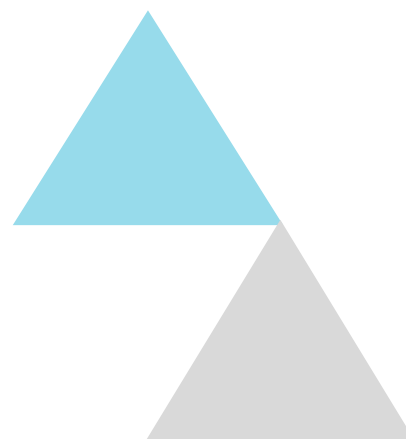


FUND UPDATE

MERCER CASH FUND MERCER SUPER TRUST



Quarter ending 31 December 2017

This fund update was first made publicly available on: 12 February 2018.

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.

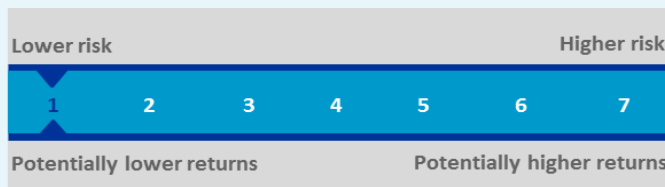
DESCRIPTION OF THIS FUND

Invests mainly in cash and short term interest bearing investments. Designed for investors who want no exposure to growth assets or where the funds may be required in the shorter term.

Total value of the fund	\$27,323,809
Number of members in the fund	634
Date the fund started	22 September 1998

WHAT ARE THE RISKS OF INVESTING?

Risk indicator for the Mercer Cash fund:



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.mercerfinancialservices.co.nz/riskprofile.

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.

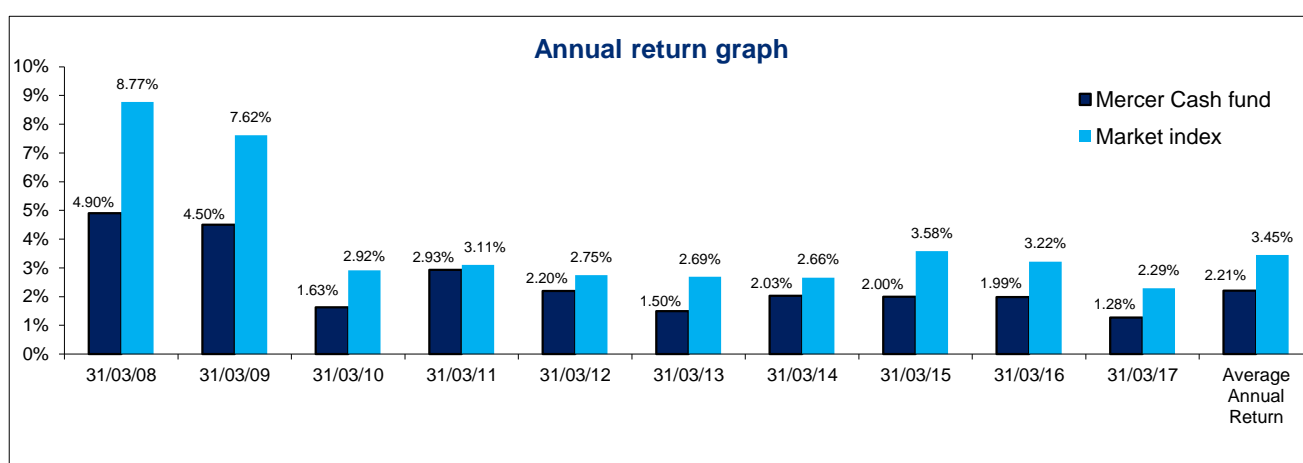
This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for 5 years to 31 December 2017. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

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

HOW HAS THE FUND PERFORMED?

	Average over past 5 years	Past year
Annual return <i>(after deductions for charges and tax)¹</i>	1.70%	1.11%
Annual return <i>(after deductions for charges but before tax)¹</i>	2.19%	1.54%
Market index annual return <i>(reflects no deductions for charges and tax)</i>	2.79%	2.06%

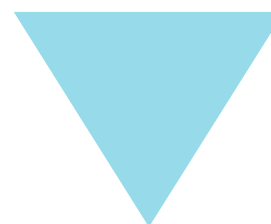
The market index return is the strategic asset allocation weighted benchmark index return, where the benchmark indices are defined in the Statement of Investment Policy and Objectives. Additional information about the market index is available on the offer register.



This shows the return after fund charges and tax for each of the last 10 years ending 31 March. The last bar shows the average annual return for the last 10 years up to 31 December 2017.

Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.



WHAT FEES ARE INVESTORS CHARGED?

Investors in the Mercer Cash fund pay fund charges. In the year to 31 March 2017 these were:

	% of net asset value
TOTAL FUND CHARGES	0.66% ²
Which are made up of:	
TOTAL MANAGEMENT AND ADMINISTRATION CHARGES	0.66% ²
Including:	
Manager's basic fee	0.32%
Other management and administration charges	0.34% ²
TOTAL PERFORMANCE BASED FEES	0.00%
	Dollar amount per investor
OTHER CHARGES	
Membership Fee	\$47.64 ³

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the Mercer Super Trust PDS and Your Plan Details for more information about fees.

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

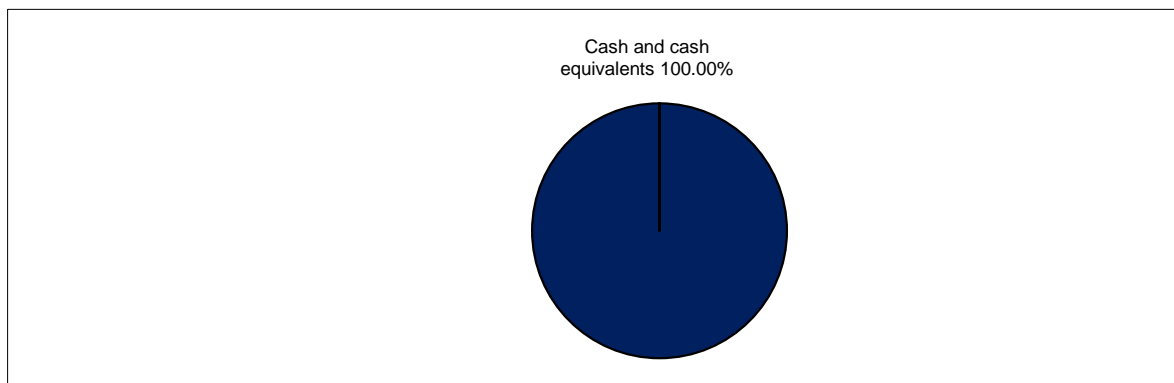
EXAMPLE OF HOW THIS APPLIES TO AN INVESTOR

Ben had \$10,000 in the fund at the start of the year and didn't make any further contributions. At the end of the year, Ben received a return after fund charges were deducted of \$111.00 (1.11% of his initial \$10,000). Ben also paid \$47.64 in other charges. This gives Ben a total return after tax of \$63.36 for the year.

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%

TOP 10 INVESTMENTS

Name	% of fund net assets	Type	Country	Credit rating (if applicable)
1 AMP Capital Investors NZ Cash Fund	98.77%	Cash and cash equivalents	New Zealand	NA
2 BNP New Zealand Dollar Custodial Account Indexed Cash Portfolio	0.77%	Cash and cash equivalents	New Zealand	NA
3 Westpac Business Interest Account	0.46%	Cash and cash equivalents	New Zealand	AA-

The top 10 investments make up 100.00% 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.) Ltd	5 years 0 months	Chairman - Mercer Investment Nominees (NZ) Ltd	2 years 0 months
Martin Lewington	CEO - Mercer (N.Z.) Ltd	8 years 10 months	Head of Investments - Mercer (N.Z.) Ltd	3 years 8 months
Philip Houghton-Brown	Chief Investment Officer - New Zealand, Mercer (N.Z.) Ltd	5 years 5 months	Chief Investment Officer - Onepath (NZ) Ltd	5 years 3 months
Kylie Willment ⁴	Chief Investment Officer, Pacific, Mercer Australia (Pty) Ltd	0 years 2 months	Senior Manager, Investment & Client Strategy - TCorp (NSW Treasury Corporation)	17 years 0 months
Philip Graham	Deputy Chief Investment Officer - Pacific, Mercer Australia (Pty) Ltd	6 years 5 months	Senior Portfolio Strategist - Mercer Australia (Pty) Ltd	4 years 2 months

FURTHER INFORMATION

You can also obtain this information, the PDS for the Mercer Super Trust and some additional information from the offer register at www.companiesoffice.govt.nz/disclose.

NOTES

1. The total deductions applied include a percentage based administration fee of 0.40% per annum. This is the rate applied to the unit price and may be higher or lower for some investors meaning returns may differ.
2. The administration fee contained within other management and administration charges has been determined as an average for the year. As this fee can vary by plan the fee applicable for investors may therefore be higher or lower. Please refer to Your Plan Details for information relating to the total fund charges applicable if you are a member of a Plan.
3. Membership fees are the fixed dollar charges for membership of the Scheme and are charged monthly. As the fee varies by Plan, the value stated is the average fee charged across the scheme for the year ended 31 March 2017. The fee can be higher or lower for investors with more details relating to the applicable fee noted in Your Plan Details.
4. Kylie Willment has not been named as a key person in the previous fund update as she was appointed on 25th October 2017.

Got any questions?

Visit our website www.mercerfinancialservices.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.