

PRODUCT CHANGES EFFECTIVE 1 OCTOBER 2015

The Mercer Super Investment Trust provides investors with the flexibility to tailor a portfolio to suit their investment objectives and risk profile, by investing in one or more of the single sector or diversified investment options.

The Responsible Entity, Mercer Investments (Australia) Limited, recently reviewed the Mercer Super Investment Trust to ensure that it continues to meet the needs of investors and reflect Mercer's best ideas gained through our local and global research. As a result of this review, several changes will take effect from 1 October 2015:

[Investment strategy](#) and [asset allocations](#) changes for the following diversified investment options

- Mercer Diversified Shares Fund
- Mercer High Growth
- Mercer Growth Plus
- Mercer Growth
- Mercer Moderate Growth
- Mercer Conservative Growth

The minimum suggested investment timeframe for the Australian and international share investment options is being increased from 7 years to 10 years.

[Updated benchmarks](#) apply for the Mercer Global Listed Infrastructure, Mercer Australian Sovereign Bond and Mercer Cash investment options.

CHANGES TO THE DIVERSIFIED INVESTMENT OPTIONS

The key changes to each Investment Option's strategy and asset allocation are summarised below, with additional detail in the tables that follow.

- All of the investment objectives have been updated, as appropriate, to take account of current market levels and the economic outlook. [Investment strategy changes](#).
- Changes to the growth and defensive allocations, while still remaining at a level appropriate to each investment option. The growth and defensive allocations have been aligned with standard industry growth and defensive classifications.
- [Asset allocations](#) have been revised to include changes to the asset allocation for each diversified investment option, including breaking down the fixed interest and cash allocations into 'Higher yielding fixed interest' and 'Defensive fixed interest and cash'. See [New fixed interest groupings](#) below.
- The Mercer Growth Plus Investment Option has been substantially restructured to reflect the latest Mercer thinking. To better reflect its new structure, Mercer Growth Plus has had its name changed to Mercer Select Growth.
- The minimum suggested investment timeframe has been adjusted for the Mercer Diversified Shares Investment Option, the Mercer High Growth Investment Option and the Mercer Select Growth Investment Option.
- Updated standard risk measures and the corresponding risk labels based on the new asset allocations.

If you have questions or require more information about any of these changes, please contact your Mercer consultant/advisor, visit our [Mercer Super Investment Trust](#) webpage, or call us on 1300 728 928.

ASSET ALLOCATION SUMMARY

Following is a summary of the new asset allocations effective 1 October 2015. These are the neutral positions, sometimes referred to as the strategic asset allocation, for each Fund. Implementing dynamic asset allocation changes in response to changing market conditions can add value and/or mitigate risk in a portfolio. For each Diversified Fund, we will systematically reduce exposure to overly expensive asset classes, while increasing exposure to assets with greater potential, in order to provide investors with a more stable pattern of returns. The ranges in which we can do this for each asset class will be provided in the PDS issued on 1 October 2015.

Investment Option	Australian Shares %	International Shares %	Property and Infrastructure %	Alternatives %	Higher Yielding Fixed Interest %	Defensive Fixed Interest and Cash %
Mercer Diversified Shares	47	53	0	0	0	0
Mercer High Growth	34	35	15	5	5	6
Mercer Select Growth	26	27	16	8	6	17
Mercer Growth	27	28	13	6	5	21
Mercer Moderate Growth	19	19	12	5	5	40
Mercer Conservative Growth	11	11	10	4	4	60

UPDATED BENCHMARKS

INVESTMENT OPTION	OLD BENCHMARK	NEW BENCHMARK
Mercer Global Listed Infrastructure	UBS Global 50/50 Infrastructure and Utilities Index - in A\$ (Hedged)	FTSE Global Core Infrastructure 50-50 Index - in A\$ (Hedged)
Mercer Australian Sovereign Bond	UBS Australian Treasury Bond Index 0+ (All Maturities) Index	Bloomberg AusBond Treasury Index 0+ (All Maturities)
Mercer Cash	UBS Bank Bill Index	Bloomberg AusBond Bank Bill Index

NEW FIXED INTEREST GROUPINGS

Higher yielding fixed interest	<p>Targets a higher yield from fixed interest by investing in issuers that carry a higher degree of credit risk or illiquidity, relative to defensive fixed interest and cash investments.</p> <p>Generally the exposures will be to non-investment grade corporate issuers, or sovereign bond issuers in emerging markets that may also carry emerging market currency risks.</p>
Defensive fixed interest and cash	<p>Fixed interest investments generally provide a regular income stream with the repayment of capital expected at the end of the term. These exposures are considered defensive as they are invested in highly rated sovereign bond issuers in developed markets or highly rated, investment grade corporate issuers.</p> <p>Cash includes short term interest bearing investments and fixed term interest bearing investments.</p>

INVESTMENT STRATEGY CHANGES

A summary of the main features of each Fund is shown below. A coloured background indicates a change effective 1 October 2015.

Investment Option	Growth %	Defensive %	Risk label	Minimum suggested investment timeframe	Investment objective
Mercer Diversified Shares	100	0	High	10 years	To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4% per annum over rolling ten year periods.
Mercer High Growth	88	12	Medium to high	7 years	To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4% per annum over rolling seven year periods.

Mercer Select Growth	76	24	Medium to high	6 years	To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.75% per annum over rolling six year periods.
Mercer Growth	73	27	Medium to high	5 years	To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.5% per annum over rolling five year periods.
Mercer Moderate Growth	55	45	Medium	4 years	To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 2.5% per annum over rolling four year periods.
Mercer Conservative Growth	35	65	Low to medium	3 years	To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 1.5% per annum over rolling three year periods.