

Important update

# Mercer Emerging Markets Debt Fund

APIR: MIN0082AU  
1 April 2025

As an investor in the Mercer Emerging Markets Debt Fund (APIR: MIN0082AU) ('the Fund'), we are writing to inform you that we have recently completed a comprehensive review of the Fund's investment strategy. As a result of this review, there are changes to the following effective 1 April 2025:

- Investment managers
- Benchmark
- Investment strategy
- Buy and sell spreads.

Please take the time to read the further information regarding these changes outlined below.

## Investment manager changes

We are replacing two of the incumbent managers to provide greater access to the full emerging market debt opportunity set in a single portfolio. This will better position the Fund through a full economic cycle and allow us to access a diverse array of sources of investment returns through:

- Top-down allocation between local and hard currency debt.
- Bottom-up security selection within bonds and currencies.

Previous Investment Managers	New Investment Managers
BlackRock Investment Management (Australia) Ltd <b>(BlackRock)</b>	Ninety One Australia Pty Ltd ( <b>Ninety One</b> )
Colchester Global Investors Ltd ( <b>Colchester Global Investors</b> )	PGIM Ltd ( <b>PGIM</b> )
Neuberger Berman Australia Ltd ( <b>Neuberger Berman</b> )	Neuberger Berman Australia Ltd ( <b>Neuberger Berman</b> ) (retained)

## Benchmark change

As the Fund will now target a strategic 50/50 weighting towards both hard currency (emerging market debt denominated in a developed market currency, predominantly USD) and local currency emerging market debt, we have adopted a new blended benchmark.

	Previous	New
<b>Benchmark</b>	JP Morgan GBI – EM Global Diversified Index Unhedged in AUD.	50% JP Morgan GBI – EM Global Diversified Index Unhedged in AUD / 50% JP Morgan EMBI Global Diversified Index Hedged in AUD.

## Investment strategy update

The change to the investment strategy description is shown below in bold text.

	Previous	New
<b>Investment strategy</b>	<p>The Fund provides exposure to fixed interest securities issued by emerging markets governments in local currencies and developed market currencies, using an actively managed, multi-manager approach. It invests predominantly in emerging markets sovereign debt but may also have exposure to frontier markets, corporate bonds in emerging markets and sovereign bonds in developed markets. Derivatives may be used in implementing the investment strategy.</p> <p>The Fund may engage in securities lending (i.e. short-term loans of securities in return for a</p>	<p>The Fund provides exposure to fixed interest securities issued by emerging markets governments in local currencies and other developed market currencies, using an actively managed, multi-manager approach. It invests predominantly in emerging markets sovereign debt but may also have exposure to frontier markets, corporate bonds in emerging markets and sovereign bonds in developed markets<sup>^</sup>. Derivatives may be used in implementing the investment strategy.</p> <p><b>The Fund has currency hedging arrangements in place to help manage the impact of fluctuations in the Australian dollar</b></p>

fee) to incrementally increase returns to investors.

**against developed markets currencies. Exposure in emerging markets currencies will remain unhedged.**

The Fund may engage in securities lending (i.e. short-term loans of securities in return for a fee) to incrementally increase returns to investors.

**^ The Fund targets a strategic 50/50 weighting towards both hard currency (emerging market debt denominated in a developed market currency, predominantly USD) and local currency emerging market debt.**

---

## Buy and sell spread changes

As a result of the change in investment managers, the Fund has revised buy and sell spreads reflecting the latest available spread costs of the underlying investment managers. The buy and sell spreads may vary from time to time and we may vary, waive or reduce them at our discretion. Please refer to the Product Disclosure Statement (**PDS**) for more details.

Fund name	OLD Buy Spread %	OLD Sell Spread %	NEW Buy Spread %	NEW Sell Spread %
Mercer Emerging Markets Debt Fund	0.14	0.16	0.19	0.19

## Updated disclosure documents

The updated PDS and Target Market Determination can be accessed via the following link (select the 'Documents' tab):

[Single Sector Funds](#)

## We are here to help

If you would like more information or have questions regarding these changes, please:

- Contact your Mercer consultant or financial adviser
- Call us on **1300 728 928** Monday to Friday between 8.30am and 5.30pm (AEST/AEDT)
- Email us at [InvestorHelpAU@mercer.com](mailto:InvestorHelpAU@mercer.com)

### **Important notices**

This document is issued by Mercer Investments (Australia) Limited ABN 66 008 612 397 AFSL 244385 (**MIAL, we, us or our**) as the Responsible Entity and the issuer of the units in the Fund. MIAL is a wholly owned subsidiary of Mercer (Australia) Pty Ltd ABN 32 005 315 917 (**Mercer Australia**). MIAL and Mercer Australia are collectively referred to here as 'Mercer'. References to Mercer shall be construed to include Mercer Australia and/or its associated companies. 'MERCER' is a registered trademark of Mercer Australia.

This document contains confidential and proprietary information of Mercer and is intended for the exclusive use of the parties to whom it was provided by Mercer. Its content may not be modified, sold or otherwise provided, in whole or in part, to any other person or entity, without Mercer's prior written permission.

Investors should be aware that the value of an investment in any Fund may rise and fall from time to time and that Mercer does not guarantee the investment performance, earnings or return of capital invested in any Fund. Past performance does not guarantee future results.

If you are investing in or considering an investment, you should note that the information contained in this document is general in nature only, and does not constitute an offer or a solicitation of an offer to buy or sell securities, commodities and/or any other financial instruments or products or constitute a solicitation on behalf of any of the investment managers, their affiliates, products or strategies that Mercer may evaluate or recommend. It does not take into account your personal needs and circumstances.

Before deciding whether to make an additional investment, continue to hold or withdraw from an investment, you should refer to the Product Disclosure Statement (**PDS**) and Target Market Determination (**TMD**). Consider seeking independent advice from a professional financial adviser. The Financial Services Guide (**FSG**) for MIAL can be obtained via [mercer.com.au/mercerfunds](http://mercer.com.au/mercerfunds). Conditions, fees and charges apply to the Fund and may change from time to time. You can access updated information at any time via our website at [mercer.com.au/mercerfunds](http://mercer.com.au/mercerfunds) or by calling us on **1300 728 928**. A paper copy of any updated information is available free of charge on request.



A business of Marsh McLennan

[Find the Mercer office near you.](#)

We respect your privacy. Any information we collect from you will be handled in accordance with Mercer Australia's [Privacy Policy](#).

This email has been produced by Mercer Investments (Australia) Limited  
ABN 66 008 612 397, Australian Financial Services Licence 244385.  
'MERCER' is a registered trademark of Mercer (Australia) Pty Ltd  
ABN 32 005 315 917.

© Mercer 2025. All rights reserved.