

MERCER MULTI- MANAGER FUNDS

STANDARD PARAGRAPHS
FOR A FINANCIAL PLAN



ABOUT THE FUNDS

Mercer offers a range of single sector and diversified funds, to help investors achieve their investment objectives.

Mercer's Diversified Funds include the Mercer Diversified Shares Fund, Mercer High Growth Fund, Mercer Select Growth Fund, Mercer Growth Fund, Mercer Moderate Growth Fund, Mercer Conservative Growth Fund, Mercer Defensive Fund, and Mercer Income Plus Fund, which access more than 50 underlying investment managers across and within asset sectors.

The Mercer Single Sector Funds are the building blocks that make up the Mercer Diversified Funds and can be used on a standalone basis in conjunction with other strategies to meet your objectives.

WHO IS MERCER?

Mercer is a global consulting leader in talent, health, retirement and investments helping clients around the world advance health, wealth and performance of their most vital asset – their people.

Mercer is a wholly owned subsidiary of Marsh & McLennan Companies, which lists its stock (ticker symbol: MMC) on the New York and Chicago stock exchanges with a market capitalisation of US\$34.9 billion (as at 16 November 2016).

Mercer Investments (Australia) Limited is the Responsible Entity of the Mercer Multi-Manager Funds. In Australia, Mercer's Investments business has more than 110 staff across two offices in Sydney and Melbourne.

RESEARCH & TOOLS



5,900+
MANAGERS COVERED*

- Market leading global manager database
- Investment manager research
- Operational due diligence research
- Performance analytics tools
- Wealth management adviser tools

ADVICE



\$9.8 TRILLION
ASSETS UNDER ADVICE#

- Investment strategy
- Asset allocation
- Portfolio construction
- Manager selection and monitoring
- Governance and responsible investment (ESG)
- Custody, transitions, FX

SOLUTIONS



\$146.3 BILLION
ASSETS UNDER MANAGEMENT*

- Delegated investment solutions
- Single sector funds
- Diversified funds
- Target date solutions
- Longevity protection solutions
- Alternatives expertise
- Transition solutions
- Asset pooling for multi-nationals

*Data as of 30 June 2016 | # Data as of 31 December 2015

1,300+ STAFF

40+ YEARS OF EXPERIENCE

MAKE TOMORROW, TODAY



MERCER'S INVESTMENT PHILOSOPHY



BELIEFS IN BUILDING MULTI-MANAGER PORTFOLIOS

The Mercer Multi-Manager Funds are developed to provide efficient, cost effective access to our best ideas. Mercer's Investment Beliefs are a globally consistent set of principles that guide our investment decision making. We believe the following three areas are key to multi-manager investing: diversification; investment efficiency; and specialist management.

When considering investment strategies for our multi-manager funds, we take into the following perspectives:

- Accessing the widest investment opportunity sets.
- Only taking risk where it is rewarded.
- Market valuation is important and overvalued assets represent risk.
- Innovative inclusion of 'new' asset classes and manager strategies.
- Adding value through exposure to less efficient markets.

We have a team of specialists whose role is to construct optimal investment portfolios in each asset class. The two key criteria needed for strong risk-adjusted performance are:

- An ability to consistently identify and appoint outperforming investment managers.
- A sophisticated portfolio construction framework.

Mercer believes a robust, flexible long-term investment strategy drives sustainable investment success. This belief is based on the following five key premises:

RISK MANAGEMENT

At the heart of Mercer's investment beliefs is diversification, that is, spreading investments across different investment types and risks to: mitigate periods of market volatility; and provide downside risk protection.

ACTIVE MANAGEMENT

Pursue active management in asset classes that offer the greatest opportunity for skilled investment managers to add value.

Utilise passive management to manage risk or where active management does not represent value for money.

DYNAMIC ASSET ALLOCATION

Take dynamic (medium-term) asset allocation tilts when one asset class has deviated from fair value by investing in another with greater return potential.

OPERATIONAL EFFICIENCY

Maximise operational efficiency by minimising unnecessary costs and avoiding unrewarded risks through specialist tools and techniques in transition management, securities lending, foreign currency transactions, custody reviews and operational risk assessments.

SUSTAINABILITY

Maximise the value of long term investing by questioning how capital could be better allocated and utilised, and understanding and mitigating the full range of potential risks that could emerge from ESG issues.

BENEFITS OF MULTI-MANAGER INVESTING

- Investors gain access to sophisticated, professionally managed and well diversified investment portfolios.
- Investors can access the expertise of specialist investment managers that previously were only accessible for the largest and most sophisticated investors.
- Multi-manager portfolios have in-built manager research, portfolio construction and rebalancing expertise; which ensures portfolios are managed in the most cost effective and efficient manner.
- Multi-manager portfolios ensure a greater consistency of returns; avoiding the peaks and troughs of single manager funds; so that investors can invest with a greater level of confidence.

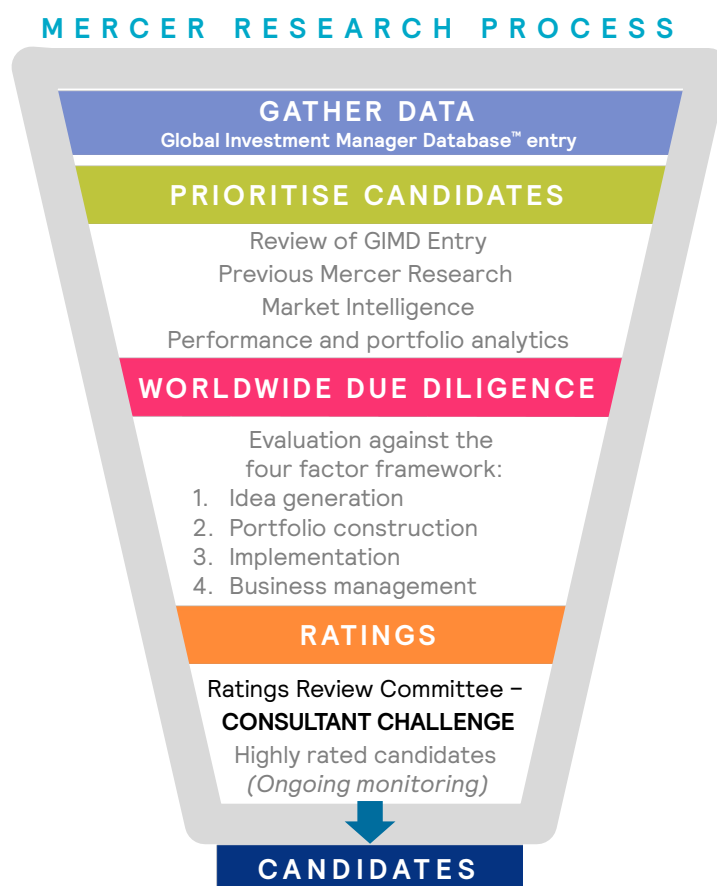
MERCER'S MANAGER RESEARCH AND RATINGS PROCESS

Mercer's rigorous manager research process is designed to identify high quality investment strategies across the opportunity set. We invest substantial resources in screening the universe of potential investments and performing robust reviews of individual strategies so as to provide our clients with access to investments with the greatest probability of outperforming their benchmark.

Our screening and detailed research process has been proven to add value for our clients through the appointment of highly rated managers. Mercer has measured the value added by our well-rated managers since inception of our formal ratings (dating back more than 10 years for traditional asset classes). Value added since inception has been positive for 93% (63 out of 68) of the product categories covered by the analysis. These results confirm our ability to add value for clients through our manager research capability.

Our research process is forward-looking and consistent across regions and asset classes. It enables us to effectively and efficiently assess new investment managers and strategies, and review existing strategies. It involves a combination of quantitative analysis, the direct experience of our research consultants and onsite visits to establish a qualitative view on each investment manager.

Our globally consistent research process is summarised in the following diagram.



Further details on the key steps in our manager research and ratings process are available upon request.

MANAGER RESEARCH COVERAGE

Our global research coverage is one of the broadest achieved by any investments firm. All investment manager research is recorded in our manager research database – MercerInsight™.

Our database coverage as at 30 September 2016 is detailed below.



*Data is rolling as at 30 September 2016.

Cover graphic - #Assets under advisement includes aggregated data for Mercer Investment Consulting, Inc. and its affiliated companies globally ("Mercer"). Data is derived from a variety of sources, including, but not limited to, third-party custodians or investment managers, regulatory filings, and client self-reported data. Mercer has not independently verified the data. Where available, data is provided as of 31 December 2015 ("Reporting Date"). If data was not available as of the Reporting Date, information from a date closest in time to the Reporting Date, which may be of a more recent date than the Reporting Date, was included. Data includes assets of clients that have engaged Mercer to provide project-based services within the 12-month period ending on the Reporting Date, and assets of clients that subscribe to Mercer's Manager Research database.

CONTACT :

Jake Ireland

Tel: +61 3 9623 5821

Email: jake.ireland@mercer.com

Hazell Opoz

Tel: +61 3 9623 5261

Email: hazell.opoz@mercer.com

IMPORTANT NOTICES

'MERCER' is a registered trademark of Mercer (Australia) Pty Ltd ABN 32 005 315 917.

References to Mercer shall be construed to include Mercer LLC and/or its associated companies.

This 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.

The findings, ratings and/or opinions expressed herein are the intellectual property of Mercer and are subject to change without notice. They are not intended to convey any guarantees as to the future performance of the investment products, asset classes or capital markets discussed. Past performance does not guarantee future results. Mercer's ratings do not constitute individualised investment advice.

Information contained herein has been obtained from a range of third party sources. While the information is believed to be reliable, Mercer has not sought to verify it independently. As such, Mercer makes no representations or warranties as to the accuracy of the information presented and takes no responsibility or liability (including for indirect, consequential or incidental damages), for any error, omission or inaccuracy in the data supplied by any third party.

This 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.

For the most recent approved ratings of an investment strategy, and a fuller explanation of their meanings, contact your Mercer representative.

For Mercer Investments conflict of interest disclosures, contact your Mercer representative or see www.mercer.com/conflictsofinterest.

Mercer universes: Mercer's universes are intended to provide collective samples of strategies that best allow for robust peer group comparisons over a chosen timeframe. Mercer does not assert that the peer groups are wholly representative of and applicable to all strategies available to investors.

The value of your investments can go down as well as up, and you may not get back the amount you have invested. Investments denominated in a foreign currency will fluctuate with the value of the currency. Certain investments carry additional risks that should be considered before choosing an investment manager or making an investment decision.

This document is not for distribution to retail investors.

This document has been prepared by Mercer Investments (Australia) Limited (MIAL) ABN 66 008 612 397, Australian Financial Services Licence #244385.

Copyright 2016 Mercer LLC. All rights reserved.