

Product Update



Please find below information regarding the 30 June 2023 distributions for the following Funds:

- **Advance Investment Funds (Diversified and Sector funds)**
- **Mercer Funds (Diversified and Sector funds)**
- **Mercer Indexed Funds (formerly BT Index Funds)**
- **Mercer Multi-manager Funds (formerly the BT Multi-manager Funds)**
- **Managed Portfolio Series Funds (the underlying funds for the CoreSeries SMA's)**

Distribution information for each Fund, can be accessed via the following links (select the 'Price' tab in the Fund table).

[Single Sector Funds](#)

[Diversified Funds](#)

If you access the Funds via a platform, you can also obtain distribution information via the relevant platform website.



Distribution information 30 June 2023

Attribution Managed Investment Trusts (AMITs)

Most of the Funds listed above are AMITs, meaning they attribute all of their taxable income, including realised net capital gains and tax credits (if any), to investors each year on a fair and reasonable basis, having regard to the investors' rights under the relevant Fund's constitution.

As such, the Funds (AMITs) should not be subject to income tax. If, for any reason, there is income within the Funds that has not been attributed to any investor, the Funds may be taxed at the highest marginal tax rate in respect of this income.

How is the level of distributions determined?

Distributions reflect the income earned by a managed fund from its underlying assets (e.g. shares, property, infrastructure, commodities, fixed income, private debt, or cash) and are paid to investors after fees and costs are deducted. A distribution could include interest earned, dividends, rental income and capital gains realised when assets are sold.

For global assets, derivatives used to manage currency and market exposure risk can impact income distributions. Realised net capital gains and currency gains can vary significantly from year to year and are typically passed through to investors in the last quarter of the relevant Fund's financial year.

Why is the 30 June distribution often much larger than the other distributions received throughout the year?

Generally, distributions that occur during the year reflect net income only. If net capital gains have been realised during the financial year and any realised currency gains on FX and other derivative contracts are generated, these are generally included in the June distribution.

How can a fund have a zero distribution?

A managed fund's expenses are offset against its income, with the net income after deducting expenses distributed to investors. Sometimes the income can be lower than the expenses and any realised losses on FX and other derivative contracts arising from currency movements and therefore no net income is available to distribute. Additionally, if a Fund has carried forward losses from previous years, these losses will also significantly reduce the level of distributions. A Fund's distribution may be zero until carried forward losses are offset against future income.

List of Funds with a zero distribution for 30 June 2023

A number of the Funds have not paid a distribution for 30 June 2023. These Funds are listed in the tables below:

Fund name	APIR
Advance Investment Funds (Diversified and Sector funds)	
Advance Australian Fixed Interest Multi-Blend Fund - Retail Units	ADV0029AU
Advance Australian Fixed Interest Multi-Blend Fund - Wholesale Units	ADV0084AU
Advance International Fixed Interest Multi-Blend Fund - Retail Units	ADV0088AU
Advance International Fixed Interest Multi-Blend Fund - Wholesale Units	ADV0067AU
Mercer Funds (Diversified and Sector funds)	
Mercer Hedged International Shares Fund	MIN0016AU
Mercer Passive Hedged International Shares Fund	NCL0006AU
Mercer Sustainable Plus International Shares Fund - Hedged Units	NCL4057AU
Mercer Emerging Markets Debt Fund	MIN0082AU
Mercer Global Listed Property Fund	MIN0023AU
Mercer Australian Sovereign Bond Fund - Class 1	MIN0030AU
Mercer Global Sovereign Bond Fund - Class 1	MIN0028AU
Mercer Global Credit Fund	MIN0032AU
Mercer Indexed Funds (formerly BT Index Funds)	
Mercer Indexed International Fixed Interest Fund (formerly BT International Fixed Interest Index Fund)	ADV0058AU
Mercer Multi-manager Funds (formerly BT Multi-manager Funds)	
Mercer Multi-manager Fixed Interest Fund (formerly BT Wholesale Multi-manager Fixed Interest Fund)	BTA0260AU

Fund name	APIR
Managed Portfolio Series (the underlying funds for the CoreSeries SMA's)	
Blended Global Equities Hedged MPS Fund (Managed Portfolio Series International Shares Fund 2)	WFS4021AU
T. Rowe Price Global Focused Equity MPS Fund (Managed Portfolio Series International Shares Fund 4)	WFS1338AU
Macquarie Australian Bond MPS Fund (Managed Portfolio Series Australian Fixed Interest Fund 1)	WFS4874AU
Janus Henderson Australian Fixed Interest MPS Fund (Managed Portfolio Series Australian Fixed Interest Fund 3)	WFS1859AU
PIMCO Global Fixed Interest MPS Fund (Managed Portfolio Series International Fixed Interest Fund 1)	WFS3742AU
Wellington Global Bond MPS Fund (Managed Portfolio Series International Fixed Interest Fund 3)	WFS9233AU
Western Asset Global Bond MPS Fund (Managed Portfolio Series International Fixed Interest Fund 4)	WFS2912AU
Wholesale Mercer Funds	
Mercer Global Absolute Return Bond Fund	N/A
Mercer Global High Yield Bond Fund	N/A

Largely the Funds' distributions have been impacted through a combination of the following factors:

1. Revenue, realised FX and other derivative losses on currency movements,
2. Realised CGT losses,
3. Carried forward losses from prior years,
4. Subdued coupon and interest income from underlying securities, primarily impacting the fixed interest asset class.
5. Economic factors arising from a low Australian dollar, rising domestic interest rates and low foreign interest rates, and
6. Relatively low turnover.

Further information

Our year end timetable has been made available on our website and we encourage you to check for updates. To access this information, please click [here](#).

We are here to help

If you have any questions, please contact the Mercer Investor Contact Centre on **1300 728 928** Monday to Friday between 8.30am and 5.30pm (AEST/AEDT).

Yours sincerely,



Danny Chidiac
Head of Product & Governance



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 our [Privacy Policy](#).

This document has been produced by Mercer Investments (Australia) Limited ('MIAL') ABN 66 008 612 397, Australian Financial Services Licence 244385 and Advance Asset Management Limited ('AAML') ABN 98 002 538 329, Australian Financial Services Licence 240902. Both MIAL and AAML are wholly owned subsidiaries of Mercer (Australia) Pty Ltd ('Mercer Australia') ABN 32 005 315 917. 'MERCER' is a registered trademark of Mercer Australia. © 2023 Mercer LLC. All rights reserved.