

Mercer FlexiSaver

Adviser Monitoring Fee

October 2023

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Section 1

Introduction

This document relates to Mercer FlexiSaver and should be read in conjunction with the scheme's Product Disclosure Statement.

This document provides information about the Adviser Monitoring Fee (AMF). The AMF is a fee payable to a financial adviser in exchange for monitoring and advising on a member's portfolio of investments held with us.

We currently have AMF agreements with a number of financial advisers who provide their clients with access to Mercer products, including Mercer FlexiSaver. If you have agreed to an AMF with such an adviser, we are able to pay the AMF to the adviser direct from your Mercer FlexiSaver Account. If you agreed with your adviser, part or all of that AMF may be funded by rebating a portion of our management fee.

The information in this document could change in the future. Please check the offer register at www.disclose-register.companiesoffice.govt.nz for any updates.

Section 2

Adviser Monitoring Fee (AMF)

Currently, the only fee you may be charged in the scheme on an individual basis for investor-specific decisions or actions is an AMF. The way the AMF works is if you have agreed to an AMF with your financial adviser, and we have an AMF Agreement with that adviser, we will deduct the AMF from your Mercer FlexiSaver Account and pay it to your adviser.

The method for paying the AMF from your Mercer FlexiSaver Account is two step. If an approved AMF agreement applies to you, we will process a 0.25% p.a. Manager's Fee rebate to your Mercer FlexiSaver Account (i.e. 0.25% p.a. of your investment in Mercer FlexiSaver). Once this 0.25% p.a. rebate has been processed, we will pay the AMF to your adviser from your Mercer FlexiSaver Account. The AMF is currently restricted to 0.25% p.a., 0.50% p.a., or 0.75% p.a. depending on the level of financial advice service you have agreed with your adviser. These rates may change in the future.

Working example

Ms Smith agrees to an AMF of 0.50% p.a. with her adviser. At month end, Ms Smith has a FlexiSaver Account balance of \$10,000. Ms Smith will receive a Manager's Fee rebate of \$2.08 ($\$10,000 \times 0.25\% / 12 = \2.08) to facilitate the payment of the AMF. Once this rebate has been processed, Ms Smith's Mercer FlexiSaver Account will be charged an AMF of \$4.17, to be paid to her adviser ($\$10,000 \times 0.50\% / 12 = \4.17).



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