



MERCER FLEXISAVER

ANNUAL REPORT 2016

MAKE TOMORROW, TODAY



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SECTION ONE

DETAILS OF THE SCHEME

Name of the Scheme

Mercer FlexiSaver

Type of Scheme

Managed Investment

Manager

Mercer (N.Z.) Limited

Supervisor

Trustees Executors Limited

Product Disclosure Statement

The current product disclosure statement for the scheme is dated 30 September 2015.

Fund Updates

A fund update for each of the seven investment funds is available to 30 June 2016.

Financial statements and auditor's report

The latest full financial statements for the scheme that comply with, and have been registered under, the Financial Markets Conduct Act 2013 cover the period from 1 October 2015 to 31 March 2016 and were authorised for issue by the manager, Mercer (N.Z.) Limited, on 22 July 2016.

The auditor's report on those financial statements was dated 22 July 2016.

The auditor's report did not refer to any fundamental uncertainty, and nor was it qualified or modified in any respect.

WELCOME

Welcome to the first annual report for Mercer FlexiSaver. This annual report is designed for members of Mercer FlexiSaver and for members of sections within it.

We all have investment needs and whether we realise it or not many of us are already investors through KiwiSaver and workplace savings schemes. However both of these are not likely to give the freedom to either how we contribute or how and when we withdraw funds.

FlexiSaver was developed to allow you to have control over your savings and investments. It still offers a diverse range of investment options at competitive rates.

Markets have also been interesting to watch, with more than 100 staff involved in manager research, we track over 5,400 managers and more than 26,000 investment strategies across the globe, monitoring the markets very closely. This active investment approach means we can act quickly if necessary.

In this annual report, you'll find out how the scheme has been doing since its launch, how the investment options performed, and membership information.

Mercer FlexiSaver began receiving members from October 2015, and we are now helping over 400 members in Mercer FlexiSaver to invest for their needs.

It is a pleasure and a privilege to be writing to you and I personally want to thank you for partnering with Mercer. As a team we are looking forward to helping you achieve your investment goals.



Martin Lewington
Mercer CEO and Director
of Mercer (N.Z.) Limited





SECTION TWO

INFORMATION ON CONTRIBUTIONS AND SCHEME PARTICIPANTS

THE NUMBER OF UNITS ON ISSUE

INVESTMENT OPTION	AT 1 OCTOBER 2015 (scheme launch date)	AT 31 MARCH 2016		
	28%, 17.5% & 10.5% PIR's	28% PIR	17.5% PIR	10.5% PIR
Mercer Shares	0	74,858.15	1,692.55	3,041.62
Mercer High Growth	0	321,858.35	5,519.43	6,017.92
Mercer Growth	0	2,218,127.26	155,455.13	10,434.24
Mercer Balanced	0	664,886.46	157,782.86	273,794.49
Mercer Moderate	0	387,250.18	91,865.68	38.47
Mercer Conservative	0	45,842.85	2,330.35	38.24
Mercer Cash	0	8,916.25	2,200.42	60,842.03

SECTION THREE

CHANGES RELATING TO THE SCHEME

There were no material changes to the governing documents Trust Deed: Trust deed for the scheme is dated 16 September 2015. There were no amendments to the trust deed during the period.

Terms of Offer of Interests in the Scheme: There have been no changes to the terms of offer of interests in the scheme during the period.

The Statement of Investment Policy and Objectives of the Scheme's Funds: There have been no changes to the investment policy and objectives of the scheme's funds in the scheme during the period.

There were no changes to the nature or scale of the related party transactions: All related party transactions were conducted on normal commercial terms and conditions during the accounting period and were on arm's-length terms.

SECTION FOUR

OTHER INFORMATION FOR PARTICULAR TYPES OF MANAGED FUNDS

UNIT PRICES

INVESTMENT OPTION	AT 1 OCTOBER 2015 (scheme launch date)	AT 31 MARCH 2016		
	28%, 17.5% & 10.5% PIR's	28% PIR	17.5% PIR	10.5% PIR
Mercer Shares	1.0000	0.9947	0.9946	0.9973
Mercer High Growth	1.0000	1.0069	0.9986	0.9974
Mercer Growth	1.0000	0.9994	1.0074	1.0034
Mercer Balanced	1.0000	1.0083	1.0052	1.0100
Mercer Moderate	1.0000	1.0142	1.0093	1.0106
Mercer Conservative	1.0000	1.0131	1.0215	1.0162
Mercer Cash	1.0000	1.0064	1.0061	1.0048

SECTION FIVE

CHANGES TO PERSONS INVOLVED IN THE SCHEME

There were no changes to the manager or its directors or key personnel, the supervisor or its directors, administration manager, investment manager, custodian, securities registrar or auditor of the scheme.

SECTION SIX

HOW TO FIND FURTHER INFORMATION

Information relating to Mercer FlexiSaver, for the offer register and the scheme register can be found at www.business.govt.nz/disclose.

The scheme register includes financial statements, trust deed and statement of investment policy and objectives.

The offer register includes information relating to the membership, funds. It also includes fund updates and other material information.

Information relating to Mercer FlexiSaver, such as fund updates, annual report, current product disclosure statement and other useful information is available at www.mymercer.co.nz or in the member portal specific to your section of FlexiSaver. You can also call us on **0508 637 237** (or your dedicated helpline) to request this information.

All the information can be obtained from us without charge.

SECTION SEVEN

CONTACT DETAILS AND COMPLAINTS

We'll do everything we can to resolve your query or complaint quickly.

Contact details for the Manager and the Securities Registrar

Mercer (N.Z.) Limited
151 Queen Street
PO Box 105591
Auckland 1010
0508 637 237

Supervisor's contact details

Trustees Executors Limited
Level 7, 51 Shortland Street
Auckland 1140

Privacy Officer's contact details

Mercer (N.Z.) Limited
Attn: Privacy Officer
151 Queen Street
PO Box 105591
Auckland 1010
0508 637 237

HOW TO COMPLAIN

Please direct any complaints about your investment to the Manager at:

Mercer (N.Z.) Limited

151 Queen Street
PO Box 105591
Auckland 1010

Attn: Inquiries and Privacy Officer
Telephone: 0508 637 237
Email: NZ.Privacy@mercernet.co.nz

If we are unable to resolve your complaint, you may choose to contact the supervisor at:

Trustees Executors Limited

Level 7, 51 Shortland Street
Auckland 1140

Attn: Client Services Manager
– Governance & Investor Oversight
Telephone: 09 308 7100

Mercer is a member of the Insurance and Financial Services Ombudsman Scheme (IFSO) and the supervisor is a member of Financial Services Complaints Limited (FSCL) both of which are independent dispute resolution schemes approved by the Ministry of Consumer Affairs. The IFSO and FSCL will not charge a fee to any complainant to investigate or resolve a complaint.

If you make a complaint to us and the complaint cannot be resolved, then you may refer it to the IFSO subject to certain conditions being met.

Further information about referring a complaint to the:

- ▶ IFSO can be found at www.ifso.nz
- ▶ FSCL can be found at www.fscl.org.nz

If you do have a complaint please call us on 0508 637 237 (or the dedicated helpline number for your section of FlexiSaver).

We are here between 9am and 7pm, Monday to Friday or leave us a message and we'll call you back.

Our administration team or the Complaints Officer will investigate your complaint and respond to you as soon as possible.



WANT TO KNOW MORE?



www.mymercer.co.nz



0508 637 237



@Mercer_NZ

Disclaimer

Mercer (N.Z.) Limited is the manager of Mercer FlexiSaver and the issuer of this annual report. This annual report has been prepared by the manager to meet its legislative obligations under the Financial Markets Conduct Regulations 2014. The information contained in this annual report is of a general nature only and does not take into account the personal objectives, financial situation or financial goals of individual members. Accordingly, before making any decisions, you should consider the information in light of your own objectives, financial situation and needs and read and consider the current product disclosure statement. It is also recommended that you obtain advice from an appropriately authorised financial adviser. A copy of the current product disclosure statement is available on the website www.mymercer.co.nz or by calling the Helpline on 0508 637 237. You should be aware that the value of an investment in the Mercer FlexiSaver may rise and fall from time to time. Mercer, Trustees Executors Limited, MMC Inc. or any member of the worldwide Marsh and McLennan Group of Companies does not guarantee the investment performance, earnings or return of capital invested in any of the Mercer FlexiSaver investment options. The investment returns shown in this annual report do not take into account the unique characteristics that apply to each member (such as timing of cashflow). As a result, the actual returns applying to a particular member are different from the investment returns shown. You should also remember that past performance should not be relied upon as an indicator of future performance.

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