

Product Disclosure Statement

Mercer Cash Fund – Term Deposit Units

1 December 2024

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Staying up to date

Information in this PDS may change from time to time. We will notify direct investors of significant changes to the information in this PDS.

Where a change is not materially adverse, updated information will be made available on our website: mercer.com.au/mercerfunds. You can also request a copy by calling us on the number above and the updated information will be provided to you free of charge.

Indirect investors should refer to the offer documents for their service for information about staying up to date.

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About this statement

This Product Disclosure Statement (**PDS**) provides a summary of significant information about the offering of Term Deposit Units (**the Class**), which is a class of units in the Mercer Cash Fund (**the Fund**). The Fund is a registered managed investment scheme under the *Corporations Act 2001 (Cth)* (**the Act**).

The PDS also contains references to important information in the Mercer Funds Additional Information Booklet (**Booklet**) and the Fund's Investment Manager List (**Manager List**), which form part of this PDS. The PDS, Booklet and Manager List are available at mercer.com.au/mercerfunds or investors can request free copies by calling 1300 728 928.

The PDS, Booklet and Manager List should be read carefully before making an investment decision about the Fund. The information contained in these documents is general information only and does not take into account an investor's personal objectives, financial situation or needs. As information may change between the day you receive the documents and the day you acquire the product, you must ensure that you have read the documents current as at the date of your application. Investors should obtain financial and/or taxation advice tailored to their personal circumstances.

Mercer Investments (Australia) Limited (**MIAL**) is the issuer of this PDS and is also referred to as the '**Responsible Entity**', '**we**', '**us**' or '**our**' throughout this PDS.

Can I invest in this Class?

You may invest in the Class if you are:

- A wholesale client as defined in the Act, referred to as a '**direct investor**'.
- An '**indirect investor**' accessing the Class through a service, such as an Investor Directed Portfolio Service (**IDPS**) or IDPS-like scheme (**Service**).

We must verify the identity and wholesale investor status of direct investors and are not bound to accept an application to invest. See section 2 of this PDS for details regarding direct investors' interests in the Fund and minimum amounts to invest.

Indirect investors should refer to the offer documents applicable to their Service for details on any minimum investment requirements.

The invitation to apply is only made to persons receiving this PDS in Australia. This PDS does not constitute an offer in any jurisdiction other than Australia or to anyone whom it would not be lawful to make such an offer.

1. About Mercer Investments (Australia) Limited

As the Responsible Entity for the Fund, MIAL is responsible for:

- The operation of the Fund in accordance with the Fund's Constitution and the law.
- Establishing, implementing and monitoring of the Fund's investment objective and strategy.
- The proper investment of Fund assets via the appointment of one or more specialist investment managers.
- Ensuring investors' rights and interests are protected.

MIAL is a wholly owned subsidiary of Mercer (Australia) Pty Ltd (**Mercer Australia**), which is part of the Mercer global group of companies (**Mercer**). Mercer has been providing professional investment services for more than 50 years and has approximately US\$548 billion in assets under management globally (as at 30 September 2024).

MIAL draws on its own expertise and that of Mercer's local and global manager research team in selecting and appointing third-party investment managers to invest Fund assets. We have appointed an external custodian to provide a range of services including holding the assets of the Fund. The custodian has no supervisory role in relation to the operation of the Fund.



You should read the important information about the Fund's investment managers before making a decision. Go to the Manager List, available at mercer.com.au/mercerfunds. The material relating to the investment managers may change between the time when you read this PDS and the day when you acquire the product.

2. How the Mercer Cash Fund works

The Fund is a managed investment scheme registered with the Australian Securities and Investments Commission (**ASIC**). The Fund was established and operates under a Constitution, as amended from time to time. The Constitution together with the Act determines our relationship with investors in the Fund. The Fund's Constitution contains full details of the rights and obligations of investors and MIAL.

Interests of direct investors

Direct investors have a beneficial interest in the assets of the Fund via their holding of units in the Class. Subject to any rights, obligations and restrictions attaching to the Class, each unit confers an equal and undivided interest in the assets of the Fund as a whole, but not in parts or single assets of the Fund. However, direct investors are not entitled to require that any assets of the Fund be transferred to them, to interfere with, or exercise, the powers of MIAL in respect of the Fund or to lodge a caveat over the Fund's property.

See the *Other information* section of the Booklet for details of the rights and liabilities of direct investors.

Interests of indirect investors

Indirect investors do not become unit holders nor do they acquire the rights of a direct investor. The IDPS or IDPS-like service entity that invests on behalf of indirect investors (**Service Provider**) acquires those rights and can exercise, or decline to exercise, them on behalf of indirect investors. The Service Provider holds units in the Fund on behalf of indirect investors.

Indirect investors do not receive income distributions or reports directly from us, nor will they be able to participate in investor meetings or in winding up of the Fund. It is important to note that their Service Provider may have requirements dealing with:

- Minimum initial or additional investments.
- Minimum balances.
- Minimum withdrawals.
- Any facility to switch between the Mercer Funds made available to the indirect investor through the Service.

These requirements will be set out in the offer documents applicable to an indirect investor's Service.

Key features of the Class for direct investors

Key features of the Class are summarised below. This information is specific to direct investors.

Indirect investors should refer to the offer documents for their Service for such information.

Investment minimums*

Initial investment	\$500,000
Additional investment	\$5,000
Withdrawal	\$5,000
Balance	\$5,000

* We may waive or vary the investment minimums at our discretion.

Unit prices

Interests in the Class are divided into units of equal value. The unit price will vary as the market value of assets and liabilities referable to the Class rise or fall. Each time a payment is made into the Class, units are issued at the issue price. Similarly, when payments are made from the Class, units are redeemed at the withdrawal price.

We calculate the unit price daily, although we may calculate prices more frequently when we consider it appropriate.

See *Unit prices* in the *How the Funds work* section of the Booklet for further information.

How to invest

To invest in the Class, direct investors need to read the current PDS, Booklet and Manager List, before sending us:

- A completed and signed Application Form.
- Any required and correctly endorsed identification documents.
- Payment via electronic transfer.

For further details, see *How to apply* on page 8.

Making additional investments

Direct investors can make additional investments in the Class by making an electronic transfer together with a completed Additional Investment Form, available at mercer.com.au/mercerfunds.

Withdrawing your money

Direct investors need to complete and send us an authorised Withdrawal Form, available at mercer.com.au/mercerfunds.

Withdrawals will generally be credited to a direct investor's bank account within five Business Days (as defined in the *Glossary* section of the Booklet). We may suspend or defer the withdrawal of units from the Fund in certain circumstances, which means direct investors may not be able to withdraw within the usual time period. Refer to *Transaction processing delays* in the *How the Funds work* section of the Booklet for more information.

Distributions

The distribution period for the Fund is the period ending the last day of March, June, September and December each year.

We will determine the 'distributable income', which may be positive or negative, of the Class for each distribution period. Distributions may include income such as interest, dividends and realised capital gains.

As the Fund has made the 'multi-class election' under the Attribution Managed Investment Trust ('AMIT') regime:

- Where the Fund has satisfied the AMIT test, the Class will be treated as a separate tax entity, and a distribution will be made by the Class for the period as long as there is positive 'distributable income' of the Class.
- Where the Fund has not satisfied the AMIT test, it cannot rely on the multi-class election, as such, where the overall 'distributable income' of the Fund is nil or negative, no distribution would be made by the Class for the period.

Direct investors may elect to have distributions deposited directly to a nominated bank account, or they will be reinvested as additional units in the Class (this is the default). See *Distributions* in the *How the Funds work* section of the Booklet for further information.

Reporting

Direct investors will receive or have access to a range of reports, either sent directly or available online.

Annually	<ul style="list-style-type: none">• An annual financial report, director's report and auditor's report.• An annual tax statement or an AMIT Member Annual Statement.• A periodic statement - a financial year transaction statement that also summarises fees and costs paid.
Quarterly	<ul style="list-style-type: none">• A quarterly fund fact sheet.
Monthly	<ul style="list-style-type: none">• A monthly statement confirming the value of investments.• A monthly performance report.
Confirmation	<ul style="list-style-type: none">• A transaction statement each time a transaction is made.• A distribution statement each time a distribution is made.



You should read the important information about unit prices, how to invest and transact, withdrawals and distributions before making a decision. Go to *the How the Funds work* and *the Other information* sections of the Booklet. The material relating to applications and withdrawals may change between the time when you read this PDS and the day when you acquire the product.

3. Benefits of investing in the Mercer Cash Fund

For the Class (Term Deposit Units)

Key features

This Class provides exposure to Australian bank term deposits using a multi-manager approach. Diversification is achieved across a range of banks and term deposit maturities. See section 5 of this PDS and the *Investment objectives and strategy* section of the Booklet for further details.

Key benefits

The key benefits of investing in the Class are as follows:

- **Strong governance:** Governance touches key elements of the investment process including asset allocation, portfolio construction, risk management and ongoing oversight. Mercer's governance process establishes clear local accountability for results, promotes disciplined decision making and helps deliver desired investment outcomes over time.
- **Active management:** Through in-depth local and global research, Mercer selects investment managers with a range of complementary investment strategies and styles who have the potential to generate returns over their stated investment benchmarks.

- Insights from Mercer's global investment team: Mercer's investment team comprises over 1,000 professionals located in offices across North America, Europe, Asia-Pacific and the Middle East with well-established networks in key global markets. They possess deep knowledge of asset classes and investment strategies allowing them to conduct thorough research and analysis to identify investment opportunities and assess potential risks.
- Access to institutional quality investment opportunities: Investors in the Fund gain access to investment opportunities that may not be readily available to individual investors including strategies, managers and implementation approaches. We draw on our significant global scale when selecting investment managers for the Fund, with over 200 manager research professionals covering approximately 11,000 rated investment strategies.



You should read the important information about the features and benefits before making a decision. Go to the *How we invest your money* section of the Booklet. The material relating to features and benefits may change between the time when you read this PDS and the day when you acquire the product.

4. Risks of managed investment schemes

All investments carry risk. Generally, investment risk is the likelihood that an investment outcome is different to what was expected.

Significant risks for the Class

The significant risks that may impact the Class include:

- Inflation risk - The risk that money may not maintain its purchasing power due to increases in the price of goods and services.
- Interest rate risk - The risk of loss resulting from changes in interest rates and bond yields.

General investment risks

When considering the risks associated with the Fund, it is important to understand:

- The value of investments and level of returns will vary over time. Future returns may differ from past returns. **You should not rely on past performance as an indicator of future performance or treat the Fund's investment objective as a forecast or guarantee of future returns.**
- Investments in the Fund could rise or fall in value, or produce a return that is less than anticipated. Rises and falls in value occur for a variety of reasons, sometimes quickly. Assets with the highest expected long term returns, such as shares and property, may also carry the highest level of short term risk and volatility.
- Your investment in the Fund and returns are not guaranteed and, as such, you may get back less money than you invest.
- The laws affecting managed investment schemes and investments in the Fund are complex and may change in the future.
- The risk appetite for each investor is likely to vary depending on factors such as their age, investment timeframes, tolerance to risk, and the other assets and investments they hold. **We strongly recommend you speak to a licensed or appropriately authorised financial and/or taxation professional before making an investment decision.**
- Different strategies may carry different levels of risk, depending on the assets that make up the strategy.
- The likelihood of a certain type of investment risk applying to the Fund can change over time. However, investors will be kept informed of any significant changes to the risk profile of the Fund.



You should read the important information about significant risks before making a decision. Go to the *Key risks* section of the Booklet. The material relating to significant risks may change between the time when you read this PDS and the day when you acquire the product.

5. How we invest your money

Warning: You should consider the likely investment return, risk and investment timeframe when making an investment decision.

Mercer Cash Fund – Term Deposit Units

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Investment strategy

This Class provides exposure to Australian bank term deposits using a multi-manager approach. Diversification is achieved across a range of banks and term deposit maturities. Derivatives may be used in implementing the investment strategy.

We may change the investment managers and/or underlying funds from time to time. Refer to the *Manager research and selection* section of the Booklet for more information.

We do not take into account Environmental, Social and Governance (ESG) considerations, including labour standards, in our investment decision making for this Fund due to the nature of the underlying holdings. Therefore, the ESG considerations outlined in the Booklet are not applicable to the Fund.

Benchmark

Bloomberg AusBond Bank Bill Index

Objective

The Class aims to maintain the invested capital and achieve a return (before management fees and costs) above that available on bank bills as measured by the Bloomberg AusBond Bank Bill Index.

Minimum suggested investment timeframe

One year or less

Commencement date of the Class

31 December 2010

Suitability

The Class may be suitable for those seeking to invest in accordance with the strategy, objective and timeframe listed above and who are prepared to accept the risks described in section 4.

Asset allocation

Asset classes ¹	SAA %	Min %	Max %
Cash	100	n/a	n/a
Growth assets	0	n/a	n/a
Defensive assets	100	n/a	n/a

¹ The reference to investing in an asset class includes all types of investments that give exposure to that asset class, directly or indirectly, including through derivatives. This may include any type of investment that would ordinarily be understood in financial markets to be included in that asset class and does not preclude investment in other types of assets where we consider it appropriate to do so in the interests of investors in the Fund.

Risk label and standard risk measure



See the *Key risks* section of the Booklet for an explanation of how the risk label can be used to understand the risk profile of the Fund and help you compare managed investment schemes.



You should read the important information about how we invest, including our approach to manager research and selection and ESG considerations, before making an investment decision. Go to the *How we invest your money* section of the Booklet for more details. The material relating to how we invest may change between the time you read this PDS and the day when you acquire the product.

6. Fees and costs



DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better investor services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole. Taxes are set out in section 7 of this PDS. You should read all the information about fees and costs because it is important to understand their impact on your investment.

The information in the following *Fees and costs summary* can be used to compare costs between different simple managed investment schemes. Fees and costs can be paid directly from your account or deducted from your investment returns.

Fees and costs summary

Mercer Cash Fund – Term Deposit Units		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs¹		
Management Fees and Costs The fees and costs for managing your investment	0.32% of the NAV of the Fund per year. This includes: <ul style="list-style-type: none"> A Management Fee of 0.30% per year² Indirect Costs of 0.02% per year³. 	The Management Fee accrues daily, is reflected in the Fund's daily unit price and is paid monthly in arrears from the assets of the Fund. Indirect Costs are reflected in the daily unit price of the Fund and are generally deducted from the assets of the Fund when they are incurred.
Performance Fees Amounts deducted from your investment in relation to the performance of the product	0.00% of the NAV of the Fund per year ³ .	Where the underlying investment managers charge a Performance Fee, these are either deducted from the daily unit price of the underlying fund or deducted by us from the Fund's assets and reflected in the Fund's daily unit price based on regular, typically quarterly, estimates.
Transaction Costs The costs incurred by the Fund when buying or selling assets	0.00% of the NAV of the Fund per year ³ .	Transaction Costs generally arise when the value of the assets of the Fund are affected by the day-to-day trading of the Fund and are deducted from the assets of the Fund when incurred.
Member activity related fees and costs (fees for services or when your money moves in or out of the product)		
Establishment Fee The fee to open your investment	Nil	Not applicable
Contribution Fee The fee on each amount contributed to your investment	Nil	Not applicable
Buy and Sell Spreads An amount deducted from your investment representing costs incurred in transactions by the Fund	0.00% buy spread 0.00% sell spread	Applied on the transaction amount at the time of transaction. See the <i>Buy and sell spreads</i> section of the Booklet for more details.
Withdrawal Fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit Fee The fee to close your investment	Nil	Not applicable
Switching Fee The fee for changing investment options	Nil	Not applicable

WARNING: Additional fees may be paid to a financial adviser if a financial adviser is consulted. Please refer to the Statement of Advice from your adviser, in which details of the fees are set out.

Additional fees and costs may apply. Refer to the *Additional explanation of Fees and costs* section of the Booklet.

1. The amounts in the table above are inclusive of GST (where applicable), stamp duty and any reduced input tax credit entitlements. There is a risk that these fees and costs may increase from time to time, which may affect the value of your investment. Where required by law, you will be provided with prior written notice of any such fee increases.
2. The Management Fee is payable to us and generally includes the fees payable by us to the underlying investment managers. This fee may be negotiated in certain circumstances. See the *Management Fee* and *Negotiable fees* sections in the *Additional explanation of Fees and costs* section of the Booklet.
3. The estimated Indirect Costs and Transaction Costs are based on those costs paid for the 12 months to 30 June 2024 and/or reasonable estimates for that period. Performance Fees are calculated based on the average of the previous five financial years of complete data, where applicable. The actual costs payable each year will vary based on the actual costs incurred as a portion of the total Class assets. See *Indirect Costs* in the *Additional explanation of Fees and costs* section of the Booklet for more information and indicative cost ranges.

Example of annual fees and costs

The table below gives an example of how the ongoing annual fees and costs of the Class can affect your investment over a one-year period. You should use this table to compare this product with other products offered by managed investment schemes.

Example - Mercer Cash Fund		Balance of \$500,000 with a contribution of \$5,000 during year
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
Plus Management Fees and Costs	0.32%	And , for every \$500,000 you have in the Class you will be charged or have deducted from your investment \$1,600 each year.
Plus Performance Fees	0.00%	And you will be charged or have deducted from your investment \$0 in Performance Fees each year.
Plus Transaction Costs	0.00%	And you will be charged or have deducted from your investment \$0 in Transaction Costs each year.
EQUALS Cost of Class	If you had an investment of \$500,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of \$1,600*. What it costs you will depend on the fees you negotiate.	

*Additional fees and costs may apply.

The example above assumes the value of the investment (\$500,000) is constant over the year and that the \$5,000 is invested on the last day of the year. This example is illustrative only and the actual fees and costs you pay may differ. ASIC provides a fee calculator on www.moneysmart.gov.au, which you may use to calculate the effects of fees and costs on account balances.

Other costs

See *Other additional fees and costs* in the *Fees and costs* section of the Booklet for information regarding other costs including bank charges and adviser fees.



Indirect investors should refer to the offer documents for their Service for details of fees and costs they will pay for investing in the Class via their Service.

Fee and cost increases

Any updates to fees and costs that are:

- Not materially adverse will be made via the website.
- Materially adverse will be notified to you via a notice (for direct investors) or by your Service Provider (for indirect investors).

We have the right to increase fees to the maximums set out under *Maximum fees* in the *Additional explanation of Fees and costs* section of the Booklet at any time without the prior approval of investors, subject to providing you or your Service Provider with a minimum of 30 days' prior written notice as required by law. Direct investors will be provided with at least 30 days' prior written notice of any such fee increase. Indirect investors should refer to the offer documents for their Service.

Also see *Material changes or significant events* in the *Other things you should know* section of the Booklet for further details.



You should read the important information about fees and costs before making a decision. Go to the *Fees and costs* section of the Booklet. The material relating to fees and costs may change between the time when you read this PDS and the day when you acquire the product.

7. How managed investment schemes are taxed

WARNING: Investing in the Fund is likely to have taxation (tax) consequences. Tax consequences differ among investors and tax laws are complex and subject to change. Therefore, we strongly advise investors to seek professional tax advice.

The Fund has made the 'multi-class election' under the AMIT regime. Therefore, each Class is effectively treated as a separate AMIT where the Fund continues to satisfy the AMIT definition. The Fund does not generally pay Australian income tax on behalf of investors in respect of the income generated by the Fund in any given year, provided:

- Where the Fund is an AMIT, all the taxable income for each Class is attributed to the investors in each financial year, or
- Where the Fund is not an AMIT, the investors are presently entitled to all of the income of the Fund at least on an annual basis.

Investors are assessed for tax on their share of any income and capital gains distributed/attribution and on any gains made on the disposal of their units. There are, however, some circumstances where the Fund will be required to withhold tax from the distribution/attribution of income, such as where no TFN/ABN or exemption has been provided and in the case of certain income and capital gain types paid to non-resident investors.

Non-Australian Tax Resident Investors

Some information for investors who are a tax resident of another country and/or not classified as Australian resident investors for tax purposes is included in the Booklet. See *Foreign Account Tax Compliance Act (U.S. Citizens)* and *Common Reporting Standards (Other Offshore Residents)* in the *Taxation* section of the Booklet for more information.



You should read the important information about *Taxation* in the Booklet before making a decision. The material relating to how managed investment schemes are taxed may change between the time when you read this PDS and the day when you acquire the product.

8. How to apply

Direct investors need to read the current PDS, including the Booklet and Manager List, and complete the relevant sections of the Application Form, before sending us the completed Application Form and identification documents. Direct investors can invest by electronic transfer. We may accept or reject all or part of an application (including additional investments) for units.

Indirect investors will need to direct their Service Provider to buy units in the Class on their behalf, by completing the forms or documents their Service Provider requires. There may be a delay between the time an indirect investor provides their direction and payment to the Service Provider and when they invest in the Class. We may accept or reject all or part of an application for units (including additional investments) made on an indirect investor's behalf by their Service Provider.

See the *Applications* section of the Booklet for more information.

Cooling off period

Cooling off rights do not apply to direct investors.

Indirect investors should refer to the offer documents for their Service for details of any cooling off rights they may have in respect of their investment.

If you have a complaint

We have a process in place for dealing with complaints. If you have a complaint, you can call or email us at InvestorHelpAU.complaints@mercero.com. We will acknowledge receipt of each complaint within one Business Day or as soon as possible after receiving the complaint. We aim to resolve your complaint as soon as practicable but a response will be provided not more than 30 days after receiving the complaint.

We aim to resolve complaints promptly and fairly. If you are not satisfied with the outcome you may be able to take your complaint to the Australian Financial Complaints Authority (AFCA). AFCA is an external dispute resolution service that covers certain complaints by investors in registered managed investment schemes.

You can contact AFCA in the following ways:

Website: www.afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

Mail: GPO Box 3, Melbourne VIC 3001

9. Other information

Your privacy

Mercer Australia's Privacy Policy describes the way we handle direct investors' personal information and is available at mercero.com.au/privacy. If you would like us to send you a copy, please call 1300 728 928 from 8:30am – 5:30pm Monday to Friday (AEST/AEDT).

By investing in the Fund directly, you consent to the manner in which we collect, disclose and hold your personal information.

We will not generally receive or hold any personal information about indirect investors investing via a Service unless such information is required to be recorded for the purpose of handling complaints or communication relating to an indirect investor.



You should read the *Other information* section of the Booklet before making a decision. The material may change between the time when you read this PDS and the day when you acquire the product.

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