

Fund update

Mercer Australian Property Index Fund Mercer Investment Funds

Quarter ending 31 March 2025

This fund update was first made publicly available on: 1 May 2025

What is the purpose of this update?

This document tells you how the Mercer Australian Property Index Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Mercer (N.Z.) Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

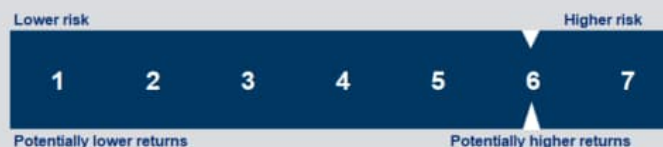
Description of this fund

The fund is a passively managed portfolio that provides access to Australian listed property investments. It aims to generate medium to high returns over the long term by investing in property securities in Australia. Environmental, Social and Governance characteristics are integrated into the underlying investment managers' investment processes. The fund aims to provide a passively managed low tracking error portfolio managed against companies listed on S&P/ASX 200 A-REIT Accumulation Index (100% hedged to NZD on an after-tax basis).

Total value of the fund	\$10,475,873
The date the fund started	1 June 1995

What are the risks of investing?

Risk indicator for the Mercer Australian Property Index Fund¹:



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-profiler

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for 5 years to 31 March 2025. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

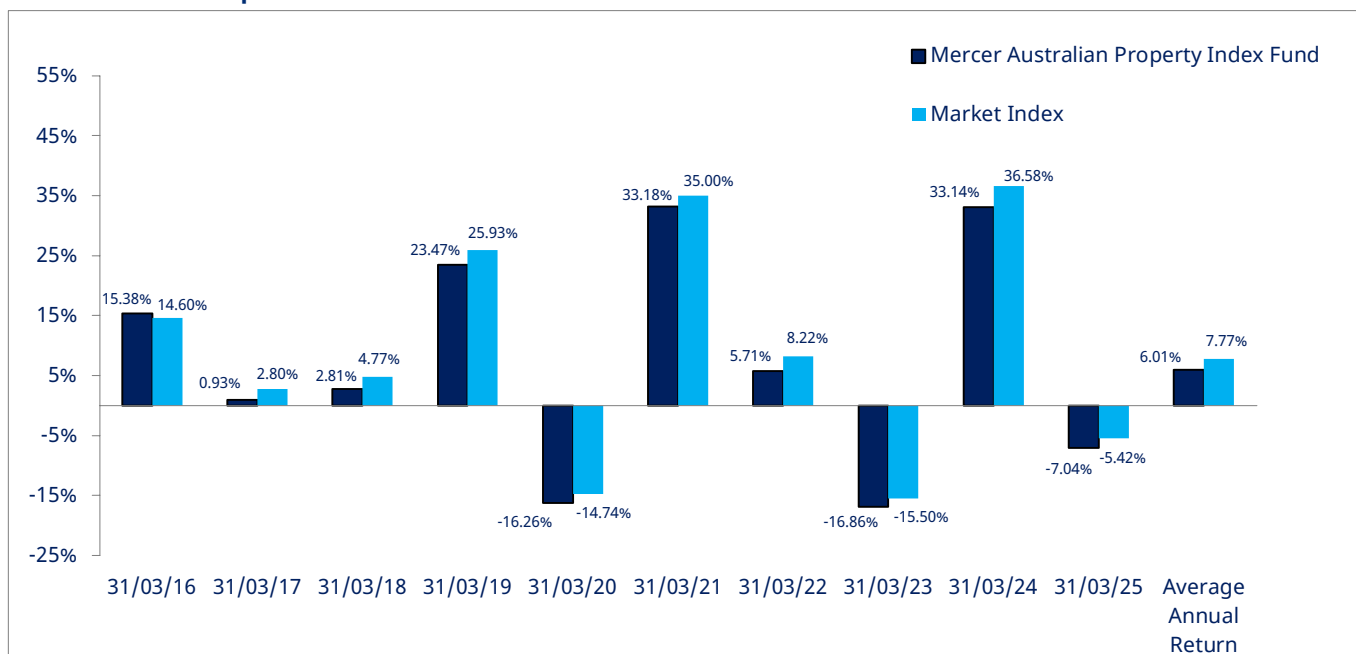
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Average over past 5 years	Past year
Annual return² <i>(after deductions for charges and tax)</i>	7.69%	-7.04%
Annual return² <i>(after deductions for charges but before tax)</i>	8.51%	-6.36%
Market index annual return² <i>(reflects no deduction for charges and tax)</i>	9.78%	-5.42%

The market index annual return is based on the S&P/ASX 200 A-REIT Index (100% hedged to NZD on an after-tax basis). Additional information about the market index is available on the offer register at www.disclose-register.companiesoffice.govt.nz

Annual Return Graph^{3,4}



This shows the return after fund charges and tax for each of the last 10 years ending 31 March. The last bar shows the average annual return for the last 10 years, up to 31 March 2025.

Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Mercer Australian Property Index Fund are charged fund charges. In the year to 31 March 2024 these were:

	% of net asset value
Total fund charges	0.80%
Which are made up of:	
Total management and administration charges	0.80%
Including:	
Manager's basic fee (excluding GST ⁵)	0.25%
Other management and administration charges (including GST)	0.55%
Total performance based fees	0.00%

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the Mercer Index Funds on the offer register at www.disclose-register.companiesoffice.govt.nz for more information about those fees.

Small differences in fees and charges can have a big impact on your investment over the long term.

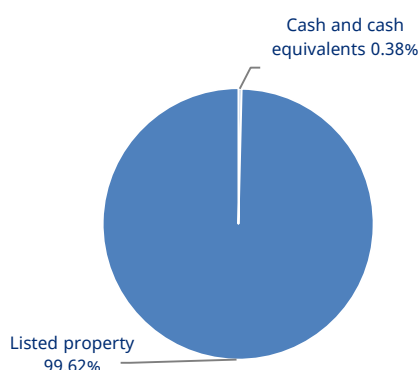
Example of how this applies to an investor

Ben had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Ben incurred a loss after fund charges were deducted of \$704.00 (that is -7.04% of his initial \$10,000). Ben also paid \$0.00 in other charges. This gives Ben a total loss after tax of \$704.00 for the year.

What does the fund invest in?

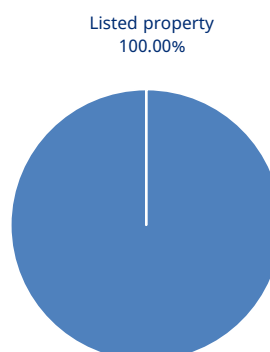
Actual investment mix

This shows the types of assets that the fund invests in.



Target investment mix

This shows the mix of assets that the fund generally intends to invest in.



Top 10 Investments*

Name	% of fund net assets	Type	Country	Credit rating (if available)
1 Macquarie True Index Listed Property Fund	99.62%	Listed property	Australia	NA

*Only one investment holding is displayed as the remaining 0.38% of the fund's net assets are made up of cash, accruals and net foreign exchange hedging.

The top 10 investments make up 99.62% of the fund.

Currency management

The fund targets a position of being fully hedged to the New Zealand dollar. See the Statement of Investment Policy and Objectives on the scheme register at www.disclose-register.companiesoffice.govt.nz for more information about currency management.

Hedging coverage, on a net of tax basis, for the fund's exposure to foreign currency as at 31 March 2025 was 0.00%.

Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund.

Name	Current Position	Time in current position	Previous/other position	Time in previous/other position
Ross Butler	Chair - Mercer (N.Z.) Ltd	1 year 11 months	Director - Mercer Investments (Australia) Limited	10 years 4 months
Martin Lewington	CEO - Mercer (N.Z.) Ltd	16 years 1 month	Head of Investments - Mercer (N.Z.) Ltd	3 years 8 months
Kylie Willment	Chief Investment Officer, Pacific, Mercer Australia (Pty) Ltd	7 years 5 months	Senior Manager, Investment & Client Strategy - TCorp (NSW Treasury Corporation)	17 years 0 months
Padraig Brown	Chief Investment Officer - New Zealand, Mercer (N.Z.) Ltd	2 years 10 months	Head of Real Estate Investment Management, Mercer Australia (Pty) Ltd	11 years 2 months
Robert Kavanagh	Head of Portfolio Management NZ - Mercer (N.Z.) Ltd	11 years 0 months	Vice President - Account Management, PIMCO Australia Pty Limited	7 years 0 months

Further information

You can also obtain this information, the PDS for the Mercer Index Funds and some additional information from the offer register at www.disclose-register.companiesoffice.govt.nz.

Notes

1. A combination of actual fund returns and market index returns were used to determine the risk indicator as the investment strategy changed, on 15 December 2022, to invest solely in property securities listed on the S&P/ASX 200 A-REIT Accumulation Index. For the 5-year period ending 31 March 2025, market index returns have been used up to 31 December 2022 with actual fund returns used for the balance of the period. The risk indicator may therefore provide a less reliable indicator of potential future volatility of this fund.
2. These returns are for the periods ending 31 March 2025.
3. Previously, the Mercer Australian Property Index Fund was invested in accordance with a different set of investment guidelines which provided for exposure to direct property through investment in the AMP Capital Property Portfolio, a wholesale property fund managed by AMP Capital. With full effect from 1 April 2015, the investment guidelines were changed to their current parameters. This change in investment guidelines could significantly affect the comparability of returns with previous periods. From the 15 December 2022 the fund invests directly in the Macquarie True Index Listed Property Fund.
4. The bar graph shows fund returns after the deduction of fees and tax, however, the market index returns are shown before any fees or tax are deducted.
5. GST is currently charged at 15% on 10% of the management fee in accordance with the non-binding IRD agreement with the Financial Services Council of New Zealand Incorporated on behalf of the funds management industry. GST on management fees is currently under review and therefore this percentage may change in the future.
6. For the reporting of the types of assets under "Actual investment mix", foreign exchange hedging positions have been assigned to the asset class to which they relate.
7. The Top 10 investments have been calculated excluding operational cash and derivatives.

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