

# Mercer Investment Trusts New Zealand Information Memorandum

For wholesale investors



# Contents

---

About this Information Memorandum	1
About the MITNZ	2
Who can invest?	4
What investment options are available?	5
Mercer's investment approach	7
The MITNZ Portfolios - In detail	13
Shares Portfolios	13
Real Assets Portfolios	16
Fixed Interest and Cash Portfolios	17
Multi-Asset Class (Diversified) Portfolios	19
Passive Multi-Asset Class (Diversified) Portfolios	20
Responsible Multi-Asset Class (Diversified) Portfolios	21
Additional transaction and liquidity information	22
The key benefits and key risks of the Mercer Investment Trusts New Zealand	25
Fees and costs	27
Taxation	33
Other things you should know	35
How to contact us	39
Glossary	40
How to apply and transact on your account	45
Account Set Up Form	49

---

# About this Information Memorandum

The Mercer Investment Trusts New Zealand are referred to as 'the Mercer Investment Trusts New Zealand', 'the MITNZ' or 'the Trusts' throughout this Information Memorandum.

The MITNZ comprise a number of discrete unit trusts.

The Trusts are currently not registered under the Financial Markets Conduct Act 2013.

Mercer (N.Z.) Limited is referred to as 'Mercer', the 'Manager', 'we', 'us' or 'our' throughout this Information Memorandum.

Trustees Executors Limited is referred to as 'TEL' or 'the Trustee' throughout this Information Memorandum.

MUFG Corporate Markets (AU) Limited is referred to as 'MUFG' throughout this Information Memorandum.

This Information Memorandum provides an outline of the main features and benefits of the MITNZ. It should be read carefully before you make any investment decision. The information contained in this Information Memorandum is general information only and does not take into account your individual financial objectives, financial situation or needs. We recommend that you speak to an appropriately qualified financial adviser if you need help making your investment decision.

Mercer is responsible for the contents of this Information Memorandum. TEL (the trustee of the MITNZ), MUFG (the registry provider for the MITNZ) and BNP Paribas Fund Services Australasia Pty Ltd ('BNP Paribas') (the administrator and custodian for the MITNZ) are named in this Information Memorandum and have consented to being so named.

Neither TEL, MUFG nor BNP Paribas is responsible for the preparation of, issue of, or any statements in this Information Memorandum. Neither of these companies makes any recommendation nor provides any opinion regarding the MITNZ or an investment in them.

The value of investments in the investment portfolios within each Trust ('Portfolios') may rise and fall from time to time. None of Mercer, TEL, MUFG, BNP Paribas nor any of the investment managers guarantees the investment performance, earnings or return of capital invested in any of the Portfolios made available through this Information Memorandum.

If you received a copy of this Information Memorandum electronically you need to print all of it. If you would like a paper copy, please contact us and we will send you one free of charge.

## Staying up to date

Some of the information contained in this Information Memorandum may change from time to time. For changes that are not materially adverse to investors, you can obtain up to date information at any time by contacting Mercer or referring to the website. We can also send you a copy of the updated Information Memorandum on request free of charge.

You can obtain the latest performance information through the Fund Facts section of the Mercer website.

The link to the website is [www.multimanager.mercer.co.nz](http://www.multimanager.mercer.co.nz)

## If you have a problem

The Manager has a process in place for dealing with inquiries and complaints. You can make an enquiry or complaint to the MITNZ Inquiries and Privacy Officer through the details provided on page 39.

## Warning

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision. The usual rules do not apply to this offer because there is an exclusion for offers where the amount invested upfront by the investor (plus any other investments the investor has already made in the financial products) is \$750,000 or more. As a result of this exclusion, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for this investment. Investments of this kind are not suitable for retail investors. Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

# About the MITNZ

This section only provides a summary of some of the key features of the MITNZ. You should read the whole Information Memorandum before making an investment decision. To help you understand the information in this Information Memorandum and the differences between the Portfolios, please refer to the Glossary for an explanation of some of the terms used and how they are relevant to the different Portfolios.

The Mercer Investment Trusts New Zealand are a range of unregistered wholesale investment trusts ("Trusts") which are made up of one or more Portfolios. An investor receives units in the applicable Portfolio within a Trust. Mercer is the Manager and TEL is the trustee of each Trust.

The assets of each Portfolio are divided into units of equal value. Each unit confers an equal and undivided interest in the assets of the Portfolio as a whole, but not in parts or single assets of the Portfolio. When you invest into a Portfolio you will be issued a number of units by the Manager based on the amount of your investment and the issue price of units. The unit price will vary as the market value of the assets in the Portfolio rise or fall. For details about how unit prices are calculated see 'Units and unit pricing' in the **'Other things you should know'** section of this Information Memorandum.

## Tax Treatment

The MITNZ are treated for New Zealand tax purposes as unit trusts. The Manager has elected for these unit trusts to each become portfolio investment entities or 'PIEs' for the purposes of the Income Tax Act 2007. In addition, the Manager has determined that the Portfolios will only be offered for investment to investors who:

- provide their Inland Revenue Department (IRD) number and notify the Manager that they are eligible for a prescribed investor rate ('PIR') of 0% or 28% for the purposes of the tax legislation applying to PIEs; and
- will not at any stage compromise the ability of the MITNZ to continue to meet the PIE eligibility rules in the Income Tax Act 2007.

Under current taxation law the MITNZ will pay income tax only on behalf of those investors in the MITNZ that have elected a 28% PIR, in relation to taxable income attributed to them. The taxable income or net loss and associated tax credits applicable to the Portfolios will be attributed to investors notifying a 0% PIR in proportion to the units they hold on each of the days when the taxable net income or net loss and tax credits arise. Investors who have elected a 0% PIR are responsible for satisfying their own tax liabilities on their attributed taxable net income from the MITNZ directly with Inland Revenue.

The Manager cannot process your application for investment in the MITNZ without your IRD Number and your notification of your elected PIR. The Manager is required to periodically confirm these details with you.

The Manager does not take tax into account when calculating unit prices. Accordingly investors will receive a unit price plus data in an industry-standard format setting out attributed taxable income or loss and tax credits that are either taken into account in calculating their own tax liabilities (0% PIR investors) or that the Manager has paid tax or received credits on their behalf (28% PIR investors).

## Mercer (N.Z.) Limited

Mercer is responsible for managing the Trusts. Mercer operates an investment management business and is a business of Marsh (NYSE: MRSB), a global leader in risk, reinsurance and capital, people and investments, and management consulting, advising clients in 130 countries.

As Manager, Mercer employs a multi-manager investment approach in which it selects and monitors individual investment managers for the MITNZ Portfolios. Mercer instructs the Trustee in relation to events and changes that may affect the manner in which the MITNZ assets are to be invested.

## Trustee

TEL, which is independent of Mercer, acts as trustee and supervises Mercer's management of the Trusts. TEL holds the assets of the Trusts on behalf of investors and acts on the instructions of the Manager in terms of the investment of each Trust's assets. The Trustee may only decline to act on the Manager's instructions where the Trustee forms the view that any such instruction is contrary to the terms of the Trust Deed or would result in a breach by the Trustee of any obligations or duties imposed on it by law.

## Custodian, Administrator and Registry Provider

The Trustee has appointed BNP Paribas to act as custodian ('Custodian'), and the Manager has appointed BNP Paribas to act as administrator, and MUFG to act as registry provider for the Trusts. BNP Paribas and MUFG are independent of both the Manager and Trustee. BNP Paribas is responsible for holding Trust assets and MUFG is responsible for accounting for Trust assets held by the Trustee in its capacity as trustee of the MITNZ (see paragraph above titled 'Trustee'). The Trustee and Manager (as applicable) monitor the activities of BNP Paribas and MUFG in light of the risks and responsibilities in the custody, administrative and registry arrangements each has entered into with BNP Paribas and MUFG (as applicable). BNP Paribas, as the custodian of the MITNZ assets, must act in accordance with the instructions of the Trustee. BNP Paribas also provides the Trustee and the Manager with unit accounting and unit pricing services. Any Trust assets not held by the Custodian are held by TEL or its nominee (including its wholly-owned subsidiary, TEA Custodians (MITNZ) Limited).

# Who can invest?

The Trusts offered through this Information Memorandum are only open to investment by a person or legal arrangement (referred to as an “investor” in this Information Memorandum) who in all the circumstances the Manager can regard as being a wholesale investor for the purposes of the Financial Markets Conduct Act 2013. The financial products offered pursuant to this Information Memorandum are not available for subscription by retail investors in terms of the Financial Markets Conduct Act 2013.

An investor may be restricted in the amount that can be invested in the Trusts by the PIE tax legislation unless the investor is of a type that qualifies for one of the exceptions to the tax rules on the minimum number of investors and maximum investor interests.

## How do I apply?

Applications for investment can be made at any time by investors, subject to the **‘Special Transaction and Liquidity Conditions’** described in more detail on pages 22-23.

The Manager may, in its absolute discretion, accept or reject all or part of an application for units in any of the Trusts.

To make an investment you will need to first set up an account by completing the Account Set Up Form.

## Keeping you up to date

As an investor in the MITNZ, you will receive:

- A monthly advice confirming the current value of your investments including every investment, withdrawal or investment strategy alteration to existing investments;
- A concise monthly investment report;
- A detailed quarterly investment report;
- Annual tax information; and
- Daily unit prices on request.

The Manager may agree with individual investors to vary the above reporting.

The Manager may distribute some, or all, of the above information electronically to those investors who have provided their email address on the **‘Account Set Up Form’**.

You can also refer to the website for up to date information. The link to the website is [www.multimanager.mercer.co.nz](http://www.multimanager.mercer.co.nz)

# What investment options are available?

The MITNZ offer a range of Portfolios using either a single manager or multi-manager investment approach and each with its own set of investment objectives. The Trusts and Portfolios available through this Information Memorandum and the benchmark percentage of growth and defensive investments are shown in the table below.

MITNZ Portfolio	% Growth investments	% Defensive investments
<b>Shares</b>		
<b>Mercer Trans-Tasman Shares Trust</b>		
Mercer Trans-Tasman Shares Portfolio	100	0
Mercer Responsible Trans-Tasman Shares Portfolio	100	0
Mercer New Zealand Shares Index Portfolio	100	0
<b>Mercer Unhedged Overseas Shares Trust</b>		
Mercer Overseas Shares Portfolio	100	0
Mercer Responsible Overseas Shares Portfolio	100	0
Mercer Responsible Overseas Shares Index Portfolio	100	0
Mercer Emerging Markets Portfolio	100	0
Mercer Overseas Shares Index Portfolio	100	0
Mercer Overseas Shares Index Portfolio B	100	0
<b>Mercer Hedged Overseas Shares Trust</b>		
Mercer Hedged Overseas Shares Portfolio	100	0
Mercer Responsible Hedged Overseas Shares Portfolio	100	0
Mercer Hedged Overseas Shares Index Portfolio B	100	0
Mercer Responsible Hedged Overseas Shares Index Portfolio	100	0
Mercer Hedged Overseas Shares Index Portfolio	100	0
<b>Mercer Diversified Trust</b>		
Mercer Shares Portfolio	100	0
<b>Real Assets</b>		
<b>Mercer Trans-Tasman Property Trust</b>		
Mercer Unlisted Property Portfolio	100	0
<b>Mercer Infrastructure Trust</b>		
Mercer Unlisted Infrastructure Portfolio	100	0
<b>Mercer Property and Infrastructure Trust</b>		
Mercer Listed Property Portfolio	100	0
Mercer Trans-Tasman Listed Property Portfolio	100	0
Mercer Listed Infrastructure Portfolio	100	0
Mercer Global Listed Infrastructure Index Portfolio	100	0

MITNZ Portfolio	% Growth investments	% Defensive investments
<b>Cash and Fixed Interest</b>		
<b>Mercer New Zealand Cash and Fixed Interest Trust</b>		
Mercer New Zealand Sovereign Bond Portfolio	0	100
Mercer Cash Portfolio	0	100
Mercer New Zealand Fixed Interest Portfolio	0	100
<b>Mercer Overseas Fixed Interest Trust</b>		
Mercer Overseas Sovereign Bond Portfolio	0	100
Mercer Overseas Sovereign Bond Index Portfolio	0	100
Mercer Global Credit Portfolio	0	100
Mercer Private Debt Portfolio	0	100
Mercer Sustainable Global Credit Portfolio	0	100
Mercer Responsible Global Aggregate Index Portfolio	0	100
Mercer Short Term Bond Portfolio	0	100
<b>Diversified</b>		
<b>Mercer Diversified Trust</b>		
Mercer Conservative Portfolio	20	80
Mercer Moderate Portfolio	40	60
Mercer Balanced Portfolio	60	40
Mercer Growth Portfolio	80	20
Mercer High Growth Portfolio	95	5
Mercer Passive Balanced Portfolio	55	45
Mercer Passive Growth Portfolio	75	25
Mercer Responsible Conservative Portfolio	20	80
Mercer Responsible Moderate Portfolio	40	60
Mercer Responsible Balanced Portfolio	60	40
Mercer Responsible Growth Portfolio	80	20
Mercer Responsible High Growth Portfolio	95	5

More information about the investment objectives and strategies of each of the Portfolios is provided in 'The MITNZ Portfolios - In detail' section of this Information Memorandum. The Manager may vary the Portfolios available to investors from time to time. The number of investment managers for each portfolio may also change from time to time. Investors will be notified of any significant changes to the features of the Portfolios in which they are invested. For a detailed explanation of the terms used in the table above refer to the 'Glossary' section of this Information Memorandum.

**Note that the Manager may add new Portfolios, close existing Portfolios or alter the terms of any Portfolios from time to time. The Manager may also offer Private Portfolios which are tailored for specific investors in addition to the Portfolios described in this Information Memorandum.**

**Investors will be kept informed of any significant/material changes to the features of the Portfolio(s) in which you are invested.**

# Mercer's investment approach

Mercer has assembled a range of Portfolios that aim to offer you the flexibility to invest in a way that best suits your needs. In this section of the Information Memorandum, we explain our investment philosophy, the background to the multi-manager approach we have adopted and the process used by Mercer to provide you with a comprehensive investment service.

You should read this section along with the information about the investment objectives and strategy of the Portfolio(s) to ensure that they are aligned to your own investment objectives and strategy. For information on the Portfolios' investment objectives and strategies, refer to the section of this Information Memorandum titled '**The MITNZ Portfolios – In detail**'.

You may change your investment strategy either by directing future investments to another Portfolio or by transferring an existing investment in one Portfolio to another Portfolio. **We strongly recommend that you speak to an appropriately qualified financial adviser before making an investment decision.**

## Investment philosophy

Our investment approach is governed by a set of guiding principles across governance, risks and value - with our clients' objectives at the core.

### Client objectives

- Investment success hinges on clearly defined investment goals.
- An investor's true risk lies in not being able to meet their primary objective.
- Aligning governance processes is essential for driving investment performance

### Strong governance

- Robust and high-quality governance processes are fundamental to achieving successful investment outcomes.
- Strong governance becomes even more essential during periods of stress.
- Establishing clear accountability for results promotes disciplined decision-making and risk-taking.
- Effective stewardship plays a crucial role in improving investment outcomes.

### Rewarded risk

- Asset allocation is the most important factor influencing risk and return outcomes.
- While risk and return are related, the relationship can vary over time.
- Understanding how risks interact is critical to making informed investment choices.
- Investors should focus on the risks that matter most to their specific circumstances.
- Integrating financially material sustainability transition and socio-economic risks into investment decision-making can potentially enhance portfolio resilience.

### Maximize value

- Strategic asset allocation serves as the primary driver of value creation.
- Active management can be employed when the expected return benefits justify the associated risks and fees.
- For long-term investors, private markets can offer certain advantages over public markets.
- Dynamic asset allocation can add value to investment strategies.
- Investing to solve long-term systemic issues may provide opportunities to improve risk-adjusted returns.

## Manager Research

Mercer's significant scale in researching investment managers globally provides us with access to some of the best ideas from more than 6,800 investment managers and over 33,100 different strategies (as at 30 June 2024).

Mercer leverages the global Mercer research network to establish optimal combinations of specialist managers for each Portfolio. Mercer's investment manager research focuses on each manager's strength in idea generation, portfolio construction, implementation and business management.

Prior to the appointment of an investment manager a detailed Operation Risk Assessment Report is prepared, which considers the risks associated with the investment mandate or fund type, firm size, and significant third party or outsourced relationships, along with the mitigating or compensating controls that a firm may have to manage potential issues.

We may remove, replace, or appoint additional investment managers for the Portfolios at our discretion at any time.

For more information regarding appointed investment managers contact the Manager with the details provided on page 39.

## Investment objectives and strategy

The Portfolios are created with a specific performance objective, which we aim to achieve consistently over time. For each Portfolio, we have determined a strategy that we believe is reasonably likely to enable the Portfolio to meet its objectives. However, there is no guarantee that a particular objective will be met over a particular period. The investment strategy includes the selection of a long-term mix of asset classes (the Benchmark Portfolio) that supports the Portfolio's objectives, as detailed in the section of this Information Memorandum titled **'The MITNZ Portfolios – In detail'**.

Changes may be made to the objective(s) and strategy for each Portfolio as required in order to help ensure that the objectives continue to have a reasonable probability of being attained. In addition, we monitor the Portfolios' performance against their objectives, with formal assessments and attribution analysis performed quarterly.

## How the MITNZ Portfolios are invested

For each Portfolio, one or more investment managers are appointed. The assets of the Portfolios are invested in a range of investments, including:

- Directly in securities, derivatives and cash managed via mandates with professional investment managers.
- Other investment vehicles managed by professional investment managers.
- Other funds managed by Mercer or related entities.

The underlying investments of the MITNZ are invested at arm's length and are separately identifiable. All of the assets of the MITNZ are held by or on behalf of the Trustee (with most assets held by the Custodian for the Trustee). Currently some of the external investment vehicles include the Australian Mercer Multi-Manager Funds (MMFs) (managed by Mercer Investments (Australia) Limited ABN 66 008 612 397 and AFSL #244385, which is the Responsible Entity of the MMFs), which in-turn invest directly with investment managers and/or into other products.

Please keep in mind that we may remove, replace, or appoint additional investment managers for the various investment portfolios at our discretion at any time. Current investment manager details can be obtained by contacting the Manager with the details provided on page 39.

## Sustainable Investment Policy

At Mercer, we take our Sustainable Investment Policy into account when managing our investments, believing that sustainable investment approaches are consistent with an objective to create and preserve long-term investment capital, where relevant and aligned with achieving investment objectives.

Mercer New Zealand's Sustainable Investment Policy is guided by our global philosophy and principles available [here](#) and our local experience implementing and evolving our sustainable investment approach for over a decade.

We have principles to guide our implementation approach, summarised into four techniques:

- Integration of environmental, social and governance (ESG) factors in relevant investment decisions may potentially enhance portfolio resilience. This includes appointing third party investment managers (Investment Managers) who assess and reflect ESG risks and opportunities when they select investments and construct their portfolios.
- Stewardship, via engagement with Investment Managers, companies and policymakers and/or via proxy voting at listed company annual general meetings, may improve investment outcomes by leveraging investor rights and influence. Engagement may be undertaken with companies or policymakers via Investment Managers collaborative initiatives and/or directly by us.
- Exclusions that seek to avoid investment in, or remove exposure as much as practicable to, certain companies or securities with involvement in defined products or business activities may help respond to stakeholder expectations where integration and stewardship are considered to be insufficient.
- Investment in themes, which is only applicable to the Sustainable Funds<sup>†</sup> (refer to the Sustainable Investment Policy section on Investment in Themes), may provide additional opportunities to improve risk-adjusted returns.

<sup>†</sup> Appendix A of the Sustainable Investment Policy lists the Portfolios which we define as Sustainable Funds.

# Exclusions

Exclusions involve seeking to avoid investing in, or removing exposure as much as practicable to, certain companies with involvement in defined products or business activities.

Exclusions can be used to respond to evolving societal norms and expectations, including New Zealand Government policy positions, especially where Integration and Stewardship are considered to be insufficient or not applicable.

Exclusions are typically implemented as rules-based, pre-defined criteria such as the Exclusions Criteria set out below.

Our application of exclusions is generally determined by the asset class and nature of the holdings, and are subject to the operational limitations and exceptions detailed below.

## Exclusions only apply to Directed Investments.

If a Directed Investment meets an Exclusions Criteria, our Investment Managers will generally be expected to divest the Directed Investment in a reasonable period of time, typically within 10 business days and as market conditions allow. We may rely on specialist third party ESG providers and their methodologies for implementation, including determining which securities are required to be excluded based on the relevant Portfolio's Exclusion Criteria (see below).

## Exclusions Criteria

Investment Managers are required to apply the following exclusions to the Directed Investments of the Portfolios ('Exclusions Criteria'), unless an operational limitation or exception as noted below, or other factors beyond our reasonable control, mean it is not reasonably feasible or it would be impracticable to apply the exclusions.

### • **Controversial weapons**

Companies that manufacture whole weapons systems, or delivery platforms, or key components that were developed or are significantly modified for use in cluster munitions, anti-personnel landmines, biological or chemical weapons or nuclear weapons.

Companies with involvement\* in the production or retailing of automatic or semi-automatic civilian firearms or ammunition.

### • **Tobacco**

Companies with involvement\* in the production of tobacco, manufacture of nicotine alternatives or tobacco-based products (regardless of revenue), including subsidiaries and joint ventures. Nicotine alternatives and tobacco-based products include, for example, nicotine vaping products such as 'vaping' devices and e-cigarettes.

Any other company that derives greater than 50% of revenue<sup>^</sup> from tobacco-related distribution, wholesale or retail, and services such as marketing or supplying products necessary for production.

### • **Russian assets<sup>#</sup>**

Defined as:

- Sanctioned Russian entities and related entities of sanctioned entities;
- Shares – issues of publicly held companies with Russia as the country of incorporation or where the security has a primary listing in Russia (including ADRs/GDRs), including their subsidiaries
- Fixed income – issuers captured in equity screening (as above) by country of incorporation, plus Russian sovereign bonds and bonds issued by Russian government-related entities (Rouble or foreign currency denominated);
- Cash holdings in Russian currency;
- Russian FX exposure;
- Private markets assets domiciled in Russia;
- All secondary issues of excluded securities; and
- Derivatives having a Russian asset as primary exposure.

## Additional Exclusions (applied to the Responsible and Sustainable Portfolios)

Further to the exclusions listed in the Exclusions Criteria section above, additional exclusions also apply for the Responsible and Sustainable portfolios.

Applying Additional Exclusions Criteria may affect investment risks and returns where, for example, there are exclusions to investments in companies that are not typically excluded in other portfolios. If those excluded companies perform well or poorly in certain time periods, there may be differences in return outcomes compared to a benchmark or comparable portfolio where those exclusions are not applied.

The Additional Exclusions listed below apply to the Directed Investments of some asset classes – equities, global bonds and global credit - for the Portfolios classed as Responsible and Sustainable ('Additional Exclusions') within certain revenue thresholds, unless exceptions (as noted below) or other factors beyond Mercer's control mean they are not possible to apply. Other Fixed Income, Overseas Sovereign Bonds and New Zealand Sovereign Bonds asset classes do not have the below Additional Exclusions.

\* Involvement is determined by a third party ESG research provider, currently ISS ESG, typically assessed based on revenue derived from defined activities (no revenue thresholds) or in the case of expansion metrics assessed based on capital expenditure.

<sup>^</sup> Revenue is gross revenue in the last full financial year or, where not available, net revenue based on available company filings.

<sup>#</sup> Mercer has instructed its investment managers to divest any existing exposure to Russian securities as market conditions allow and to prohibit any new investments in Russian securities. This may mean that some Portfolios still retain exposures to Directed Investments in Russian securities, as Mercer seeks to divest in a manner that promotes the best interests of investors.

These **Responsible Additional Exclusions** for Portfolios classed as Responsible **Equities** and **Global Bonds** are defined as:

- **Coal, oil, or gas**

Companies with involvement\* in the following as defined by Global Industry Classification Standard (GICS) sub-industry:

- Oil & Gas Drilling
- Oil & Gas Equipment & Services
- Integrated Oil & Gas
- Oil & Gas Exploration & Production
- Thermal Coal & Consumable Fuels.

Companies that own proved or probable reserves in coal, oil, or gas; and derive in excess of 15% of their revenue<sup>^</sup> from exploration and extraction of thermal coal, oil or gas.

Where referred to above, 'coal, oil or gas' includes these fuels where derived from conventional and unconventional sources such as tar sands or shale.

- **Adult entertainment**

Companies with greater than 10% of revenue<sup>^</sup> from adult entertainment-related business activity (adult entertainment-related activities mean production, distribution and not accessible to minors as defined by third-party data provider).

- **Alcohol**

Companies with greater than 10% of revenue<sup>^</sup> from alcohol-related business activities (alcohol-related activities mean production, distribution and services to the production of alcoholic beverages alcohol as defined by third-party data provider).

- **Gambling**

Companies with greater than 10% of revenue<sup>^</sup> from gambling-related business activities (gambling-related activities mean production, services and distribution of gambling products as defined by third-party data provider).

- **Depleted uranium**

Companies with involvement\* in the development or production of depleted uranium ammunition/armour.

These Sustainable Additional Exclusions apply and are limited to the Mercer Sustainable Global Credit portfolio in the MITNZ as well as those portfolios which invest into the Mercer Sustainable Global Credit portfolio being the Mercer Responsible diversified portfolios in the MITNZ (Conservative, Moderate, Balanced, Growth and High Growth):

- **Nuclear weapons**

Companies with involvement\* in the development or production of nuclear weapons.

- **Depleted uranium**

Companies with involvement\* in the development or production of depleted uranium ammunition/armour.

- **Tobacco**

Companies that derive greater than 10% of revenue<sup>^</sup> from tobacco-related distribution, wholesale or retail, and services such as marketing or supplying products necessary for production.

- **Cannabis**

Companies that derive greater than 10% of revenue<sup>^</sup> from cannabis (medicinal or recreational) production, distribution or services.

- **Saudi Arabia**

Saudi Arabian securities, defined by country of incorporation or where the security has a primary listing in Saudi Arabia, including subsidiaries.

- **Adult entertainment, Alcohol, Gambling**

Companies with a material exposure to adult entertainment, alcohol or gambling, where materiality is defined as greater than 10% of revenue<sup>^</sup> from production and/or distribution, wholesale or retail, and services such as marketing or supplying products necessary for production.

- **Live animal exports**

Companies that derive greater than 10% of revenue<sup>^</sup> from live animal export for the purpose of selling live animals for slaughter, husbandry and breeding subjects, including specialised transportation services specifically designed to facilitate live exports.

- **Animal fur production**

Companies that derive greater than 5% of revenue<sup>^</sup> from fur production.

- **Thermal coal mining**

Companies that derive greater than 5% of revenue<sup>^</sup> from thermal coal mining.

- **Oil sands production**

Companies that derive greater than 5% of revenue<sup>^</sup> from oil sands production.

- **Fossil fuels**

Companies that own proved or probable reserves in coal, oil or gas and derive greater than 15% of revenue<sup>^</sup> from exploration and/or extraction of coal, oil, or gas; or companies with a primary business activity in any of the excluded sub-sectors below:

- Oil & gas drilling
- Oil & gas equipment & services
- Integrated oil & gas
- Oil & gas exploration & production
- Thermal coal & consumable fossil fuels.

Where referred to above, 'coal, oil or gas' includes fuels derived from conventional and unconventional sources such as tar sands or shale.

\* Involvement is determined by a third party ESG research provider, currently ISS ESG, typically assessed based on revenue derived from defined activities (no revenue thresholds) or in the case of expansion metrics assessed based on capital expenditure.

<sup>^</sup> Revenue is gross revenue in the last full financial year or, where not available, net revenue based on available company filings.

The Exclusions Criteria and Additional Exclusions Criteria listed are current as at the date of this SIPO and changes may occur from time to time. The latest Exclusions Criteria and Additional Exclusions can be found [here](#).

The above is a summary of exclusions under the Sustainable Investment Policy and exceptions may apply. Details of exceptions are found in the Sustainable Investment Policy for Mercer New Zealand at [www.multimanager.mercer.co.nz/funds/environmental-social-governance-policies.html](http://www.multimanager.mercer.co.nz/funds/environmental-social-governance-policies.html) and below.

We reserve the right to implement other exclusions at our discretion having regard to investor best interests. Any material changes will be communicated to investors.

### Determining whether companies or securities meet an Exclusions Criteria

For Directed Investments:

- we currently engage ISS ESG<sup>†</sup>, a third-party ESG research provider to create lists of excluded securities (Exclusion Lists) based on our Exclusions Criteria and Additional Exclusions Criteria. The research provider has defined evaluation rules and methodology frameworks underpinning its assessment. ISS ESG has defined evaluation rules and methodology frameworks underpinning their assessment of companies or securities to include on the Exclusion List.
- the Exclusion Lists are typically updated on a quarterly basis and made available to the Investment Managers of Directed Investments.
- where a security is identified that is on an Exclusion List the Investment Manager is instructed to not make any additional purchases of such security or securities and shall divest such security or securities within 10 business days after quarter end, unless agreed otherwise with Mercer.
- our custodian and the Related Parties pooled vehicles' custodian monitors compliance of Directed Investments against the Exclusion Lists, and would report any discrepancies with Mercer and the Related Parties.

Although we are unable to implement exclusions for investments in pooled vehicles (including managed investment schemes and exchange traded funds) and some derivatives, we typically provide the Exclusions Criteria to these Investment Managers and request they seek to align with the Exclusions Criteria, where possible. For pooled funds, we do not have influence over the way underlying assets are managed, and the above mentioned exclusions may not apply to these funds.

### Operational limitations or exceptions for exclusions

As noted above, we are generally able to apply exclusions to Directed Investments only. This may mean that a Fund has exposure to securities meeting the Exclusions Criteria via investments in pooled vehicles (including managed investment schemes and exchange traded funds) and/or derivatives.

For our investment holdings in any portfolio the following operational limitations or exceptions may impact our ability to apply our Exclusions Criteria:

- **Transitional implementation for the Portfolios** – From time to time, Directed Investments may be transitioned into the Portfolios. In these instances, the Investment Managers of any transitioned Directed Investments will be instructed to implement the Exclusions Criteria as market conditions allow and in the best interest of investors. The Investment Managers will require a transition timeframe to align with the Exclusions Criteria. This means that the Portfolios may contain exposures to securities that would otherwise meet the Exclusions Criteria for a period of time following the transition of Directed Investments into the Portfolios.
- **Discretion** – In limited circumstances, we may allow the Investment Managers to continue to hold or acquire Directed Investments that meet the Exclusions Criteria (this includes where a movement above an exclusion threshold may be temporary due to market movements or data lags (for example, the availability of company data used to determine company revenue) or where the Directed Investments are material to achieving the Portfolio's objectives). In such circumstances, we will continue to monitor the exposure to the Directed Investments and instruct Investment Managers to divest where appropriate.
- **Other factors beyond our control** – There remain some factors beyond our control which means a portfolio may have exposure to a company or security that meets an Exclusions Criteria. These factors may include, for example, market conditions and liquidity, operational or structural constraints, different definitions and methodologies of research providers, or where there is a change of a company's revenue mix over a reporting period, data or calculation methodologies.
- **Limited reporting** – The third-party researchers we engage do not report on all organisations. Their reports cover a subset of the companies available for investment. If Investment Managers invest in assets that fall outside the parameters of research available to us, it is possible that investments may be made in entities that would otherwise be excluded based on our Exclusions Criteria.

<sup>†</sup> Mercer may change the third party ESG research provider and/or change the scope of its role from time to time.

# Stewardship approaches

We utilise two primary approaches to stewardship – engagement and voting.

## Engagement

Engagement may be undertaken with companies or policymakers via Investment Managers, collaborative initiatives and/or directly by Mercer or Mercer globally. We also typically engage with our Investment Managers on at least an annual basis, for example through an annual survey covering all relevant strategies and targeted meetings by asset class.

Mercer believes its Investment Managers are typically best placed to conduct engagement with companies or assets on our behalf and, where relevant, this is an expected part of an Investment Manager's stewardship approach. The Investment Managers make investment decisions within a strategy and are expected to identify potentially material opportunities or risks that may require engagement activity. However, Mercer may also conduct engagement activities with companies directly, or through involvement in collaborative initiatives, where we believe engagement by Mercer is in the best interests of our investors.

We may also engage with regulators, governments and other policymakers, collaboratively or directly, to recommend changes or express views on current or proposed regulation or policy positions where we consider this important to protect the rights or enhance the interests of our investors.

Engagement seeks to target ESG factors identified as potentially material, for example company board governance or remuneration, climate change risks and opportunities, or emerging matters of concern (such as high severity incidents and controversies).

Mercer may use a range of inputs to determine when engagement may be warranted. These include but are not limited to ESG research from an external provider, information gained through collaborative initiatives, Mercer's own research or tools, information gained through engagement with Investment Managers and ESG portfolio analysis.

## Voting

As a shareholder of publicly listed companies, Mercer has the right to vote at shareholder meetings and regards voting our shares as an important aspect of Mercer NZ's sustainable investment approach. For unlisted companies, voting may be undertaken where we have an Advisory Board seat or have certain voting rights in specific funds or individual assets. Stewardship via voting is not applicable for unlisted real assets (i.e. directly held property and infrastructure).

We delegate the exercise of our proxy voting rights to our listed equity Investment Managers and where practical, expect the listed equity Investment Managers to vote the shares in a timely manner and in a manner deemed most likely to protect and enhance long-term value. An Investment Manager's capability in stewardship is usually evaluated as part of the investment manager selection process, to seek alignment with Mercer's commitment to promote good governance and long-term value creation.

Mercer NZ's stewardship program includes an assessment that considers whether a listed equity Investment Manager has their own voting policy that sets out the principles and guidelines under which rights to vote are exercised which align with Mercer NZ's stewardship expectations and we seek evidence and examples where relevant.

Mercer engages the services of a third-party proxy advisor (Glass Lewis, at the date of the current Sustainable Investment Policy) to provide proxy voting research and facilitate the collation and reporting of proxy voting data, which Mercer uses to monitor Investment Manager voting. Our ability to directly monitor and report on proxy voting only applies to Directed Investments.

Mercer's proxy voting records, where available, can be found online and are updated semi-annually: <https://viewpoint.glasslewis.com/WD/?siteId=Mercer>

From time to time, a Portfolio may hold listed equities in a transition account where the transition manager does not have a voting policy or capability. In these instances, Mercer will seek to vote the shares in the transition account in alignment with the recommendations of the proxy advisor or in accordance with our Priority Vote process where applicable.

More details on engagement, share voting, exercising 'Priority Vote' Voting principles, operational limitations for voting and Escalation can be found in the Mercer (N.Z.) Limited Sustainable Investment Policy, here: <https://www.multimanager.mercer.co.nz/funds/environmental-social-governance-policies.html>

# The MITNZ Portfolios - In detail

## Shares Portfolios

	Mercer Shares Portfolio	Mercer Trans-Tasman Shares Portfolio	Mercer Responsible Trans-Tasman Shares Portfolio	Mercer Emerging Markets Portfolio	Mercer New Zealand Shares Index Portfolio					
<b>Objective(s)</b>	To outperform the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over the medium to long term.				To perform in line with the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over periods of one year or greater.					
<b>Investment Strategy</b>	The Portfolio invests in a mix of investments generally using a multi-manager approach.	The Portfolio invests in Trans-Tasman shares using either a single manager or multi-manager approach.	The Portfolio invests in responsible Trans-Tasman shares using either a single manager or multi-manager approach.	The Portfolio invests in emerging markets shares using either a single manager or multi-manager approach.	The Portfolio invests in New Zealand Equities using a passive approach, using either a single manager or multi-manager approach.					
<b>Mix of Investments</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>
Trans-Tasman Shares	26	16 - 36	100	90 - 100	100	90 - 100			100	90 - 100
Overseas Shares	74	64 - 84					100	90 - 100		
Real Assets										
<b>Total Growth Assets</b>	<b>100</b>	<b>90 - 100</b>	<b>100</b>	<b>90 - 100</b>	<b>100</b>	<b>90 - 100</b>	<b>100</b>	<b>90 - 100</b>	<b>100</b>	<b>90 - 100</b>
Fixed Interest										
Cash	0	0 - 10	0	0 - 10	0	0 - 10	0	0 - 10	0	0 - 10
<b>Total Defensive Assets</b>	<b>0</b>	<b>0 - 10</b>	<b>0</b>	<b>0 - 10</b>	<b>0</b>	<b>0 - 10</b>	<b>0</b>	<b>0 - 10</b>	<b>0</b>	<b>0 - 10</b>
<b>Special Transaction and Liquidity Conditions</b>	Yes (In-Specie Transfer without Unitholder Consent) - Refer to Special Transaction and Liquidity Conditions on page 23 for details.				Not applicable					

**Note:** Further information is contained within the Statement of Investment Policy and Objectives.

## Shares Portfolios (Cont.)

	Mercer Responsible Overseas Shares Portfolio		Mercer Responsible Hedged Overseas Shares Portfolio		Mercer Overseas Shares Portfolio		Mercer Hedged Overseas Shares Portfolio		Mercer Responsible Overseas Shares Index Portfolio	
<b>Objective(s)</b>	To outperform the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over the medium to long term.									
<b>Investment Strategy</b>	The Portfolio invests in responsible overseas shares using either a single manager or multi-manager approach.		The Portfolio invests in responsible overseas shares using either a single manager or multi-manager approach.  Returns are hedged back to New Zealand dollars.		The Portfolio invests in overseas shares using either a single manager or multi-manager approach.		The Portfolio invests in overseas shares using either a single manager or multi-manager approach.  Returns are hedged back into New Zealand dollars.		The Portfolio invests in responsible overseas shares using a passive approach, using either a single manager or multi-manager approach.	
<b>Mix of Investments</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>
Trans-Tasman Shares										
Overseas Shares	100	90 - 100	100	90 - 100	100	90 - 100	100	90 - 100	100	90 - 100
Real Assets										
<b>Total Growth Assets</b>	<b>100</b>	<b>90 - 100</b>	<b>100</b>	<b>90 - 100</b>	<b>100</b>	<b>90 - 100</b>	<b>100</b>	<b>90 - 100</b>	<b>100</b>	<b>90 - 100</b>
Fixed Interest										
Cash	0	0 - 10	0	0 - 10	0	0 - 10	0	0 - 10	0	0 - 10
<b>Total Defensive Assets</b>	<b>0</b>	<b>0 - 10</b>	<b>0</b>	<b>0 - 10</b>	<b>0</b>	<b>0 - 10</b>	<b>0</b>	<b>0 - 10</b>	<b>0</b>	<b>0 - 10</b>
<b>Special Transaction and Liquidity Conditions</b>										

**Note:** Further information is contained within the Statement of Investment Policy and Objectives.

## Shares Portfolios (Cont.)

	<b>Mercer Responsible Hedged Overseas Shares Index Portfolio</b>		<b>Mercer Overseas Shares Index Portfolio</b>		<b>Mercer Hedged Overseas Shares Index Portfolio</b>		<b>Mercer Overseas Shares Index Portfolio B</b>		<b>Mercer Hedged Overseas Shares Index Portfolio B</b>	
<b>Objective(s)</b>	To perform in line with the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over periods of one year or greater.									
<b>Investment Strategy</b>	The Portfolio invests in responsible overseas shares using a passive approach, using either a single manager or multi-manager approach.  Returns are hedged back to New Zealand dollars.		The Portfolio invests in overseas shares using a passive approach, using either a single manager or multi-manager approach.		The Portfolio invests in overseas shares using a passive approach, using either a single manager or multi-manager approach.  Returns are hedged back to New Zealand dollars.		The Portfolio invests in overseas shares using a passive approach, using either a single manager or multi-manager approach.		The Portfolio invests in overseas shares using a passive approach, using either a single manager or multi-manager approach.  Returns are hedged back to New Zealand dollars.	
<b>Mix of Investments</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>
Trans-Tasman Shares										
Overseas Shares	100	90 - 100	100	90 - 100	100	90 - 100	100	90 - 100	100	90 - 100
Real Assets										
<b>Total Growth Assets</b>	<b>100</b>	<b>90 - 100</b>	<b>100</b>	<b>90 - 100</b>	<b>100</b>	<b>90 - 100</b>	<b>100</b>	<b>90 - 100</b>	<b>100</b>	<b>90 - 100</b>
Fixed Interest										
Cash	0	0 - 10	0	0 - 10	0	0 - 10	0	0 - 10	0	0 - 10
<b>Total Defensive Assets</b>	<b>0</b>	<b>0 - 10</b>	<b>0</b>	<b>0 - 10</b>	<b>0</b>	<b>0 - 10</b>	<b>0</b>	<b>0 - 10</b>	<b>0</b>	<b>0 - 10</b>
<b>Special Transaction and Liquidity Conditions</b>	Not applicable									

**Note:** Further information is contained within the Statement of Investment Policy and Objectives.

# Real Assets Portfolios

	Mercer Unlisted Property Portfolio	Mercer Unlisted Infrastructure Portfolio	Mercer Trans-Tasman Listed Property Portfolio	Mercer Listed Property Portfolio	Mercer Listed Infrastructure Portfolio	Mercer Global Listed Infrastructure Index Portfolio				
<b>Objective(s)</b>	To outperform the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over the medium to long term.					To perform in line with the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over periods of one year or greater.				
<b>Investment Strategy</b>	The Portfolio invests in unlisted property using either a single manager or multi-manager approach. Returns are hedged back to New Zealand dollars.	The Portfolio invests in unlisted infrastructure assets using either a single manager or multi-manager approach. Returns are hedged back to New Zealand dollars.	The Portfolio invests in listed property securities using either a single manager or multi-manager approach. Returns are hedged back to New Zealand dollars.	The Portfolio invests in listed property securities using either a single manager or multi-manager approach. Returns are hedged back to New Zealand dollars.	The Portfolio invests in listed infrastructure securities using either a single manager or multi-manager approach. Returns are hedged back to New Zealand dollars.	The Portfolio invests in global listed infrastructure securities using a passive approach and either a single or multi-manager approach. Returns are hedged back to New Zealand dollars.				
<b>Mix of Investments</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>
Trans-Tasman Shares										
Overseas Shares										
Real Assets	100	80 - 100	100	80 - 100	100	90 - 100	100	90 - 100	100	90 - 100
<b>Total Growth Assets</b>	<b>100</b>	<b>80 - 100</b>	<b>100</b>	<b>80 - 100</b>	<b>100</b>	<b>90 - 100</b>	<b>100</b>	<b>90 - 100</b>	<b>100</b>	<b>90 - 100</b>
Fixed Interest										
Cash	0	0 - 20	0	0 - 20	0	0 - 10	0	0 - 10	0	0 - 10
<b>Total Defensive Assets</b>	<b>0</b>	<b>0 - 20</b>	<b>0</b>	<b>0 - 20</b>	<b>0</b>	<b>0 - 10</b>	<b>0</b>	<b>0 - 10</b>	<b>0</b>	<b>0 - 10</b>
<b>Special Transaction and Liquidity Conditions</b>	Application / withdrawal waiting times may apply - Refer to Special Transaction and Liquidity Conditions on page 23 for details.					Not applicable				

**Note:** Further information is contained within the Statement of Investment Policy and Objectives.

## Fixed Interest and Cash Portfolios

	Mercer Private Debt Portfolio	Mercer New Zealand Fixed Interest Portfolio	Mercer New Zealand Sovereign Bond Portfolio	Mercer Overseas Sovereign Bond Portfolio	Mercer Overseas Sovereign Bond Index Portfolio					
<b>Objective(s)</b>	To outperform the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over the medium term.				To perform in line with the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over periods of one year and greater.					
<b>Investment Strategy</b>	The Portfolio invests in unlisted fixed interest assets using either a single or multi-manager approach. Returns are hedged back to New Zealand dollars.	The Portfolio invests in New Zealand fixed interest securities using either a single manager or multi-manager approach.	The Portfolio invests in New Zealand sovereign bond securities using either a single manager or multi-manager approach.	The Portfolio invests in overseas sovereign bond securities using either a single manager or multi-manager approach. Returns are hedged back to New Zealand dollars.	The Portfolio invests in overseas sovereign bond securities using a passive approach, using either a single manager or multi-manager approach. Returns are hedged back to New Zealand dollars.					
<b>Mix of Investments</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>
Trans-Tasman Shares										
Overseas Shares										
Real Assets										
<b>Total Growth Assets</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>
Fixed Interest	100	80 - 100	100	90 - 100	100	90 - 100	100	90 - 100	100	90 - 100
Cash	0	0 - 20	0	0 - 10	0	0 - 10	0	0 - 10	0	0 - 10
<b>Total Defensive Assets</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>-</b>
<b>Special Transaction and Liquidity Conditions</b>	Application / withdrawal waiting times may apply - Refer to Special Transaction and Liquidity Conditions on page 23 for details.					Not applicable				

**Note:** Further information is contained within the Statement of Investment Policy and Objectives.

## Fixed Interest and Cash Portfolios (Cont.)

	Mercer Cash Portfolio	Mercer Responsible Global Aggregate Index Portfolio	Mercer Global Credit Portfolio	Mercer Sustainable Global Credit Portfolio	Mercer Short Term Bond Portfolio					
<b>Objective(s)</b>	To outperform the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over periods of one year or greater.	To closely match the return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives (on an after-tax basis).		To outperform the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over the medium term.						
<b>Investment Strategy</b>	The Portfolio invests in cash, short and medium term interest bearing investments using either a single manager or multi-manager approach.	The Portfolio invests in passively managed, responsible, overseas fixed interest securities using either a single manager or multi-manager approach. Returns are hedged back to New Zealand dollar.	The Portfolio invests in global credit securities using either a single manager or multi-manager approach. Returns are hedged back to New Zealand dollars.	The Portfolio invests in socially responsible global credit securities using either a single manager or multi-manager approach. Returns are hedged back to New Zealand dollars.	The Portfolio invests in global investment grade bond securities using either a single manager or multi-manager approach. Returns are hedged back to New Zealand dollars.					
<b>Mix of Investments</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>
Trans-Tasman Shares										
Overseas Shares										
Real Assets										
<b>Total Growth Assets</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>
Fixed Interest			100	90 - 100	100	90 - 100	100	90 - 100	100	90 - 100
Cash	100	100	0	0 - 10	0	0 - 10	0	0 - 10	0	0 - 10
<b>Total Defensive Assets</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>-</b>
<b>Special Transaction and Liquidity Conditions</b>										

**Note:** Further information is contained within the Statement of Investment Policy and Objectives.

## Multi-Asset Class (Diversified) Portfolios

	Mercer Conservative Portfolio		Mercer Moderate Portfolio		Mercer Balanced Portfolio		Mercer Growth Portfolio		Mercer High Growth Portfolio	
<b>Objective(s)</b>	To achieve a rate of return (after fees) that exceeds CPI increases by at least 1.0% per annum after tax and 2.0% before tax over a minimum of three years.  To outperform the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over periods of one year or greater.		To achieve a rate of return (after fees) that exceeds CPI increases by at least 1.5% per annum after tax and 3.0% before tax over a minimum of five years.  To outperform the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over periods of one year or greater.		To achieve a rate of return (after fees) that exceeds CPI increases by at least 2.5% per annum after tax and 3.5% before tax over a minimum of eight years.  To outperform the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over periods of one year or greater.		To achieve a rate of return (after fees) that exceeds CPI increases by at least 3.0% per annum after tax and 4.0% before tax over a minimum of ten years.  To outperform the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over periods of one year or greater.		To achieve a rate of return (after fees) that exceeds CPI increases by at least 3.5% per annum after tax and 4.5% over a minimum of thirteen years.  To outperform the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over periods of one year or greater.	
<b>Investment Strategy</b>	The Portfolio invests in a mix of investments generally using a multi-manager approach.									
<b>Mix of Investments</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>
Trans-Tasman Shares	5	0 - 10	10	0 - 20	13	3 - 23	19	9 - 29	21	11 - 31
Overseas Shares	12	6.5 - 16.5	24.5	14.5 - 34.5	39	29 - 49	52	42 - 62	65	55 - 75
Real Assets	3	0 - 10	5.5	0 - 16.5	8	2 - 20	9	4 - 26	9	4 - 26
<b>Total Growth Assets</b>	<b>20</b>	<b>5 - 35</b>	<b>40</b>	<b>20 - 50</b>	<b>60</b>	<b>40 - 70</b>	<b>80</b>	<b>60 - 90</b>	<b>95</b>	<b>75 - 100</b>
Fixed Interest	60	45 - 75	48	33 - 63	36	21 - 51	19	9 - 29	4.5	0 - 14.5
Cash	20	10 - 40	12	2 - 32	4	0 - 20	1	0 - 15	0.5	0 - 15
<b>Total Defensive Assets</b>	<b>80</b>	<b>65 - 95</b>	<b>60</b>	<b>50 - 80</b>	<b>40</b>	<b>30 - 60</b>	<b>20</b>	<b>10 - 40</b>	<b>5</b>	<b>0 - 25</b>
<b>Special Transaction and Liquidity Conditions</b>	Yes (In-Specie Transfer without Unitholder consent) - Refer to Special Transaction and Liquidity Conditions on page 23 for details.									

**Note:** Further information is contained within the Statement of Investment Policy and Objectives. Tax rate for objectives is assumed to be 28%

## Passive Multi-Asset Class (Diversified) Portfolios

	Mercer Passive Balanced Portfolio		Mercer Passive Growth Portfolio	
<b>Objective(s)</b>	To achieve a rate of return (after fees) that exceeds CPI increases by at least 1.5% per annum after tax and 2.5% before tax over a minimum of eight years. To closely match the return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over periods of one year or greater.		To achieve a rate of return (after fees) that exceeds CPI increases by at least 2.0% per annum after tax and 3.0% before tax over a minimum of ten years. To closely match the return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over periods of one year or greater.	
<b>Investment Strategy</b>	The Portfolio invests in a mix of investments using a passive approach and generally using a multi-manager approach.			
<b>Mix of Investments</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>
Trans-Tasman Shares	15	5 - 25	20	5 - 35
Overseas Shares	40	20 - 60	55	40 - 70
Real Assets	0	0 - 10	0	0 - 10
<b>Total Growth Assets</b>	<b>55</b>	<b>35 - 65</b>	<b>75</b>	<b>56 - 85</b>
Fixed Interest	39	19 - 49	22	11 - 31
Cash	6	0 - 16	3	0 - 14
<b>Total Defensive Assets</b>	<b>45</b>	<b>35 - 55</b>	<b>25</b>	<b>15 - 35</b>
<b>Special Transaction and Liquidity Conditions</b>	Yes (In-Specie Transfer without Unitholder consent) - Refer to Special Transaction and Liquidity Conditions on page 23 for details.			

**Note:** Further information is contained within the Statement of Investment Policy and Objectives. Tax rate for objectives is assumed to be 28% PIR.

## Responsible Multi-Asset Class (Diversified) Portfolios

	<b>Mercer Responsible Conservative Portfolio</b>	<b>Mercer Responsible Moderate Portfolio</b>	<b>Mercer Responsible Balanced Portfolio</b>	<b>Mercer Responsible Growth Portfolio</b>	<b>Mercer Responsible High Growth Portfolio</b>					
<b>Objective(s)</b>	To achieve a rate of return (after fees) that exceeds CPI increases by at least 1.0% per annum after tax and 2.0% before tax over a minimum of three years.  To outperform the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over periods of one year or greater.	To achieve a rate of return (after fees) that exceeds CPI increases by at least 1.5% per annum after tax and 3.0% before tax over a minimum of five years.  To outperform the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over periods of one year or greater.	To achieve a rate of return (after fees) that exceeds CPI increases by at least 2.5% per annum after tax and 3.5% before tax over a minimum of eight years.  To outperform the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over periods of one year or greater.	To achieve a rate of return (after fees) that exceeds CPI increases by at least 3.0% per annum after tax and 4.0% before tax over a minimum of ten years.  To outperform the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over periods of one year or greater.	To achieve a rate of return (after fees) that exceeds CPI increases by at least 3.5% per annum after tax and 4.5% before tax over a minimum of thirteen years.  To outperform the notional return of the Benchmark Portfolio nominated in the Statement of Investment Policy and Objectives over periods of one year or greater.					
<b>Investment Strategy</b>	<p>The Portfolio invests in a mix of investments generally using a multi-manager approach.</p> <p>For the Trans-Tasman Shares asset class, the Portfolio invests in the Mercer Responsible Trans-Tasman Shares Portfolio.</p> <p>For the overseas shares asset class, the Portfolio invests in the Mercer Responsible Overseas Shares Portfolio and the Mercer Responsible Hedged Overseas Shares Portfolio.</p>									
<b>Mix of Investments</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>	<b>Benchmark %</b>	<b>Ranges %</b>
Trans-Tasman Shares	5	0 - 10	10	0 - 20	13	3 - 23	19	9 - 29	21	11 - 31
Overseas Shares	12	6.5 - 16.5	24.5	14.5 - 34.5	39	29 - 49	52	42 - 62	65	55 - 75
Real Assets	3	0 - 10	5.5	0 - 16.5	8	2 - 20	9	4 - 26	9	4 - 26
<b>Total Growth Assets</b>	<b>20</b>	<b>5 - 35</b>	<b>40</b>	<b>20 - 50</b>	<b>60</b>	<b>40 - 70</b>	<b>80</b>	<b>60 - 90</b>	<b>95</b>	<b>75 - 100</b>
Fixed Interest	60	45 - 75	48	33 - 63	36	21 - 51	19	9 - 29	4.5	0 - 14.5
Cash	20	10 - 40	12	2 - 32	4	0 - 20	1	0 - 15	0.5	0 - 15
<b>Total Defensive Assets</b>	<b>80</b>	<b>65 - 95</b>	<b>60</b>	<b>50 - 80</b>	<b>40</b>	<b>30 - 60</b>	<b>20</b>	<b>10 - 40</b>	<b>5</b>	<b>0 - 25</b>
<b>Special Transaction and Liquidity Conditions</b>	Yes (In-Specie Transfer without Unitholder consent) - Refer to Special Transaction and Liquidity Conditions on page 23 for details.									

**Note:** Further information is contained within the Statement of Investment Policy and Objectives. Tax rate for objectives is assumed to be 28% PIR.

# Additional transaction and liquidity information

Normally a withdrawal request will be completed within 10 Business Days. However, the Manager reserves the right to extend this period to 40 Business Days after the next valuation day following receipt of a withdrawal request if appropriate or in the case of a Portfolio with a longer withdrawal period. Refer to the Special Transaction and Liquidity conditions below.

## Suspension of Withdrawal of units

The Manager may suspend the withdrawal of units in respect to any Portfolio if by reason of:

- a decision to wind up one or more of the Portfolios; or
- the suspension of trading on any exchange (whether generally or in respect of any specific investment); or
- financial, political or economic conditions applying in respect of any financial market; or
- the nature of any investment; or
- the occurrence or existence of any other circumstance or event relating to the relevant Portfolio or generally,
- the units in a Portfolio specified in a withdrawal request cannot be redeemed and the Manager forms the opinion that it is not practicable, or would be materially prejudicial to the interests of any investors, for the Manager to arrange the purchase of units.

Such a suspension cannot generally last for more than three months, although the Manager does not need to satisfy withdrawal requests in respect of certain Portfolios for a number of years and in some cases can suspend withdrawals indefinitely. See below for details applicable to each Portfolio.

Any unsatisfied withdrawal requests received by the Manager before or during any period of suspension will be taken to have been received by the Manager on the Business Day after the end of that period of suspension.

## Side Pocket

The Manager has the power to Side-Pocket particular assets of a Portfolio on such equitable basis and subject to such terms and conditions as determined and advised to affected investors by the Manager.

## In-Specie Transfer with Unitholder consent

The Manager may, at its discretion and with the consent of the applying or withdrawing investor, satisfy the application and withdrawal requests in any Portfolio in whole or in part by In-Specie Transfer on such equitable basis as the Manager sees fit, provided that:

- any such In-Specie Transfer will not materially prejudice the Portfolio's remaining investors;
- the Manager will have absolute discretion as to which assets of the Portfolio will be used to satisfy application and withdrawal requests.

In practice, the Manager intends to transfer a spread of the assets of the relevant Portfolio to each redeeming investor on a pro-rata basis.

Investors who receive withdrawal proceeds by way of In-Specie Transfer will be responsible for liquidating those assets received including bearing any transaction costs involved in the sale of those assets.

The Manager makes no representation as to the timing or terms on which any such assets may be able to be liquidated.

## Use of a Register

- The Manager may determine to use an Investment Commitment Register ('Register') to manage applications and withdrawals for any Portfolio or Trust by giving not less than 30 days' prior written notice to investors in that Portfolio or Trust. See '**How to apply and transact on your account**' on page 45.
- Currently, only the Mercer Private Debt Portfolio, Mercer Unlisted Property Portfolio and the Mercer Unlisted Infrastructure Portfolio use a Register.

## Special Transaction and Liquidity Conditions

In addition to the conditions detailed above, certain portfolios in the MITNZ are subject to Special Transaction and Liquidity Conditions described below:

### Mercer Private Debt Portfolio, Mercer Unlisted Property Portfolio and the Mercer Unlisted Infrastructure Portfolio

**(Application/withdrawal waiting times may apply)**

#### Liquidity condition

The liquidity condition of each Portfolio is predominantly dependent on the liquidity terms of the underlying funds or trusts and the ability to sell down the investments. The managers of some of the underlying funds or trusts may invest up to 100% of the net assets in direct property or infrastructure investments, which are not listed on a public exchange and may be difficult to sell or have limited withdrawal facilities. Such investments restrict the ability of each Portfolio to meet large withdrawal requests.

All withdrawal requests are subject to the terms of the Trust Deed applicable to the Portfolio, in particular the period within which a withdrawal request must be satisfied and any restrictions on an investor's ability to withdraw from the Portfolio, as follows:

- Generally, for the Mercer Private Debt Portfolio, a withdrawal request must be satisfied by the Manager within three years of the next valuation day following receipt of a withdrawal request.
- Generally, for the Mercer Unlisted Property Portfolio, a withdrawal request must be satisfied by the Manager within two years of the next valuation day following receipt of a withdrawal request.
- Generally, for the Mercer Unlisted Infrastructure Portfolio, a withdrawal request must be satisfied by the Manager within five years of the next valuation day following receipt of a withdrawal request.
- However, if the Manager determines that market conditions are such that it would be prejudicial to investors to allow withdrawals to continue, investors will only be able to make a withdrawal from the Portfolio if the Manager chooses to make a withdrawal offer to investors.

For the Mercer Private Debt, Mercer Unlisted Property and Mercer Unlisted Infrastructure Portfolios, an **'Investor Commitment Register'** (as detailed in the box on this page) is used to manage applications, additional investments and withdrawals, making these transactions more efficient and fairer for all investors.

#### Investor Commitment Register

An **Investor Commitment Register** ('Register') is used to record applications, additional investments and withdrawal requests.

The Register will operate as follows:

- Transactions will be processed in the order received on a 'first come first served' basis.
- A 10 Business Day Funding Period will apply for the payment of monies once units become available.
- A 24 month Notice Period is required for any application or additional investment requests to be removed from the Register.
- All withdrawal payment requests (i.e. redemption of units) will be binding unless in certain circumstances we agree it can be revoked.

See **'How to apply and transact on your account'** on page 45.

## In-Specie Transfer without Unitholder Consent

The Manager may satisfy withdrawal requests from the **Portfolios listed below** in whole or part by way of an In-Specie Transfer on such equitable basis as the Manager sees fit, **without the consent of the withdrawing investor, provided that:**

- any such In-Specie Transfer will not materially prejudice the Portfolio's remaining investors;
- the Manager will have absolute discretion as to which assets of the Portfolio will be used to satisfy withdrawal requests.

The Portfolios are as follows:

- Mercer Conservative Portfolio
- Mercer Moderate Portfolio
- Mercer Balanced Portfolio
- Mercer Growth Portfolio
- Mercer High Growth Portfolio
- Mercer Shares Portfolio
- Mercer Passive Balanced Portfolio
- Mercer Passive Growth Portfolio
- Mercer Responsible Conservative Portfolio
- Mercer Responsible Moderate Portfolio
- Mercer Responsible Balanced Portfolio
- Mercer Responsible Growth Portfolio
- Mercer Responsible High Growth Portfolio

In practice, the Manager intends to transfer a spread of the assets of the relevant Portfolio to each redeeming investor on a pro-rata basis. For example, where 95% of a Portfolio's investments are liquid, the Manager would endeavour to satisfy 95% of a withdrawal request in cash. The Manager would endeavour to satisfy the remaining 5% by way of an In-Specie Transfer to the redeeming investor of the Portfolio's illiquid investments in the same proportions as the Portfolio holds. However, the Manager will make adjustments to the assets transferred where it considers it to be in the best interests of all investors in the relevant Portfolio (for example, to maintain any minimum parcel sizes).

Investors who receive withdrawal proceeds by way of In-Specie Transfer will be responsible for liquidating those assets received including bearing any transaction costs involved in the sale of those assets.

The Manager makes no representation as to the timing or terms on which any such assets may be able to be liquidated.

# The key benefits and key risks of the Mercer Investment Trusts New Zealand

## Key benefits of the MITNZ

The Mercer Investment Trusts New Zealand provide investors with the flexibility to tailor a portfolio or select a Diversified Portfolio to suit their investment objectives and risk profile. Investors can choose to invest in one or more of the Portfolios. By investing in the MITNZ, you can obtain the benefit of Mercer's investment expertise and research capabilities.

The MITNZ offer a wide range of Portfolios, each with its own investment objectives and strategy. You can invest in Portfolios that give access to different asset classes, investment managers and investment styles, both in NZ and overseas. The MITNZ provide exposure to shares, real assets and fixed interest in both single sector portfolios and diversified portfolios. Combining investments with different risk and return characteristics can help improve returns and/or reduce the risks of investment as a result of diversification.

The MITNZ Portfolios have been established by the Manager generally based on a multi-manager investment approach. Note however that some Portfolios may only have one investment manager. For details on the Manager's investment philosophy and approach see the **'Mercer's investment approach'** section of this Information Memorandum.

Each Trust of the MITNZ is a Portfolio Investment Entity ('PIE') for income tax purposes, which gives investors with a 0% PIR the benefit of receiving your income from the investment without any deduction of tax by the Trusts.

**The value of investments can go down as well as up and past performance should not be relied upon as an indicator of future performance.**

## Key risks of investing in the MITNZ

All investments carry risk. Generally, investment risk is the likelihood that an investment outcome is different to what was expected. When considering the risks associated with the MITNZ, it is important to understand:

- Investments in the MITNZ could rise or fall in value, or produce a return that is less than anticipated. Rises and falls in value occur for a variety of reasons, sometimes quickly. Assets with higher expected long-term returns such as shares and property, generally carry a higher short term risk and volatility.
- The value of investments and level of returns will vary over time. You should not rely on past performance as an indicator of future performance or treat the investment objective as a forecast or guarantee of future returns.
- Different strategies may carry different levels of risk, depending on the assets that make up the strategy.
- Your investment in MITNZ is not guaranteed and, as such, you may get back less money than you invest.
- The laws affecting investment in MITNZ are complex and may change in the future.
- We strongly recommend you speak to an appropriately qualified financial professional before making an investment decision.
- The likelihood of a certain type of investment risk applying to the MITNZ can change over time. However, investors will be kept informed of any significant changes in MITNZ.

Mercer mitigates some investment risks through the process of diversification: spreading investment across a range of investments, and where appropriate invests in a broad range of asset classes and investment managers. Mercer also actively manages the diversified portfolios' asset allocation where permitted.

The table on the following page describes the specific types of risks which may have an impact on the Portfolios. In addition, general risks (such as deterioration of economic or market conditions) may impact the Portfolios.

Risk	Description
<b>Investment portfolio and asset allocation risks</b>	<p>Returns will be affected by the allocation an investment option (Portfolio) has to different asset classes. Different types of assets have different risks:</p> <ul style="list-style-type: none"> <li>• Portfolios invested into cash or fixed interest can be affected by interest rate risk</li> <li>• Portfolios invested into equities (shares and listed real assets) can be affected by equities risk</li> <li>• Portfolios invested into unlisted real assets (property, infrastructure or commodities) or private assets can be affected by unlisted market risk, including illiquidity</li> <li>• Portfolios using derivatives can be affected by derivative risk</li> </ul> <p>(For an outline of these risks, see below)</p>
<b>Market risk</b>	The risk of major movements within a particular financial market or asset class. Investment returns are influenced by the performance of the markets the Portfolio has exposure to. The risk that a major financial market crash will cause a decline in the market as a whole is an example of market risk.
<b>Currency risk</b>	When investing in international assets that are denominated in foreign currencies there is a risk that those currencies fall or rise in value, affecting the value of those assets from a New Zealand perspective.
<b>Interest rate risk</b>	Movements in interest rates may adversely affect the price of the Portfolios' investments and impact returns.
<b>Individual asset risk</b>	The risk attributable to individual assets within an asset class.
<b>Equities risk</b>	Investments in equities can be affected by many factors including: the performance of the relevant company; the company's share price; the ability of the company to pay dividends; movements in share markets and investors attitude towards the share markets in general.
<b>Real assets risk</b>	Investments in real assets (property, infrastructure or commodities) can be affected by factors including: the performance of the property or infrastructure owning company; the quality of and demand for the assets, commodity market movements and general economic conditions.
<b>Unlisted market risk</b>	<p>These types of investments are generally less liquid and a ready market sale may not exist. Given their relative illiquidity, there is a greater risk with these asset classes than with others that the Manager may elect to exercise its side pocketing powers in relation to those assets, or that investors may otherwise be unable to withdraw their investment at their chosen time.</p>
<b>Derivatives risk</b>	The risk that exposure to exchange-traded and over the counter derivative instruments increases the risk in a Portfolio or exposes a Portfolio to additional risks – such as the possibility a position is difficult or costly to reverse or that there is an adverse movement in the asset, interest rate, exchange rate or index underlying the derivative.
<b>Credit risk</b>	An issuer of debt which the Portfolio has invested in or a counter-party to a transaction may fail to perform its contractual obligations or suffer a credit ratings downgrade affecting the value of a particular investment. More broadly, credit spreads can vary over time.
<b>Liquidity risk</b>	In stressed or volatile market conditions, a fund's assets might not be as easy to sell (compared to a previous point in time), or they may sell for a value lower than usual. If a fund holds unlisted assets, these are generally less liquid than listed ones. When a fund experiences a low level of liquidity, this could adversely impact the ability of the fund to meet withdrawal requests.
<b>Regulatory risk</b>	Changes in the law, including taxation law, regulations and other rules in respect of the MITNZ could impact investors' investments. In addition, the Trusts' could lose PIE status which is likely to affect the returns and benefit you receive.
<b>Manager of managers risk</b>	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.
<b>Active management risk</b>	As a "manager of managers" and generally employing an active management approach, we may choose investment managers and/or investments that under-perform, or we may mistime market changes resulting in lower returns.
<b>Sustainable Investment (SI) Risk</b>	Mercer believes a sustainable investment approach is consistent with an objective of creating and preserving long-term investment capital, where relevant and aligned with achieving investment objectives. In order to follow a sustainable investment approach, core exclusions are applied to these Portfolios and additional exclusions are applied to the Responsible and Sustainable Portfolios. This may mean the Portfolios are less diversified in the investment options they can pursue. This means that they may forego some potentially profitable opportunities to align with Mercer's Sustainable Investment Policy.
<b>Multiple Portfolio Risk</b>	The risk that arises in any Trust where there is more than one Portfolio established under that Trust. In normal circumstances, the liabilities of one Portfolio will not be available to meet the liabilities of another Portfolio. However, if the liabilities of one Portfolio exceeds its assets, or the Portfolio has insufficient liquid assets to meet its obligations, the assets of the other Portfolio(s) in that Trust may become available to meet those liabilities and obligations.

# Fees and costs

## Investment Management Fees and Other Management and Administration Charges

**You will be charged a management fee by Mercer for investing in the MITNZ. In addition there are Other Management and Administration charges borne by the MITNZ Portfolios. Fees and costs will reduce your returns.** The table below shows the annual fees and charges for each Portfolio. The annual investment management fee includes the fees paid to the external investment managers (though excludes any performance based fees and/or underlying fund expenses payable, which are included in the Other Management and Administration Charges).

MITNZ Portfolio	Investment Management Fee (% per annum)	Other Management and Administration Charges		Total Annual Portfolio Charges (Estimated % per annum)
		Other Fees and Expenses (Estimated % per annum)	External Manager Performance-based Fees (Estimated % per annum)	
Mercer Trans-Tasman Shares Portfolio	0.90	0.01	-	0.91
Mercer Responsible Trans-Tasman Shares Portfolio	1.00	0.03	-	1.03
Mercer New Zealand Shares Index Portfolio	0.40	0.02	-	0.42
Mercer Overseas Shares Portfolio	1.00	0.01	-	1.01
Mercer Hedged Overseas Shares Portfolio	1.03	0.01	-	1.04
Mercer Responsible Overseas Shares Portfolio	1.02	0.01	-	1.03
Mercer Responsible Hedged Overseas Shares Portfolio	1.05	0.02	-	1.07
Mercer Responsible Overseas Shares Index Portfolio	0.20	0.01	-	0.21
Mercer Responsible Hedged Overseas Shares Index Portfolio	0.23	0.01	-	0.24
Mercer Emerging Markets Portfolio	0.90	0.01	-	0.91
Mercer Overseas Shares Index Portfolio	0.20	0.01	-	0.21
Mercer Hedged Overseas Shares Index Portfolio	0.23	0.01	-	0.24
Mercer Overseas Shares Index Portfolio B	0.20	0.01	-	0.21
Mercer Hedged Overseas Shares Index Portfolio B	0.23	0.01	-	0.24
Mercer Shares Portfolio	0.90	0.01	-	0.91
Mercer Listed Property Portfolio	1.05	0.01	-	1.06
Mercer Trans-Tasman Listed Property Portfolio <sup>1</sup>	0.80	0.00	-	0.80
Mercer Listed Infrastructure Portfolio	1.05	0.07	-	1.12
Mercer Unlisted Property Portfolio	1.20	0.13	0.02	1.35
Mercer Unlisted Infrastructure Portfolio	1.50	0.20	0.22	1.92
Mercer Global Listed Infrastructure Index Portfolio	0.90	0.07	-	0.97

<sup>1</sup> Due to this Portfolio opening on 2 March 2026, Other Fees and Expenses cannot be calculated at this time.

MITNZ Portfolio	Investment Management Fee (% per annum)	Other Management and Administration Charges		Total Annual Portfolio Charges (Estimated % per annum)
		Other Fees and Expenses (Estimated % per annum)	External Manager Performance-based Fees (Estimated % per annum)	
<b>Mercer New Zealand Sovereign Bond Portfolio</b>	0.40	0.01	-	0.41
<b>Mercer New Zealand Fixed Interest Portfolio</b>	0.60	0.01	-	0.61
<b>Mercer Cash Portfolio</b>	0.30	0.01	-	0.31
<b>Mercer Private Debt Portfolio<sup>1</sup></b>	1.20	0.31	0.22	1.73
<b>Mercer Overseas Sovereign Bond Portfolio</b>	0.40	0.05	-	0.45
<b>Mercer Overseas Sovereign Bond Index Portfolio</b>	0.35	0.06	-	0.41
<b>Mercer Global Credit Portfolio</b>	0.55	0.04	-	0.59
<b>Mercer Sustainable Global Credit Portfolio</b>	0.50	0.03	-	0.53
<b>Mercer Responsible Global Aggregate Index Portfolio</b>	0.35	0.08	-	0.43
<b>Mercer Short Term Bond Portfolio</b>	0.55	0.06	-	0.61
<b>Mercer Conservative Portfolio<sup>1</sup></b>	0.50	0.03	-	0.53
<b>Mercer Moderate Portfolio<sup>1</sup></b>	0.59	0.03	0.01	0.63
<b>Mercer Balanced Portfolio<sup>1</sup></b>	0.68	0.03	0.01	0.72
<b>Mercer Growth Portfolio<sup>1</sup></b>	0.77	0.03	0.01	0.81
<b>Mercer High Growth Portfolio<sup>1</sup></b>	0.82	0.03	0.01	0.86
<b>Mercer Passive Balanced Portfolio</b>	0.40	0.01	-	0.41
<b>Mercer Passive Growth Portfolio</b>	0.40	0.01	-	0.41
<b>Mercer Responsible Conservative Portfolio<sup>1</sup></b>	0.71	0.03	-	0.74
<b>Mercer Responsible Moderate Portfolio<sup>1</sup></b>	0.79	0.03	-	0.82
<b>Mercer Responsible Balanced Portfolio<sup>1</sup></b>	0.89	0.03	0.01	0.93
<b>Mercer Responsible Growth Portfolio<sup>1</sup></b>	0.98	0.03	0.01	1.02
<b>Mercer Responsible High Growth Portfolio<sup>1</sup></b>	1.03	0.03	0.01	1.08

<sup>1</sup> There are currently external managers within this portfolio that have a performance-based fee in place.

You should note that historical fees and costs are not necessarily an accurate indication of the fees and costs that you may pay in the future. Performance-based fees are subject to market movements and external manager performance and the amount of these fees may differ from those disclosed.

The total annual fees and charges are set out as a percentage of the net asset value of the Portfolio. The fees disclosed are on a before-tax basis. The Investment Management fees stated above are treated as exempt from GST. GST may be included in Other Fees and Expenses where applicable.

The performance-based fees and other fees and expenses are based on the 12 months to 31 March 2025.

## Investment Management Fee

The Investment Management Fee for each Portfolio:

- Is set out in the table above.
- Is the fee charged directly by the Manager for acting as Manager, including investing assets of the MITNZ.
- Includes the investment management fee payable to the underlying managers.
- Currently includes the fees payable to the Custodian for safekeeping of assets and administration of the Portfolios (but not transactional custody fees).

We may engage one or more investment managers to invest and manage the assets of the MITNZ. In doing so, we may negotiate a fee schedule with an investment manager under which the fee payable by the MITNZ to the investment manager increases or decreases based on the overall amount of assets managed by the investment manager for the MITNZ or other Mercer entities.

The Investment Management Fee payable in respect of the MITNZ will not typically vary for any such increase or decrease in the Investment Management fees payable to any underlying investment manager. However, we may elect to adjust the fees and in doing so will notify investors. The estimated performance-based fees are not included in the Investment Management Fees shown above. They are separately disclosed as an Other Management and Administration Charge.

## Other Management and Administration Charges

The Other Management and Administration Charges for each Portfolio:

- Are set out in the table above.
- Are reflected in the unit price of the MITNZ and/or the unit prices of the underlying investment funds.

The Other Management and Administration Charges for each MITNZ Portfolio will vary from year to year reflecting the actual costs incurred, which may be affected by changes to one or more of the following:

- Assets under management.
- Expense allowance (which covers the Manager's and the Trustee's expenses).
- Amounts payable to the service providers to the Manager or Trustee.
- External In-Fund Costs.
- The amount of the Trustee fee.
- Performance-based fees of individual investment managers, where performance-related fee arrangements exist.

## External In-Fund Costs

Where Mercer invests into other funds, these funds may charge expenses (in addition to their investment management fee) under their policies ("in-fund costs") and these would be deducted from those funds' stated returns prior to striking the unit price. These underlying funds may include investment vehicles managed by other Marsh (including the Mercer Multi-Manager Funds as managed by Mercer Investments (Australia) Limited).

## Expense Allowance

From time to time, the Manager may incur expenses which may be recovered from the MITNZ. Estimates have been used for this Information Memorandum based on the total amount of such costs recovered for the previous financial year.

The Trustee is also entitled to be reimbursed for various fees and expenses, which it reasonably and properly incurs in acting as Trustee.

Advisers such as investment consultants, transition managers, administrators, auditors, actuaries, lawyers and superannuation consultants may be appointed to assist the Trustee in fulfilling its responsibilities.

Unless the adviser is an employee of the Trustee, the fees of such advisers may be payable as an expense out of the MITNZ.

The amount deducted from the assets of each Portfolio for expenses is called an '**expense allowance**'. The expense allowance for each Investment Portfolio is passed on to investors by way of an adjustment to the unit price which reduces the investment performance of the relevant Portfolio.

The expense allowance will vary from year to year reflecting the actual expenses incurred. The expense allowance for a financial year will be reported to investors in the annual report and periodic statements as applicable.

The aggregate reimbursement of expenses to the Manager and the Trustee (as described above) is presently limited by agreement between the Manager and the Trustee to an amount not exceeding the lesser of actual costs or 0.1% per annum of the net asset value of the MITNZ. The Trustee and Manager can determine to increase the maximum reimbursement of expenses by giving 30 days' notice in writing to you.

The Trustee and the Manager are each also entitled to be indemnified out of the assets of the Trusts, against all liabilities and losses which they may incur in the proper performance of their duties in administering the Portfolios. More details about this right of indemnity are set out under 'Manager's and Trustee's Indemnity' in the '**Other things you should know**' section of this Information Memorandum.

## Trustee Fee

The Trustee is entitled to a maximum annual Trustee Fee of 4% per annum of the net asset value of the relevant Portfolio (whether expressed as a percentage or as a dollar figure). The amount of this fee is agreed with the Manager from time to time and it is included in the 'Other Fees and Expenses' component of the Other Management and Administration Charges set out in the table on pages 27 and 28. However, it is separate to the expense allowance referred to above.

## Performance-Based Fees

The Manager may appoint investment managers that charge performance-based fees. Under a performance-based fee arrangement the investment manager receives a base fee which is included in the annual management fee and a share of any excess performance above a predefined objective (which is not included in the annual management fee). The investment manager's performance-based fee will vary depending on its level of excess (or under) performance relative to its performance objective.

Where an investment manager charges a performance-based fee, that fee will be included in the Other Management and Administration Charges of the relevant Portfolio and be passed onto investors by way of an adjustment to the unit price which will reduce the investment performance of the relevant Portfolio.

Investment managers that charge a performance-based fee only apply those fees when performance is greater than an agreed target. Accordingly, performance-based fees arise when higher returns, relative to a specified target for a particular manager, are achieved.

As the agreed performance targets may vary between investment managers, it is not possible to provide a precise figure for the performance-based fee which will be applicable to individual Portfolios.

External manager performance-based fees have been estimated based on the average annual performance based fees over the 12 months to 31 March 2025. The fees incurred will depend on the managers selected and their performance. These managers can vary from time to time. Actual fees will fluctuate from these estimates as past performance is not indicative of future performance.

## Bank Charges

Bank charges in relation to your investment may be payable by you. These charges may include telegraphic transfer, bank cheque and dishonour fees.

## Negotiable Fees

The Manager reserves the right to negotiate differential management fees with an investor having regard to factors such as the amount of their investment. Mercer will confirm the details of this arrangement in a side-letter to you.

## Rebate of Management Fee

A management fee (depending on the Portfolio in which you invest and as set out in the Investment Management Fees and Other Management and Administration Charges Table on pages 27 and 28) is charged by deduction from the assets of each Portfolio when the unit price is determined. If, however, a lower management fee has been negotiated and your management fee is less than the amount calculated using this percentage, additional units will be issued to you at the end of each month on the difference between the management fee deducted from the unit price and the management fee charged to you.

## Fee Increases

The Manager has the right to increase fees to the maximums set out below at any time without the prior approval of investors. Reasons might include changes in economic conditions or government regulations. You will be provided with at least 30 days' prior written notice of any such increase.

## Maximum Fees

The following fees represent the maximum fees allowed under the MITNZ governing documents:

- a contribution fee\* of 5% of any amount invested in a Portfolio or a fixed monetary amount per unit prescribed by the Manager
- a withdrawal fee\* of 5% from each amount paid out of a Portfolio or a fixed monetary amount per unit prescribed by the Manager
- an annual Investment Management fee of 4% per annum of the net asset value of each Portfolio
- an annual Trustee fee of 4% per annum of the net asset value of the relevant Portfolio.

\* These fees are not charged by the Portfolios as at the date of this Information Memorandum.

The Manager and the Trustee have elected to forgo these maximums for the fees charged (if any) as shown in the "Investment Management Fee and Other Management and Administration Charges" table. Any future fee increases will be within these maximums.

## Transaction and Operating Costs

Costs associated with ongoing management, transactions and trades for the Portfolios' assets may be recovered.

Transactional and operational costs may include brokerage, commissions, custodial settlement fees, the buy/sell spread of any underlying investment and other fees and costs which would be incurred in buying or selling part or all of the underlying investments of each Portfolio. These costs will differ according to the type of assets in the Portfolio, and will be paid out of the assets of the Trust and are in addition to the Investment Management fees and Other Management and Administration Charges.

## Buy/Sell Spreads

For some Portfolios, the issue price of units may differ from the withdrawal price of those units. The difference between the issue and withdrawal price represents an allowance for transaction and operating costs. This is also commonly referred to as the buy/sell spread.

Buy/sell spreads are designed to ensure, to the extent possible, that any transaction costs incurred as a result of an investor applying to or withdrawing from the Portfolio are borne by that investor, and no other existing investors.

The buy spread is applied at the time of making an investment (initial or additional) into the Portfolio and the sell spread is reflected in the valuation and is applied at the time of withdrawal.

The buy/sell spreads will vary from time to time and the Manager may waive or reduce the buy/sell spreads at its discretion. No part of the buy/sell spreads are paid to the Manager or an investment manager. Buy/sell spreads are not subject to GST.

Details of what, if any, buy/sell spreads are applicable to a particular Portfolio are set out in the table on the next page. These buy/sell spreads are generally applicable to a particular Portfolio as a percentage of an investment made into a Portfolio.

## Buy/ sell spreads

MITNZ Portfolios	Estimated Buy Spread (% of net asset value)	Estimated Sell Spread (% of net asset value)
Mercer Trans-Tasman Shares Portfolio	0.30	0.30
Mercer Responsible Trans-Tasman Shares Portfolio	0.28	0.28
Mercer New Zealand Shares Index Portfolio	0.30	0.30
Mercer Overseas Shares Portfolio	0.13	0.11
Mercer Hedged Overseas Shares Portfolio	0.13	0.11
Mercer Responsible Overseas Shares Portfolio	0.12	0.10
Mercer Responsible Hedged Overseas Shares Portfolio	0.13	0.12
Mercer Responsible Overseas Shares Index Portfolio	0.09	0.06
Mercer Responsible Hedged Overseas Shares Index Portfolio	0.09	0.06
Mercer Emerging Markets Portfolio	0.27	0.34
Mercer Overseas Shares Index Portfolio	0.09	0.06
Mercer Hedged Overseas Shares Index Portfolio	0.09	0.06
Mercer Overseas Shares Index Portfolio B	0.09	0.06
Mercer Hedged Overseas Shares Index Portfolio B	0.09	0.06
Mercer Shares Portfolio	0.17	0.16
Mercer Unlisted Property Portfolio	Nil	Nil
Mercer Unlisted Infrastructure Portfolio	Nil	0.13
Mercer Listed Property Portfolio	0.11	0.05
Mercer Trans-Tasman Listed Property Portfolio	0.36	0.36
Mercer Listed Infrastructure Portfolio	0.15	0.15
Mercer Global Listed Infrastructure Index Portfolio	0.15	0.15
Mercer New Zealand Sovereign Bond Portfolio	0.07	0.07
Mercer New Zealand Fixed Interest Portfolio	0.07	0.07
Mercer Cash Portfolio	Nil	Nil
Mercer Overseas Sovereign Bond Portfolio	0.09	0.09
Mercer Overseas Sovereign Bond Index Portfolio	0.04	0.04
Mercer Global Credit Portfolio	0.08	0.10
Mercer Private Debt Portfolio	Nil	Nil
Mercer Sustainable Global Credit Portfolio	0.10	0.11
Mercer Responsible Global Aggregate Index Portfolio	0.08	0.08
Mercer Short Term Bond Portfolio	0.02	0.03
Mercer Conservative Portfolio	0.08	0.08
Mercer Moderate Portfolio	0.10	0.10
Mercer Balanced Portfolio	0.12	0.12
Mercer Growth Portfolio	0.14	0.14
Mercer High Growth Portfolio	0.16	0.15
Mercer Passive Balanced Portfolio	0.11	0.09
Mercer Passive Growth Portfolio	0.13	0.11
Mercer Responsible Conservative Portfolio	0.08	0.08
Mercer Responsible Moderate Portfolio	0.10	0.10
Mercer Responsible Balanced Portfolio	0.11	0.11
Mercer Responsible Growth Portfolio	0.13	0.12
Mercer Responsible High Growth Portfolio	0.14	0.13

There are currently no contribution, establishment, termination or withdrawal fees charged to you by the Manager and you are not currently charged any other fees on an individual basis for investor-specific decisions or actions.

# Taxation

## Portfolio Investment Entity ('PIE') Taxation

The MITNZ are treated for New Zealand tax purposes as unit trusts. The Manager has elected for these unit trusts to each be Portfolio Investment Entities or 'PIEs' for the purposes of the Income Tax Act 2007.

The Manager has determined that the Portfolios will only be offered for investment by investors who notify their IRD number to the Manager and are eligible for a prescribed investor rate ('PIR') of 0% or 28% for the purposes of the tax legislation applying to PIEs, and whose investment in the MITNZ does not at any stage compromise the ability of the MITNZ to continue to meet the PIE eligibility rules in the Income Tax Act 2007. A PIR of 0% or 28% will continue to be applied by the Manager unless the investor or the Commissioner of Inland Revenue notify the Manager of an alternative PIR for the investor, in which case the investor may cease to be eligible to be an investor in the Trusts. The Manager reserves the right to accept investors who notify a PIR other than 0% or 28%.

All of the taxable income or loss and associated tax credits applicable to the Portfolios are calculated by the Manager and attributed to investors in proportion to the units they hold on each of the days when the taxable net income or net loss and tax credits arise.

Under current taxation law the MITNZ pay income tax on behalf of investors that have a PIR of 28% on the taxable income of the Portfolios that is attributed to them. Investors with a 0% PIR are responsible for satisfying their own tax liabilities or refunds of tax credits on their attributed share of the taxable income or loss of the MITNZ directly with IRD. The MITNZ do not accrue or pay any income tax on their behalf.

The Manager will provide taxable net income or net loss and tax credit data for your investment in the Portfolio(s).

### Calculation of taxable income

PIEs are generally not subject to tax on any gain from the sale of shares in New Zealand companies or Australian resident companies which are listed on approved Australian Stock Exchange indices.

### Taxation of overseas shares

Most overseas shares held by the MITNZ are Foreign Investment Fund (FIF) interests that are subject to tax under the Fair Dividend Rate (FDR) method.

Under FDR, taxable income is deemed to be derived equal to 5% of the market value of FIF interests calculated on a daily basis (and any dividends or other returns flowing from these investments are not taxable in New Zealand).

Also under FDR, any losses in respect of holdings in overseas shares and interests in managed funds are not deductible for tax purposes. Tax may be imposed in overseas jurisdictions in relation to overseas investments (although this may give rise to a tax credit in New Zealand).

### Other income

Other income of the MITNZ (e.g. interest on bank deposits, rental income, fixed interest and other financial arrangements) are subject to the relevant tax rules applying to these investments which generally means that taxable income follows accounting income.

### Ability to accept expense transfers

The Manager has discretion to accept expense transfers each year from Investors with a PIR of 28% subject to satisfying the relevant requirements in the Income Tax Act 2007. Refer to **'Transfer (passing up) of expenditure'** on the following page for details.

### Payment of PIE tax or receipt of PIE tax credits for 28% PIR investors

The Manager will calculate PIE tax payable to Inland Revenue each year for 28% PIR investors at the earlier of 31 March or at the date of a withdrawal.

The Manager will make necessary adjustments to the interests of these investors in the MITNZ by deducting the amount of net PIE tax payable or paying the amount of refundable PIE tax credits, as appropriate.

While the current intention of the Manager is not to make distributions of investment income from the MITNZ, should this intention change, the Manager may adjust the amount of distribution to an investor with a 28% PIR by the amount of any PIE tax payable on their behalf.

### Investor Tax Information

The Manager will annually provide investors and IRD with the necessary MITNZ tax information as prescribed by IRD under the Tax Administration Act 1994 to enable you to calculate and pay your own tax liability or claim refunds of allowable tax credits.

## Transfer (passing up) of expenditure

Investors may elect to transfer the deductible expenditure of the scheme (of which they are trustee) to the MITNZ to the extent allowed by subpart DV of the Income Tax Act 2007. If the election is accepted by the Manager, the account of the investor who elects to transfer deductible expenditure to the MITNZ will be credited with the tax advantage derived by the MITNZ from such transfer. If the Inland Revenue Department disallows any claim in respect of any expenditure transferred to the MITNZ, any credit received by the investor shall be reversed to the extent that the MITNZ does not receive the tax benefit claimed and the investor must indemnify the Manager for any tax liability, including any interest or penalties arising from the disallowance.

## Disclaimer

The explanations regarding taxation contained in this Information Memorandum reflect legislation current at the date of issue of this Information Memorandum. Government legislation relating to the taxation of pooled investment vehicles is complex and both legislation and its interpretation may be changed with little notice. As circumstances differ, the taxation laws will affect individual investors in different ways. Accordingly, the Manager recommends that you seek professional advice on taxation matters.

# Other things you should know

## Distribution of income

The current intention of the Manager is not to make distributions of investment income from the MITNZ. All earnings on investments will accumulate in the MITNZ and are reflected in unit prices. You may access investment income only through a request to the Manager for the withdrawal of part of your investment.

If the Manager in future decides to make distributions of investment income from MITNZ, Unit Holders may request that their distribution entitlements be reinvested in the relevant Portfolio.

Any reinvestment of distribution entitlements will be offered on such terms and conditions as the Manager and Trustee may determine from time to time. The Manager may decline to effect any reinvestment of entitlements without giving reasons.

## Units and unit pricing

### What are units?

The value of interests in each Portfolio are divided into units of equal value. Each time an investment is made into a Portfolio, units are issued by the Manager at the issue price. Similarly, when an investment is withdrawn from a Portfolio, units are redeemed by the Manager at the withdrawal price.

Please note that:

- The Manager may, in its absolute discretion, accept or reject all or part of an application for units in any of the Portfolios.
- The Manager can only allocate units when it receives all the information necessary to invest.

### How and when are unit prices calculated?

The unit price of each Portfolio is calculated on a daily basis by the Manager although the Manager may calculate prices more frequently when it considers it to be appropriate.

The issue price and withdrawal price of a whole unit reflects the net asset value of a Portfolio divided by the number of units on issue at the relevant time for that Portfolio. In determining the unit prices, a notional allowance may be made for any applicable buy/sell spread.

Unit prices are calculated to the fourth decimal place. The net asset value of a Portfolio reflects the value of the underlying assets of that Portfolio less any liabilities (including expenses) related to that Portfolio.

Unit prices may rise or fall depending on fluctuations in the underlying value of the investments in each Portfolio.

## How are assets valued?

Unless the Manager determines otherwise, the underlying assets of the Portfolios will be valued at their market value.

A range of valuation methods and policies may be used. These policies will result in the calculation of a unit price that is independently verifiable. Neither the Manager nor the Trustee directly controls the valuation policies of the external investment vehicles.

## Transfers of units

Units may be transferred to another investor by lodging with the Manager an executed transfer in a form approved by the Manager. A transfer is not effective until registered. Registration of the transfer is at the discretion of the Manager. The Manager does not charge a transfer fee.

## Manager's responsibilities and duties

The Manager is responsible for:

- issuing and withdrawing units
- recommending guidelines and procedures for the investment of the Portfolios
- investing the Portfolios
- the general operation of the Portfolios in accordance with the Trust Deed and the law.

The Manager is subject to duties in acting as manager, including to:

- act honestly and in good faith
- act in the best interests of investors and treat investors equitably
- exercise the care, diligence, and skill that a prudent person engaged in that profession would exercise in the same circumstances
- carry out its functions in accordance with the Trust Deed and all relevant law.

## Trustee's responsibilities and duties

The Trustee is responsible for:

- monitoring the Manager's compliance with the Trust Deed and relevant law
- monitoring the investment of MITNZ assets
- agreeing with the Manager on guidelines and procedures for the investment of the Portfolios
- holding the assets of the Portfolios in its name, the name of its nominee, or the name of the Custodian.

The Trustee is subject to duties in acting as trustee, including to:

- act honestly and in good faith
- act in the best interests of investors
- exercise the care, diligence, and skill that a prudent person engaged in that profession would exercise in the same circumstances.

## Manager and Trustee powers

The Manager has power to invest the assets of the Portfolios in property/assets and any rights of any kind and has the power to borrow money (although it is not its intention at the date of this Information Memorandum to do so).

The Manager may retire at any time (after giving three months' notice in writing). The Manager will be removed as manager of a Trust:

- if removed in accordance with relevant law;
- if the Trustee certifies that removal of the Manager is required in the interests of investors;
- following the passing of an extraordinary resolution of investors of the Trust to remove the Manager; or
- if it becomes insolvent.

Any new manager is appointed by the Trustee or by the investors if no new manager has been appointed within two months of the vacancy occurring.

The Trustee may retire at any time (after giving three months' notice in writing). The Trustee will be removed as trustee of the MITNZ:

- if removed in accordance with relevant law;
- following the passing of an extraordinary resolution of investors of the MITNZ to remove the Trustee;
- if the Manager certifies that removal of the Trustee is required in the interests of investors;
- if it becomes insolvent; or
- if the Manager gives at least six months' notice in writing (or any other period agreed between the Manager and the Trustee). The Manager cannot exercise its power to remove on notice as retaliation against proper actions of the Trustee, and any replacement trustee appointed must be a licensed supervisor (within the meaning of the Financial Markets Conduct Act 2013).

Any new trustee is appointed by the Manager or by the investors if the Manager fails or refuses to appoint a new trustee. The new trustee must be qualified to act as trustee of the MITNZ.

The Manager and the Trustee are entitled to pay themselves a fee out of the fees charged to investors. Please refer to the Fees and costs section for more details on fees.

## Manager's and Trustee's indemnity

The Manager and the Trustee are entitled to be indemnified, out of the assets of the Trusts, against all liabilities which may be incurred in administering the Trusts unless those liabilities have arisen out of the Manager's or Trustee's dishonesty, wilful misconduct, wilful default, wilful breach of trust, or breach of trust due to failure to show the required degree of care and diligence.

## Service providers to the Manager and the Trustee

The Trustee and Manager can appoint service providers to assist in running the Portfolios. The main service providers to the Trustee and Manager are BNP Paribas; MUFG; Mercer Investments (Australia) Limited; and the various investment managers.

BNP Paribas provides a range of services including custody and unit administration services (such as unit pricing services).

MUFG provides unit registry services.

Mercer Investments (Australia) Limited has been appointed under a "Service Level Agreement" to provide services associated with the management and investment of the Trusts and Portfolios.

## Amendment of the Governing Documents

From time to time it may be necessary to amend the provisions of the governing documents (the Trust Deed). The Manager and Trustee have the power to amend all or any of the provisions of the governing documents. Any amendment must comply with the restrictions in the governing documents which protect the rights of investors and any applicable legal requirements.

## Information on request

Investors may inspect the governing documents and the financial report at any reasonable time by lodging a request with the Manager.

## Termination of a Trust

Each Trust must terminate on the 125th anniversary of its establishment date. A Trust may be terminated at any time by the Manager unless investors holding more than 50% of units in the Trust disapprove of the proposed wind up. Investors may also wind up the Trust by passing an extraordinary resolution to that effect.

Upon termination, the Trustee must realise the property of the Trust to discharge all liabilities, pay the expenses of termination and then distribute the balance to investors in proportion to their investments. All investors immediately prior to a Trust's termination will receive a copy of the Trust's final audited accounts.

## Rights of investors

Investors are entitled to a beneficial interest in the Portfolios in respect of which they hold units. Each unit confers an equal and undivided interest in the assets of the corresponding Portfolio as a whole, not in parts or single assets. However, you are not entitled to interfere with, or exercise, the powers of the Manager or the Trustee in respect of any of the Portfolios' property, liability or obligation or to lodge a caveat over the Portfolios' property. The rights of investors include:

- to have units allocated to, and redeemed from, their unit holding subject to any restrictions contained in the governing documents;
- to participate in the distribution of income of the Portfolios;
- to participate in the distribution of assets on the winding up of a Trust;
- to receive various information concerning their interest in a Trust; and
- to attend and vote at meetings of investors.

Being an investor in the Portfolios does not entitle a person to any interest in the assets of the MITNZ.

## Liability of investors

The governing documents limit the rights of the Manager and the Trustee and any creditor of the Trust to seek indemnity from an investor beyond the extent of the Trust's property. However, investors should be aware that the effectiveness of such clauses is yet to be finally determined by the Courts. The governing documents give the Manager and the Trustee powers to recoup money from Trust assets in relation to payment of any of your taxation liabilities as required by law and any other payment expenses.

## Meetings of investors

The Manager and the Trustee may call meetings of investors. Meetings may also be called by investors representing 50% of all investors (either by number of investors or value of unit holding). At least two weeks' notice must be given to all affected investors before convening a meeting.

You are entitled to attend a meeting in person or by proxy. Subject to limited exceptions, resolutions passed at a meeting at which a quorum of investors is present are binding on you, whether or not you attend.

## Right to change terms and conditions

The Manager reserves the right to change the terms and conditions set out in this Information Memorandum as applicable to any Portfolio or Trust, except as otherwise indicated in this document (and subject to the governing documents for the relevant Trust), by giving not less than 30 days' prior written notice of material changes to investors in that Portfolio or Trust. If you withdraw before the date on which the change takes effect you will not be bound by the change.

## Monitoring inquiries

The Manager may, at its discretion, monitor or record inquiries or transactions made by telephone. This is done for reasons of accuracy, verification, security and service.

## Privacy

The Manager may hold personal information about individuals. Typically this may include an individual's name, address, date of birth and IRD Number. This information may be needed to invest funds.

Personal information may be collected at the time you make an investment and may be disclosed to the Trust's administrator, registry provider, professional advisers, government bodies and other parties as required by the law or to properly administer your investment.

The Manager follows the Privacy Principles as described in the Privacy Act 2020 and has a Privacy Policy which describes in detail the way the Manager handles investors' personal information.

If you wish to check or amend your personal information please contact the MITNZ Inquiries and Privacy Officer in the **'How to Contact Us'** section located on page 39.

## Foreign Account Tax Compliance Act

Under the U.S. Foreign Account Tax Compliance Act (FATCA), certain “foreign financial institutions” (FFIs) are required to comply with the requirements discussed below in order to avoid the imposition of a 30 per cent United States withholding tax on certain payments (including certain US-source income payments). Based on the guidance available to date, we can confirm that the Trusts are FFIs.

To enable the Trusts to comply with their obligations, we are required to obtain and disclose information about certain US and US-owned investors to the New Zealand Inland Revenue Department (who will pass that information on to the US tax authorities).

The information we require from you is contained in the **‘Account Set Up Form’**. You need to provide us with further information if there is a change in circumstances which renders the information provided incorrect or unreliable. We may also request further information from you in the future for this purpose.

## FATCA and CRS

The following information is for investors who are tax residents of countries other than New Zealand. We are required to collect and report information about such investors to meet our obligations under the Foreign Account Tax Compliance Act (‘FATCA’), a set of US regulations intended to prevent tax evasion through the use of offshore accounts by US citizens; and also the OECD Common Reporting Standard (‘CRS’), which together require financial institutions, including Mercer, to collect and report the financial account information of investors who are a tax resident in a jurisdiction other than NZ to Inland Revenue (‘IR’). Accordingly, we may require additional information from you in order to comply with these obligations.

## Common Reporting Standard (Other Offshore Residents)

The New Zealand Government has implemented the OECD Common Reporting Standard for the automatic exchange of financial account information, which took effect from 1 July 2017.

As with the FATCA regime described above, CRS requires financial institutions to collect and report the financial account information of investors who are a tax resident in a jurisdiction other than NZ to IR. IR will then provide this information to the participating foreign tax authorities of those investors who are a tax resident in a jurisdiction other than NZ.

FATCA and CRS reporting do not include investors who are solely classified as NZ Tax residents but we must confirm the tax resident status of all investors or beneficial owners of investments.

## Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT)

Mercer has a AML/CFT Programme which includes comprehensive policies and processes covering our financial products, services and advice. We need to collect certain information from new customers and, from time to time, existing customers.

We also need to verify the identity of customers and certain persons associated with them. We will contact you separately to arrange this through an electronic identity verification provider.

If the online verification is not successful, we will contact you to make other arrangements which for individuals may include a current, certified copy of an original identity document e.g. passport page with photo. We may also need proof of physical address for customers and the individuals associated with them. We will provide requirements where necessary.

The documentation needed for entity or legal arrangement customers (e.g. companies, trusts, etc.) may include:

- trust deed
- certificate of registration
- company extract
- constitution

Persons associated with certain customers include:

- Beneficial owners/effective controllers (trustees, beneficiaries, directors)
- Authorised signatories
- Other persons acting on behalf of the entity

## Disclosure of interest

- The Trustee and the Manager are entitled to be paid fees from each Portfolio, and to be indemnified and reimbursed out of MITNZ assets for expenses and liabilities incurred in the proper performance of their duties in accordance with the provisions of the Trust Deed.
- The Custodian and the investment managers receive a fee for the provision of services to the Trustee and Manager.
- Certain Portfolios may invest in investment vehicles managed by other Marsh companies (including the Mercer Multi-Manager Funds as managed by Mercer Investments (Australia) Limited).

## Revisions to this Information Memorandum

This Information Memorandum will be updated periodically. The latest Information Memorandum can be found here:

[www.multimanager.mercer.co.nz](http://www.multimanager.mercer.co.nz)

## Statement of Investment Policy and Objectives (SIPO)

The MITNZ SIPO contains further information on the Roles and Responsibilities, Investment Structure, Investment Beliefs and Process, Objectives, Investment Strategy and Investment Policies for Mercer and the MITNZ. The SIPO can be found here:

[www.multimanager.mercer.co.nz](http://www.multimanager.mercer.co.nz)

## Trust Deed

The MITNZ are governed by a legal document called the Trust Deed. The Trust Deed sets out the rights and obligations of investors, the Manager and the Trustee. References to the Trust Deed in this Information Memorandum include the Deed of Establishment constituting each Trust and setting out various particulars for that Trust. The operation of each Trust is also subject to current applicable legislation.

## How to contact us

**Address:** Mercer Investment Trusts New Zealand  
Mercer (N.Z.) Limited  
PO Box 105591  
Auckland 1143

**Phone:** +64 9 928 3200

**Email:** [nzportfolios@mercerc.com](mailto:nzportfolios@mercerc.com)

**Website:** [www.multimanager.mercer.co.nz](http://www.multimanager.mercer.co.nz)

# Glossary

To help you understand the information in this Information Memorandum and the differences between the Portfolios, we have explained below some of the terms used and how they are relevant to the different Portfolios.

## Active Management

Active Management is an investment strategy in which the investor seeks to outperform a given benchmark.

## Asset class

Asset classes are the names given to the different financial categories or sectors in which your money may be invested. The major asset classes include shares, real assets, fixed interest and cash. These asset classes can be broken down further for example to include New Zealand or overseas shares, New Zealand or overseas sovereign bonds, direct (unlisted) or listed property investments. All asset classes have different risk and return characteristics.

Certain asset classes, such as property, infrastructure and alternatives contain both growth and defensive characteristics. Mercer uses the equity and debt distinction as the primary differentiator between growth and defensive investments respectively.

Further information on Asset classes is provided in the table on page 42.

## Benchmark and ranges

The benchmark is the targeted long-term mix of investments. Factors such as the Manager's Dynamic Asset Allocation positions or market movements may cause the actual mix to vary from this benchmark, but it will be targeted to stay within the allocation ranges.

## Benchmark Portfolio

The return of the Benchmark Portfolio for each portfolio is calculated using the weighted index return of each asset class and the specific benchmark asset class weights.

## Business Day

A day upon which banks registered in New Zealand are open for business in Auckland, Wellington, and upon which Australian banks are open for business in Melbourne, other than a Saturday or Sunday.

## Consumer Price Index (CPI)

The CPI is used to measure the rate of inflation. In New Zealand it is based on a basket of household goods and services.

## Directed Investments

Directed Investments are investments where we can direct and control our exposure to individual securities via our appointed Investment Managers, including through individually managed portfolios of securities. Directed Investments do not include our investments in pooled vehicles (including managed investment schemes and exchange traded funds) where the manager or trustee is external to Mercer NZ, and where we cannot direct or control our exposure to individual securities within the pooled investment. Directed Investments also do not include some forms of derivatives and related parties entity pooled vehicles, as described in the Sustainable Investment Policy.

## Dynamic Asset Allocation (DAA)

DAA means adjusting the Target Allocation to asset classes up or down to reflect a range of factors primarily for risk control, capital preservation, and incremental value add.

## Funding Period

The 10 Business Days applications will have in which to submit monies to credit the agreed application amount to the Trusts' bank account from when we issue a 'Request to pay the application amount'.

## Hedging

Hedging generally refers to the process of protecting investments against, or reducing the risk of, a loss. For example, in the context of currency, the value of overseas investments is affected by rises or falls in the value of the New Zealand dollar (e.g. if the New Zealand dollar rises in value, then overseas investments in New Zealand dollar terms will reduce in value.) The Manager and underlying investment managers can use various techniques to minimise the effect of currency movements on overseas investments – this is currency hedging.

## In-Specie Transfer

In respect of a withdrawal request, the transfer of an underlying asset or underlying assets of a Portfolio instead of a payment of cash from that Portfolio.

In respect of an application for units, the transfer of an asset or assets to a Portfolio, instead of a payment of cash to that Portfolio.

## Investment timeframe

This is the minimum time an investor should generally consider holding an investment in a Portfolio in order to meet the Portfolio's objectives. This is a guide only.

## Marsh

Marsh (NYSE: MRS), a global leader in risk, reinsurance and capital, people and investments, and management consulting. Mercer is a business of Marsh.

## Mercer Multi-Manager Funds

The Mercer Multi-Manager Funds are a series of Australian unit trusts, managed by Mercer Investments (Australia) Limited (a wholly owned subsidiary of Marsh).

## Mix of investments

This refers to the benchmark asset allocation of a Portfolio.

## Multi-manager investment approach

The Multi-manager investment approach is a structure in which more than one investment manager may be appointed to manage assets in each asset class, sector or investment style within the Portfolio.

## Notice Period

Should an applicant wish to withdraw their commitment to purchase units in either the Mercer Private Debt Portfolio, Mercer Unlisted Property Portfolio or Mercer Unlisted Infrastructure Portfolio, they must provide us with at least 24 months' written notice.

The commencement date of the Notice Period recorded in the Register for the Withdrawal of Commitment will be the Business Day that the request is received where the request is received before 10am, or the next Business Day where it is received at or after 10am New Zealand time.

## Passive Management

Passive Management aims to mirror a market index return by replicating as close as possible a benchmark index.

## Portfolio objectives

These identify the type of return a Portfolio aims to achieve for investors over a specified time period. These can be stated in relation to a relevant index such as CPI. **Please note that the objectives of any particular Portfolio should not be treated, or relied upon as a forecast, indicator or guarantee of any future returns or performance for that Portfolio. The value of each Portfolio may rise and fall.**

## Private Portfolios

The Manager may also offer Private Portfolios which are tailored for specific investors in addition to the Portfolios described in this Information Memorandum. The terms of the investment will be defined by way of a side letter in conjunction with the terms of this Information Memorandum.

## Register/ Investor Commitment Register

Register means an investor commitment register established for each Portfolio that has an ability to restrict the processing of applications and withdrawal requests due to factors such as illiquid investments, delayed underlying unit pricing and/or restricted capacity. As at the date of this Information Memorandum, the Register is only used for the Mercer Private Debt, Mercer Unlisted Property and Mercer Unlisted Infrastructure Portfolios.

All requests for applications, additional investments and withdrawals will be recorded in the Register. The Register will operate as follows:

- Transactions will be processed in the order listed on a 'first come first served' basis.
- A 10 Business Day Funding Period will apply for the payment of monies once units become available.
- A 24 month Notice Period is required for any application or additional investment requests to be removed from the Register.
- All withdrawal requests will be binding unless (in certain circumstances) we agree it can be revoked.

## Responsible and Sustainable Portfolios

Refers to the following Portfolios:

- Mercer Responsible Trans-Tasman Shares Portfolio
- Mercer Responsible Overseas Shares Portfolio
- Mercer Responsible Overseas Shares Index Portfolio
- Mercer Responsible Hedged Overseas Shares Portfolio
- Mercer Responsible Hedged Overseas Shares Index Portfolio
- Mercer Responsible Conservative Portfolio
- Mercer Responsible Moderate Portfolio
- Mercer Responsible Balanced Portfolio
- Mercer Responsible Growth Portfolio
- Mercer Responsible High Growth Portfolio
- Mercer Sustainable Global Credit Portfolio

## Side Pocket

The allocation of particular assets of a Portfolio to a separate sub-trust within that Portfolio in order to quarantine those assets from the rest of the Portfolio's assets.

## Single-manager investment approach

The Single-manager investment approach is a structure in which one investment manager is appointed to manage assets within the Portfolio.

# Glossary Continued: Asset classes

	Definition
<b>Growth Investments</b>	<b>Growth investments are types of investments that have the potential to grow over the long-term but are also likely to experience volatility (ups and downs) in performance.</b>
<b>Shares</b>	<p>When buying a share, an investor is actually buying a portion of a company; literally a “share” of it. The investment return will depend on how the company performs over time and on economic factors. Long-term returns from shares have historically tended to be higher than those achieved by property, fixed interest and cash. However, in the short to medium-term, performance tends to have more ups and downs; that is, experiences medium to higher “volatility”.</p> <p>An investment in overseas shares provides exposure to different economies, which may assist in reducing overall volatility due to increased diversification. However overseas share investments are subject to currency movements that can add to, or take away from, the share market return. For example, if the New Zealand Dollar falls in value relative to other currencies, then overseas share investments will generally be worth more in New Zealand dollar terms. However, a stronger New Zealand dollar will generally take away some of the value of overseas share investments. “Hedging” overseas share investments to the New Zealand Dollar may help to even out some of the ups and downs caused by currency movements around the world.</p> <p>The Mercer Hedged Overseas Shares Portfolio and the Mercer Responsible Hedged Overseas Portfolio are normally substantially or fully hedged to New Zealand Dollars (on an after tax basis). The Trans-Tasman Shares Portfolio may contain exposure to Australian Dollars depending on the underlying holding in Australian shares and the level of hedging employed, which may vary over time. Other share Portfolios are generally not hedged to the New Zealand dollar.</p> <p><b>Trans-Tasman Shares</b></p> <p>An investment in Trans-Tasman shares provides you with exposure to New Zealand and Australian companies listed on the New Zealand and Australian stock exchanges.</p> <p><b>Overseas Shares</b></p> <p>An investment in Overseas Shares provides you with exposure to a range of companies listed in different developed and emerging economies and diversification across different industry sectors.</p> <p><b>Emerging Markets Shares</b></p> <p>An investment in Emerging Markets Shares provides you with exposure to companies in a developing or industrialising country.</p>

## Definition

### Real Assets

Real assets generally include property and infrastructure (more detail on each of these asset classes is provided below). Within these asset classes exposure can be through listed or unlisted investments both in New Zealand and overseas. Exposure to overseas investments will generally be substantially or fully hedged back to New Zealand dollars (on an after tax basis). Exposure to 'real assets' is another means of aiming to generate growth oriented returns, with the potential for lower volatility than share investments.

### Property

Investing directly in office buildings, shopping centres, industrial estates and other similar property investments is known as direct property investment. Investors can also buy units in property trusts, which invest in a variety of properties and property related companies. These trusts and companies may be listed on a stock exchange or they may be unlisted. Like shares, a property investment is considered a long-term investment as it has the expectation of some ups and downs in the short-term.

### Infrastructure

Infrastructure investments are investments made in capital intensive, long term assets required to fulfil major economic and social needs. Characteristics that can be assigned to infrastructure investments include the relatively stable nature of the underlying assets and predictable cash flows which are often linked to inflation in some form. Investors can gain exposure to infrastructure assets through direct investments, unlisted or listed funds or companies with the underlying assets themselves being in New Zealand or overseas. Examples of infrastructure assets may include airports, toll roads, pipelines, utilities and social infrastructure.

	Definition
<b>Defensive Investments</b>	<b>Defensive investments are types of investments used when trying to achieve a lower probability of a negative return (in other words when the value of the investment falls). Defensive investments tend to produce lower but more stable long-term returns than growth investments.</b>
<b>Cash</b>	Cash includes short-term interest bearing investments. Generally, the likelihood of losing the initial investment in cash is minimal. While volatility (the chance of ups and downs in value) with cash is low, the returns are also likely to be lower than those available from fixed interest, real assets and shares over the long-term.
<b>Bonds</b>	Bonds, or fixed interest investments generally provide a regular coupon or interest payment over the life of the investment with the repayment of capital expected at the end of the investment term. They are issued by New Zealand and overseas governments, semi-government authorities (sovereign bonds) and companies (global credit & high yield debt). These investments can generally be bought or sold before they mature, potentially resulting in capital gains or losses caused by changes in the market interest rates at which the investments are valued or changes in the underlying creditworthiness of the issuer. Interest can be either fixed or floating.
<b>Sovereign Bonds</b>	Sovereign bond investments are fixed interest securities issued to investors by New Zealand and overseas governments and quasi-government authorities. Overseas Sovereign bonds are normally substantially or fully hedged to New Zealand dollars.
<b>Global Credit</b>	<p>Global credit investments are bonds/ fixed interest securities issued to investors by New Zealand and overseas companies and other issuers. Global credit covers a wide range of investments that incorporate varying levels of credit risk, these include; investment grade credit, high yield, asset backed securities, mortgage backed securities, convertible notes and emerging market debt.</p> <p>Global credit investments are generally expected to be less volatile than shares but more volatile than sovereign bonds. Consequently, global credit investments have a higher expected return than sovereign bonds over the long-term. Overseas global credit investments are normally substantially or fully hedged to New Zealand dollars.</p>

# How to apply and transact on your account

This section contains information for investors on how to invest and transact on your account. It covers:

- Setting up an account (this page).
- Making an investment (this page).
- Requesting a withdrawal payment (page 46).
- Switching between portfolios (page 47).
- In-specie transfers (page 48).

## Setting up an account

Before an initial investment is made, new investors must set up an Account using the **'Account Set Up Form'** below. Please scan the completed form and send to the manager with the details found on page 39.

Once the **'Account Set Up Form'** has been completed and processed, an Investor Number will be allocated. This may take up to five business days. Once your account has been set up, you will be provided with an **'Investment Form'** which may be used to instruct Mercer of any applications or redemptions.

## Making an investment

This section contains information for investors on how to invest in the MITNZ Portfolios. The application process varies and is dependent on whether the Portfolio you want to invest in has any Special Transaction and Liquidity Conditions (Refer pages 13 to 21). If the Portfolio uses a Register to process withdrawals see **'Additional information for Portfolios using a Register'**.

To make an initial investment (through applying for units) in a Trust you will need to first complete the **'Account Set Up Form'**.

Unless you wish to make an investment in a Portfolio using a Register, a transfer of money must then be arranged to the Trusts' bank account via Electronic Funds Transfer, Direct Credit or RTGS.

The Manager cannot process your initial application for investment in a Trust without your IRD Number and your notification that you are a 0% or a 28% PIR investor. The Manager may also need to periodically confirm these details with you.

Once you have completed your **'Investment Form'**, please scan and send it to MUFG (Mercer's Registry Provider) via the contact details included on the investment form.

The Mercer contact details found on page 39 may be used for any queries that may arise.

## Application requirements and unit prices for investments

Where a properly completed **'Investment Form'** is received before 10am New Zealand time on a Business Day (together with transferred funds confirmed as cleared funds for that Business Day), the unit price used will generally be that applicable at the close of business that day.

Please see 'Transaction and operational costs' in the Fees and costs section of this Information Memorandum for information on the effect of the buy/sell spread on payments into the Portfolios.

## Pending applications

Application monies will be held in the MITNZ bank account for up to one month by the Trustee pending receipt of a properly completed Investment Form. Where application moneys are pending receipt of a properly completed Investment Form after one month of receipt, the application money will be returned to the sender. The Manager may refuse to accept any application at its discretion. Any income earned on the payments which have been held by the Trustee will become part of the assets of the Portfolio or Portfolios in which the application for units was made.

## **Additional information for Portfolios using a Register (Mercer Private Debt Portfolio, Mercer Unlisted Property Portfolio and the Mercer Unlisted Infrastructure Portfolio)**

For a Portfolio, identified as using a Register in this Information Memorandum, the receipt of an application or withdrawal request serves as a commitment to buy or sell units. All requests will be entered into the 'Register'.

The Register will be used to record the:

- Name of the applicant
- Date the properly completed Investment Form was received and
- Amount of the application commitment.

The date recorded in the Register will be the Business Day (defined in the '**Glossary**') that the properly completed request is received where the application is received before 10am or the next Business Day, where it is received on or after 10am.

The Manager will process properly completed applications in the order listed in the Register on a 'first come first served' basis to ensure equity is maintained between investors.

The Manager will notify applicants of their addition to the Register where an application for units is not able to be satisfied in the usual course without delay.

The Manager will not act as an agent for price negotiations between a buyer and a seller. The Manager's role is strictly limited to the operational implementation of the netting off process.

The Manager can apply discretion to meet withdrawal requests by wholly or partially netting off buyers of units with sellers of units in the order that they appear on the Register.

Any netting off of withdrawals will be applied on a 'best endeavours' basis only and the Manager does not guarantee that an investor will be able to withdraw from a Portfolio ahead of the withdrawal terms outlined below. Any netting of units from a seller to a buyer will be done at the unit price available at the time of the transfer.

### **Request to pay the application amount**

Once units become available, applicants will be sent a formal 'Request to pay the application amount' in the order in which they are listed in the Register until all available units have been exhausted.

Applicants will then have up to 10 business days (the 'Funding Period') to submit monies to credit the agreed amount to the Trusts' bank account. We may grant an extension to the Funding Period, where an applicant requests and has provided reasonable grounds for why they should receive an extension. Any extension of the Funding Period must be reasonable in the circumstances.

If the applicant is unable to credit the entire application amount when required to do so, we reserve the right to accept the purchase of units for an amount lower than that shown in the Register and move the remaining commitment to the end of the Register or remove the applicant from the Register.

Transactions will be processed using the unit price (as at the date of processing) taking into account any transaction costs.

In the event only part of an investor's application is satisfied, the application will retain its place in the Register in respect of the remaining units.

### **Withdrawing from the Register**

Should an applicant wish to withdraw their commitment to purchase units in the Portfolio, they must provide us with at least 24 months' written notice ('Notice Period')

The commencement date of the Notice Period recorded in the Register for the withdrawal of commitment will be the Business Day (defined in the 'Glossary') that the properly completed request is received where the application is received before 10am or the next Business Day, where it is received on or after 10am.

Where units become available and:

- Applicants fail to give the required notice; or
- The Notice Period has not lapsed; and
- We are unable to replace this commitment with a new investor commitment for an equal or greater amount;

the applicant will be called upon via a 'Request to pay the application amount' to submit monies within the Funding Period to complete the purchase of units.

### **Withdrawal Request**

The receipt of a properly completed withdrawal request (Investment Form or written request) serves as registration of a commitment to 'sell' units, which will be recorded in the Register. The date recorded in the Register will be the Business Day that the request is received where the request is received before 10am or the next Business Day, where it is received on or after 10am.

Existing investors are not permitted to have a withdrawal request and a commitment to buy new/additional units for the same class of units recorded in the Register at the same time.

Once entered in the Register a withdrawal payment request becomes irrevocable unless (in limited circumstances) the Manager agrees it can be revoked.

Requests to withdraw will be processed in the order listed in the Register on a 'first come first served' basis to ensure equity is maintained between investors.

Where there are insufficient funds to meet the request in the relevant Portfolio's bank account, the Manager will take appropriate action (e.g. redeem investments) to create sufficient funds. In such cases the Manager will process the withdrawal using the unit price (as at the date of processing) taking into account any transaction costs.

In the event that only part of a withdrawal request is satisfied, the request will retain its place in the Register for the withdrawal of the remaining units.

All withdrawal requests are subject to the terms of the Trust Deed, in particular the period within which the withdrawal request must be satisfied and are as follows:

- For the **Mercer Private Debt Portfolio**, a withdrawal request must generally be satisfied by the Manager within three years of receipt.
- For the **Mercer Unlisted Property Portfolio**, a withdrawal request must generally be satisfied by the Manager within two years of receipt.
- For the **Mercer Unlisted Infrastructure Portfolio**, a withdrawal request must generally be satisfied by the Manager within five years of receipt.

### Switching requests

Where an investor requests a switch from one Portfolio to another Portfolio and one or both Portfolios use a Register, the switch request will be processed in the manner set out in this 'Additional information for Portfolios using a Register' section.

## Requesting a withdrawal payment

You may cease participating in the MITNZ by a withdrawal request requesting redemption of all of your units. Please refer to the '**Fees and costs**' section for information on the effect of the buy/sell spread on the payment of withdrawals.

This section contains information for investors on how to make a withdrawal from the MITNZ Portfolios. The redemption process varies and is dependent on whether the Portfolio you want to withdraw from has any Special Transaction and Liquidity Conditions (Refer pages 13 to 21). If the Portfolio uses a Register to process withdrawals see '**Additional information for Portfolios using a Register**'.

You may withdraw all or part of your investment in any of the Portfolios by lodging a properly completed '**Investment Form**' or you will need to complete a written request which specifies:

- your account number; your account name;
- instructions on whether this request is a partial withdrawal from one or more Portfolios or a full withdrawal from all Portfolios;
- the amount of your investment (in dollars) or the number of units that you wish to withdraw from each Portfolio; and
- signature of appropriately authorised signatories.

Once you have completed your '**Investment Form**' or request, please scan and send it through to MUFG via the contact details included on the Investment Form.

All withdrawal requests are subject to the terms of the Trust Deed applicable to the Portfolio, in particular the period within which a withdrawal request must be satisfied and any restrictions on an investor's ability to withdraw from a Portfolio.

Normally a withdrawal request will be completed within ten Business Days. However, the Manager reserves the right to extend this period to 40 Business Days after the next valuation day following receipt of a withdrawal request if appropriate or in the case of a Portfolio with a longer withdrawal period, the period described. See the Additional Transaction and Liquidity Information for details. If the Portfolio uses a Register to process switches, see '**Additional information for Portfolios using a Register**'.

For details of when the Manager can suspend the withdrawal of units refer to '**Additional Transaction and Liquidity Information**' section.

If your withdrawal request (including all necessary information and appropriate authorised signatures) is received before 10am New Zealand time on a Business Day, the unit price used for the withdrawal will generally be that applicable at the close of business that day. That is, the unit price used will not be that available at the time your request is received and validated. If the request is received on or after 10am it will be processed on the next Business Day. Where there are insufficient funds in the Trust's bank account to meet the request, the Manager will take appropriate action (e.g. withdraw investments) to create sufficient funds. In such cases the Manager reserves the right to process the withdrawal using the unit price applying at a later date where it would otherwise prejudice the interests of other investors.

By submitting a withdrawal request in the above manner, you agree and acknowledge that:

- any withdrawal will be made in accordance with the terms of the then current Information Memorandum;
- you have received, read and agree to be bound by the terms of the current Information Memorandum;
- your personal information will be used by the Manager to provide and manage your investment and you consent to your personal information being handled in this manner;
- the Manager may request information from you and when that information is not supplied or is incorrect the Manager has the power to make appropriate adjustments; and
- you will be bound by the provisions of the governing documents relating to the operation of the Portfolios.

## Switching between Portfolios

Switching between Portfolios is permitted at any time subject to such specifications prescribed by the Manager from time to time.

The switching process varies and is dependent on whether the Portfolio you want to withdraw from has any Special Transaction and Liquidity Conditions (Refer pages 13 to 21). If the Portfolio uses a Register to process switches, see **'Additional information for Portfolios using a Register'**.

A request to withdraw payment from one Portfolio for the purposes of switching to another Portfolio will be treated like any other withdrawal and application and where applicable, a buy/sell spread will apply.

Any switching of investments between Portfolios will be made in accordance with the terms of the then current Information Memorandum. You should obtain and read a copy of the current Information Memorandum whenever you are making a switching request. Copies of the current Information Memorandum can be obtained by contacting Mercer. Please use the details on page 39 to send your request to the Manager.

The Manager will send a transaction statement to you not more than one month after receiving the switching request.

By submitting a switching request in the above manner, you agree and acknowledge that:

- any switching request will be made in accordance with the terms of the then current Information Memorandum;
- you have received, read and agree to be bound by the terms of the then current Information Memorandum;
- your personal information will be handled by the Manager to provide and manage your investment and you consent to your personal information being handled in this manner;
- the Manager may request information from you and when that information is not supplied or is incorrect the Manager has the power to make appropriate adjustments; and
- you will be bound by the provisions of the governing documents relating to the operation of the Portfolios.

## Making an in-specie transfer

If you wish to arrange an in-specie transfer of assets to or from another investment vehicle, please write to us with the details. We may, in our absolute discretion, agree to accept an In-Specie Transfer in satisfaction of your application/redemption for units. Any such in-specie transfer must be made upon such terms and conditions as we require.

### Should you need to

- obtain details of your unit holdings;
- receive the latest unit prices;
- change contact details;
- obtain further copies of the Information Memorandum;
- or make a general inquiry regarding your portfolio

Please use the contact details provided on page 39.

# Account Set Up Form

This application forms part of the MITNZ Information Memorandum dated 1 June 2026.

Once the **'Account Set Up Form'** has been completed and processed, an Investor Number will be allocated, this may take up to five business days. Once your account has been set up, you will be provided with an **'Investment Form'** which may be used to instruct Mercer on any applications or redemptions.

Please ensure this form is fully complete and all required documentation is provided, including the anti-money laundering requirements. Please scan the completed form and send to the Manager using the contact details on page 39.

## Section A - Investor Details

Full Legal Name

Preferred Mercer Account Name (50 character limit)

Address

  
  


Mailing Address (if different)

  
  


IRD Number

Phone

Transaction confirmations, monthly statements, periodic statements, unit prices, etc, will be sent via email. You can nominate more than one email address to receive copies of confirmations and statements.

Email Addresses:

  
  


Transaction Confirmations	Monthly Statements	ISA Files	Performance Reports
---------------------------	--------------------	-----------	---------------------

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Country in which entity was established

Companies office registration number (if applicable)

Registered with Charities Commission?

Yes  No

If yes, CC number:

Prescribed investor rate (PIR)

0%  28%

## Bank Details (for withdrawals)

Account Name

Account Number

## Section B - FATCA and CRS certifications

New Zealand law requires Mercer (N.Z.) Limited to collect and report certain information about an account holder's tax residency. If the account holder's tax residence is located outside New Zealand we may be legally obliged to pass on the information in this form and other financial information with respect to your financial accounts to Inland Revenue and they may exchange this information with tax authorities of another jurisdiction. This form will remain valid unless there is a change in circumstances relating to information, such as the account holder's tax status or other mandatory information, that makes this form incorrect or incomplete. In that case you must notify us and provide an updated self-certification.

### Information on FATCA and CRS

Guidance on FATCA and CRS can be found on the IRD's website [www.ird.govt.nz/international/exchange-of-information](http://www.ird.govt.nz/international/exchange-of-information).

A glossary of CRS and FATCA terms is also available.

[www.ird.govt.nz/international-tax/exchange-of-information/crs/glossary](http://www.ird.govt.nz/international-tax/exchange-of-information/crs/glossary)

[www.ird.govt.nz/international-tax/exchange-of-information/fatca/glossary](http://www.ird.govt.nz/international-tax/exchange-of-information/fatca/glossary)

### Part 1: Does the entity meet the qualifying conditions under both the CRS and FATCA as any of the following entity types?

- A Non-Financial Entity (NFE) that is a Publicly-Traded Entity (Corporation), or related entity of one
- A Government Entity, or wholly owned by one
- A Central Bank, or wholly owned by one
- A NFE that is an International Organisation, or wholly owned by one

Yes (go to Section C)       No (go to Part 2)

### Part 2: Financial Institutions

Is the entity a Financial Institution?

Yes, select from the below and then continue to complete Part 3.       No, go to Part 4

Managed Investment Entity (in a participating CRS country)       Depository Institution       Specified Insurance Company

Managed investment Entity (in a non-participating CRS country) – Please also complete Parts 5 and 6       Custodial Institution       Other Investment Entity

### Part 3: Financial Institution FATCA Status (please select)

If the entity has a Global Intermediary Identification Number (GIIN), please provide it below and select your FATCA status.

GIIN

#### FATCA Status (please select)

Reporting Model 1 Foreign Financial Institution (FFI)       Registered Deemed Compliant FFI       Trustee documented trust

Reporting Model 2 FFI       Participating FFI       Sponsored FFI

#### If no GIIN is available, please provide the reason: (please select)

Exempt beneficial owner – Superannuation/retirement fund       Non-Participating FFI       Other (please describe)

Non-Reporting IGA FFI       Certified Deemed Compliant FFI

After completing Part 3, please go to Section C, other than where directed if your entity is resident in a non-participating CRS country.

### Part 4: Non-Financial Entities

If the entity is a non-financial entity, please select the type

Active Non-Financial Entity (Active NFE) (complete Part 5)       Passive Non-Financial Entity (Passive NFE) (complete Parts 5 and 6)

**Notes:** Under FATCA, an NFE is referred to as a Non-Financial Foreign Entity (NFFE). Charitable trusts are generally treated as an Active NFFE under FATCA but could be either a Financial Institutional or Active NFE under CRS. If both are applicable, please also indicate under Part 2.

## Part 5: Tax residency

This Part is to be completed if the entity is an Active NFE, Passive NFE or Managed Investment Entity (in a non-participating CRS country).

**Is the entity a tax resident in a country other than New Zealand?**

Yes  No

If **YES**, please list all these countries (or jurisdictions) in the table below)

	Country of Tax Residence 1	Country of Tax Residence 2	Country of Tax Residence 3
Countries of Tax Residence (other than New Zealand)			
Tax Identification Number (TIN) (or country equivalent)			
OR Select reason if TIN is not provided	<input type="checkbox"/> Country doesn't issue TIN <input type="checkbox"/> Country has not issued a TIN to me <input type="checkbox"/> Country doesn't require collection of TIN under domestic law	<input type="checkbox"/> Country doesn't issue TIN <input type="checkbox"/> Country has not issued a TIN to me <input type="checkbox"/> Country doesn't require collection of TIN under domestic law	<input type="checkbox"/> Country doesn't issue TIN <input type="checkbox"/> Country has not issued a TIN to me <input type="checkbox"/> Country doesn't require collection of TIN under domestic law
If you selected 'Country has not issued a TIN to me' above, please give an explanation			

## Part 6: Controlling Persons

If you have ticked 'Passive Non-Financial Entity' or 'Managed Investment Entity in an non-participating jurisdiction', please complete this information for all Controlling Persons.

A 'Controlling Person' means any individual who exercise control over an entity (such as a company, trust, or partnership). For example, a trust's controlling persons are its settlor, trustees, protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust. Please refer to IRD guidance in the case of discretionary trusts and beneficiaries. For other legal arrangements or legal persons, it will mean persons in equivalent or similar positions, such as those who own (directly or indirectly), 25% or more of a company's share capital or are directors of the company.

### Controlling Person 1

Full Legal Name

Date of Birth

Residential Address

TIN (or reason for no available TIN)

Country or countries of tax residence (other than NZ)

Controlling Person type (e.g. trustee, settlor, beneficiary, protector, control by ownership, senior managing official, control by other means e.g. director).

Controlling person type

### Controlling Person 2

Full Legal Name

Date of Birth

Residential Address

TIN (or reason for no available TIN)

Country or countries of tax residence (other than NZ)

Controlling person type

## Section C - Anti Money Laundering Disclosures

### Type of investor (please select)

Registered New Zealand charity	<input type="checkbox"/>
New Zealand registered retirement scheme	<input type="checkbox"/>
Other New Zealand managed investment product	<input type="checkbox"/>
New Zealand Family trust	<input type="checkbox"/>
Overseas trust	<input type="checkbox"/>
Government body	<input type="checkbox"/>
New Zealand Local Authority	<input type="checkbox"/>
Listed company	<input type="checkbox"/>
New Zealand private company	<input type="checkbox"/>
Overseas private company	<input type="checkbox"/>
Other (please describe)	<input type="text"/>

### Please indicate the source(s) of funds or wealth used for this investment in the MITNZ (tick all that apply)

Accumulated Cash	<input type="checkbox"/>
Transfer from another financial asset	<input type="checkbox"/>
Represents investor funds (e.g. superannuation fund)	<input type="checkbox"/>
Business Sale	<input type="checkbox"/>
Endowment/Inheritance	<input type="checkbox"/>
Registered charity – accumulated donations	<input type="checkbox"/>
Other (please describe)	<input type="text"/>

### Please note the purpose of this investment in the MITNZ (tick all that apply and include any other relevant information)

Diversifying existing investments	<input type="checkbox"/>
Income generation to supports business/trust operational requirements	<input type="checkbox"/>
To support long term balance sheet position	<input type="checkbox"/>
Maximise short term investment opportunity & then apply proceeds to other business/trust requirements	<input type="checkbox"/>
Other (please describe)	<input type="text"/>

### How do you expect to transact on the account?

#### Contributions

Please select an option:

1-5 times a week	<input type="checkbox"/>
Every 1-4 months	<input type="checkbox"/>
Intermittently (1-3 times a year)	<input type="checkbox"/>
Lump sum (one off)	<input type="checkbox"/>
Other (please describe)	<input type="text"/>

### How do you expect to transact on the account?

#### Withdrawals

Please select an option:

1-5 times a week	<input type="checkbox"/>
Every 1-4 months	<input type="checkbox"/>
Intermittently (1-3 times a year)	<input type="checkbox"/>
No withdrawals planned	<input type="checkbox"/>
Other (please describe)	<input type="text"/>

### How much do you expect to contribute and withdraw each year?

#### Contributions

Please select an option:

Less than \$1m	<input type="checkbox"/>
Between \$1m - \$10m	<input type="checkbox"/>
Greater than \$10m	<input type="checkbox"/>

#### Withdrawals

Please select an option:

Less than \$1m	<input type="checkbox"/>
Between \$1m - \$10m	<input type="checkbox"/>
Greater than \$10m	<input type="checkbox"/>

## Section D - Authorised representatives

You may appoint one or more persons as your authorised representatives to deal with the Manager concerning your investment in the MITNZ. By appointing authorised representatives you give the representatives power, in relation to your investment, to:

- Make further investments;
- Request withdrawal of amounts invested and specify how the amount is to be paid;
- Request switches between investment options or classes within investment options;
- Receive information as to the balance of your account; or
- Generally act on your behalf in relation to any other matter relating to the administration of our account.

If you appoint two or more people to act as your authorised representatives, please indicate below whether you authorise the Manager to act on the instructions of any single or any two of the people you appoint.

You may appoint additional representatives or remove existing representatives by giving notice in writing to the Manager. The Manager and the Trustee are entitled to reasonably rely and act upon any instruction or information provided by an authorised representative and shall not be liable for any loss or damage of any kind that may arise as a result.

At the time of investing you may attach an authorised signatory listing to the Investment Form.

If you do not appoint any authorised representatives, instructions will only be accepted by the trustee(s) / Director(s) that have signed this Account Set Up Form.

**I/we appoint the following person(s) to act as my/our authorised representatives with the powers and on the terms set out above.**

Full name of Authorised Representative

Full name of Authorised Representative

Signature of Authorised Representative

Signature of Authorised Representative

**I/we authorise the Manager to act on the instructions of: (Please select one)**

Any single Authorised representative

Any two Authorised representatives (this will be the default if neither box is ticked)

## Section E - Declarations, Acknowledgements and Signatures

Please ensure that the Information Memorandum has been read carefully and that all relevant sections of this Account Set Up Form have been completed. An application will not be accepted unless this declaration has been signed.

### Declarations and Acknowledgements

By submitting this Form to the Manager, the applicant:

- declares that it is a wholesale investor for the purposes of the Financial Markets Conduct Act 2013 (Act);
- confirms that the usual legal rules that require information to be given to investors for offers of financial products do not apply if the amount invested upfront by them (plus any other investments they have already made in those financial products) is \$750,000 or more;
- confirms that they may not receive a complete and balanced set of information about this investment;
- confirms that they have fewer legal protections for this investment;
- confirms that this investment is not suitable for retail investors;
- confirms that they have been advised to ask questions, read all documents carefully, and seek independent financial advice;
- notifies the Manager that it is a zero-rated or 28% PIR investor as provided in the Income Tax Act 2007;
- agrees to notify the Manager immediately upon it ceasing to be a wholesale investor for the purposes of the Act or otherwise ceasing to be eligible to invest in the MITNZ;
- declares that this application for investment in the MITNZ is authorised by the governing rules of any trust indicated in the Form and the investing scheme and that the application is made and signed in accordance with those governing rules;
- agrees to be bound by the provisions of the governing documents which govern the operation of the MITNZ;
- agrees to indemnify and keep indemnified the Manager and the Trustee against any tax liability of the investor which is met by the Manager or the Trustee or costs incurred by the Manager or the Trustee at the request of the investor as provided by the governing documents;
- acknowledges that the repayment of capital and investment returns of the MITNZ are not guaranteed by the Manager, the Trustee, any member of the worldwide Marsh Group, or any other person;
- acknowledges that the Manager may request information from it and that where requested information is not supplied or is incorrect the Manager has power to make appropriate adjustments;
- agrees, subject to legislative requirements, to be bound by changes to the operation of the MITNZ which may be made in the future as long as it has first received from the Manager or the Trustee all relevant information concerning any change that has a significant effect on its rights or interest in the MITNZ; and
- agrees that these statements will apply to future investments in the MITNZ.

#### FATCA/CRS

- I declare that I have the authority to provide the information in this self-certification outlined in Section B and that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.
- I acknowledge account(s) may be reported to the IRD and exchanged with tax authorities of another country/jurisdiction or countries/jurisdictions in which the Account Holder may be tax resident pursuant to intergovernmental agreements to exchange financial account information.
- I undertake to advise Mercer (N.Z.) Limited within 90 days of any change in circumstances which affects the tax residency status of the persons identified in this form or causes the information contained herein to become incorrect or incomplete (including any changes to the information on controlling persons and to provide Mercer (N.Z.) Limited with a suitably updated self-certification and Declaration within 90 days of such change in circumstances. A new form may be obtained from Mercer upon request.

**I/we hereby apply to become an investor in the MITNZ in accordance with this Account Set Up Form. I/we have read and understand the Information Memorandum published on 1 June 2026 to which this application relates and the Declarations and Acknowledgements above. All statements made in this application are complete and accurate.**

**Name**

**Signature**

**Capacity (e.g. Director/Trustee/Authorised Signatory)**

**Date**

**Name**

**Signature**

**Capacity (e.g. Director/Trustee/Authorised Signatory)**

**Date**

**Each person must state their capacity for the Application form to be properly completed.**

---

**For office use only**

**Investor number**

**Date received**

**Acceptance by the Manager**

---

## Contact us

**Mercer (N.Z.) Limited**

PO Box 105591, Auckland City  
Auckland 1143  
New Zealand

**Phone:** +64 9 928 3200

**Email:** [nzportfolios@mercer.com](mailto:nzportfolios@mercer.com)