

Mercer Investment Funds Other Material Information

30 May 2024

This document replaces the Other Material Information document dated 14 May 2024.

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Other than Macquarie Bank Limited (MBL), none of the entities noted in this document are authorised deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of MBL. Any investments are subject to investment risk including possible delays in repayment and loss of income and principal invested. MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities, unless noted otherwise.

1. General

This Other Material Information Document ("Document") has been prepared to meet the requirements of section 57(1)(b)(ii) of the Financial Markets Conduct Act 2013 ("FMC Act") and clause 52 of Schedule 4 of the Financial Markets Conduct Regulations 2014 ("FMC Regulations"). All legislation referred to in this Document can be viewed at www.legislation.govt.nz.

In this Document, "you" or "your" refers to a person or entity that invests in the retail investment funds set out in section 2 below ("Funds") through a wrap platform or similar administration and custodial service. Please note section 17 "Investing through administration and custodial services (e.g., wrap platforms)" on page 25 for information on holding units through a wrap platform or similar administration and custodial service. "We", "us", "our" or "the Manager" refers to Mercer (N.Z). Limited as the manager of the Funds.

Capitalised terms have the same meaning as in the Mercer Investment Funds Trust Deed ("Trust Deed") unless they are otherwise defined in this Document. There is a Glossary of defined terms on page 27. Some terms are defined in the Document itself.

Product Disclosure Statements ("PDSs") for the offer of Units in the Funds are also available. If you are a "retail investor" under the FMC Act you must be given a copy of the relevant PDS before we can accept your application for Units.

2. Funds

This Document relates to the offer of Units in the following investment funds:

Fund	Date the fund started	PDS
Mercer Ethical Leaders Conservative Fund	6 June 1995	Ethical Leaders Diversified Funds
Mercer Ethical Leaders Balanced Fund	11 August 2009	Ethical Leaders Diversified Funds
Mercer Ethical Leaders Growth Fund	6 June 1995	Ethical Leaders Diversified Funds
Mercer Macquarie Real Return Opportunities Fund	11 December 2013	Goals Based Funds
Mercer Income Generator Fund	30 June 2014	Goals Based Funds
Mercer Macquarie NZ Cash Fund	1 June 1995	Cash and Fixed Interest Funds
Mercer Macquarie NZ Fixed Interest Fund	5 June 1995	Cash and Fixed Interest Funds
Mercer Macquarie NZ Short Duration Fund	28 September 2007	Cash and Fixed Interest Funds
Mercer Macquarie Global Income Opportunities Fund	11 May 2012	Cash and Fixed Interest Funds
Mercer Macquarie Australian Shares Fund	17 September 1996	New Zealand and Australian Shares Funds
Mercer Ethical Leaders NZ Shares Fund	12 December 2012	New Zealand and Australian Shares Funds
Mercer Global Shares Fund	13 December 1994	Global Shares Funds
Mercer Core Global Shares Fund	26 November 2007	Global Shares Funds
Mercer Core Hedged Global Shares Fund	26 November 2007	Global Shares Funds
Mercer Emerging Markets Shares Fund	1 November 2007	Global Shares Funds
Mercer Ethical Leaders Global Shares Fund	6 November 2007	Global Shares Funds
Mercer Macquarie Global Listed Real Estate Fund	29 November 2007	Property and Infrastructure Funds
Mercer Macquarie Global Listed Infrastructure Fund	7 September 2012	Property and Infrastructure Funds
Mercer NZ Shares Passive Fund	1 December 2017	Index Funds
Mercer Ethical Leaders Hedged Global Fixed Interest Index Fund	1 December 2017	Index Funds
Mercer All Country Global Shares Index Fund	1 December 2017	Index Funds
Mercer Australian Property Index Fund	1 June 1995	Index Funds

The Funds are constituted within a registered scheme called the "Mercer Investment Funds", registered scheme number SCH10307 ("Scheme"). The Scheme is governed by the Trust Deed amended and restated as at 6 March 2023 (the Mercer Investment Funds Trust Deed) and the Funds are invested in accordance with their statement of investment policy and objectives ("SIPO"). You can get an electronic copy of the Trust Deed and SIPO from the scheme register on the Disclose website www.disclose-register.companiesoffice.govt.nz.

3. Manager

Mercer (N.Z.) Limited

The manager of the Funds from 3 March 2023 is Mercer (N.Z.) Limited (“Manager”, “we”, “us”, “our”).

Mercer is part of the Marsh McLennan group of companies. Mercer has been operating in New Zealand since 1957 providing investment, actuarial consulting and administration services to employer-based superannuation and KiwiSaver schemes as well as investment services to the wholesale sector.

We are the manager of the 22 retail investment funds covering major asset classes including equities, fixed interest, infrastructure, property, diversified funds, multi-manager and multi-asset funds. These retail investment funds are the 22 Funds set out in the table above.

In addition to these 22 retail investment funds, we are also the manager of other retail managed investment schemes and wholesale investment funds.

We were granted a licence to act as the manager of a registered scheme under the FMC Act by the Financial Markets Authority (“FMA”) on 11 June 2015. The licence requires us to maintain the same or better standard of capability, governance and compliance as was the case when the FMA assessed our licence application. The licence is subject to the normal conditions imposed under the FMC Act and the FMC Regulations, and the standard conditions imposed by the FMA.

Our functions

We have the following functions as the manager of the Funds:

- offering Units in the Funds;
- issuing Units in the Funds;
- managing the Funds and their investments; and
- administering the Funds and the Scheme.

We have appointed BNP Paribas as the administrator for the scheme.

Investment Managers

Mercer employs a multi-manager investment approach. As at the date of this Document there are a number of different managers. For the Mercer Macquarie co-branded funds, the Macquarie entity investment managers are:

- Macquarie Investment Management Global Limited, a company incorporated in Australia, a member of the Macquarie Group Limited, is the investment manager of the Mercer Macquarie Global Income Opportunities Fund, Mercer Macquarie Australian Shares Fund, Mercer Macquarie Real Return Opportunities Fund, Mercer Macquarie Global Listed Infrastructure Fund, and the Mercer Macquarie Global Listed Real Estate Fund. In certain cases, Macquarie Investment Management Global Limited can delegate the investment of those Funds to one or more related managers.
- Macquarie Asset Management (NZ) Limited (MAMNZ) is the investment manager of the Mercer Macquarie NZ Cash Fund, Mercer Macquarie NZ Fixed Interest Fund, Mercer Macquarie NZ Short Duration Fund, and in certain cases, MAMNZ can delegate the investment of those Funds to one or more related managers.

A full list of all the current Investment Managers appointed is available by emailing Mercer at ClientsNZ@mercer.com.

4. Supervisor and Custodian

The New Zealand Guardian Trust Company Limited is the supervisor ("Supervisor") of the Funds.

Functions

The Supervisor has the following functions:

- acting on behalf of investors in relation to us, any matter connected to the Trust Deed or the terms of offer of the Units, any contravention or alleged contravention of our obligations as the issuer of the Units and the manager of the Funds, and any contravention or alleged contravention of the FMC Act by any other person in connection with the Funds,
- supervising the performance by us of our functions as manager of the Funds and our obligations as issuer of the Units (including, compliance with the Trust Deed), and the financial position of us and the Scheme in respect of the Units to ascertain that it is adequate,
- holding the property of the Funds, or ensuring that property is held, in accordance with the FMC Act, and
- performing or exercising any other functions, powers, and duties conferred or imposed on it by the FMC Act, the Financial Markets Supervisors Act 2011 or the Trust Deed.

Custodian

As at the date of this Document, the Supervisor delegates the function of holding the property of the Funds to BNP Paribas Fund Services Australasia Pty Ltd (trading as BNP Paribas Securities Services) ("Custodian").

As required by the FMC Act, the Supervisor and the Custodian are independent of us.

Incorporation and directors

The Supervisor was incorporated under the Companies Act 1955 in New Zealand on 7 September 1982 and was re-registered under the Companies Act 1993 on 22 April 1997. A current list of the supervisor's directors is available online at www.disclose-register.companiesoffice.govt.nz

Supervisor's licence

The Supervisor has been granted a licence under section 16(1) of the Financial Markets Supervisors Act 2011 to act as a Supervisor in respect of debt securities and registered schemes for a term expiring 16 March 2028.

The Supervisor's licensed status can be verified on the FMA's website: www.fma.govt.nz by clicking on "Finance professionals", "Licensed and Reporting Entities" and searching for "The New Zealand Guardian Trust Company Limited" or the Supervisor's website: www.guardiantrust.co.nz. If you have any queries about the licence, please contact the Supervisor in the first instance.

5. Manager and Supervisor's indemnity

Subject to the limits on permitted indemnities under the FMC Act, we and the Supervisor are indemnified out of the Funds for all losses, costs and expenses incurred by us or the Supervisor in relation to the proper performance of our general duties and our duties to comply with the relevant professional standard of care under the FMC Act in respect of the Funds, the Scheme and this offer. However, we and the Supervisor remain liable for losses, costs and expenses arising from a breach of trust where we or the Supervisor fail to show the degree of care and diligence required unless the holders of Units in all the Funds governed by the Trust Deed pass a Special Resolution releasing us or the Supervisor from such liability (as applicable).

6. Key Terms

The Trust Deed governs the Funds. A summary of the Trust Deed is set out below.

Supervisor's Covenants

In the Trust Deed, the Supervisor gives certain covenants in favour of the Investors, including that it will:

- retain the Assets of the Funds in safe custody and hold them as trustee for Investors on the terms of the Trust Deed,
- not part with possession of or charge any of the Assets of the Trust, except as provided for under the Trust Deed, and
- use its best endeavours not to incur any Liability for, or in respect of, a Fund if the Liabilities of the Fund would exceed 50% of the Value of the Assets of the Fund.

Removal and Retirement of the Supervisor

The Supervisor may retire at any time by giving 90 days' notice to us subject to the appointment of a new Supervisor and the transfer to the new Supervisor of the Assets of the Fund. Where the Supervisor retires, we have the power to appoint a new Supervisor. If we fail to do so, the Investors of the relevant Fund or Funds may do so by Special Resolution.

Our Powers and Obligations

In addition to the statutory functions set out in the section "Our functions" on page 5 above, we have broad discretions in respect of the management of the Funds, including managing the Assets of the Fund, making investment and borrowing decisions, repurchasing or causing the redemption of Units and fixing dates for valuations and distributions.

We are obliged to ensure that the Funds are properly and efficiently operated and that the Assets of the Funds are properly managed and supervised, make any requested information available to the Supervisor, convene Investor meetings and pay money in accordance with the Trust Deed.

The Manager may (with the prior approval of the Supervisor) delegate all or any of the powers, authorities and discretions it can exercise under the Trust Deed. However, this ability to delegate does not affect the Manager's liability for the performance of those functions.

Powers as a PIE

We have a wide range of discretions to operate each Fund and the Scheme as a whole as a PIE including:

- discretions relating to the calculation of tax,
- adjusting distributions to you or redeeming your Units to meet your liability for tax, and
- taking all steps necessary to ensure that the Fund or Scheme meets the PIE eligibility requirements including:
 - rejecting applications for Units and transfers of Units if and to the extent necessary to ensure that the Maximum Investor Interests requirement under the Tax Act is not exceeded, or
 - if your Unitholding exceeds the Maximum Investor Interests requirement, selling, redeeming or repurchasing Units.

You will be given notice and an opportunity to remedy a breach of the Maximum Investor Interests requirement (provided there is time to remedy the breach under the relevant tax legislation). The proceeds from any sale, redemption or repurchase carried out by us to remedy such a breach (less any costs and expenses incurred by us in respect of the same) will be paid to you, and neither the Manager nor the Supervisor shall be liable for any loss that you may incur under or in connection with any such sale, redemption or repurchase.

Provision of information

If we ask you to provide information to enable us to determine whether a Fund continues to meet the PIE eligibility requirements, you shall supply such information within 30 days of our request.

Removal and Retirement of the Manager

We will cease to be the manager of a Fund if:

- We are removed by written direction of the Supervisor after the Supervisor certifies it is in the best interests of Investors that we are removed;
- We are removed by a Special Resolution of Investors;
- We are substituted by the High Court under the FMC Act;
- We have a receiver appointed or if an order is made or a resolution passed for our liquidation or winding up under relevant law; or

- We retire by giving 90 days' notice to the Supervisor subject to the appointment of a new manager.

If there is no manager, the Supervisor has the power to appoint a temporary manager subject to the FMA's power to appoint a temporary manager under the FMC Act.

Separate Funds

Each Fund is a separate and distinct investment fund, with separate Assets and Liabilities, governed by the terms and conditions of the relevant Trust Deed. All investments of a Fund are to be held by the Supervisor as the exclusive property of that Fund, for the exclusive benefit of the Investors of that Fund and no Investor in one Fund shall have any claim on any other Fund or any other Fund governed by the Trust Deed (and vice versa). This means that the assets of one Fund cannot be used to cover the liabilities of another Fund or any other Fund governed by the Trust Deed nor can the assets of any other such Fund be used to cover the liabilities of a Fund.

Side-pocketing

We may side-pocket certain Assets and Liabilities of a Fund, with the approval of the Supervisor. Side-pocketing is a mechanism that is designed to allow Investors continuing liquidity in a Fund from which redemptions might otherwise need to be suspended or deferred due to liquidity issues with underlying assets. This involves "allocating" the illiquid assets to a separate account and converting a corresponding portion of each Investor's Units into a new class of side-pocketed Units from which redemptions are controlled pending resolution of the liquidity issues. This leaves the Investor's remaining Units unaffected by these liquidity problems. The Manager must give written notice to the Investors of a Fund in relation to which side-pocketing has occurred.

Borrowing

Under the Trust Deed, we may, and may require the Supervisor to, borrow on behalf of any Fund. Any such borrowing may be secured over all or any part of the Assets of the Fund. We do not currently intend to borrow on behalf of any Fund, unless it is necessary for tax loss or settlement purposes. No borrowing may be made if the total borrowed and then outstanding would, together with all other Liabilities of the Fund, exceed 25% (or such other percentage up to a maximum of 50% as we may agree with the Supervisor) of the Value of the Assets of the Fund.

In addition to limitations on borrowing set out in the Trust Deed, additional limitations on borrowing for a particular Fund may be set out in the SIPO and relevant PDS. For more information on these limitations, please refer to the SIPO and the PDSs.

Valuation

The Current Value of each Fund is calculated by us by taking the Value of the Assets of the particular Fund and deducting any Liabilities, charges incurred in holding the Assets, any money held in respect of applications not yet accepted (or those which have been rejected) and any money held in respect of cancelled Units.

For Funds, the Current Value of each Fund must be calculated at least once every five Business Days. Our current practice is to calculate the Current Value of each Fund each Business Day (if practicable to do so). In determining the Value of the Assets of a Fund, the Trust Deed entitles us to rely on the current unit price of any other investment fund into which that Fund invests (as quoted, published or otherwise determined by it (in the case of a Fund) or by the manager of any such other investment fund) as the value of the Fund's investment in that other investment fund.

We may value a Fund's Assets more than once on any Business Day if, in our reasonable opinion, special circumstances exist. In such cases, we are required to certify to the Supervisor that, in our reasonable opinion, special circumstances existed which require or justify more than one valuation of the Assets on the relevant Business Day.

We will ascertain the Current Value of the Fund and the Value of the Assets of each Fund on a consistently applied basis accepted as being appropriate by the Supervisor. We are entitled to alter that basis and the application, provided we first give notice to the Supervisor of the alterations and the Supervisor approves the same.

Withdrawals

Subject to any suspension rights, we have an obligation to repurchase, or alternatively to ask the Supervisor to redeem, any Units in the Funds in respect of which a Repayment Request is received from you in accordance with the procedures set out in the Trust Deed for the Funds. Under the Trust Deed, payment is required to be made within 60 days of the date on which your Repayment Request is received by us. In normal circumstances, however, payment will be made within 10 Business Days of our receiving a Repayment Request. If received on a business day before 1pm, we calculate the Repayment Price as at the date the Repayment Request is received by us (unless the Supervisor gives prior approval for the Repayment Price to be calculated at an earlier date). Otherwise, the Repayment Price is calculated as at the following business day. If the Repayment Request relates to a total of fewer than 500 Units then we may refuse the Repayment Request.

Suspension of withdrawals

We may, in certain circumstances, suspend the obligation to repurchase, or cause the redemption of, Units by issuing a Repayment Suspension Notice (for instance, where we believe, in good faith, that it is not practicable or would be prejudicial to Investors' interests for the Supervisor to realise Assets or borrow to permit redemptions – this could be because of market or Asset conditions or other circumstances). Any such suspension would continue until cancelled by us.

We must cancel a Repayment Suspension Notice within 90 days after the date on which the Repayment Suspension Notice was given, unless the Supervisor agrees otherwise. The Supervisor must not unreasonably withhold its agreement to extend a Repayment Suspension Notice beyond 90 days (but the Supervisor may not agree to a Repayment Suspension Notice applying for more than one year after the date of the notice without the approval of the Investors of the relevant Fund or Funds by Special Resolution).

Records and Financial Statements

We must keep proper accounting records in respect of the Funds. The Supervisor is required to provide us with any information we require in order to keep those records.

We will forward the audited Financial Statements to the Supervisor and to every Investor within the required timeframe following the issue of the audited Financial Statements.

Registers

We are required to keep a register of Investors for each Fund in the form and manner required by the FMC Act. The Register must be kept in New Zealand and may be kept in electronic form so long as a printout of the Register is available to the Supervisor from time to time. Each Register shall be available for inspection in accordance with the FMC Act.

Meetings

We may, and will, on receipt of a written request from the Supervisor, or a written request from Investors holding at least 5% of the Units of the Fund, convene a meeting of the Investors of that Fund. We must give Investors 15 Business Days' notice of the meeting.

The quorum for meetings is the quorum prescribed by the FMC Regulations which is currently Investors or their proxies present or who have cast postal, email or electronic votes, and who hold Units with a combined value of no less than 25% of the value of the Fund held by those persons who are entitled to vote.

A "Special Resolution" is a resolution approved by Investors holding Units with a combined value of no less than 75% of the value of the Units held by those Investors who are entitled to vote and who vote on the question and includes any resolution relating to a matter that is required by the FMC Act, the FMC Regulations or the Trust Deed to be done by way of Special Resolution.

A meeting of Investors of a Fund can give directions to the Supervisor if those directions are consistent with the Trust Deed and the FMC Act and the directions are given by a Special Resolution passed at that meeting. The Supervisor is not liable for anything done, or omitted to be done, in good faith in giving effect to such a direction. The Supervisor may also, at its discretion, apply to the High Court under the FMC Act for an order in respect of any direction given.

The Supervisor nominates a chairperson to act at every meeting and the chairperson has a casting vote.

Amendments to the Trust Deed

Subject to the FMC Act and the provisions of the Trust Deed, we may agree with the Supervisor to amend the Trust Deed.

Winding Up

Upon the winding up of a Fund, the Supervisor must sell all the Assets of the Fund and, after providing for such amount as the Supervisor considers necessary to meet all claims and Liabilities (including fees), shall distribute the balance to Investors in proportion to their holdings of Units at the time of distribution. The amount distributed to you on winding up may be adjusted to reflect the Fund's PIE Income Tax Liability (as defined in section YA 1 of the Tax Act), if any, on income attributed to Investors. (As indicated below, we have undertaken not to terminate (i.e., wind-up) the Fund until after certain time periods have passed).

Indemnities

If an Investor has made an election to have Qualifying Expenditure treated as expenditure of the Scheme or a Fund for Tax purposes, that investor indemnifies the relevant Fund for any costs, claims or demands made by the Commissioner of Inland Revenue or any other person in respect of or resulting from the treatment of relevant Qualification Expenditure

Each Investor indemnifies the Supervisor and the Manager if the value of the Investor's Units is not sufficient to meet any liability for Tax payable by the Fund, the Manager or the Supervisor that is attributable to the Investor or is determined by the Supervisor or the Manager to be attributable to the Investor.

7. Fund-specific matters

Mercer Income Generator Fund (established 1 April 2014)

As noted in the SIPO, the Mercer Income Generator Fund aims to provide a gross fixed monthly income in excess of bank deposit rates, along with a positive return on capital over the long term. Each monthly distribution amount for the Income Generator Fund will be paid to those Investors on the register of Investors as at the close of business on the last Business Day of each month.

Annual and interim review of distributions

We review the monthly distribution amount, and may re-set it, on or about 1 April in each year for the following 12-month period. An interim review of the distribution rate will be undertaken on or around 1 October of the same year and, if required, the monthly distribution rate for the subsequent monthly distributions may be re-set. We determine the monthly distribution amount at each such review based on our expectation of the amount of gross income likely to be received by the investment fund over that following 12-month period.

Suspension of distributions

We may suspend payment of the monthly distribution amount where we form the view that, due to adverse market or other circumstances, it is in the best interests of Investors generally to do so. In such circumstances, we will provide you and the Supervisor with written notice of such suspension. During the period for which any such suspension is in effect, the distribution amounts that would otherwise have been payable to you during that period will be cancelled and you will not receive, or have any claim, in respect of the cancelled distribution amounts. Instead, those amounts will be retained by the Income Generator Fund and, as such, will be reflected in the price of the Units in the Income Generator Fund. We may lift the suspension at any time by providing you and the Supervisor with written notice that such suspension has been lifted and, if not lifted prior, the suspension will be deemed to have been lifted on the 1 April immediately following the date of the suspension notice.

Current distribution determinations

You can find the most recent distribution rate determined by the Manager and the period to which it applies by going to webpage for the Scheme on the Mercer website www.multimanager.mercer.co.nz. Historic distribution rates for previous periods are also available on request.

Mercer Macquarie Real Return Opportunities Fund (established 11 December 2013)

Market index

We are exempt from certain market index disclosure requirements in relation to the Mercer Macquarie Real Return Opportunities Fund as a result of the Financial Markets Conduct (Market Index) Exemption Notice 2023. This exemption applies on the basis that there is no appropriate market index and no suitable peer group index or indices for the Mercer Macquarie Real Return Opportunities Fund.

The FMC Regulations require quarterly fund updates to compare a fund's historical performance against an "appropriate market index". This is defined as being a broad-based securities index (or indices) that is independently administered (or widely used and widely recognised in financial markets) and that is appropriate in terms of assessing movements in the market(s) for the assets in which the fund invests.

Under the SIPO, the Mercer Macquarie Real Return Opportunities Fund invests almost all its assets into one or more underlying "absolute return" funds. These funds give their investment managers very broad investment discretion to achieve their "absolute return" performance objectives. This means the types of underlying investments ultimately made for the Mercer Macquarie Real Return Opportunities Fund could change significantly from time to time. As a result, there is no "appropriate market index" for the Mercer Macquarie Real Return Opportunities Fund against which its historical returns can be compared in the fund updates.

The same issue arises for other funds with similar investment strategies. The FMA has therefore granted the exemption noted above from the "appropriate market" index requirement. That exemption is conditional on the manager trying to identify a suitable "peer group index" (an index based on the performance of a group of funds that invest in a particular sector or sectors) to use as a substitute for the appropriate market index. We have determined that there is no suitable "peer group index" for the Mercer Macquarie Real Return Opportunities Fund, as the various peer group indices available would not be useful to investors in assessing the fund's performance.

Mercer Ethical Leaders Funds (various establishment dates)

Mercer is a member of the Responsible Investment Association Australasia ("RIAA"). The following Funds are certified under RIAA's Responsible Investment Certification Program:

- Mercer Ethical Leaders Conservative Fund
- Mercer Ethical Leaders Balanced Fund
- Mercer Ethical Leaders Growth Fund
- Mercer Ethical Leaders NZ Shares Fund
- Mercer Ethical Leaders Global Shares Fund
- Mercer Ethical Leaders Hedged Global Fixed Interest Index Fund

Certification of the Ethical Leaders Funds signifies that each of these Funds have implemented a detailed responsible investment process for all investment decisions, clearly discloses what that process is, has been audited by an external party to verify the investment process, and has met the strict disclosure requirements of the program.

RIAA

RIAA is the industry body representing responsible and ethical investors across Australia and New Zealand. RIAA works to promote a more responsible approach to investment, and to encourage more people to actively choose a responsible and ethical option for their savings and investments, across superannuation, banking, general investments and KiwiSaver schemes in NZ. RIAA supports its members by acting as a hub for critical information for responsible investors through webinars, conferences, events, working groups, research, and policy.

RIAA's Responsible Investment Certification Program

RIAA's Responsible Investment Certification Program is aimed at helping the investors of all kinds navigate towards investment options and financial advice that better match their investment beliefs and personal values. Developed in 2005 as a response to the growing demand for responsible and ethical investments, the Responsible Investment Certification Program provides investors with standardised and consistent information allowing them to compare and contrast the investment options that have been assessed and verified as responsible. The Responsible Investment Certification Program allows investors to access detailed information about how each investment product or financial adviser takes into account ESG (Environmental, Social, Governance) and ethical issues in the investment process.

Where to find more information

More information about the RIAA and the certification programme is available on its website

<http://responsibleinvestment.org/>.

More information about our approach to responsible investing is set out in the SIPO for the Funds available on the scheme register on the Disclose website

www.disclose-register.companiesoffice.govt.nz

Mercer Ethical Leaders Hedged Global Fixed Interest Index Fund (established 27 November 2017)

On 21 June 2021 the benchmark for the Hedged Global Fixed Interest Index Fund changed from the Bloomberg Barclays Global Aggregate Index to the Bloomberg Barclays MSCI Global Aggregate SRI Select ex Fossil Fuels Index, resulting in the Fund being managed to 'responsible investment' criteria.

8. More information about market indices

Where to find more information

The Funds' returns are measured against various market indices as set out in the SIPO. More information about these market indices can be found at the following web pages:

- S&P/NZX Indices:
<http://us.spindices.com/regional-exposure/asia-pacific/new-zealand>
- S&P/ASX Indices:
<https://au.spindices.com/regional-exposure/asia-pacific/australia>
- Barclays Capital Indices: <https://index.barcap.com/>
- MSCI Indices: <https://www.msci.com/indexes>
- Bloomberg Indices:
<http://www.bloombergindexes.com>
- FTSE EPRA/NAREIT Indices:
<http://www.ftse.com/products/indices/epra-nareit>
- Dow Jones Brookfield Global Infrastructure:
<https://au.spindices.com/indices/equity/dow-jones-brookfield-global-infrastructure-local-currency-index-usd>

Disclaimers

Our use of some market indices is subject to terms and conditions of licence agreements entered into with the index provider. These require us to provide certain disclaimers in relation to our use of those market indices. We set out these disclaimers in the Schedule at the end of this Document.

9. Distributions

As at the date of this Document, the following Funds make income distributions:

- Mercer Macquarie NZ Cash Fund
- Mercer Macquarie NZ Fixed Interest Fund
- Mercer Macquarie NZ Short Duration Fund
- Mercer Macquarie Global Income Opportunities Fund
- Mercer Income Generator Fund
- Mercer Macquarie Global Listed Real Estate Fund
- Mercer Macquarie Global Listed Infrastructure Fund
- Mercer NZ Shares Passive Fund
- Mercer Ethical Leaders Hedged Global Fixed Interest Index Fund
- Mercer All Country Global Shares Index Fund
- Mercer Australian Property Index Fund

("Distributing Funds")

Investors may elect to have all (but not part) of a distribution of income reinvested in further units ("Reinvestment Option") and Investors can cancel that election at any time. A buy spread will not be charged on reinvestment. Two weeks' notice of any changes to your election is required for those changes to be effective for a given distribution. The Reinvestment Option may be varied, withdrawn or cancelled by us at any time, by giving not less than three months' notice to Investors.

We may, in our discretion, satisfy Reinvestment Option elections by purchasing Units and/or by applying to the relevant Distributing Fund for the issue of Units. Such purchases or applications will be made on the distribution date or, if that day is not a Business Day, on the last Business Day before the distribution date. At the time of purchase or application, we must not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the price of the Units if the information were publicly available.

Your reinvestment in Units under the Reinvestment Option will be rounded down to the nearest whole Unit (and rounding differences will be retained in the relevant Fund on behalf of Investors).

10. Fees and expenses

Initial Service Fee

The Trust Deed allows us to charge an initial service fee on the issue of any Unit. The amount of this fee is determined by us, there is no limit on the amount we can set and we can charge different fees to different persons or classes of persons. We do not currently charge an initial service fee and have no current intention to do so.

Buy/Sell Spreads

Buy spreads are added to the Unit price on entry to a Fund, and sell spreads are deducted from the Unit price on exit from a Fund, as described in more detail in the relevant PDS(s). The purpose of buy/sell spreads is to make sure that any transaction costs incurred as a result of an investor entering or leaving a Fund are borne by that investor, and not other investors in that Fund. Under the Trust Deed, we determine the buy/sell spreads based on what we consider to be a fair amount payable having regard to expected transaction costs. We may change the buy/sell spreads from time to time and without notice to investors.

Management Fee

We are paid a management fee for acting as manager of each Fund. The current management fee is disclosed in the relevant PDS for that Fund. The Trust Deed allows us to change those management fees from time to time and without notice to investors. However, the Trust Deed does not allow us to increase the management fee for a Fund above 2% per annum of the Value of the Assets of the Fund.

We may, in our discretion, charge an Investor or certain classes of Investors lower management fees than as currently disclosed in the PDS(s).

Termination Fee

On the termination of a Fund, we are entitled to be paid out of the Fund a reasonable fee of such amount as is approved by the Supervisor, based on time spent by us on matters relating to the termination of the Fund. There is no limit on the amount of this fee, apart from the requirement that it be reasonable in the circumstances and be approved by the Supervisor.

Waiver of Fees

The Trust Deed provides that we may waive payment of any fees, remuneration or reimbursement due to us by a Fund or the Funds.

Rebates

Where a Fund invests into any other investment fund managed by us the fees that would ordinarily be charged on the underlying funds in respect of these investments will be waived.

Changes to fees

These fees may be varied, or new fees may be imposed, from time to time in accordance with the Trust Deed.

Supervisor's Fee

The Supervisor is entitled to be paid, by way of remuneration for its services, a fee out of each of the Funds. The Supervisor's fee is determined on the basis of a scale agreed from time to time between us and the Supervisor.

In addition, the Supervisor is entitled to receive a fee of such amount as is from time to time agreed between us and the Supervisor for convening and attending meetings of Investors. There is no limit on this fee. The Supervisor is also entitled to be reimbursed for various expenses in accordance with the Trust Deed.

On termination of a Fund, the Supervisor is entitled to be paid from the Fund a reasonable fee of such amount as is approved by us, based on the time spent by the Supervisor on matters relating to the termination of the Fund. There are no limits on the amount of this fee in respect of each Fund, apart from the requirements that it be reasonable in the circumstances and be approved by us.

Expenses

We and the Supervisor are entitled to reimbursement for all reasonable costs and expenses incurred on behalf of each Fund. These include the costs of preparation of this Document and other documents in relation to the offer of the Units in the Funds, professional advisers' fees, taxes/duties and other administration costs. There is no limit on the amount of reimbursement of expenses to which the Manager and Supervisor are entitled. The payment of these expenses is included in the "fund charges" for which an estimate is provided in the PDS and that will be disclosed in the fund updates and on the register entry on the offer register for the Funds on the Disclose website at www.disclose-register.companiesoffice.govt.nz.

11. Basis of estimates for fund charges in PDS

The annual fund charges disclosed in the PDS include estimates for certain fees, including 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 Manager's experience with the Funds. We estimate these fees, as a percentage of the net asset value of each Fund and will disclose these estimates in the PDS.

12. Conflicts of Interest

Policy Statement

Conflicts are inherent in any complex financial services organisation, including Mercer's business model where Mercer and/or a related party may be acting as manager, consultant and/or product manufacturer to each other and our clients and customers. As a local entity offering a range of financial products and services to its clients and customers, and as part of a global organisation, Mercer may from time to time have interests which conflict with the interests of its clients and customers. It is also possible that conflicts may arise between our clients and customers.

Mercer and its Directors and Colleagues must:

- Understand their duties to act in the best interest of clients and beneficiaries;
- Take all reasonable steps to identify and prudently manage conflicts across its business operations;
- Disclose any personal relationships, financial interests, outside business activities, political activities, gifts and entertainment, or other such matters that should reasonably be recognised as giving rise to a conflict (whether actual, perceived or potential);
- Resolve conflicts in favour of clients / beneficiaries where conflicts arise between clients/ beneficiaries and Mercer or Mercer Colleagues; and
- Resolve conflicts fairly between one client and another client.

Application

The potential for conflicts of interest to arise is a key consideration for Mercer and the Conflicts Management Policy applies to all employees. Mercer means Mercer (N.Z.) Limited and its subsidiaries.

Conflicts Identification

Mercer has systems and procedures in place to identify conflicts of interest. Once a conflict has been identified and declared to their people leader and to the Conflicts Officer, or via an internal Ethics and Compliance helpline, it will be assessed.

Assessment of Conflicts

Once a conflict (actual, perceived or potential) has been notified, a number of considerations are applied by the Conflicts Officer to assess the conflict. These include, but are not limited to:

- Whether the conflict can be avoided or, if not, managed within the Conflicts Management Framework;
- Any legal obligations in relation to the conflict;

- The potential impact to all parties;
- The likelihood and extent of the conflict disadvantaging a third party, and whether it has previously been disclosed to third parties; and
- The risk mitigation measures which could be adopted including disclosure to the affected party/entity and implementation of information barriers.

Management of Conflicts

Mercer has established procedures which are designed to identify and manage conflicts, including various organisational actions and administrative routines to safeguard the interests of clients and customers and to minimise the potential for conflicts to arise. Mercer employs a range of mitigation measures to protect clients' and customers' interests from conflicts that may arise from its own or others' activities, including:

- Avoidance;
- Disclosure;
- Control – putting in place arrangements to ensure the impact of the conflict or potential conflict is reduced to an acceptable level, which involves evaluating those conflicts and decided upon implementing an appropriate response that ensures the quality of services provided is not compromised; or
- A combination of any of the measures above.

Any decision as to how a conflict situation may be resolved is made by the Conflicts Officer in accordance with this Policy. If a conflict situation arises which has not previously been identified as a potential conflict and no recommended management plan exists, the Conflicts Officer may, as circumstances require, refer the matter to the Chief Risk & Compliance Officer (CRCO) and Chief Legal Counsel (CLC) for assessment. If the CRCO and CLC are unable to reach an agreement regarding the management of the conflict, or the CRCO, CLC or Conflicts Officer are themselves conflicted, the matter must be escalated to the Chair of the Mercer Board.

Conflicts Oversight

The conflicts register is maintained and monitored by the Conflicts Officer. On an annual basis the Conflicts Officer reviews the registers to determine if the conflict is still relevant, and if so that the measures in place to manage the conflict remain adequate.

Directors confirm their conflicts quarterly at each board meeting and senior managers are asked to confirm annually.

Conflicts Management Procedures

Mercer's Conflicts Management Policy may be reviewed from time to time and Mercer may make changes as appropriate.

Our Funds' investment managers must comply with a professional standard of care i.e., in exercising any powers, or performing any duties as investment manager, they must exercise the care, diligence, and skill that a prudent person engaged in the profession of investment management would exercise in the same circumstances.

We have in place a process with the Supervisor for identifying, notifying and certifying or obtaining consent for related party transactions as required by the FMC Act.

13. Material contracts

The following is a summary of the contracts that we consider to be material in relation to the Funds.

Trust Deed

The Funds are constituted within a registered scheme called the "Mercer Investment Funds" which is governed by the Mercer Investment Funds Trust Deed ("Trust Deed") (as amended and restated on 6 March 2023). The Trust Deed is a contract between us and the Supervisor for the benefit of Investors. The key terms of the Trust Deed are set out above in the section "Key Terms" from page 8.

Deed of Arrangements

We have entered into a supplementary agreement with the Supervisor in relation to the Funds. Amongst other things this document provides for the delegation of certain functions from the Supervisor to us (and our personnel) and for us to support the Supervisor in its role as supervisor of the Funds, including through the following processes:

- a reporting regime under which we report to the Supervisor on a regular basis,
- regular meetings are held with the Supervisor to discuss any matters arising in relation to the Funds, and
- the Auditor carries out an annual audit of the functions performed by us, with a particular emphasis on the observance of financial controls and procedures.

These arrangements also include an indemnity that is provided by the Manager to the Supervisor in respect of our performance of the functions of manager of the Funds.

Management and Administration Agreements

BNP Paribas Fund Services Australasia Pty Ltd

Certain aspects of the Funds' administration management functions are sub-contracted by Mercer to BNP Paribas Fund Services Australasia Pty Ltd (trading as BNP Paribas Securities Services). BNP Paribas Fund Services Australasia Pty Ltd is also the custodian of the Funds.

Mercer (Australia) Pty Limited

Pursuant to the services agreement dated 11 August 2021 (the "Agreement") Mercer (N.Z.) Limited ("MNZ") and Mercer (Australia) Pty Limited ("MAPL") MNZ has appointed MAPL to provide support services in respect of corporate functions and fund services administration not otherwise provided by MNZ. The agreement is subject to specific service levels and performance indicators. A fee is paid by MNZ to MAPL. The Agreement may be terminated by either party on an agreed period of notice or such lesser period as may be agreed by MAPL and MNZ.

Mercer Investments (Australia) Pty Limited and Mercer Consulting (Australia) Pty Limited

Pursuant to the services agreement dated 1 May 2024 (the "Agreement") between Mercer (N.Z.) Limited ("MNZ") and Mercer Investments (Australia) Limited ("MIAL") MNZ has appointed MIAL to provide services associated with the management and investment in respect of certain assets of the MNZ funds.

Under a novation agreement dated 23 May 2023 (effective 1 January 2023) (the "Novation Agreement") between MIAL, Mercer Consulting (Australia) Pty Limited (MCAPL) and MNZ, MCAPL is the legal entity responsible for providing MNZ with investment consulting services.

The Agreement and the Novation Agreement (the "Agreements") are subject to specific service levels and performance indicators. A fee is paid by MNZ to each of MIAL and MCAPL. The Agreements may be terminated by either party on an agreed period of notice or such lesser period as may be agreed between MNZ and the relevant party being either MIAL or MCAPL.

14. Financial Statements and auditor's report

Financial statements for the Funds are available on the scheme register on the Disclose website www.disclose-register.companiesoffice.govt.nz.

The Funds all have 31 March balance dates. The Funds' financial statements for the most recent accounting period will be uploaded to the scheme register by 31 July that year.

The Funds' financial statements are audited by a qualified auditor, currently Ernst & Young (EY). The auditor's audit report on the financial statements will accompany the financial statements uploaded to the scheme register each year. The auditor's report on the most recent financial statements was not qualified in any respect.

15. Risks

These risks are supplemental to the risks disclosed in the PDSs and there are some additional risks disclosed in section 7 "Fund-specific matters" in relation to certain Funds.

Suspension of redemptions

The Funds allow redemption of Units, subject to certain procedural requirements, including our right under the Trust Deed to delay and/or suspend redemptions. During normal operational circumstances, redemptions can be met out of cash held by the relevant Fund. However, if the value of redemptions significantly outweighs the value of subscriptions, the Fund may not be able to meet Repayment Requests out of cash reserves and will be reliant on selling or redeeming (whichever is relevant) some of the Fund's Assets to enable it to meet the Repayment Requests. These Fund Assets may not be immediately realisable.

Valuation risk

The Funds' Unit prices are based on the latest market information. For securities or stocks that are illiquid or trade infrequently this pricing may not fully reflect the price available to either buyers or sellers. Accordingly, there is a risk that the quoted Unit price may change when these assets are revalued by the market following a transaction.

Operational risk

The Funds may be exposed to operational risks that result from external events or failure of internal processes, people and systems. These risks include technology risk (including business systems failure), human error or failure, fraud, non-compliance with legal and regulatory obligations, counterparty performance under outsourcing arrangements, legal risk, data integrity risk, security risk and external events (including pandemics).

Risk of loss of PIE status

The eligibility requirements to maintain PIE status pose a risk. Although we have mechanisms available to manage compliance with the PIE eligibility requirements, there remains a risk that the Funds or the Scheme could lose PIE status if there is a breach of those requirements and we do not become aware of the breach in time to correct it. This risk, if manifested, may have an adverse effect on the tax position of the relevant Fund, the Scheme and/or you. In particular, distributions made by the Fund to you would be taxable for you (subject to exceptions for returns of subscription amounts) if the Fund lost PIE status. We have mitigated this risk by changes effective 1 April 2022 whereby the funds can now rely on the boutique

investor class exception and therefore the Maximum Investor Interest requirement may not apply.

Wrong PIR risk

If you provide a PIR that is lower than the correct PIR you may need to pay any tax shortfall (and any interest and penalties) and depending on whether or not you are a New Zealand resident natural person file a tax return. If you advise a PIR higher than your correct PIR, or you do not provide a PIR and so are subject to the default rate of 28% then any additional tax paid by the Fund on your behalf:

- may reduce your income tax liability for that income year and may give rise to a tax refund, if you are a New Zealand resident natural person (excludes those acting in the capacity of a trustee), or
- be unable to be claimed back.

Short-selling

Some of the underlying entities that the Funds invest into may conduct short-selling. The aim of short-selling is to sell an asset at a high price and buy the asset back at a later time, at a lower price. Consequently, the potential loss to the Fund may be greater than for traditional purchase and sale transactions, as the potential increase in price of the asset sold (and hence the potential loss) is unlimited.

Specific Risks

Tracking difference risk

This risk relates to the Mercer Index Funds which are designed to track the price performance of specific market indices. However, a fund will not always be able to exactly match the performance of the index. This could be for a variety of reasons, including the liquidity of the securities held by the fund, timing issues arising in the pricing of international holdings or associated foreign exchange hedging contracts, or operational error. There is a risk that this could result in an investor's returns being lower than the return on the index for a given period.

Active management risk

As a "manager of managers" and generally employing an active management approach, we may choose investment managers and/or investments that under-perform.

Sustainable Investment (SI) risk

Mercer believes a sustainable investment approach is more likely to create and preserve long-term capital. In order to follow a sustainable investment approach, core exclusions are applied to the Mercer Investment Funds and additional exclusions are applied to the Ethical Leaders Funds. This may mean the funds are less diversified in the investment options they can pursue. This means that they may forego some potentially profitable opportunities on ethical grounds, for the benefit of sustainability.

Manager of managers' risk

Mercer is a "manager of managers" and, as such, is dependent upon other managers performing their investment management activities and achieving the outcomes desired by Mercer. There remains a risk that such managers could under-perform or fail to achieve the objectives set out in their policies or investment mandate.

16. Taxation

Taxation

None of the Supervisor or its nominee companies, the Manager, or any of their respective related companies or directors, or any other person takes responsibility for any taxation liability you may incur as an investor in a Fund. Tax legislation and rates of tax are subject to change and any change could have an impact on the Fund's return and yours. The impact of taxation may vary depending on your individual circumstances. It is important to seek professional taxation advice before you invest, while you are invested or deal with your investment in any way, as the taxation treatment of your investment will be specific to your circumstances and to the nature of your investment.

Portfolio Investment Entity (PIE)

The Funds are investment options under the Mercer Investment Funds Scheme. The Mercer Investment Funds Scheme is a Portfolio Investment Entity (PIE). Each Fund's taxable income is attributed to you in proportion to the number of Units you hold in the Fund. The Fund pays tax on the income attributed to you at your selected PIR. If the tax liability on income attributed to you exceeds your investment in the relevant Fund, some or all of your Units could be redeemed and the proceeds of the redemption paid to the IRD. To the extent this tax liability is not paid by the Fund, you may need to pay the tax directly to the IRD.

PIR

The rules relating to the taxation of investment income enable investment options within a PIE to calculate their tax using PIRs selected by investors, which can be 28%, 17.5%, 10.5% or 0% subject to satisfying various conditions. In order for the Funds to pay tax on your attributed income at the appropriate rate, you need to ensure that you have supplied the correct PIR and IRD number at all times to the Manager (or if you invest through an administration and/or custodial service, the provider of that service).

A PIR is based on your taxable income (e.g. income from salary, wages and any additional sources of income that you would include in your income tax return) in the two years preceding the current tax year, the income attributed to you from any PIEs in which you invest, including the Funds and your tax residency.

The following PIRs apply:

- **10.5%** for investors who are:
 - New Zealand resident individuals who have given

- us their IRD number and who derived in either of the last two income years¹ preceding the current tax year \$14,000 or less in taxable income (excluding PIE income) and \$48,000 or less in taxable income and PIE income combined, or
- a New Zealand resident trustee of certain testamentary trusts that elects to have a 10.5% PIR,
- **17.5%** for investors who are:
 - New Zealand resident individuals who do not qualify for the 10.5% PIR but who have provided their IRD number to us and who derived in either of the last two income years preceding the current tax year \$48,000 or less of taxable income (excluding PIE income) and \$70,000 or less in taxable income and PIE income combined, or
 - a New Zealand resident trustee of a trust (except unit trusts and charitable trusts but including superannuation funds) that elects to have a 17.5% PIR,
- **28%** for non-residents, New Zealand resident individuals who are not eligible for either the 10.5% PIR or the 17.5% PIR and trusts (except unit trusts and charitable trusts but including superannuation funds) that elect to have a 28% PIR, and
- **0%** for the following entities (if resident in New Zealand):
 - charities, PIEs, companies (including deemed companies such as unit trusts), Proxies, and
 - superannuation funds and trusts that have not elected to have a higher PIR.

If you are eligible for and notify us of a 0% PIR, then the relevant Fund will not have any tax liability in respect of income attributed to you. You must instead include the attributed income in your own tax return and claim any attributed losses as deductions in your own tax return. You will be responsible for payment of tax on the income attributed to you. Tax credits for foreign withholding tax and other types of credits such as imputation credits are attributed to you to be credited against tax payable in your own tax returns.

If you are eligible for and notify us of a PIR which is

¹Income year has the meaning given in section YA 1 of the Tax Act and for most investors means the year ending on 31 March

greater than 0% and:

- a) you are a New Zealand resident natural person (excludes those acting in capacity of a trustee) your PIE attributed income will be subject to an end of year square up process undertaken by Inland Revenue. Under this process Inland Revenue will:
 - o determine your correct PIR based on the income information it holds, determine the tax liability on the attributed PIE income based on the correct PIR, adjust the calculated tax liability for credits (includes tax paid),
 - o make adjustments to your account resulting in no change, a refund, or tax to pay (plus interest and penalties, if applicable).
- b) are a trustee that elects the 10.5% or 17.5% PIR you may be required to file a tax return which includes PIE attributed income and possibly pay tax on that income at your relevant marginal tax rate (with a credit allowed for tax paid by the Fund on that income). You may also be liable for any penalties or interest which may apply.

If you advise a PIR that is higher than your applicable rate, depending on your circumstances you may:

- be subject to an end of year square up process and its outcomes, refer to the commentary above, or
- will not be able to claim back the excess tax paid and may be required to file a tax return, depending on your circumstances.

If you do not notify us of your PIR, or provide your IRD number, then the default rate of 28% will apply. In the case of joint investors the higher PIR of the joint investors is used. The Commissioner of Inland Revenue can require us to disregard the PIR notified to us by you and apply a PIR notified by the Commissioner.

Each year, we will ask you to reconfirm your PIR. You should review your rate each year to ensure it is correct and notify us of any changes. To determine your PIR, go to "<https://www.ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate>" or contact your professional tax adviser.

Impact of PIE taxation for certain taxpayers

Investing in the Funds may not be appropriate if you are a non-resident in New Zealand for tax purposes. This is because New Zealand tax will be imposed on income attributed by the Funds to you at 28%, which may be higher than the New Zealand tax rate that applies to income that you may get from other comparable New Zealand investments.

Given that there are circumstances where you may pay more tax in a PIE, rather than other forms of investment, it is important to consult your professional tax advisor to determine whether a PIE is best for you.

Hedging taxation treatment

The financial arrangement rules will apply to foreign currency hedges where the FDR currency hedges method cannot be applied or is not adopted. The FDR foreign currency hedges tax calculation method may or may not be implemented on a fund-by-fund basis, as appropriate. That method is intended to minimise mismatches in income and expenditure on hedges relating to shares taxed under the FDR method or which are listed on the ASX, and income on those shares.

17. Investing through administration and custodial services (e.g., wrap platforms)

The Funds are offered through certain administration and custodial services. These include "wrap platforms". When you invest through an administration and custodial service you do not hold Units in the Funds directly. Instead, your Units are held in the name of a custodial entity for the wrap platform on your behalf. This means many of the legal rights attaching to those Units are held by that custodial entity rather than by you, and so your ability to exercise those rights is subject to the terms and conditions agreed between you and the provider of the service. You are encouraged to familiarise yourself with those terms and conditions as set out in service provider's marketing and legal documentation.

18. No Guarantee

None of the Manager, the Supervisor, or any other person guarantees the return of capital and/or the repayment of Units to you.

19. Glossary

"Assets" means any asset of a Fund (whether tangible or intangible) as more fully defined in the Trust Deed.

"ASX" means the Australian Stock Exchange.

"Current Value" means the Assets less the Liabilities of the Fund as more fully defined in the Trust Deed. For Unit pricing purposes, it is not necessarily equivalent to the net asset value in the financial statements. For example, differences arise due to the cost of realisation being included in the financial statements and other adjustments that are made for unit pricing purposes.

"Custodian" means BNP Paribas Fund Services Australasia Pty Ltd (trading as BNP Paribas Securities Services).

"Document" means this Other Material Information Document which has been prepared to meet the requirements of section 57(1)(b)(ii) of the FMC Act and clause 52 of Schedule 4 of the FMC Regulations.

"FMA" means the Financial Markets Authority, the government agency responsible for regulating capital markets and financial services in New Zealand.

"FMC Act" means the Financial Markets Conduct Act 2013.

"FMC Regulations" means the Financial Markets Conduct Regulations 2014.

"Funds" means the investment funds set out in the table on page 4.

"Liabilities" means the liabilities of a Fund (e.g. unpaid administrative costs and expenses) as more fully defined in the Trust Deed.

"MAMNZ" means Macquarie Asset Management (NZ) Limited.

"Manager", "we", "us" and "our" means Mercer (N.Z.) Limited, the manager of the Funds and the Scheme.

"Maximum Investor Interest" means that an investor in an investor class must not hold more than 20% of the total investor interests in the class as defined in the Tax Act.

"PDS" means a product disclosure statement under the FMC Act. A PDS is a document containing information about that Fund intended to assist a prudent but non-expert person to decide whether to invest in that Fund. A retail investor must be given a copy of the relevant PDS before investing. The PDSs for the Funds can be obtained from the offer register on the Disclose website www.disclose-register.companiesoffice.govt.nz.

"PIE" means a portfolio investment entity for the purposes of the Tax Act.

"PIE income" means the income attributed to a person by the PIEs in which the person has invested, less any losses attributed to the person by PIEs, but does not include any dividends paid to the person by Listed PIEs (a type of PIE). Dividends from a Listed PIE that are not excluded income under the Tax Act are taxable income.

"PIR" means the Prescribed Investor Rate as that term is defined in the Tax Act.

"Reinvestment Option" means the election available to investors to have all (but not part) of a distribution of income reinvested in further units in a Distributing Fund.

"RIAA" means the Responsible Investment Association Australasia, the industry body representing responsible and ethical investors across Australia and New Zealand.

"Scheme" means the Mercer Investment Funds, a registered scheme under the FMC Act with registered scheme number SCH10307.

"SIPO" means the statement of investment policy and objectives for the Scheme. In broad terms, the SIPO is a document setting out the parameters pursuant to which each of the Funds will be invested. The SIPO for the Scheme can be obtained from the scheme register on the Disclose website www.disclose-register.companiesoffice.govt.nz.

"Special Resolution" means a resolution approved by Investors holding Units with a combined value of no less than 75% of the value of the Units held by those Investors who are entitled to vote and who vote on the question and means a resolution relating to a matter that is required by the FMC Act or the FMC Regulations to be done by way of Special Resolution and the Trust Deed to be done by way of Special Resolution.

"Supervisor" means The New Zealand Guardian Trust Company Limited, the supervisor of the Funds and the Scheme.

"Tax Act" means the Income Tax Act 2007.

"Trust Deed" means the Mercer Investment Funds Trust Deed (as amended and restated as at 6 March 2023).

"Unit" means an undivided interest in the relevant Fund as more fully defined in the Trust Deed.

"You" or "Your" refers to a person who invests in the Funds through a wrap platform or similar administration and custodial service.

Schedule

Disclaimers on the use of the market indices as referred to in section "More information about market indices" on page 13.

For the Bloomberg MSCI ESG Indices (including the Bloomberg Barclays MSCI Global Aggregate SRI Select ex-Fossil Fuels Index) the relevant licence agreement requires the use of the following disclaimer:

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Neither Bloomberg nor MSCI is the issuer or producer of the Mercer Ethical Leaders Hedged Global Fixed Interest Index Fund and neither Bloomberg nor MSCI has any responsibilities, obligations or duties to investors in the Mercer Ethical Leaders Hedged Global Fixed Interest Index Fund. The Bloomberg Barclays MSCI Global Aggregate SRI Select ex-Fossil Fuels Index is licensed for use by Mercer (N.Z.) Limited as the Issuer of the Mercer Ethical Leaders Hedged Global Fixed Interest Index Fund. The only relationship of Bloomberg and MSCI with the Issuer is the licensing of the Bloomberg Barclays MSCI Global Aggregate SRI Select ex-Fossil Fuels Index, which is determined, composed and calculated by BISL, or any successor thereto, without regard to the Issuer or the Mercer Ethical Leaders Hedged Global Fixed Interest Index Fund or the owners of the Mercer Ethical Leaders Hedged Global Fixed Interest Index Fund.

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