477,694	3,956,714	4,226,051	473,174	251,643
Financial assets held at fair value through profit or loss	261,401,217	259,248,676	241,547,162	243,172,856	19,854,055	16,075,820
Sundry debtors	97,540	-	97,540	-	-	-
Total Assets	265,928,645	263,726,370	245,601,416	247,398,907	20,327,229	16,327,463
LIABILITIES						
Benefits payable	149,943	210,470	149,943	181,970	-	28,500
Unallocated contributions	467,348	389,031	463,679	381,505	3,669	7,526
Portfolio investment entity tax payable	4,837,411	2,658,385	4,504,848	2,537,186	332,563	121,199
Investment management fees payable	136,900	139,790	123,485	128,943	13,415	10,847
Administration fees payable	59,356	21,929	54,258	20,569	5,098	1,360
Group life premiums payable	93,096	43,981	90,034	41,254	3,062	2,727
Manager fees (expense recoveries) payable	35,556	22,175	33,874	20,798	1,682	1,377
Total Liabilities (excluding net assets attributable to members)	5,779,610	3,485,761	5,420,121	3,312,225	359,489	173,536
Net assets available for benefits	260,149,035	260,240,609	240,181,295	244,086,682	19,967,740	16,153,927
LIABILITY FOR PROMISED BENEFITS						
Represented by:						
Assets attributable to members	258,092,194	257,655,945	238,124,454	241,502,018	19,967,740	16,153,927
Reserve Accounts	2,056,841	2,584,664	2,056,841	2,584,664	-	-
	260,149,035	260,240,609	240,181,295	244,086,682	19,967,740	16,153,927

SUMMARY STATEMENTS OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2014

	TOTAL		DC DIVISION		PS DIVISION	
	2014	2013	2014	2013	2014	2013
INCOME	\$	\$	\$	\$	\$	\$
Interest received	105,795	82,458	98,590	77,345	7,205	5,113
Sundry income	-	650	-	610	-	40
Net gains on financial instruments held at fair value through profit or loss	26,687,507	21,943,419	24,835,128	20,400,608	1,852,379	1,542,811
Other Income						
Group life claims	415,703	549,355	415,703	549,355	-	-
Total Income	27,209,005	22,575,882	25,349,421	21,027,918	1,859,584	1,547,964
EXPENSES						
Administration fees	430,908	527,011	379,933	498,726	50,975	28,285
Manager fees (expense recoveries)	168,187	247,503	150,013	232,299	18,174	15,204
Group life premiums	657,990	597,493	638,027	581,205	19,963	16,288
Investment management fees	1,666,532	1,433,771	1,521,506	1,322,991	145,026	110,780
Other expenses	8,321	4,987	7,767	4,678	554	309
Total Expenses	2,931,938	2,810,765	2,697,246	2,639,899	234,692	170,866
Net profit before membership activities	24,277,067	19,765,117	22,652,175	18,388,019	1,624,892	1,377,098
Net assets attributable to members at the beginning of the financial year	260,240,609	242,502,082	244,086,682	227,158,331	16,153,927	15,343,751
	284,517,676	262,267,199	266,738,857	245,546,350	17,778,819	16,720,849

SUMMARY STATEMENTS OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)

	TOTAL		DC DIVISION		PS DIVISION	
	2014	2013	2014	2013	2014	2013
MEMBERSHIP ACTIVITIES:	\$	\$	\$	\$	\$	\$
Contributions / Transfers In						
Employer contributions	16,089,559	16,783,325	16,087,159	16,783,325	2,400	-
Government contributions	81,220	71,303	81,220	71,303	-	-
Member contributions	14,175,132	13,946,241	13,663,880	13,780,443	511,252	165,798
Transfers in from other schemes	16,843,369	1,490,366	13,963,196	397,672	2,880,173	1,092,694
Transfers to/(from) from divisions	(21,842)	(16,920)	(19,157)	(16,878)	(2,685)	(42)
Total Contributions / Transfers In	47,167,438	32,274,315	43,776,298	31,015,865	3,391,140	1,258,450
Benefits paid / Transfers out						
Payment of benefits	(62,294,765)	(31,574,742)	(61,452,236)	(29,886,564)	(842,529)	(1,688,178)
Transfers out to other schemes	(3,879,155)	-	(3,855,798)	-	(23,357)	-
Portfolio investment entity taxation expense	(5,362,159)	(2,726,163)	(5,025,826)	(2,588,969)	(336,333)	(137,194)
Total Benefits paid / Transfers out	(71,536,079)	(34,300,905)	(70,333,860)	(32,475,533)	(1,202,219)	(1,825,372)
Total transactions with members in their capacity as members	(24,368,641)	(2,026,590)	(26,557,562)	(1,459,668)	2,188,921	(566,922)
Net assets attributable to members at the end of the financial year	260,149,035	260,240,609	240,181,295	244,086,682	19,967,740	16,153,927

SUMMARY STATEMENTS OF CASH FLOWS IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2014

	TOTAL		DC DIVISION		PS DIVISION	
	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES						
Proceeds from sale of investments	85,509,640	58,261,180	80,434,463	52,263,651	5,075,177	5,997,528
Interest received	105,795	82,458	98,590	77,345	7,205	5,113
Sundry income	-	650	-	610	-	40
Group life claims	415,703	549,355	415,703	549,355	-	-
Group life premiums	(608,875)	(646,452)	(589,247)	(629,901)	(19,628)	(16,551)
Payments for purchase of investments	(60,974,673)	(52,802,130)	(53,973,641)	(47,434,316)	(7,001,032)	(5,367,814)
Expenses paid	(2,323,571)	(2,237,170)	(2,115,452)	(2,080,107)	(208,119)	(157,062)
Net cash from/(used in) operating activities	22,124,019	3,207,891	24,270,416	2,746,637	(2,146,397)	461,254
CASH FLOWS FROM FINANCING ACTIVITIES						
Employer contributions	16,089,559	16,783,325	16,087,159	16,783,325	2,400	-
Government contributions	81,220	71,303	81,220	71,303	-	-
Member contributions	14,175,132	13,946,241	13,663,880	13,780,443	511,252	165,798
Transfers in from other schemes	16,843,369	1,490,366	13,963,196	397,672	2,880,173	1,092,694
Transfers to/(from) divisions	(21,842)	(16,920)	(19,157)	(16,878)	(2,685)	(42)
Portfolio investment entity taxation expense	(3,183,133)	(3,741,827)	(3,058,164)	(3,496,053)	(124,969)	(245,774)
Unallocated contributions	78,317	206,578	82,174	229,765	(3,857)	(23,187)
Benefits paid	(62,355,292)	(31,662,280)	(61,484,263)	(30,002,602)	(871,029)	(1,659,678)
Transfers out to other schemes	(3,879,155)	-	(3,855,798)	-	(23,357)	-
Net cash from/(used in) financing activities	(22,171,825)	(2,923,214)	(24,539,735)	(2,253,025)	2,367,928	(670,189)
Net movement in cash held	(47,806)	284,677	(269,337)	493,612	221,531	(208,935)
Cash at beginning of the year	4,477,694	4,193,017	4,226,051	3,732,439	251,643	460,578
CASH AT END OF THE YEAR	4,429,888	4,477,694	3,956,714	4,226,051	473,174	251,643

06 AUDITOR'S REPORT



Report of the Independent Auditors' on the Summary Financial Statements to the members of the Mercer Super Trust comprising the DC Division and the PS Division

The accompanying summary financial statements on pages 6 to 10 which comprise the summary statement of net assets as at 31 March 2014, the summary statement of changes in net assets, and the summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of Mercer Super Trust (the "Trust") comprising the DC Division and PS Division (the "Funds") for the year ended 31 March 2014.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Funds and the Trust.

Our audit of the financial statements for the year ended 31 March 2014 was completed on 8 August 2014 and our unmodified opinion was issued on that date. We have not undertaken any additional audit procedures in relation to those financial statements from the date of the completion of our audit and those financial statements and the summary financial statements do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

This report is made solely to the Fund's members, as a body. Our work has been undertaken so that we might state those matters we are required to state to them in a report from the auditor and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund's members, as a body, for this report, or for the opinions we have formed. In addition, we take no responsibility for, nor do we report on, any part of the annual report not specifically mentioned in our report.

Trustee's Responsibility for the Summary Financial Statements

The Trustee is responsible for the preparation and presentation of the summary financial statements in accordance with FRS-43: Summary Financial Statements ("FRS 43").

Auditors' Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements.

We have no relationship with or interests in the Funds or the Trust other than in our capacities as auditors and tax advisors. These services have not impaired our independence as auditors of the Funds and the Trust.

Opinion

In our opinion, the summary financial statements on pages 6 to 10 have been correctly extracted from the audited financial statements of the Funds and the Trust for the year ended 31 March 2014 and are consistent, in all material respects, with those audited financial statements.

Restriction on Use of our Report

This report has been prepared for inclusion in the annual report. We disclaim any responsibility for reliance on this report or the amounts included in the summary financial statements, for any purpose other than that for which they were prepared.



Chartered Accountants
Auckland

29 August 2014

07 TRUSTEE'S STATEMENT

The Trustee of the Mercer Super Trust hereby certifies that:

- all contributions required to be made to the Mercer Super Trust were made in accordance with the terms of the Trust Deed
- all benefits required to be paid from the Mercer Super Trust in accordance with the terms of the trust deed have been paid
- the market value of the assets of the Mercer Super Trust as at 31 March 2014 equalled or exceeded the total value of the benefits that would have been payable had all members of the Mercer Super Trust ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at 31 March 2014.



Philip Houghton-Brown
Mercer Investments (New Zealand) Limited

29 August 2014



08 INQUIRIES AND COMPLAINTS

If you have an inquiry or complaint, please call us with your question or to discuss your concerns on **0508 637 237**. You can contact us 9am to 7pm, Monday to Friday or send us your query by completing an online enquiry form from your web account.

Alternatively you may write to us at:

Mercer Super Trust
PO Box 1849
Wellington, 6140

If you have a complaint, depending on its nature, the Helpline consultant will direct it either to the administration team or to the complaints officer.

The complaints officer will investigate any complaints and respond as soon as possible, but within 2 months.

If you have been through the complaints resolution process, and;

- Mercer advises you that deadlock* has been reached;
- or
- Mercer has not advised you within 2 months of receiving your complaint that deadlock has been reached and the Insurance and Savings Ombudsman (ISO) considers that deadlock has been reached, you can refer your complaint to the ISO – an independent dispute resolution scheme.

* Deadlock means that Mercer has fully considered the complaint through its complaints process and decided that it cannot be resolved by that process.

To contact the Insurance and Savings Ombudsman:

Insurance and Savings Ombudsman
PO Box 10845
Wellington 6143

Email: info@iombudsman.org.nz
Phone: (04) 499 7612
Freephone: 0800 888 202
www.iombudsman.org.nz

WANT TO KNOW MORE?



www.mercersupertrust.co.nz



0508 637 237



@Mercer_NZ

Mercer Investments (New Zealand) Limited (MINZL) is the trustee of the Mercer Super Trust, the issuer of this annual report and a wholly owned subsidiary of Mercer (N.Z.) Limited (Mercer). This annual report has been prepared by the trustee to meet its legislative obligations under the Superannuation Schemes Act 1989. The information contained in this annual report is of a general nature only and does not take into account the personal objectives, financial situation or financial goals of individual members. Accordingly, before making any decisions, you should consider the information in light of your own objectives, financial situation and needs and read and consider the current Investment Statement and/or other member materials relating to your scheme is available on the website www.mercersupertrust.co.nz or by calling the Helpline on **0508 MERCER (0508 637 237)**. You should be aware that the value of an investment in the Mercer Super Trust may rise and fall from time to time. Neither MINZL or Mercer guarantees the investment performance, earnings or return of capital investment in any of the Mercer Super Trust investment options. The investment returns in this annual report do not take into account the unique characteristics that apply to each member (such as timing of cashflow). As a result, the actual returns applying to a particular member are different from the investment options shown. You should also remember that past performance should not be relied upon as an indicator of future performance. None of MINZL, Mercer (N.Z.) Limited, MMC Inc. nor any member of the worldwide Marsh and McLennan Group of Companies, nor any other person guarantees the repayment of capital or the investment performance of the Mercer Super Trust or any division or plan. The obligations of the trustee are not guaranteed by any third party.