

# FUND UPDATE

## MERCER CASH FUND MERCER FLEXISAVER

Quarter ending 30 September 2016

This fund update was first made publicly available on: 31 October 2016

### WHAT IS THE PURPOSE OF THIS UPDATE?

This document tells you how the Mercer Cash fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Mercer (N.Z.) Limited prepared this update in accordance with the Financial Markets Conduct Act 2013.

This information is not audited and may be updated.

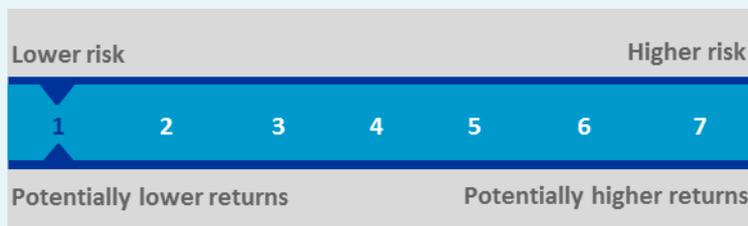
### DESCRIPTION OF THIS FUND

The Mercer Cash fund invests in cash. This fund may be suitable for investors who do not want a nominal loss in the value of their investment and where the funds may be required in the shorter term.

Total value of the fund	\$51,136
The date the fund started	9 October 2015

### WHAT ARE THE RISKS OF INVESTING?

#### Risk indicator for the Mercer Cash fund<sup>†</sup>:



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. 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/tools/investor-kickstarter](http://www.sorted.org.nz/tools/investor-kickstarter).

Note that even the lowest category does not mean a risk-free investment, and there are other 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 5 years to 30 September 2016. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

<sup>†</sup> A combination of actual fund returns and market index returns have been used to determine the risk indicator as the fund commenced operation on 9 October 2015. The risk indicator may therefore provide a less reliable indicator of the potential future volatility of the fund. For the five year period ending 30 September 2016, market index returns have been used up to 30 November 2015 with actual fund returns used for the balance of the period to 30 September 2016.

## HOW HAS THE FUND PERFORMED?

	PAST YEAR
<b>Annual return</b> <i>(after deductions for charges and tax)</i>	Not applicable
<b>Annual return</b> <i>(after deductions for charges but before tax)</i>	Not applicable
<b>Market index annual return</b> <i>(reflects no deductions for charges and tax)</i>	2.69%

The market index return is the strategic asset allocation weighted benchmark index return, where the benchmark indices are defined in the Statement of Investment Policy and Objectives. Additional information about the market index is available on the offer register.

## WHAT FEES ARE INVESTORS CHARGED?

Investors in the Mercer Cash fund pay fund charges. Based on the PDS dated 30 September 2015 these are expected to be<sup>1</sup>:

	% OF NET ASSET VALUE
<b>TOTAL FUND CHARGES</b>	<b>0.87% (estimate)<sup>2, 3</sup></b>
Which are made up of:	
<b>TOTAL MANAGEMENT AND ADMINISTRATION CHARGES</b>	<b>0.87% (estimate)<sup>2, 3</sup></b>
Including:	
Manager's basic fee	0.72% <sup>2</sup>
Other management and administration charges	0.15% (estimate) <sup>2, 3</sup>
<b>TOTAL PERFORMANCE BASED FEES</b>	<b>0.00%</b>
	<b>Dollar amount per investor</b>
<b>OTHER CHARGES</b>	
Administration Fee	\$30.00 <sup>2</sup>

Investors are not currently charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the Mercer FlexiSaver PDS for more information about Scheme fees.

Small differences in fees and charges can have a big impact on your investment over the long term.

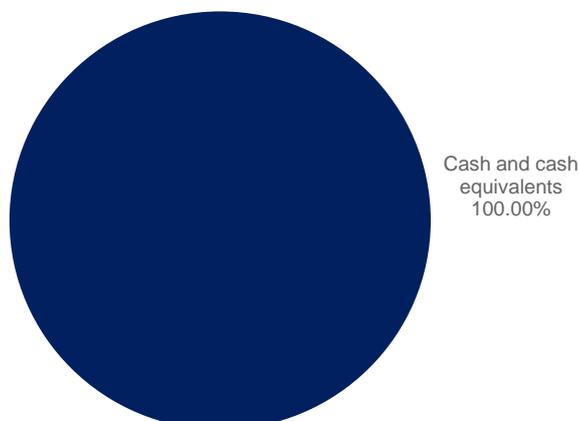
## EXAMPLE OF HOW THIS APPLIES TO AN INVESTOR

Ben had \$10,000 in the fund at the start of the period and didn't make any further contributions. At the end of the period, Ben received a return after fund charges were deducted of \$121.00 (that is 1.21% of his initial \$10,000). Ben also paid \$25.00 in other charges. This gives Ben a total return after tax of \$96.00 for the period.<sup>4, 5</sup>

## WHAT DOES THE FUND INVEST IN?

### Actual investment mix

This shows the types of assets that the fund invests in.



## TARGET INVESTMENT MIX

This shows the mix of assets that the fund generally intends to invest in.

Cash and cash equivalents	100.00%
New Zealand fixed interest	0.00%
International fixed interest	0.00%
Australasian equities	0.00%
International equities	0.00%
Listed property	0.00%
Unlisted property	0.00%
Commodities	0.00%
Other*	0.00%

\*Can include listed and unlisted infrastructure assets and alternatives.

## TOP 10 INVESTMENTS

	NAME	% OF FUND NET ASSETS	TYPE	COUNTRY	CREDIT RATING (IF APPLICABLE)
1	AMP Capital Investors NZ Cash Fund	97.36%	Cash and cash equivalents	New Zealand	N/A
2	BNP New Zealand Dollar Custodial Account - Cash Portfolio	1.65%	Cash and cash equivalents	New Zealand	N/A
2	Westpac Business Interest Account	0.99%	Cash and cash equivalents	New Zealand	AA-

The top 10 investments make up 100% of the fund.

## KEY PERSONNEL

This shows the directors and employees who have the most influence on the investment decisions of the fund.

NAME	CURRENT POSITION	TIME IN CURRENT POSITION	PREVIOUS/OTHER POSITION	TIME IN PREVIOUS/ OTHER POSITION
Ross Butler	Chairman – Mercer (N.Z.) Limited	3 years 9 months	Chairman – Mercer Investment Nominees (NZ) Ltd	2 years
Martin Lewington	Managing Director – Mercer (N.Z.) Limited	7 years 7 months	Head of Investments – Mercer (N.Z.) Limited	3 years 8 months
Philip Houghton-Brown	Head of Investments – Mercer (N.Z.) Limited	4 years 2 months	Chief Investment Officer – OnePath (NZ) Ltd	5 years 3 months
Russell Clarke	Chief Investment Officer – Pacific, Mercer Australia (Pty) Ltd	3 years 2 months	Mercer Global Chief Investment Officer, Mainstream Assets – Current Position	5 years 2 months
Philip Graham	Deputy Chief Investment Officer – Pacific, Mercer Australia (Pty) Ltd	5 years 2 months	Senior Portfolio Strategist – Mercer Australia (Pty) Ltd	4 years 2 months

## FURTHER INFORMATION

You can also obtain this information, the PDS for Mercer FlexiSaver and some additional information from the offer register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose).

## NOTES

- 1 As the fund commenced on 9 October 2015 PDS fee data was used for the fund charges table. The PDS version used was dated 30 September 2015 as this was the most recent version available at the time this fund update was first made publicly available.
- 2 Fund charges may vary for individual investors and employer based groups. Other charges in the form of an administration fee of up to \$2.50 per investor per month (\$30.00 per year) can apply to some investors who join through an employer based group.
- 3 Other management and administration charges include estimates for certain costs and expenses likely to be incurred such as audit, legal and other professional services, and printing and distribution costs. The determination of these fees is based on estimates provided by the Scheme's professional service providers and Mercer's experience with other schemes it manages.
- 4 Returns may vary for some investors depending on the fund charges applicable to them. Returns may also differ for some investors who do not incur the other charges shown.
- 5 The period used for this example is 1 December 2015 to 30 September 2016 as December 2015 was the first full month investors at the 28% PIR were present in the fund. The membership fee of \$25.00 applied relates to this actual return period.

## Got any questions?

Visit our website [www.mymercer.co.nz](http://www.mymercer.co.nz) or call our Helpline on **0508 637 237** (if calling from within New Zealand).

If you're calling from overseas you can contact us on **+61 3 8687 1886**. Helpline hours are from 9am to 7pm, Monday to Friday except public holidays.