

# MERCER SUPER INVESTMENT TRUST

## QUARTERLY REPORT

THREE MONTHS TO 30 JUNE 2019

**NOTE: Past performance is not a reliable indicator of future performance.**

Refer to page 4 – ‘Important notes about this Report’ - for further information on the calculation of returns

## READY-MADE INVESTMENT OPTIONS

### MERCER HIGH GROWTH

### MERCER GROWTH

Total & Excess Returns - Before fees (%)	3 Months	1 Year	3 Yrs (p.a.)	7 Yrs (p.a.)
Total Returns:	5.0	8.4	11.4	11.6
Benchmark Return*	4.6	9.1	10.8	11.1
Excess Returns:	0.4	-0.6	0.6	0.5

\*Composite benchmark of relevant indices

Total Returns - After fees (%) <sup>1</sup>	3 Months	1 Year	3 Yrs (p.a.)	7 Yrs (p.a.)
Total Returns:	4.3	7.4	9.7	9.8

Total & Excess Returns - Before fees (%)	3 Months	1 Year	3 Yrs (p.a.)	7 Yrs (p.a.)
Total Returns:	4.6	8.3	10.0	10.6
Benchmark Return*	4.2	8.5	9.3	9.9
Excess Returns:	0.4	-0.2	0.6	0.7

\*Composite benchmark of relevant indices

Total Returns - After fees (%) <sup>1</sup>	3 Months	1 Year	3 Yrs (p.a.)	7 Yrs (p.a.)
Total Returns:	4.0	7.2	8.4	8.9

Asset Allocation (%)		SAA	Actual at quarter end		
			Growth	Defensive	Total
Shares	Australian Shares - Large Cap	30.0	31.4	0.0	31.4
	Australian Shares - Small Cap	4.0	3.0	0.0	3.0
	Global Shares - Large Cap (H)	9.0	7.5	0.0	7.5
	Global Shares – Large Cap (UH)	10.0	12.8	0.0	12.8
	Global Shares - Low Vol	7.0	6.9	0.0	6.9
	Global Shares - Small Cap	5.0	5.1	0.0	5.1
	Emerging Markets	5.0	6.0	0.0	6.0
Property & Infrastructure	Listed Property**	2.0	2.4	0.0	2.4
	Unlisted Property	6.5	3.2	3.3	6.5
	Listed Infrastructure**	2.0	1.5	0.0	1.5
	Unlisted Infrastructure	5.5	3.7	1.6	5.3
Alternatives	Natural Resources	0.5	0.7	0.0	0.7
	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opps	0.0	0.0	0.0	0.0
	Diversified Growth Funds	3.0	0.6	0.6	1.2
	Hedge Funds	3.0	0.8	0.8	1.6
Growth Fixed Interest	Private Debt	0.0	0.7	0.7	1.4
	High Yield/Multi Asset Credit	0.0	0.0	0.0	0.0
	Emerging Markets Debt	0.0	1.5	1.5	3.0
Defensive Fixed Interest and Cash	Absolute Return Bonds	0.0	0.0	0.0	0.0
	Global Credit	0.0	0.0	0.0	0.0
	Australian Sovereign Bonds	3.0	0.0	1.0	1.0
	Global Sovereign Bonds	2.0	0.0	0.0	0.0
	Inflation Plus	0.0	0.0	0.0	0.0
	Cash	2.5	0.0	2.7	2.7
		100.0	87.8	12.2	100.0

\*\* Refer to page 4 for more information on manager line up for this asset class

Asset Allocation (%)		SAA	Actual at quarter end		
			Growth	Defensive	Total
Shares	Australian Shares - Large Cap	25.0	25.3	0.0	25.3
	Australian Shares - Small Cap	3.0	3.1	0.0	3.1
	Global Shares - Large Cap (H)	8.0	6.7	0.0	6.7
	Global Shares – Large Cap (UH)	11.0	14.1	0.0	14.1
	Global Shares - Low Vol	6.0	6.1	0.0	6.1
	Global Shares - Small Cap	3.0	3.0	0.0	3.0
	Emerging Markets	4.0	4.9	0.0	4.9
Property & Infrastructure	Listed Property**	0.0	0.0	0.0	0.0
	Unlisted Property	8.0	3.9	3.8	7.7
	Listed Infrastructure**	0.0	0.0	0.0	0.0
	Unlisted Infrastructure	6.5	4.2	1.9	6.1
Alternatives	Natural Resources	0.5	0.6	0.0	0.6
	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opps	0.0	0.0	0.0	0.0
	Diversified Growth Funds	6.0	0.9	0.9	1.8
	Hedge Funds	4.0	1.9	1.9	3.8
Growth Fixed Interest	Private Debt	2.0	0.8	0.7	1.5
	High Yield/Multi Asset Credit	0.0	0.1	0.0	0.1
	Emerging Markets Debt	2.0	1.5	1.5	3.0
Defensive Fixed Interest and Cash	Absolute Return Bonds	2.0	0.0	4.0	4.0
	Global Credit	0.0	0.0	0.0	0.0
	Australian Sovereign Bonds	2.0	0.0	2.0	2.0
	Global Sovereign Bonds	3.0	0.0	0.8	0.8
	Inflation Plus	2.0	0.0	1.9	1.9
	Cash	2.0	0.0	3.5	3.5
		100.0	77.1	22.9	100.0

\*\* Refer to page 4 for more information on manager line up for this asset class

1. Total Returns are based on exit prices and allow for deduction of tax and management costs. Returns are only shown for those investment options that had money invested in them during each respective period and, in some cases, the option has not operated long enough to calculate a return for the period. Returns greater than one year are shown on an annualised basis.

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## READY-MADE INVESTMENT OPTIONS

### MERCER MODERATE GROWTH

Total & Excess Returns - Before fees (%)	3 Months	1 Year	3 Yrs (p.a.)	7 Yrs (p.a.)
Total Returns:	3.8	7.7	8.0	8.6
Benchmark Return*	3.5	8.0	7.6	8.1
Excess Returns:	0.3	-0.3	0.4	0.5

\*Composite benchmark of relevant indices

Total Returns - After fees (%) <sup>1</sup>	3 Months	1 Year	3 Yrs (p.a.)	7 Yrs (p.a.)
Total Returns:	3.3	6.5	6.4	7.1

Asset Allocation (%)		SAA	Actual at quarter end		
			Growth	Defensive	Total
Shares	Australian Shares - Large Cap	17.0	18.8	0.0	18.8
	Australian Shares - Small Cap	2.0	0.0	0.0	0.0
	Global Shares - Large Cap (H)	4.5	2.3	0.0	2.3
	Global Shares - Large Cap (UH)	5.5	8.9	0.0	8.9
	Global Shares - Low Vol	6.0	6.0	0.0	6.0
	Global Shares - Small Cap	2.0	2.0	0.0	2.0
	Emerging Markets (	3.0	4.1	0.0	4.1
Property & Infrastructure	Listed Property**	1.5	2.0	0.0	2.0
	Unlisted Property	5.0	2.1	2.2	4.3
	Listed Infrastructure**	1.5	2.5	0.0	2.5
	Unlisted Infrastructure	4.5	2.4	1.1	3.5
Alternatives	Natural Resources	0.5	0.7	0.0	0.7
	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opps	0.0	0.0	0.0	0.0
	Diversified Growth Funds	3.0	0.7	0.7	1.4
	Hedge Funds	3.0	0.9	0.8	1.7
Growth Fixed Interest	Private Debt	2.0	0.8	0.8	1.6
	High Yield/Multi Asset Credit	2.0	0.0	0.0	0.0
	Emerging Markets Debt	1.0	2.1	2.1	4.2
Defensive Fixed Interest and Cash	Absolute Return Bonds	4.0	0.0	6.8	6.8
	Global Credit	5.0	0.0	4.9	4.9
	Australian Sovereign Bonds	8.0	0.0	7.0	7.0
	Global Sovereign Bonds	5.0	0.0	2.3	2.3
	Inflation Plus	4.0	0.0	4.3	4.3
	Cash	10.0	0.0	10.7	10.7
		100.0	56.3	43.7	100.0

\*\* Refer to page 4 for more information on manager line up for this asset class

### MERCER CONSERVATIVE GROWTH

Total & Excess Returns - Before fees (%)	3 Months	1 Year	3 Yrs (p.a.)	7 Yrs (p.a.)
Total Returns:	2.9	6.8	6.3	6.7
Benchmark Return*	2.9	7.3	5.9	6.1
Excess Returns:	0.0	-0.5	0.4	0.6

\*Composite benchmark of relevant indices

Total Returns - After fees (%) <sup>1</sup>	3 Months	1 Year	3 Yrs (p.a.)	7 Yrs (p.a.)
Total Returns:	2.5	5.5	4.7	5.2

Asset Allocation (%)		SAA	Actual at quarter end		
			Growth	Defensive	Total
Shares	Australian Shares - Large Cap	12.0	10.5	0.0	10.5
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	Global Shares - Large Cap (H)	1.0	1.0	0.0	1.0
	Global Shares - Large Cap (UH)	6.0	6.0	0.0	6.0
	Global Shares - Low Vol	5.0	6.1	0.0	6.1
	Global Shares - Small Cap	0.0	0.0	0.0	0.0
	Emerging Markets	0.0	1.0	0.0	1.0
Property & Infrastructure	Listed Property**	2.0	2.0	0.0	2.0
	Unlisted Property	4.0	1.9	1.9	3.8
	Listed Infrastructure**	0.0	0.5	0.0	0.5
	Unlisted Infrastructure	3.5	2.1	0.9	3.0
Alternatives	Natural Resources	0.5	0.6	0.0	0.6
	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opps	0.0	0.0	0.0	0.0
	Diversified Growth Funds	2.0	0.6	0.6	1.2
	Hedge Funds	2.0	0.7	0.8	1.5
Growth Fixed Interest	Private Debt	2.0	0.8	0.8	1.6
	High Yield/Multi Asset Credit	2.0	0.3	0.3	0.6
	Emerging Markets Debt	1.0	0.6	0.6	1.2
Defensive Fixed Interest and Cash	Absolute Return Bonds	5.0	0.0	5.9	5.9
	Global Credit	5.0	0.0	4.9	4.9
	Australian Sovereign Bonds	12.0	0.0	11.1	11.1
	Global Sovereign Bonds	10.0	0.0	6.5	6.5
	Inflation Plus	8.0	0.0	9.4	9.4
	Cash	17.0	0.0	21.6	21.6
		100.0	34.7	65.3	100.0

\*\* Refer to page 4 for more information on manager line up for this asset class

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## READY-MADE INVESTMENT OPTIONS

### MERCER DIVERSIFIED SHARES

Total & Excess Returns - Before fees (%)	3 Months	1 Year	3 Yrs (p.a.)	7 Yrs (p.a.)
Total Returns:	6.0	8.6	13.1	13.8
Benchmark Return*	5.8	10.1	13.3	13.6
Excess Returns:	0.1	-1.4	-0.2	0.2

\*Composite benchmark of relevant indices

Total Returns - After fees (%) <sup>1</sup>	3 Months	1 Year	3 Yrs (p.a.)	7 Yrs (p.a.)
Total Returns:	5.4	7.9	11.5	11.6

Asset Allocation (%)		SAA	Actual at quarter end		
			Growth	Defensive	Total
Shares	Australian Shares - Large Cap	42.0	39.8	0.0	39.8
	Australian Shares - Small Cap	5.0	5.0	0.0	5.0
	Global Shares - Large Cap (H)	19.0	15.2	0.0	15.2
	Global Shares - Large Cap (UH)	12.0	16.4	0.0	16.4
	Global Shares - Low Vol	10.0	9.9	0.0	9.9
	Global Shares - Small Cap	7.0	6.9	0.0	6.9
	Emerging Markets	5.0	6.0	0.0	6.0
	Real Assets	Listed Property	0.0	0.0	0.0
	Unlisted Property	0.0	0.0	0.0	0.0
	Listed Infrastructure	0.0	0.0	0.0	0.0
	Unlisted Infrastructure	0.0	0.0	0.0	0.0
Alternatives	Natural Resources	0.0	0.0	0.0	0.0
	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opps	0.0	0.0	0.0	0.0
	Diversified Growth Funds	0.0	0.0	0.0	0.0
	Hedge Funds	0.0	0.0	0.0	0.0
Growth Fixed Interest	Private Debt	0.0	0.0	0.0	0.0
	High Yield/Multi Asset Credit	0.0	0.0	0.0	0.0
	Emerging Markets Debt	0.0	0.0	0.0	0.0
Defensive Fixed Interest and Cash	Absolute Return Bonds	0.0	0.0	0.0	0.0
	Global Credit	0.0	0.0	0.0	0.0
	Australian Sovereign Bonds	0.0	0.0	0.0	0.0
	Global Sovereign Bonds	0.0	0.0	0.0	0.0
	Inflation Plus	0.0	0.0	0.0	0.0
	Cash	0.0	0.0	0.8	0.8
		100.0	99.2	0.8	100.0

### MERCER AUSTRALIAN SHARES

Total & Excess Returns - Before fees (%)	3 Months	1 Year	3 Yrs (p.a.)	7 Yrs (p.a.)
Total Returns:	7.9	9.1	13.1	12.4
Benchmark Return*	8.0	11.4	12.8	11.8
Excess Returns:	-0.2	-2.4	0.2	0.6

\*Composite benchmark of relevant indices

Total Returns - After fees (%) <sup>1</sup>	3 Months	1 Year	3 Yrs (p.a.)	7 Yrs (p.a.)
Total Returns:	7.4	9.0	12.0	11.1

Asset Allocation (%)		SAA	Actual at quarter end			
			Growth	Defensive	Total	
Shares	Australian Shares - Large Cap	100.0	99.8	0.0	99.8	
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0	
	Global Shares - Large Cap	0.0	0.0	0.0	0.0	
	Global Shares - Low Vol	0.0	0.0	0.0	0.0	
	Global Shares - Small Cap	0.0	0.0	0.0	0.0	
	Emerging Markets	0.0	0.0	0.0	0.0	
	Real Assets	Listed Property	0.0	0.0	0.0	0.0
		Unlisted Property	0.0	0.0	0.0	0.0
	Listed Infrastructure	0.0	0.0	0.0	0.0	
	Unlisted Infrastructure	0.0	0.0	0.0	0.0	
Alternatives	Natural Resources	0.0	0.0	0.0	0.0	
	Private Equity	0.0	0.0	0.0	0.0	
	Sustainable Opps	0.0	0.0	0.0	0.0	
	Diversified Growth Funds	0.0	0.0	0.0	0.0	
	Hedge Funds	0.0	0.0	0.0	0.0	
Growth Fixed Interest	Private Debt	0.0	0.0	0.0	0.0	
	High Yield/Multi Asset Credit	0.0	0.0	0.0	0.0	
	Emerging Markets Debt	0.0	0.0	0.0	0.0	
Defensive Fixed Interest and Cash	Absolute Return Bonds	0.0	0.0	0.0	0.0	
	Global Credit	0.0	0.0	0.0	0.0	
	Australian Sovereign Bonds	0.0	0.0	0.0	0.0	
	Global Sovereign Bonds	0.0	0.0	0.0	0.0	
	Inflation Plus	0.0	0.0	0.0	0.0	
	Cash	0.0	0.0	0.0	0.0	
		100.0	0.0	0.2	0.2	

1. Total Returns are based on exit prices and allow for deduction of tax and management costs. Returns are only shown for those investment options that had money invested in them during each respective period and, in some cases, the option has not operated long enough to calculate a return for the period. Returns greater than one year are shown on an annualised basis.

# IMPORTANT NOTES ABOUT THIS REPORT

Throughout this report, please note that:

- **Past performance is not a reliable indicator of future performance.**
  - Only Mercer Super Investment Trust (MSIT) investment options that were invested in at the end of the quarter are reported on.
- **Total returns** are based on exit prices. Total returns are shown both before and allowing for deduction of investment management fees.
- **Excess returns** relative to the benchmark are calculated by the difference between performance (before investment management fees) and the asset-weighted benchmark return.

Asset weights used are those shown in the MMFs' Product Disclosure Statement (PDS) and Investment Policy Statement (IPS) as relevant.

The benchmark used for each Fund is noted in the summary of its before-fees performance. As noted, for certain Funds (i.e. those invested in multiple sectors) a composite of the relevant benchmarks applies.

- **Benchmark** refers to an asset allocation benchmark that currently applies only to certain Funds. In this report, the Benchmark is used in respect of the asset allocations for the following:
  - Mercer High Growth
  - Mercer Growth
  - Mercer Moderate Growth
  - Mercer Conservative Growth
  - Mercer Diversified Shares
  - Mercer Australian Shares

The Benchmark falls within the asset allocation benchmark range specified in the PDS.

**Performance attribution** refers to another way of deriving the excess return. With performance attribution, the performance above or below the benchmark return can be "attributed" to two factors:

1. Asset allocation: the degree to which actual asset allocation varies from the benchmark asset allocation.
2. Stock/manager selection: the degree to which returns achieved by underlying managers in the various asset classes vary from the relevant benchmark returns for those asset classes.

- Performance (before investment management fees) may be provisional depending on information available at the time of publication and may be subject to adjustment.
- As mentioned in the PDS, the diversified Funds may also include "opportunistic" investments. However, no such investments were held at quarter end.

- The underlying investment manager line ups of the diversified multi-sector Funds and the closed Mercer Property Fund also include managers who have 'passive' mandates in respect of listed property and listed infrastructure as shown below. These managers are only relevant to the diversified multi-sector Funds (and the closed Mercer Property Fund in respect of listed property).

Manager Returns Relative to Fund Benchmark* (+ or - %) - Before fees				
Managers	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
<b>Listed Property</b>				
Macquarie Investment Management	0.0	0.0	-0.1	-0.1
<b>Listed Infrastructure</b>				
Macquarie Investment Management	0.0	0.0	-0.1	0.0

- Returns throughout this report may be subject to rounding error.

Investors should be aware that the value of an investment in the Mercer Super Investment Trust may rise and fall from time to time and that neither MSAL nor any related companies guarantees the investment performance, earnings or return of capital invested in the Mercer Super Investment Trust. To join or invest in the Mercer Super Investment Trust, you will need to complete an application form included in, or accompanying the current Product Disclosure Statement for the Mercer Super Investment Trust which is issued by, and available from, the trustee. The information contained in this Investment Report is of a general nature only and does not take into account the personal objectives, financial situation or needs of individual investors. Accordingly, before making any investment decision, you should read the current Product Disclosure Statement for the Mercer Super Investment Trust and obtain personal financial advice from a licensed, or appropriately authorised, financial adviser. The investment returns shown for the Mercer Super Investment Trust investment options throughout this Investment Report do not take into account the unique characteristics applied to each investor (such as timing of cash flow). As a result, the actual investment returns applying to a particular investor may differ from the returns shown in this Investment Report. You should also remember that past performance should not be relied upon as a reliable indicator of future performance.

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