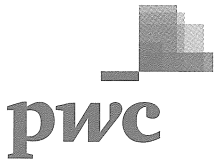


MERCER KIWISAVER SCHEME
FINANCIAL STATEMENTS
FOR THE YEAR / PERIOD ENDED 31 MARCH 2015

MERCER KIWISAVER SCHEME
Financial Statements
For the Year / Period Ended 31 March 2015

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Independent Auditors' Report

to the members of the Mercer KiwiSaver Scheme ("the Scheme") comprising the following Funds (the "Funds"):

- Mercer Conservative
- Mercer Balanced
- Mercer High Growth
- Mercer Cash
- Mercer Moderate
- Mercer Growth
- Mercer Shares

Report on the Financial Statements

We have audited the financial statements of the Funds and the Scheme on pages 4 to 40, which comprise the statements of net assets as at 31 March 2015, the statements of changes in net assets and the statements of cash flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Manager's Responsibility for the Financial Statements

The Manager is responsible for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate and for such internal controls as the Manager determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Funds' and the Scheme's preparation of financial statements that give a true and fair view of the matters to which they relate, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' and the Scheme's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We are independent of the Funds and the Scheme. Our firm carries out other services in the areas of tax advice. The provision of these other services has not impaired our independence.



Independent Auditors' Report

Mercer KiwiSaver Scheme

Opinion

In our opinion, the financial statements on pages 4 to 40:

- (i) comply with generally accepted accounting practice in New Zealand;
- (ii) comply with International Financial Reporting Standards; and
- (iii) give a true and fair view of the net assets of the Funds and the Scheme as at 31 March 2015, and their change in net assets and cash flows for the year then ended.

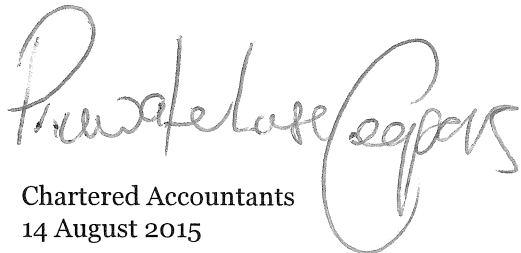
Report on Other Legal and Regulatory Requirements

We also report in accordance with Sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993. In relation to our audit of the financial statements for the year ended 31 March 2015:

- (i) we have obtained all the information and explanations that we have required; and
- (ii) in our opinion, proper accounting records have been kept by the Funds and the Scheme as far as appears from an examination of those records.

Restriction on Use of our Report

This report is made solely to the Scheme's members, as a body. Our audit work has been undertaken so that we might state to the Scheme's members those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's members, as a body, for our audit work, for this report or for the opinions we have formed.



Chartered Accountants
14 August 2015

Auckland

MERCER KIWISAVER SCHEME
Statements of Net Assets
As at 31 March 2015

	Note	TOTAL		Mercer Conservative		Mercer Balanced		Mercer High Growth	
		2015	2014	2015	2014	2015	2014	2015	2014
		\$	\$	\$	\$	\$	\$	\$	\$
ASSETS									
Cash and cash equivalents		10,962,347	16,002,026	9,078,958	13,270,965	843,907	1,280,005	904,672	1,332,790
Investments held at fair value through profit or loss	6	1,089,307,414	887,642,797	930,660,886	779,965,165	76,654,849	52,963,940	70,732,091	45,366,585
Total Assets		1,100,269,761	903,644,823	939,739,844	793,236,130	77,498,756	54,243,945	71,636,763	46,699,375
LIABILITIES									
Investment management and Trustee fees payable	8	339,365	199,008	277,487	174,624	29,735	11,942	27,718	10,208
Portfolio investment entity tax payable		12,965,049	17,362,703	11,751,690	15,598,007	663,908	920,689	475,532	785,658
Benefits payable		1,852,246	665,914	1,628,433	580,647	50,120	48,560	173,693	19,115
Unallocated contributions		851,512	1,277,791	741,589	1,043,236	49,380	77,684	53,435	147,992
Administration fees payable	8	237,270	536,698	220,610	471,592	7,658	32,024	7,446	27,430
Manager fees (expense recoveries) payable	8	164,563	163,175	142,127	143,373	10,994	9,739	9,842	8,344
Total Liabilities (excluding Net assets attributable to members)		16,410,005	20,205,289	14,761,936	18,011,479	811,795	1,100,638	747,666	998,747
<i>Represented by:</i>									
NET ASSETS ATTRIBUTABLE TO MEMBERS	4	1,083,859,756	883,439,534	924,977,908	775,224,651	76,686,961	53,143,307	70,889,097	45,700,628


These statements are to be read in conjunction with the notes on pages 10 - 40.

MERCER KIWISAVER SCHEME
Statements of Net Assets
As at 31 March 2015

	Note	Mercer Cash		Mercer Moderate	Mercer Growth	Mercer Shares
		2015	2014	2015	2015	2015
		\$	\$	\$	\$	\$
ASSETS						
Cash and cash equivalents		91,612	118,266	30,100	9,794	3,304
Investments held at fair value through profit or loss	6	9,464,952	9,347,107	482,398	1,071,651	240,587
Total Assets		9,556,564	9,465,373	512,498	1,081,445	243,891
LIABILITIES						
Investment management and Trustee fees payable	8	4,346	2,234	51	18	10
Portfolio investment entity tax payable		70,961	58,349	746	1,863	349
Benefits payable		-	17,592	-	-	-
Unallocated contributions		3,201	8,879	787	2,932	188
Administration fees payable	8	1,537	5,652	5	11	3
Manager fees (expense recoveries) payable	8	1,568	1,719	7	21	4
Total Liabilities (excluding Net assets attributable to members)		81,613	94,425	1,596	4,845	554
<i>Represented by:</i>						
NET ASSETS ATTRIBUTABLE TO MEMBERS	4	9,474,951	9,370,948	510,902	1,076,600	243,337

These Financial Statements were authorised for issue by the Manager on 14 August 2015.
Mercer (N.Z.) Limited

For and on behalf of the Directors



 Director



 Director

These statements are to be read in conjunction with the notes on pages 10 - 40.

MERCER KIWISAVER SCHEME
Statements of Changes in Net Assets
For the Year / Period Ended 31 March 2015

	Note	TOTAL		Mercer Conservative		Mercer Balanced		Mercer High Growth	
		2015	2014	2015	2014	2015	2014	2015	2014
		\$	\$	\$	\$	\$	\$	\$	\$
INCOME									
Interest income		523,664	391,376	452,269	346,650	34,984	21,908	31,320	17,988
Net gains on financial assets held at fair value through profit or loss	7	96,566,362	62,524,170	79,336,953	52,342,896	8,091,443	4,770,080	8,792,930	5,081,378
Sundry income		883	802	883	705	-	48	-	41
Total Income		97,090,909	62,916,348	79,790,105	52,690,251	8,126,427	4,792,036	8,824,250	5,099,407
EXPENSES									
Investment management and Trustee fees	8	3,026,862	2,481,647	2,593,549	2,206,200	214,341	135,512	188,578	111,416
Administration fees	8	2,953,619	3,157,509	2,746,229	2,958,231	95,335	92,401	92,692	82,781
Manager fees (expense recoveries)	8	73,046	163,175	61,716	143,373	5,532	9,739	5,162	8,344
Other expenses		829	639	717	565	55	36	50	30
Total Expenses		6,054,356	5,802,970	5,402,211	5,308,369	315,263	237,688	286,482	202,571
NET PROFIT BEFORE MEMBERSHIP ACTIVITIES		91,036,553	57,113,378	74,387,894	47,381,882	7,811,164	4,554,348	8,537,768	4,896,836
MEMBERSHIP ACTIVITIES:									
Contributions / Transfers In									
Member contributions		114,010,980	101,343,287	98,967,024	90,570,697	7,352,513	5,337,040	6,898,653	4,547,595
Employer contributions		67,061,007	59,578,036	60,144,485	54,600,521	3,248,059	2,403,746	3,320,174	2,200,694
Government contributions	3(xiv)	11,054,440	16,857,000	10,990,940	16,813,530	23,575	22,120	37,075	19,550
Tax credits	3(xiv)	24,763,276	21,744,854	22,468,081	19,860,606	1,105,957	931,897	1,023,834	732,479
Transfers in from other schemes	10	8,489,719	2,795,643	5,307,149	2,279,098	1,446,620	325,766	1,579,582	136,959
Transfers to/(from) funds		-	-	(17,419,739)	(13,094,997)	7,232,448	5,750,379	7,583,670	6,902,754
Total Contributions / Transfers In		225,379,422	202,318,820	180,457,940	171,029,455	20,409,172	14,770,948	20,442,988	14,540,031
Benefits Paid / Transfers Out / PIE tax paid									
Payment of benefits	9	(24,906,712)	(26,487,995)	(20,318,654)	(22,367,497)	(1,625,544)	(1,301,301)	(911,220)	(777,377)
Transfers out to other schemes		(77,636,462)	(72,852,747)	(72,539,848)	(67,851,812)	(2,384,202)	(2,281,899)	(2,406,417)	(2,181,508)
Portfolio investment entity taxation expense		(13,452,579)	(18,255,361)	(12,234,075)	(16,438,961)	(666,936)	(947,527)	(474,650)	(806,680)
Total Benefits Paid / Transfers Out / PIE tax paid		(115,995,753)	(117,596,103)	(105,092,577)	(106,658,270)	(4,676,682)	(4,530,727)	(3,792,287)	(3,765,565)
Total transactions with members in their capacity as members		109,383,669	84,722,717	75,365,363	64,371,185	15,732,490	10,240,221	16,650,701	10,774,466
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL YEAR / PERIOD		883,439,534	741,603,439	775,224,651	663,471,584	53,143,307	38,348,738	45,700,628	30,029,326
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL YEAR / PERIOD		1,083,859,756	883,439,534	924,977,908	775,224,651	76,686,961	53,143,307	70,889,097	45,700,628

These statements are to be read in conjunction with the notes on pages 10 - 40.

MERCER KIWISAVER SCHEME
Statements of Changes in Net Assets
For the Year / Period Ended 31 March 2015

	Note	Mercer Cash		Mercer Moderate	Mercer Growth	Mercer Shares
		2015	2014	2015	2015	2015
		\$	\$	\$	\$	\$
INCOME						
Interest income		4,991	4,830	20	66	14
Net gains on financial assets held at fair value through profit or loss	7	333,004	329,816	3,141	8,751	140
Sundry income		-	8	-	-	-
Total Income		337,995	334,654	3,161	8,817	154
EXPENSES						
Investment management and Trustee fees	8	30,362	28,519	45	(15)	2
Administration fees	8	19,132	24,096	62	137	32
Manager fees (expense recoveries)	8	604	1,719	7	21	4
Other expenses		7	8	-	-	-
Total Expenses		50,105	54,342	114	143	38
NET PROFIT BEFORE MEMBERSHIP ACTIVITIES		287,890	280,312	3,047	8,674	116
MEMBERSHIP ACTIVITIES:						
Contributions / Transfers In						
Member contributions		772,002	887,955	5,204	10,468	5,116
Employer contributions		339,597	373,075	3,032	4,287	1,373
Government contributions	3(xiv)	2,550	1,800	300	-	-
Tax credits	3(xiv)	165,404	219,872	-	-	-
Transfers in from other schemes	10	59,323	53,820	64,138	4,844	28,063
Transfers to/(from) funds		904,345	441,864	440,068	1,050,190	209,018
Total Contributions / Transfers In		2,243,221	1,978,386	512,742	1,069,789	243,570
Benefits Paid / Transfers Out / PIE tax paid						
Payment of benefits	9	(2,051,294)	(2,041,820)	-	-	-
Transfers out to other schemes		(301,854)	(537,528)	(4,141)	-	-
Portfolio investment entity taxation expense		(73,960)	(62,193)	(746)	(1,863)	(349)
Total Benefits Paid / Transfers Out / PIE tax paid		(2,427,108)	(2,641,541)	(4,887)	(1,863)	(349)
Total transactions with members in their capacity as members		(183,887)	(663,155)	507,855	1,067,926	243,221
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL YEAR / PERIOD		9,370,948	9,753,791	-	-	-
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL YEAR / PERIOD		9,474,951	9,370,948	510,902	1,076,600	243,337

These statements are to be read in conjunction with the notes on pages 10 - 40.

MERCER KIWISAVER SCHEME
Statements of Cash Flows
For the Year / Period Ended 31 March 2015

	Note	TOTAL		Mercer Conservative		Mercer Balanced		Mercer High Growth	
		2015	2014	2015	2014	2015	2014	2015	2014
		\$	\$	\$	\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES									
Proceeds from sale of investments		160,740,119	39,733,196	138,766,041	45,703,667	25,401,911	5,122,590	23,385,902	3,524,227
Interest income		523,664	391,376	452,269	346,650	34,984	21,908	31,320	17,988
Sundry income		883	802	883	705	-	48	-	41
Payments for purchase of investments		(265,838,374)	(127,483,820)	(210,124,809)	(113,433,036)	(41,001,377)	(15,444,073)	(39,958,478)	(14,071,499)
Fees and other expenses paid		(6,212,039)	(5,332,344)	(5,551,576)	(4,914,056)	(320,581)	(199,756)	(287,458)	(169,408)
Net cash (used in)/from operating activities	11	(110,785,747)	(92,690,790)	(76,457,192)	(72,296,070)	(15,885,063)	(10,499,283)	(16,828,714)	(10,698,651)
CASH FLOWS FROM FINANCING ACTIVITIES									
Member contributions		114,010,980	101,343,287	98,967,024	90,570,697	7,352,513	5,337,040	6,898,653	4,547,595
Employer contributions		67,061,007	59,578,036	60,144,485	54,600,521	3,248,059	2,403,746	3,320,174	2,200,694
Government contributions	3(xiv)	11,054,440	16,857,000	10,990,940	16,813,530	23,575	22,120	37,075	19,550
Tax credits	3(xiv)	24,763,276	21,744,854	22,468,081	19,860,606	1,105,957	931,897	1,023,834	732,479
Transfers from other schemes		8,489,719	2,795,643	5,307,149	2,279,098	1,446,620	325,766	1,579,582	136,959
Transfers to/(from) portfolios		-	-	(17,419,739)	(13,094,997)	7,232,448	5,750,379	7,583,670	6,902,754
Portfolio investment entity taxation expense		(17,850,233)	(7,000,878)	(16,080,392)	(6,224,067)	(923,717)	(378,306)	(784,776)	(337,485)
Unallocated contributions		(426,279)	201,058	(301,647)	67,386	(28,304)	31,573	(94,557)	100,824
Benefits paid		(23,720,380)	(26,824,778)	(19,270,868)	(22,712,028)	(1,623,984)	(1,259,297)	(756,642)	(779,850)
Transfers out to other schemes		(77,636,462)	(72,852,747)	(72,539,848)	(67,851,812)	(2,384,202)	(2,281,899)	(2,406,417)	(2,181,508)
Net cash from/(used in) financing activities		105,746,068	95,841,475	72,265,185	74,308,934	15,448,965	10,883,019	16,400,596	11,342,012
Net (decrease)/increase in cash and cash equivalents		(5,039,679)	3,150,685	(4,192,007)	2,012,864	(436,098)	383,736	(428,118)	643,361
Cash and cash equivalents at beginning of the year / period		16,002,026	12,851,341	13,270,965	11,258,101	1,280,005	896,269	1,332,790	689,429
CASH AND CASH EQUIVALENTS AT END OF THE YEAR / PERIOD		10,962,347	16,002,026	9,078,958	13,270,965	843,907	1,280,005	904,672	1,332,790

These statements are to be read in conjunction with the notes on pages 10 - 40.

MERCER KIWISAVER SCHEME
Statements of Cash Flows
For the Year / Period Ended 31 March 2015

	Note	Mercer Cash		Mercer Moderate	Mercer Growth	Mercer Shares
		2015	2014	2015	2015	2015
		\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES						
Proceeds from sale of investments		1,115,000	11,697,000	1,150	881	2
Interest income		4,991	4,830	20	66	14
Sundry income		-	8	-	-	-
Payments for purchase of investments		(899,841)	(10,849,500)	(480,407)	(1,063,781)	(240,449)
Fees and other expenses paid		(52,259)	(49,124)	(51)	(93)	(21)
Net cash (used in)/from operating activities	11	167,891	803,214	(479,288)	(1,062,927)	(240,454)
CASH FLOWS FROM FINANCING ACTIVITIES						
Member contributions		772,002	887,955	5,204	10,468	5,116
Employer contributions		339,597	373,075	3,032	4,287	1,373
Government contributions	3(xiv)	2,550	1,800	300	-	-
Tax credits	3(xiv)	165,404	219,872	-	-	-
Transfers from other schemes		59,323	53,820	64,138	4,844	28,063
Transfers to/(from) portfolios		904,345	441,864	440,068	1,050,190	209,018
Portfolio investment entity taxation expense		(61,348)	(61,020)	-	-	-
Unallocated contributions		(5,678)	1,275	787	2,932	188
Benefits paid		(2,068,886)	(2,073,603)	-	-	-
Transfers out to other schemes		(301,854)	(537,528)	(4,141)	-	-
Net cash from/(used in) financing activities		(194,545)	(692,490)	509,388	1,072,721	243,758
Net (decrease)/increase in cash and cash equivalents		(26,654)	110,724	30,100	9,794	3,304
Cash and cash equivalents at beginning of the year / period		118,266	7,542	-	-	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR / PERIOD		91,612	118,266	30,100	9,794	3,304

These statements are to be read in conjunction with the notes on pages 10 - 40.

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

1 SCHEME DESCRIPTION

The Mercer KiwiSaver scheme ("the Scheme") is a KiwiSaver scheme registered under the KiwiSaver Act 2006 and has been specified as a default KiwiSaver scheme under that Act. The Scheme was established on 30 March 2007 in Auckland. The Scheme commenced accepting members on 1 October 2007 and is designed to help individuals save for their retirement. The Scheme is a defined contribution superannuation scheme and was established with the principal purpose of providing retirement benefits to members.

The legal documents governing the Scheme are the Trust Deed dated 27 March 2007, as amended, and the KiwiSaver Default Provider (Mercer) Notice 2014 dated 16 April 2014.

These financial statements are for the Scheme which comprises the following funds:

- Mercer Conservative (previously named Mercer KiwiSaver Conservative fund)
- Mercer Balanced
- Mercer High Growth
- Mercer Cash
- Mercer Moderate (commenced 18 February 2015)
- Mercer Growth (commenced 18 February 2015)
- Mercer Shares (commenced 18 February 2015)

On 18 February 2015 Mercer Moderate, Mercer Growth and Mercer Shares were established to offer members a diversified mix of investment strategies. The investment funds of the Scheme each invest in a wide range of Mercer unit trusts providing members with the choice of varying levels of risk exposure for the duration of membership until retirement and beyond. Accordingly, the reported balances for Mercer Moderate, Mercer Growth and Mercer Shares cover the period from 18 February 2015 to 31 March 2015, and accordingly, there are no comparative balances.

The Scheme consists of the following investment portfolios in Mercer unit trusts as defined below:

Mercer Unit Trust	Investment Portfolio
Mercer Trans-Tasman Shares Trust	- Mercer Trans Tasman Shares Portfolio A
Mercer Unhedged Overseas Shares Trust	- Mercer Unhedged Overseas Shares Portfolio - Mercer Overseas Shares Portfolio B - Mercer Overseas Low Volatility Shares Portfolio
Mercer Hedged Overseas Shares Trust	- Mercer Hedged Overseas Shares Portfolio - Mercer Hedged Overseas Shares Portfolio B
Mercer Overseas Small Companies and Emerging Markets Trust	- Mercer Overseas Small Companies Portfolio - Mercer Emerging Markets Portfolio
Mercer Trans-Tasman Property Trust	- Mercer Unlisted Property Portfolio B
Mercer Overseas Property Trust	- Mercer Listed Property Portfolio - Mercer Listed Infrastructure Portfolio - Mercer Passive Listed Property Portfolio - Mercer Passive Listed Infrastructure Portfolio - Mercer Unlisted Infrastructure Portfolio
Mercer Alternative Assets Trust	- Mercer Liquid Alternative Strategies Portfolio
Mercer Cash Trust	- Mercer Indexed Cash Portfolio
Mercer New Zealand Fixed Interest Trust	- Mercer New Zealand Sovereign Bond Portfolio - Mercer Australian Sovereign Bonds Portfolio - Mercer Australian Inflation Linked Bonds Portfolio
Mercer Overseas Fixed Interest Trust	- Mercer Overseas Sovereign Bond Portfolio - Mercer Global Credit Portfolio - Mercer Emerging Markets Debt Portfolio
Mercer Commodities Trust	- Mercer Natural Resources Portfolio

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

1 SCHEME DESCRIPTION (continued)

Mercer (N.Z.) Limited ("Mercer") is the Manager and Issuer of the Scheme. It is responsible for the management and administration of the Scheme, including responsibility for the preparation and issue of the Scheme's financial statements.

Trustees Executors Limited is the Trustee of the Scheme and is an Independent Trustee licensed under the Financial Markets Supervisors Act 2011 to act as Trustee in respect of the Scheme.

The Manager's registered office is Level 18, 151 Queen Street, Auckland City, Auckland 1010.

2 BASIS OF PREPARATION

The financial statements are being presented on a segregated portfolio basis in accordance with the requirements of the Financial Reporting Act 1993 section 9A. Segregated portfolio reporting has also been applied to 31 March 2014 comparatives where applicable.

The assets of each Investment Fund are the exclusive property of that Investment Fund, and all liabilities incurred in relation to an Investment Fund are the exclusive liabilities of that Investment Fund.

The results and position reported for the Scheme is an aggregation of the result, position and cashflows of the Investment Funds that make up the Scheme and therefore not all interfund transactions are eliminated.

Statement of Compliance

The Scheme is the reporting entity. The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and the requirements of the KiwiSaver Act 2006, the Financial Reporting Act 1993, the Superannuation Schemes Act 1989, the provisions of the Trust Deed and other relevant legislative requirements as appropriate for profit oriented entities.

From 1 April 2014, the new Financial Reporting Act 2013 ("FRA 2013") has come into force replacing the Financial Reporting Act 1993, effective for all for-profit entities with reporting periods beginning on or after 1 April 2014. In accordance with the transitional provisions under Section 55 of the Financial Reporting Act 2013 and Schedule 4, Clause (18)(1)(a) of the Financial Markets Conduct Act 2013 ("FMC Act 2013"), the financial statements of the Scheme continue to comply with the Financial Reporting Act 1993 for the year ended 31 March 2015.

The Scheme expects to become a FMC reporting entity and will prepare its first set of financial statements under the FMC Act 2013 for its 31 March 2016 year end. The change in legislation will have no material impact on the Scheme's obligation to prepare general purpose financial statements.

The Scheme is a Tier 1 entity and, as such, the financial statements comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. These financial statements also comply with International Financial Reporting Standards ("IFRS").

The financial statements were authorised for issue by the Manager, Mercer, on 14 August 2015.

Measurement Base

The measurement base adopted is that of historical cost modified by the revaluation of financial assets held at fair value through profit or loss.

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars which is the currency of the primary economic environment in which the Scheme operates (the 'functional currency'). The financial statements are rounded to the nearest New Zealand dollar.

Assumptions, Estimates and Judgements

The preparation of the financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Scheme's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to the financial statements.

Duration of the Scheme

Clause 25 of the Trust Deed requires that the Scheme and each Member's Account will terminate:

- (i) at such time as the KiwiSaver Scheme Rules provide or the Manager determines.
- (ii) On termination of the Scheme, the Trustee will on the Manager's direction (but subject to Rule 1C(2) of the KiwiSaver Scheme Rules) realise all Scheme Property, pay or discharge all Scheme Liabilities and expenses of termination and distribute the net proceeds to the Members in accordance with the relevant requirements provided that all Members whose Member's Accounts were invested in a particular portfolio shall, on termination of their Member's Accounts, rank equally amongst themselves in respect of the resulting assets attributable to that portfolio in proportion to the number of units each Member held in that portfolio.

2 BASIS OF PREPARATION (Continued)

Funding Arrangements

The Scheme is a defined contribution scheme as defined by the KiwiSaver Act 2006. Funding in the form of contributions is received primarily from three sources: members of the Scheme; employers of members of the Scheme; and the Government (in accordance with the provisions of the KiwiSaver Act 2006). Members may contribute to the Scheme at varying designated additional contributions in excess of any salary or wage linked contributions. As of 31 March 2015, employer contribution rates are either 3% or greater (2014: 3% or greater) of each relevant member's gross salary or wages.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of the financial statements are set out below.

Except for the changes explained in Note 3(xiii), the accounting policies set out below have been applied consistently to all periods.

(i) **Income**

Interest income

Interest income as recognised in the Statements of Changes in Net Assets is derived from cash at bank and cash equivalents and is recognised on a time-proportionate basis using the effective interest method.

Changes in fair value of investments

Net gains or losses on financial assets held at fair value through profit or loss are calculated as the difference between fair value at sale, or at period end, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses, but does not include interest income and is net of any fees charged within underlying unit trust investments where these are incurred through a reduction in the value of the investment.

Sundry income

Sundry income as recognised in the Statements of Changes in Net Assets is accounted for on an accruals basis.

(ii) **Financial Assets at Fair Value Through Profit or Loss**

Classification

The Scheme designates its investment securities comprising investments in unlisted unit trusts as financial assets at fair value through profit or loss at inception.

Financial assets held at fair value through profit or loss are those that are managed and their performance evaluated on a fair value basis in accordance with the Scheme's documented investment strategy. The Scheme's policy is for the Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information. As stated above, the Manager has determined that all financial assets of the Scheme are held at fair value through profit or loss with the exception of cash and cash equivalents, classified as loans and receivables.

Recognition and derecognition

Purchases and sales of investments are recognised on the trade date - the date on which the Scheme commits to purchase or sell the investment.

Investments are derecognised when the rights to receive cashflows from the investment have expired or the Scheme has transferred substantially all risks and rewards of ownership.

Measurement

Financial assets held at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Statements of Changes in Net Assets. Subsequent to initial recognition, all financial assets held at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets held at fair value through profit or loss' category are included in the Statements of Changes in Net Assets in the period in which they arise.

Fair value estimation

The fair value of units held by the Scheme in managed investment trusts is determined by reference to published bid prices at the close of business on the reporting date being the redemption price established by the underlying fund manager.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Net Assets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(iii) **Expenses**

All expenses are accounted for on an accrual basis.

(iv) **Taxation**

The Scheme qualifies as and has elected to be treated as a Portfolio Investment Entity ("PIE") for tax purposes.

Under the PIE regime, the Manager attributes the taxable income of the Scheme to members in accordance with their proportionate interest in the Scheme. The income attributed to each member is taxed at the member's prescribed investor rate ("PIR") which is currently capped at 28%. The Manager accounts for tax on behalf of natural persons and certain other members and adjusts the members' interests in the Scheme to reflect that tax is paid at varying rates on behalf of the members.

As the legislation regarding the taxation of PIE provides that the Scheme pays tax on behalf of its members. The PIE taxation expense/(refund) disclosed in the Statements of Changes in Net Assets is the expense attributable to members and is measured based on tax rates applicable to those members.

The tax amount in the Statements of Net Assets represents the remaining tax payable/(receivable) by the Scheme on behalf of the members under the PIE regime to 31 March each year.

(v) **Loans and Receivables**

Loans and receivables may include amounts for interest, cash at bank and amounts due from brokers for securities sold that have been contracted for but not yet delivered at the end of the accounting period. Loans and receivables are initially recognised at fair value, being the amounts receivable. They are subsequently measured at amortised cost using the effective interest method, reduced for impairment as appropriate. Any impairment charge is recognised in the Statements of Changes in Net Assets. The carrying amounts of the receivables of the Scheme at balance date are a reasonable approximation of their fair value.

(vi) **Payables**

Payables are not interest-bearing and are initially stated at their fair value then subsequently measured at amortised cost using the effective interest method. The carrying amounts of the payables in the Scheme at balance date are a reasonable approximation of their fair value.

(vii) **Net Assets Attributable to Members**

The net assets attributable to members represents the liability for promised retirement benefits and are measured at amortised cost.

The Funds issue units that are redeemable at the Members' option and do not have identical features and are therefore classified as financial liabilities. The units can be put back to the Funds at any time for the purpose of permitted withdrawals (such as reaching the retirement age of 65 or enduring significant hardship), transferred to another Fund within the Scheme or a separate KiwiSaver Scheme and which are equal to a proportionate share of the respective Fund's net asset value which is the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable at the period end date if Members exercise their right to put the units back to the Funds.

As stipulated in the Trust Deed, each unit represents a right to an individual share in the respective Fund and does not extend to a right in the underlying assets of the respective Fund. Separate classes of units are created within the Funds to reflect the different Prescribed Investment Rates (PIR) of the Members. Each Member's account is invested in classes of units within the relevant Funds based on the member's PIR that has been most recently notified to the Manager. Each unit of a specified class has the same rights attaching to it as all other units of the same class within the relevant Fund.

Units are issued and redeemed at the holder's option at prices based on the Funds' net asset value per class of unit at the time of issue or redemption. The Funds' net asset value per class of unit is calculated by dividing the net assets attributable to all holders of units in the same class for each Fund by the total number of units on issue of the same class in each Fund.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(viii) Accounting Policy for Investment Entities

Whilst the Scheme has investments in a number of related party wholesale investment trusts, it has not prepared consolidated financial statements. The Scheme has determined that it is an investment entity under the definition in NZ IFRS 10 as it meets the following criteria:

- the Scheme has obtained funds from unitholders for the purpose of providing them with investment management services;
- the Scheme's business purpose, which it communicated directly to unit holders, is investing solely for returns from capital appreciation and investment income; and
- the performance of investments made by the Scheme are measured and evaluated on a fair value basis.

The Scheme also meets all of the typical characteristics of an investment entity.

As a consequence, in the event the interest in the wholesale investment trusts meets the definition of control, the Scheme is not required to consolidate these investments, and continues to account for these investments at fair value through profit or loss.

(ix) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cash at bank and deposits held at call with banks with an original maturity of three months or less.

(x) Statements of Cash Flows

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represents the Scheme's main income generating activity.

The cash flows of the Scheme do not include those of the investment managers. The following are definitions of the terms used in the Statements of Cash Flows:

Operating activities - are those relating to the principal income-producing activities of the Scheme and other activities that are not financing activities. These include those cash flows relating to the acquisitions, holding and disposal of investments and investments in securities not falling within the definition of cash.

Financing activities - are those activities that result in changes in the size and composition of member's funds. This includes elements of members' funds not falling within the definition of cash.

(xi) Contributions and Withdrawals

Contributions and withdrawals are accounted for on an accruals basis. Contributions are initially recognised at fair value when the Manager has confirmed the validity of the application details and instructions. Claims for death, retirement or other benefits are recognised when the Member meets the condition required for withdrawal eligibility.

Unallocated contributions arise when monies have been received but not yet allocated to members' accounts in the administration system at balance date. Unallocated contributions are recorded at their value, being the amounts received, and units are purchased at the unit price applicable on the date of allocation to members' accounts.

(xii) Goods and Services Tax (GST)

The Scheme is not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.

(xiii) Application of Accounting Standards

(a) New and amended standards adopted by the Scheme:

The Scheme has applied the following standards and amendments for the first time in its annual reporting period commencing on 1 April 2014:

(i) NZ IAS 26: 'Fair value disclosures by Retirement Benefit Plans' (Effective from 1 January 2015)

NZ IFRS 13 led to some ambiguity about the level of detail that retirement benefit plans should provide on the application of the fair value hierarchy to the assets and liabilities of retirement benefit plans. This amendment inserted New Zealand specific paragraphs requiring disclosures for all fair value measurements as opposed to NZ IFRS 13 which distinguishes between recurring and non-recurring measurements.

The Scheme has early adopted this amendment.

The adoption of this amendment has not had an impact on the financial statements. There are no other new standards that are relevant for the Scheme.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(xiii) Application of Accounting Standards (Continued)

(b) New standards, amendments and interpretations not yet adopted:

The following standards, amendments to standards and interpretations have been published, and are not mandatory for the 31 March 2015 reporting period and have not yet been applied in the financial statements. The directors' assessment of the impact of these new standards and interpretations are set out below:

(i) NZ IFRS 9: 'Financial Instruments' (Effective date: periods beginning on or after 1 January 2018)

NZ IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of NZ IFRS 9 was issued in September 2014. It replaces the guidance in NZ IAS 39 that relates to the classification, measurement and recognition of financial instruments. NZ IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in NZ IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. NZ IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under NZ IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Scheme intends to adopt NZ IFRS 9 on its effective date and has yet to assess its full impact.

There are no other standards, amendments or interpretations that are expected to have an impact on the Scheme's financial statements.

(xiv) Comparative Information

Certain comparative information has been restated so as to match the current year / period classification. The following comparative information has been restated.

Government Contributions

The 2014 comparative information in the Statements of Changes in Net Assets and Statements of Cash Flows has been restated so that Tax Credits are now shown separately in the Statements of Changes in Net Assets and Statements of Cash Flows. These Tax Credits had previously been included in Government Contributions in the Statements of Changes in Net Assets and Statements of Cash Flows. The amounts of Government Contributions and Tax Credits restated are as follows:

	Current Year Presentation		Prior Year Presentation
	Government Contributions	Tax Credits	Government Contributions
	2014	2014	2014
	\$	\$	\$
Mercer Conservative	16,813,530	19,860,606	36,674,136
Mercer Balanced	22,120	931,897	954,017
Mercer High Growth	19,550	732,479	752,029
Mercer Cash	1,800	219,872	221,672
Total	16,857,000	21,744,854	38,601,854

This restatement has no impact on Net Assets of the Scheme. The effect of these restatements has had no impact on the Scheme's Statements of Changes in Net Assets or Net Assets Attributable to Members.

Investments held at fair value through profit or loss

The disclosure of investments, designated at fair value through profit or loss, as disclosed in this note in 2014 were at an investment trust level. In 2015 the disclosure has been updated in the Note to present investments at the investment portfolio level. An investment trust comprises of investment portfolios, accordingly the comparatives have been re-stated on this basis. This restatement has no impact on Net Assets and no effect or impact on the Scheme's Statements of Changes in Net Assets.

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Notes to the Financial Statements
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4 VESTED BENEFITS

Vested benefits are the rights to which, under the conditions of the Scheme's Trust Deed, are not conditional on continued membership.

All benefits are fully vested to members' accounts unless otherwise indicated in the notes.

	TOTAL		Mercer Conservative		Mercer Balanced		Mercer High Growth	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Member accounts	1,082,943,437	882,950,583	924,114,259	774,620,001	76,781,289	53,200,925	70,714,783	45,758,387
Adjustments arising from valuation differences	916,319	488,951	863,649	604,650	(94,328)	(57,618)	174,314	(57,759)
Net Assets Attributable to Members	1,083,859,756	883,439,534	924,977,908	775,224,651	76,686,961	53,143,307	70,889,097	45,700,628

	Mercer Cash		Mercer Moderate	Mercer Growth	Mercer Shares
	2015	2014	2015	2015	2015
	\$	\$	\$	\$	\$
Member accounts	9,508,556	9,371,270	509,789	1,071,236	243,525
Adjustments arising from valuation differences	(33,605)	(322)	1,113	5,364	(188)
Net Assets Attributable to Members	9,474,951	9,370,948	510,902	1,076,600	243,337

Valuation differences exist between the Net assets attributable to members and vested benefits because of the following: Net assets attributable to members are derived using accounting principles on an accruals basis resulting in timing differences in the settlement of certain accrued items and the impact thereof on unit pricing, whereas vested benefits are derived as the sum of individual member account balances, which are calculated using the 31 March unit prices.

5 GUARANTEED BENEFITS

No guarantees have been made in respect of any part of the Net Assets Attributable to Members.

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

6 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

The Scheme held investments in the following unlisted Unit Trusts:

	TOTAL		Mercer Conservative		Mercer Balanced		Mercer High Growth	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Designated at fair value through profit or loss								
Mercer Australian Inflation Linked Bonds Portfolio	1,335,920	1,079,907	-	-	968,576	1,079,907	355,005	-
Mercer Australian Sovereign Bonds Portfolio	780,192	24,183,867	506,476	22,888,146	238,994	1,020,886	30,496	274,835
Mercer Emerging Markets Debt Portfolio	1,549,834	1,523,633	-	-	1,036,495	1,062,482	498,589	461,151
Mercer Emerging Markets Portfolio	7,522,507	4,669,743	-	-	2,682,572	2,096,116	4,750,306	2,573,627
Mercer Global Credit Portfolio	127,432,891	108,251,237	121,752,306	106,629,663	5,231,315	1,621,574	373,667	-
Mercer Hedged Overseas Shares Portfolio B	52,506,524	-	33,000,962	-	7,217,113	-	12,050,439	-
Mercer Indexed Cash Portfolio	340,809,892	292,279,082	321,257,722	274,868,551	9,201,534	6,917,293	642,343	1,146,131
Mercer Liquid Alternative Strategies Portfolio	4,413,242	2,699,636	-	-	2,280,179	1,330,196	2,091,861	1,369,440
Mercer Listed Infrastructure Portfolio	13,000,783	4,009,733	8,237,779	2,515,290	2,281,094	668,200	2,439,664	826,243
Mercer Listed Property Portfolio	7,170,989	2,650,945	3,302,972	1,651,390	2,005,877	460,221	1,831,077	539,334
Mercer Natural Resources Portfolio	7,144,808	8,285,498	4,579,536	5,572,021	1,072,512	1,084,946	1,467,634	1,628,531
Mercer New Zealand Sovereign Bond Portfolio	148,377,141	97,934,606	138,847,201	92,809,452	7,980,428	4,063,061	1,440,980	1,062,093
Mercer Hedged Overseas Shares Portfolio	18,629,485	57,962,388	12,189,918	39,865,379	2,331,067	7,980,294	4,035,409	10,116,715
Mercer Overseas Low Volatility Shares Portfolio	17,199,787	3,010,897	11,578,726	-	1,866,798	1,355,821	3,678,135	1,655,076
Mercer Overseas Small Companies Portfolio	6,067,334	2,578,766	-	-	2,140,522	1,267,770	3,858,017	1,310,996
Mercer Overseas Sovereign Bond Portfolio	152,970,258	124,698,221	145,335,763	120,513,387	7,249,631	3,486,178	292,458	698,656
Mercer Passive Listed Infrastructure Portfolio	671,820	5,150,781	476,274	3,627,703	123,422	700,222	72,124	822,856
Mercer Passive Listed Property Portfolio	587,363	5,271,321	460,801	4,062,093	83,477	584,530	43,085	624,698
Mercer Trans Tasman Shares Portfolio A	66,459,206	55,980,761	46,042,846	40,031,689	7,552,324	6,670,564	12,636,522	9,278,508
Mercer Unhedged Overseas Shares Portfolio	20,017,948	56,079,635	14,997,569	44,946,299	1,963,196	4,683,248	3,003,160	6,450,088
Mercer Overseas Shares Portfolio B	56,308,689	-	41,533,309	-	5,741,109	-	8,872,347	-
Mercer Unlisted Infrastructure Portfolio	20,863,947	15,947,107	14,891,485	10,745,771	2,679,594	2,671,307	3,234,709	2,530,029
Mercer Unlisted Property Portfolio B	17,486,854	13,395,033	11,669,241	9,238,331	2,727,020	2,159,124	3,034,064	1,997,578
Total Investments held at Fair Value through profit or loss	1,089,307,414	887,642,797	930,660,886	779,965,165	76,654,849	52,963,940	70,732,091	45,366,585

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

6 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The Scheme held investments in the following unlisted Unit Trusts:

	Mercer Cash		Mercer Moderate	Mercer Growth	Mercer Shares
	2015	2014	2015	2015	2015
Designated at fair value through profit or loss	\$	\$	\$	\$	\$
Mercer Australian Inflation Linked Bonds Portfolio	-	-	2,685	9,654	-
Mercer Australian Sovereign Bonds Portfolio	-	-	1,203	3,023	-
Mercer Emerging Markets Debt Portfolio	-	-	3,580	11,170	-
Mercer Emerging Markets Portfolio	-	-	8,028	60,235	21,366
Mercer Global Credit Portfolio	-	-	33,338	42,265	-
Mercer Hedged Overseas Shares Portfolio B	-	-	21,439	165,975	50,596
Mercer Indexed Cash Portfolio	9,464,952	9,347,107	195,141	48,200	-
Mercer Liquid Alternative Strategies Portfolio	-	-	10,772	30,430	-
Mercer Listed Infrastructure Portfolio	-	-	7,208	35,038	-
Mercer Listed Property Portfolio	-	-	5,385	25,678	-
Mercer Natural Resources Portfolio	-	-	3,536	21,590	-
Mercer New Zealand Sovereign Bond Portfolio	-	-	54,373	54,159	-
Mercer Hedged Overseas Shares Portfolio	-	-	7,516	48,695	16,880
Mercer Overseas Low Volatility Shares Portfolio	-	-	4,114	51,754	20,260
Mercer Overseas Small Companies Portfolio	-	-	5,968	45,726	17,101
Mercer Overseas Sovereign Bond Portfolio	-	-	44,773	47,633	-
Mercer Passive Listed Infrastructure Portfolio	-	-	-	-	-
Mercer Passive Listed Property Portfolio	-	-	-	-	-
Mercer Trans Tasman Shares Portfolio A	-	-	27,722	129,754	70,038
Mercer Unhedged Overseas Shares Portfolio	-	-	6,573	36,325	11,125
Mercer Overseas Shares Portfolio B	-	-	19,131	109,572	33,221
Mercer Unlisted Infrastructure Portfolio	-	-	10,007	48,152	-
Mercer Unlisted Property Portfolio B	-	-	9,906	46,623	-
Total Investments held at Fair Value through profit or loss	9,464,952	9,347,107	482,398	1,071,651	240,587

6 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Fair Value Hierarchy

The Scheme's financial instruments carried at fair value are grouped into Levels 1 to 3 based upon the degree to which the fair value is observable. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as published prices being the redemption price established by the underlying fund manager) or indirectly (i.e., derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investments held at fair value through profit or loss are classified as Level 2 under the fair value hierarchy as the fair value of these investments at balance date is determined using the last available redemption unit price of those funds (2014: Same). During the year / period there were no transfers of investments between levels (2014: Same).

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
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7 NET GAINS ON FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

The Scheme derived net gains on financial assets held at fair value through profit or loss during the year in the following unlisted Unit Trusts:

	TOTAL		Mercer Conservative		Mercer Balanced		Mercer High Growth	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Mercer Alternative Assets Portfolio	-	187,699	-	-	-	90,666	-	97,033
Mercer Australian Inflation Linked Bonds Portfolio	37,413	24,458	-	-	27,383	24,458	10,005	-
Mercer Australian Sovereign Bonds Portfolio	2,943,215	451,252	2,604,266	429,137	286,022	17,571	52,040	4,544
Mercer Emerging Markets Debt Portfolio	21,201	(182,302)	-	-	14,249	(128,594)	6,938	(53,708)
Mercer Emerging Markets Portfolio	732,199	(242,870)	-	-	268,047	(108,810)	463,679	(134,060)
Mercer Global Credit Portfolio	10,517,824	11,123,668	10,075,048	10,952,534	413,633	171,134	28,667	-
Mercer Hedged Overseas Shares Portfolio B	7,014,416	-	4,452,651	-	972,783	-	1,587,369	-
Mercer Indexed Cash Portfolio	11,899,269	9,208,763	11,191,327	8,667,841	335,459	188,535	39,061	22,571
Mercer Liquid Alternative Strategies Portfolio	428,742	75,136	-	-	220,526	37,596	207,921	37,540
Mercer Listed Infrastructure Portfolio	1,154,269	660,220	733,082	427,006	202,164	108,675	218,751	124,539
Mercer Listed Property Portfolio	1,004,343	258,128	490,932	165,096	265,763	43,658	247,333	49,374
Mercer Natural Resources Portfolio	(926,982)	767,905	(596,110)	518,693	(141,040)	101,820	(189,597)	147,392
Mercer New Zealand Sovereign Bond Portfolio	9,238,882	(881,044)	8,657,449	(866,586)	490,522	(11,120)	90,387	(3,338)
Mercer Hedged Overseas Shares Portfolio	3,423,733	9,583,303	2,260,713	6,731,733	437,221	1,287,240	725,048	1,564,330
Mercer Overseas Inflation Linked Bond Portfolio	-	(3,917)	-	-	-	(3,917)	-	-
Mercer Overseas Low Volatility Shares Portfolio	759,821	320,591	492,713	-	93,120	148,363	173,809	172,228
Mercer Overseas Small Companies Portfolio	774,412	350,539	-	-	283,413	180,866	490,521	169,673
Mercer Overseas Sovereign Bond Portfolio	17,395,352	8,856,785	16,556,468	8,579,573	797,872	228,957	40,202	48,255
Mercer Passive Listed Infrastructure Portfolio	1,220,140	1,105,600	1,128,548	810,352	47,098	139,372	44,494	155,876
Mercer Passive Listed Property Portfolio	1,080,042	470,496	1,010,277	368,486	37,581	49,527	32,184	52,483
Mercer Trans Tasman Shares Portfolio A	7,388,660	10,293,474	5,132,964	7,551,738	852,212	1,183,843	1,402,214	1,557,893
Mercer Unhedged Overseas Shares Portfolio	5,644,052	6,022,661	4,287,006	5,165,684	542,471	371,398	813,712	485,579
Mercer Overseas Shares Portfolio B	11,280,079	-	8,417,826	-	1,134,975	-	1,725,436	-
Mercer Unlisted Infrastructure Portfolio	1,924,140	2,296,017	1,367,821	1,584,742	254,361	374,324	301,570	336,951
Mercer Unlisted Property Portfolio B	1,611,140	1,777,608	1,073,972	1,256,867	255,608	274,518	281,186	246,223
Total net gains on financial assets held at fair value through profit or loss	96,566,362	62,524,170	79,336,953	52,342,896	8,091,443	4,770,080	8,792,930	5,081,378

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

7 NET GAINS ON FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

	Mercer Cash		Mercer Moderate	Mercer Growth	Mercer Shares
	2015	2014	2015	2015	2015
	\$	\$	\$	\$	\$
Mercer Alternative Assets Portfolio	-	-	-	-	-
Mercer Australian Inflation Linked Bonds Portfolio	-	-	6	19	-
Mercer Australian Sovereign Bonds Portfolio	-	-	286	601	-
Mercer Emerging Markets Debt Portfolio	-	-	4	10	-
Mercer Emerging Markets Portfolio	-	-	66	398	9
Mercer Global Credit Portfolio	-	-	236	240	-
Mercer Hedged Overseas Shares Portfolio B	-	-	247	1,336	30
Mercer Indexed Cash Portfolio	333,004	329,816	302	116	-
Mercer Liquid Alternative Strategies Portfolio	-	-	90	205	-
Mercer Listed Infrastructure Portfolio	-	-	56	216	-
Mercer Listed Property Portfolio	-	-	66	249	-
Mercer Natural Resources Portfolio	-	-	(40)	(195)	-
Mercer New Zealand Sovereign Bond Portfolio	-	-	291	233	-
Mercer Hedged Overseas Shares Portfolio	-	-	119	618	14
Mercer Overseas Inflation Linked Bond Portfolio	-	-	-	-	-
Mercer Overseas Low Volatility Shares Portfolio	-	-	16	158	5
Mercer Overseas Small Companies Portfolio	-	-	65	403	10
Mercer Overseas Sovereign Bond Portfolio	-	-	436	374	-
Mercer Passive Listed Infrastructure Portfolio	-	-	-	-	-
Mercer Passive Listed Property Portfolio	-	-	-	-	-
Mercer Trans Tasman Shares Portfolio A	-	-	260	981	29
Mercer Unhedged Overseas Shares Portfolio	-	-	155	694	14
Mercer Overseas Shares Portfolio B	-	-	322	1,491	29
Mercer Unlisted Infrastructure Portfolio	-	-	80	308	-
Mercer Unlisted Property Portfolio B	-	-	78	296	-
Total net gains on financial assets held at fair value through profit or loss	333,004	329,816	3,141	8,751	140

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

8 RELATED PARTIES

The Trustee of the Scheme is Trustees Executors Limited. The Trustee is entitled to remuneration from the Scheme. These fees form a component of the Investment management and Trustee fees reflected below. All related party transactions are conducted on normal commercial terms and conditions.

The Manager and Trustee are entitled to remuneration from the Scheme. This is represented by the Investment management and Trustee fees and Administration fees in the Statements of Changes in Net Assets. These are recovered through the cancellation of units on the basis of the daily net asset value for asset based fees or per member for fixed fees. The fee rates for 2015 and 2014 are disclosed below:

	2015			2014		
	Investment management fee	Administration fee	Trustee fee	Investment management fee	Administration fee	Trustee fee
Portfolio	% p.a.	\$ per month per member	% p.a.	% p.a.	\$ per month per member	% p.a.
Mercer Conservative	0.50%	\$2.50	up to 0.03%	0.50%	\$2.85	up to 0.03%
Mercer Balanced	0.68%	\$2.50	up to 0.03%	0.72%	\$2.85	up to 0.03%
Mercer High Growth	0.82%	\$2.50	up to 0.03%	0.82%	\$2.85	up to 0.03%
Mercer Cash	0.32%	\$2.50	up to 0.03%	0.32%	\$2.85	up to 0.03%
Mercer Moderate	0.59%	\$2.50	up to 0.03%			
Mercer Growth	0.77%	\$2.50	up to 0.03%			
Mercer Shares	0.90%	\$2.50	up to 0.03%			

Investment management fees incurred by the Scheme are deducted through two components:

- The first component comprises investment management fees charged at MITNZ level, a series of wholesale investment trusts managed by Mercer which the Scheme holds as disclosed in Note 6. These investment management fees are incurred through a reduction in the unit price of MITNZ holdings of the Scheme. This is reflected within net gains on financial assets held at fair value through profit or loss in the Statements of Changes in Net Assets.
- The second component is fees deducted directly from the Scheme and invoiced by Mercer. These represent the balancing amounts of asset based investment management fees once the deduction of fees from MITNZ are taken into account.

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

8 RELATED PARTIES (Continued)

Amounts paid to Mercer and Mercer Investments (New Zealand) Limited ("MINZL") for their services as administration fees and investment manager including investment management fees paid to Mercer (N.Z.) Limited via the Mercer Investment Trusts New Zealand ("MITNZ") unit price and Trustee fees paid by Mercer for the year / period are disclosed below.

As outlined in the Scheme's Trust Deed, the Manager is also entitled to be reimbursed for various fees and expenses incurred in acting as Manager. In the disclosure below these expenses are titled Manager fees (expense recoveries) and may include legal and other professional services, audit and tax fees and filing fees.

	TOTAL		Mercer Conservative		Mercer Balanced		Mercer High Growth	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Investment management fees								
Investment management fees paid to Mercer (N.Z.) Limited	2,782,386	2,268,356	2,382,029	2,017,483	198,234	123,512	174,117	101,564
Investment management fees paid to Mercer (N.Z.) Limited and third party Investment managers via MITNZ unit price	2,439,839	1,998,053	1,865,700	1,592,601	267,870	200,080	303,223	201,528
Total investment management fees	5,222,225	4,266,409	4,247,729	3,610,084	466,104	323,592	477,340	303,092
Administration fees								
Administration fees paid to Mercer (N.Z.) Limited	2,953,619	3,157,509	2,746,229	2,958,231	95,335	92,401	92,692	82,781
Trustee fees								
Trustee fees paid to Trustees Executors Limited by Mercer (N.Z.) Limited	244,476	213,291	211,520	188,717	16,107	12,000	14,461	9,852
Manager fees (expense recoveries)								
Manager fees (expense recoveries) paid to Mercer (N.Z.) Limited - relating to 2012	-	91,517	-	80,411	-	5,462	-	4,680
Manager fees (expense recoveries) paid to Mercer (N.Z.) Limited - relating to 2013	-	71,658	-	62,962	-	4,277	-	3,664
Manager fees (expense recoveries) paid to Mercer (N.Z.) Limited - relating to 2014	73,046	-	61,716	-	5,532	-	5,162	-
Total manager fees (expense recoveries)	73,046	163,175	61,716	143,373	5,532	9,739	5,162	8,344
	8,493,366	7,800,384	7,267,194	6,900,405	583,078	437,732	589,655	404,069
	Mercer Cash		Mercer Moderate		Mercer Growth		Mercer Shares	
	2015	2014	2015	2015	2015	2015	2015	2015
	\$	\$	\$	\$	\$	\$	\$	\$
Investment management fees								
Investment management fees paid to Mercer (N.Z.) Limited	27,998	25,797	39		(30)		(1)	
Investment management fees paid to Mercer (N.Z.) Limited and third party Investment managers via MITNZ unit price	2,358	3,844	109		476		103	
Total investment management fees	30,356	29,641	148		446		102	
Administration fees								
Administration fees paid to Mercer (N.Z.) Limited	19,132	24,096	62		137		32	
Trustee fees								
Trustee fees paid to Trustees Executors Limited by Mercer (N.Z.) Limited	2,364	2,722	6		15		3	
Manager fees (expense recoveries)								
Manager fees (expense recoveries) paid to Mercer (N.Z.) Limited - relating to 2012	-	964						
Manager fees (expense recoveries) paid to Mercer (N.Z.) Limited - relating to 2013	-	755						
Manager fees (expense recoveries) paid to Mercer (N.Z.) Limited - relating to 2014	604	-	7		21		4	
Total manager fees (expense recoveries)	604	1,719	7		21		4	
	52,456	58,178	223		619		141	

Outstanding balances due to related parties are due within seven days and are not interest bearing.

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

8 RELATED PARTIES (Continued)

Amounts payable to Mercer as at 31 March are as follows:

Portfolio	Investment management fees		Administration fees		Trustee fees		Manager fees (expense recoveries)	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Mercer Conservative	230,209	154,848	220,610	471,592	47,278	19,776	142,127	143,373
Mercer Balanced	16,974	10,593	7,658	32,024	12,761	1,349	10,994	9,739
Mercer High Growth	16,583	9,053	7,446	27,430	11,135	1,155	9,842	8,344
Mercer Cash	2,251	1,967	1,537	5,652	2,095	267	1,568	1,719
Mercer Moderate	38	-	5	-	13	-	7	-
Mercer Growth	(19)	-	11	-	37	-	21	-
Mercer Shares	2	-	3	-	8	-	4	-
Total	266,038	176,461	237,270	536,698	73,327	22,547	164,563	163,175

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

8 RELATED PARTIES (continued)

Investment in related parties

The Scheme invests in MITNZ. MINZL, a wholly owned subsidiary of Mercer, is the Trustee for the MITNZ. During the year no related entity was a member of the Scheme.

The Scheme holds the following investments in MITNZ:

Portfolio Total	Opening Balance		Purchases		Sales		Net Change in Fair Value		Closing Balance	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Mercer Alternative Assets Portfolio	-	3,657,391	-	445,000	-	(4,290,090)	-	187,699	-	-
Mercer Australian Inflation Linked Bonds Portfolio	1,079,907	644,149	353,600	411,300	(135,000)	-	37,413	24,458	1,335,920	1,079,907
Mercer Australian Sovereign Bonds Portfolio	24,183,867	22,972,615	1,771,700	760,000	(28,118,590)	-	2,943,215	451,252	780,192	24,183,867
Mercer Emerging Markets Debt Portfolio	1,523,633	1,192,935	435,000	513,000	(430,000)	-	21,201	(182,302)	1,549,834	1,523,633
Mercer Emerging Markets Portfolio	4,669,743	3,202,613	2,120,564	1,710,000	-	-	732,200	(242,870)	7,522,507	4,669,743
Mercer Global Credit Portfolio	108,251,237	99,597,567	10,363,828	8,160,000	(1,700,000)	(10,630,000)	10,517,826	11,123,670	127,432,891	108,251,237
Mercer Hedged Overseas Shares Portfolio B	-	-	50,736,108	-	(5,244,000)	-	7,014,416	-	52,506,524	-
Mercer Indexed Cash Portfolio	292,279,082	262,673,617	39,995,545	30,676,700	(3,364,000)	(10,280,000)	11,899,265	9,208,765	340,809,892	292,279,082
Mercer Liquid Alternative Strategies Portfolio	2,699,636	-	1,284,864	2,624,500	-	-	428,742	75,136	4,413,242	2,699,636
Mercer Listed Infrastructure Portfolio	4,009,733	3,448,473	7,836,781	1,240,000	-	(1,338,960)	1,154,269	660,220	13,000,783	4,009,733
Mercer Listed Property Portfolio	2,650,945	3,652,817	3,515,702	360,000	-	(1,620,000)	1,004,342	258,128	7,170,989	2,650,945
Mercer Natural Resources Portfolio	8,285,498	6,067,594	2,452,293	1,450,000	(2,666,000)	-	(926,983)	767,904	7,144,808	8,285,498
Mercer New Zealand Sovereign Bond Portfolio	97,934,606	80,981,993	42,383,652	21,570,660	(1,180,000)	(3,737,000)	9,238,883	(881,047)	148,377,141	97,934,606
Mercer Hedged Overseas Shares Portfolio	57,962,388	43,679,081	2,092,365	4,700,000	(44,849,000)	-	3,423,732	9,583,307	18,629,485	57,962,388
Mercer Overseas Inflation Linked Bond Portfolio	-	395,063	-	50,000	-	(441,146)	-	(3,917)	-	-
Mercer Overseas Low Volatility Shares Portfolio	3,010,897	2,697,307	13,429,070	888,000	-	(895,000)	759,820	320,590	17,199,787	3,010,897
Mercer Overseas Small Companies Portfolio	2,578,766	1,788,227	2,714,156	440,000	-	-	774,412	350,539	6,067,334	2,578,766
Mercer Overseas Sovereign Bond Portfolio	124,698,221	80,327,935	10,876,682	35,513,500	-	-	17,395,355	8,856,786	152,970,258	124,698,221
Mercer Passive Listed Infrastructure Portfolio	5,150,781	3,406,220	150,000	1,338,960	(5,849,100)	(700,000)	1,220,139	1,105,601	671,820	5,150,781
Mercer Passive Listed Property Portfolio	5,271,321	3,880,828	100,000	1,620,000	(5,864,000)	(700,000)	1,080,042	470,493	587,363	5,271,321
Mercer Trans Tasman Shares Portfolio A	55,980,761	47,716,087	6,454,785	3,072,200	(3,365,000)	(5,101,000)	7,388,660	10,293,474	66,459,206	55,980,761
Mercer Unhedged Overseas Shares Portfolio	56,079,635	42,066,974	3,858,690	7,990,000	(45,564,429)	-	5,644,052	6,022,661	20,017,948	56,079,635
Mercer Overseas Shares Portfolio B	-	-	57,439,609	-	(12,411,000)	-	11,280,080	-	56,308,689	-
Mercer Unlisted Infrastructure Portfolio	15,947,107	11,701,091	2,992,700	1,950,000	-	-	1,924,140	2,296,016	20,863,947	15,947,107
Mercer Unlisted Property Portfolio B	13,395,033	11,617,426	2,480,680	-	-	-	1,611,141	1,777,607	17,486,854	13,395,033
Total	887,642,797	737,368,003	265,838,374	127,483,820	(160,740,119)	(39,733,196)	96,566,362	62,524,170	1,089,307,414	887,642,797

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

8 RELATED PARTIES (continued)

Investment in related parties (continued)

	Opening Balance		Purchases		Sales		Net Change in Fair Value		Closing Balance	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Mercer Conservative										
Mercer Alternative Assets Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Australian Inflation Linked Bonds Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Australian Sovereign Bonds Portfolio	22,888,146	22,188,379	1,855,750	426,800	(26,841,686)	(156,170)	2,604,266	429,137	506,476	22,888,146
Mercer Emerging Markets Debt Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Emerging Markets Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Global Credit Portfolio	106,629,663	98,083,526	10,074,600	8,009,600	(5,027,005)	(10,415,997)	10,075,048	10,952,534	121,752,306	106,629,663
Mercer Hedged Overseas Shares Portfolio B	-	-	33,806,000	-	(5,257,689)	-	4,452,651	-	33,000,962	-
Mercer Indexed Cash Portfolio	274,868,549	247,760,058	39,665,520	38,205,950	(4,467,673)	(19,765,300)	11,191,326	8,667,841	321,257,722	274,868,549
Mercer Liquid Alternative Strategies Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Listed Infrastructure Portfolio	2,515,290	2,447,144	5,148,000	860,400	(158,593)	(1,219,260)	733,082	427,006	8,237,779	2,515,290
Mercer Listed Property Portfolio	1,651,390	2,645,494	1,373,500	290,000	(212,850)	(1,449,200)	490,932	165,096	3,302,972	1,651,390
Mercer Natural Resources Portfolio	5,572,021	4,264,078	1,733,800	863,750	(2,130,176)	(74,500)	(596,109)	518,693	4,579,536	5,572,021
Mercer New Zealand Sovereign Bond Portfolio	92,809,455	77,963,971	38,499,310	19,401,670	(1,119,013)	(3,689,600)	8,657,449	(866,586)	138,847,201	92,809,455
Mercer Hedged Overseas Shares Portfolio	39,865,379	31,998,246	1,126,100	2,046,400	(31,062,274)	(911,000)	2,260,713	6,731,733	12,189,918	39,865,379
Mercer Overseas Inflation Linked Bond Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Overseas Low Volatility Shares Portfolio	-	-	11,276,000	-	(189,987)	-	492,713	-	11,578,726	-
Mercer Overseas Small Companies Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Overseas Sovereign Bond Portfolio	120,513,386	78,018,017	10,224,900	34,153,496	(1,958,991)	(237,700)	16,556,468	8,579,573	145,335,763	120,513,386
Mercer Passive Listed Infrastructure Portfolio	3,627,703	2,419,070	154,500	1,054,961	(4,434,477)	(656,680)	1,128,548	810,352	476,274	3,627,703
Mercer Passive Listed Property Portfolio	4,062,093	2,880,018	104,000	1,381,999	(4,715,569)	(568,410)	1,010,277	368,486	460,801	4,062,093
Mercer Trans Tasman Shares Portfolio A	40,031,689	36,796,401	2,724,000	1,353,300	(1,845,807)	(5,669,750)	5,132,964	7,551,738	46,042,846	40,031,689
Mercer Unhedged Overseas Shares Portfolio	44,946,299	35,955,705	2,322,700	4,066,410	(36,558,436)	(241,500)	4,287,006	5,165,684	14,997,569	44,946,299
Mercer Overseas Shares Portfolio B	-	-	44,803,729	-	(11,688,246)	-	8,417,826	-	41,533,309	-
Mercer Unlisted Infrastructure Portfolio	10,745,771	8,186,529	3,271,900	1,318,300	(494,007)	(343,800)	1,367,821	1,584,742	14,891,485	10,745,771
Mercer Unlisted Property Portfolio B	9,238,331	8,286,264	1,960,500	-	(603,562)	(304,800)	1,073,972	1,256,867	11,669,241	9,238,331
Total	779,965,165	659,892,900	210,124,809	113,433,036	(138,766,041)	(45,703,667)	79,336,953	52,342,896	930,660,886	779,965,165

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

8 RELATED PARTIES (Continued)

Investment in related parties (Continued)

	Opening Balance		Purchases		Sales		Net Change in Fair Value		Closing Balance	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Mercer Balanced										
Mercer Alternative Assets Portfolio	-	1,880,691	-	207,420	-	(2,178,777)	-	90,666	-	-
Mercer Australian Inflation Linked Bonds Portfolio	1,079,907	644,149	430,200	427,400	(568,914)	(16,100)	27,383	24,458	968,576	1,079,907
Mercer Australian Sovereign Bonds Portfolio	1,020,886	639,565	475,050	366,750	(1,542,964)	(3,000)	286,022	17,571	238,994	1,020,886
Mercer Emerging Markets Debt Portfolio	1,062,482	856,576	366,400	350,400	(406,636)	(15,900)	14,249	(128,594)	1,036,495	1,062,482
Mercer Emerging Markets Portfolio	2,096,116	1,531,646	954,950	712,780	(636,541)	(39,500)	268,047	(108,810)	2,682,572	2,096,116
Mercer Global Credit Portfolio	1,621,576	1,514,045	3,297,500	330,400	(101,394)	(394,003)	413,633	171,134	5,231,315	1,621,576
Mercer Hedged Overseas Shares Portfolio B	-	-	7,894,006	-	(1,649,676)	-	972,783	-	7,217,113	-
Mercer Indexed Cash Portfolio	6,917,293	4,687,108	3,303,259	2,076,050	(1,354,477)	(34,400)	335,459	188,535	9,201,534	6,917,293
Mercer Liquid Alternative Strategies Portfolio	1,330,196	-	854,250	1,304,600	(124,793)	(12,000)	220,526	37,596	2,280,179	1,330,196
Mercer Listed Infrastructure Portfolio	668,200	481,605	1,485,800	235,920	(75,070)	(158,000)	202,164	108,675	2,281,094	668,200
Mercer Listed Property Portfolio	460,221	487,563	1,328,500	122,600	(48,607)	(193,600)	265,763	43,658	2,005,877	460,221
Mercer Natural Resources Portfolio	1,084,946	760,336	489,300	265,150	(360,694)	(42,360)	(141,040)	101,820	1,072,512	1,084,946
Mercer New Zealand Sovereign Bond Portfolio	4,063,061	2,433,291	4,303,900	1,739,890	(877,055)	(99,000)	490,522	(11,120)	7,980,428	4,063,061
Mercer Hedged Overseas Shares Portfolio	7,980,291	5,379,771	546,369	1,413,880	(6,632,814)	(100,600)	437,221	1,287,240	2,331,067	7,980,291
Mercer Overseas Inflation Linked Bond Portfolio	-	395,060	-	53,000	-	(444,143)	-	(3,917)	-	-
Mercer Overseas Low Volatility Shares Portfolio	1,355,822	1,246,541	520,300	426,620	(102,444)	(465,702)	93,120	148,363	1,866,798	1,355,822
Mercer Overseas Small Companies Portfolio	1,267,770	922,204	716,950	206,400	(127,611)	(41,700)	283,413	180,866	2,140,522	1,267,770
Mercer Overseas Sovereign Bond Portfolio	3,486,178	1,900,618	3,117,350	1,427,603	(151,769)	(71,000)	797,872	228,957	7,249,631	3,486,178
Mercer Passive Listed Infrastructure Portfolio	700,222	467,050	319,052	159,800	(942,950)	(66,000)	47,098	139,372	123,422	700,222
Mercer Passive Listed Property Portfolio	584,530	483,398	204,466	153,600	(743,100)	(101,995)	37,581	49,527	83,477	584,530
Mercer Trans Tasman Shares Portfolio A	6,670,564	4,880,531	2,091,950	1,216,400	(2,062,402)	(610,210)	852,212	1,183,843	7,552,324	6,670,564
Mercer Unhedged Overseas Shares Portfolio	4,683,248	2,618,540	806,556	1,707,910	(4,069,079)	(14,600)	542,471	371,398	1,963,196	4,683,248
Mercer Overseas Shares Portfolio B	-	-	5,786,169	-	(1,180,035)	-	1,134,975	-	5,741,109	-
Mercer Unlisted Infrastructure Portfolio	2,671,307	1,885,283	817,700	421,700	(1,063,774)	(10,000)	254,361	374,324	2,679,594	2,671,307
Mercer Unlisted Property Portfolio B	2,159,124	1,776,806	891,400	117,800	(579,112)	(10,000)	255,608	274,518	2,727,020	2,159,124
Total	52,963,940	37,872,377	41,001,377	15,444,073	(25,401,911)	(5,122,590)	8,091,443	4,770,080	76,654,849	52,963,940

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

8 RELATED PARTIES (Continued)

Investment in related parties (Continued)

	Opening Balance		Purchases		Sales		Net Change in Fair Value		Closing Balance	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Mercer High Growth										
Mercer Alternative Assets Portfolio	-	1,776,702	-	255,580	-	(2,129,315)	-	97,033	-	-
Mercer Australian Inflation Linked Bonds Portfolio	-	-	345,000	-	-	-	10,005	-	355,005	-
Mercer Australian Sovereign Bonds Portfolio	274,835	144,671	47,000	125,870	(343,379)	(250)	52,040	4,544	30,496	274,835
Mercer Emerging Markets Debt Portfolio	461,151	336,359	142,500	179,150	(112,000)	(650)	6,938	(53,708)	498,589	461,151
Mercer Emerging Markets Portfolio	2,573,627	1,670,967	1,849,580	1,039,670	(136,580)	(2,950)	463,679	(134,060)	4,750,306	2,573,627
Mercer Global Credit Portfolio	-	-	345,000	-	-	-	28,667	-	373,667	-
Mercer Hedged Overseas Shares Portfolio B	-	-	11,504,950	-	(1,041,879)	-	1,587,368	-	12,050,439	-
Mercer Indexed Cash Portfolio	1,146,132	361,661	418,251	779,300	(961,101)	(17,400)	39,061	22,571	642,343	1,146,132
Mercer Liquid Alternative Strategies Portfolio	1,369,440	-	569,100	1,331,900	(54,600)	-	207,921	37,540	2,091,861	1,369,440
Mercer Listed Infrastructure Portfolio	826,243	519,724	1,415,330	332,880	(20,660)	(150,900)	218,751	124,539	2,439,664	826,243
Mercer Listed Property Portfolio	539,334	519,760	1,053,070	148,900	(8,660)	(178,700)	247,333	49,374	1,831,077	539,334
Mercer Natural Resources Portfolio	1,628,531	1,043,179	939,200	439,710	(910,500)	(1,750)	(189,597)	147,392	1,467,634	1,628,531
Mercer New Zealand Sovereign Bond Portfolio	1,062,093	584,731	709,640	481,700	(421,140)	(1,000)	90,387	(3,338)	1,440,980	1,062,093
Mercer Hedged Overseas Shares Portfolio	10,116,714	6,301,064	1,520,350	2,261,920	(8,326,703)	(10,600)	725,048	1,564,330	4,035,409	10,116,714
Mercer Overseas Inflation Linked Bond Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Overseas Low Volatility Shares Portfolio	1,655,076	1,450,765	1,860,010	529,580	(10,760)	(497,497)	173,809	172,228	3,678,135	1,655,076
Mercer Overseas Small Companies Portfolio	1,310,996	866,023	2,101,900	276,800	(45,400)	(1,500)	490,521	169,673	3,858,017	1,310,996
Mercer Overseas Sovereign Bond Portfolio	698,656	409,301	308,500	241,750	(754,900)	(650)	40,202	48,255	292,458	698,656
Mercer Passive Listed Infrastructure Portfolio	822,856	520,100	379,414	197,780	(1,174,640)	(50,900)	44,494	155,876	72,124	822,856
Mercer Passive Listed Property Portfolio	624,698	517,411	196,863	155,499	(810,660)	(100,695)	32,184	52,483	43,085	624,698
Mercer Trans Tasman Shares Portfolio A	9,278,508	6,039,155	3,073,200	2,049,480	(1,117,400)	(368,020)	1,402,214	1,557,893	12,636,522	9,278,508
Mercer Unhedged Overseas Shares Portfolio	6,450,088	3,492,729	1,295,320	2,477,730	(5,555,960)	(5,950)	813,712	485,579	3,003,160	6,450,088
Mercer Overseas Shares Portfolio B	-	-	8,003,390	-	(856,480)	-	1,725,437	-	8,872,347	-
Mercer Unlisted Infrastructure Portfolio	2,530,029	1,629,278	909,410	566,550	(506,300)	(2,750)	301,570	336,951	3,234,709	2,530,029
Mercer Unlisted Property Portfolio B	1,997,578	1,554,355	971,500	199,750	(216,200)	(2,750)	281,186	246,223	3,034,064	1,997,578
Total	45,366,585	29,737,935	39,958,478	14,071,499	(23,385,902)	(3,524,227)	8,792,930	5,081,378	70,732,091	45,366,585

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

8 RELATED PARTIES (Continued)

Investment in related parties (Continued)

	Opening Balance		Purchases		Sales		Net Change in Fair Value		Closing Balance	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Mercer Cash										
Mercer Alternative Assets Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Australian Inflation Linked Bonds Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Australian Sovereign Bonds Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Emerging Markets Debt Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Emerging Markets Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Global Credit Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Hedged Overseas Shares Portfolio B	-	-	-	-	-	-	-	-	-	-
Mercer Indexed Cash Portfolio	9,347,107	9,864,791	899,841	10,849,500	(1,115,000)	(11,697,000)	333,004	329,816	9,464,952	9,347,107
Mercer Liquid Alternative Strategies Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Listed Infrastructure Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Listed Property Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Natural Resources Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer New Zealand Sovereign Bond Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Hedged Overseas Shares Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Overseas Inflation Linked Bond Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Overseas Low Volatility Shares Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Overseas Small Companies Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Overseas Sovereign Bond Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Passive Listed Infrastructure Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Passive Listed Property Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Trans Tasman Shares Portfolio A	-	-	-	-	-	-	-	-	-	-
Mercer Unhedged Overseas Shares Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Overseas Shares Portfolio B	-	-	-	-	-	-	-	-	-	-
Mercer Unlisted Infrastructure Portfolio	-	-	-	-	-	-	-	-	-	-
Mercer Unlisted Property Portfolio B	-	-	-	-	-	-	-	-	-	-
Total	9,347,107	9,864,791	899,841	10,849,500	(1,115,000)	(11,697,000)	333,004	329,816	9,464,952	9,347,107

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

8 RELATED PARTIES (Continued)

Investment in related parties (Continued)

	Opening Balance	Purchases	Sales	Net Change in Fair Value	Closing Balance
	2015	2015	2015	2015	2015
	\$	\$	\$	\$	\$
Mercer Moderate					
Mercer Alternative Assets Portfolio	-	-	-	-	-
Mercer Australian Inflation Linked Bonds Portfolio	2,679	-	-	6	2,685
Mercer Australian Sovereign Bonds Portfolio	2,067	-	(1,150)	286	1,203
Mercer Emerging Markets Debt Portfolio	3,576	-	-	4	3,580
Mercer Emerging Markets Portfolio	7,962	-	-	66	8,028
Mercer Global Credit Portfolio	33,102	-	-	236	33,338
Mercer Hedged Overseas Shares Portfolio B	21,192	-	-	247	21,439
Mercer Indexed Cash Portfolio	194,839	-	-	302	195,141
Mercer Liquid Alternative Strategies Portfolio	10,682	-	-	90	10,772
Mercer Listed Infrastructure Portfolio	7,152	-	-	56	7,208
Mercer Listed Property Portfolio	5,319	-	-	66	5,385
Mercer Natural Resources Portfolio	3,576	-	-	(40)	3,536
Mercer New Zealand Sovereign Bond Portfolio	54,082	-	-	291	54,373
Mercer Hedged Overseas Shares Portfolio	7,397	-	-	119	7,516
Mercer Overseas Inflation Linked Bond Portfolio	-	-	-	-	-
Mercer Overseas Low Volatility Shares Portfolio	4,098	-	-	16	4,114
Mercer Overseas Small Companies Portfolio	5,903	-	-	65	5,968
Mercer Overseas Sovereign Bond Portfolio	44,337	-	-	436	44,773
Mercer Passive Listed Infrastructure Portfolio	-	-	-	-	-
Mercer Passive Listed Property Portfolio	-	-	-	-	-
Mercer Trans Tasman Shares Portfolio A	27,462	-	-	260	27,722
Mercer Unhedged Overseas Shares Portfolio	6,418	-	-	155	6,573
Mercer Overseas Shares Portfolio B	18,809	-	-	322	19,131
Mercer Unlisted Infrastructure Portfolio	9,927	-	-	80	10,007
Mercer Unlisted Property Portfolio B	9,828	-	-	78	9,906
Total	480,407	(1,150)	3,141	3,141	482,398

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

8 RELATED PARTIES (Continued)

Investment in related parties (Continued)

	Opening Balance	Purchases	Sales	Net Change in Fair Value	Closing Balance
		2015	2015	2015	2015
		\$	\$	\$	\$
Mercer Growth					
Mercer Alternative Assets Portfolio	-	-	-	-	-
Mercer Australian Inflation Linked Bonds Portfolio	9,635	-	-	19	9,654
Mercer Australian Sovereign Bonds Portfolio	3,303	-	(881)	601	3,023
Mercer Emerging Markets Debt Portfolio	11,160	-	-	10	11,170
Mercer Emerging Markets Portfolio	59,837	-	-	398	60,235
Mercer Global Credit Portfolio	42,025	-	-	240	42,265
Mercer Hedged Overseas Shares Portfolio B	164,639	-	-	1,336	165,975
Mercer Indexed Cash Portfolio	48,084	-	-	116	48,200
Mercer Liquid Alternative Strategies Portfolio	30,225	-	-	205	30,430
Mercer Listed Infrastructure Portfolio	34,822	-	-	216	35,038
Mercer Listed Property Portfolio	25,429	-	-	249	25,678
Mercer Natural Resources Portfolio	21,785	-	-	(195)	21,590
Mercer New Zealand Sovereign Bond Portfolio	53,926	-	-	233	54,159
Mercer Hedged Overseas Shares Portfolio	48,077	-	-	618	48,695
Mercer Overseas Inflation Linked Bond Portfolio	-	-	-	-	-
Mercer Overseas Low Volatility Shares Portfolio	51,596	-	-	158	51,754
Mercer Overseas Small Companies Portfolio	45,323	-	-	403	45,726
Mercer Overseas Sovereign Bond Portfolio	47,259	-	-	374	47,633
Mercer Passive Listed Infrastructure Portfolio	-	-	-	-	-
Mercer Passive Listed Property Portfolio	-	-	-	-	-
Mercer Trans Tasman Shares Portfolio A	128,773	-	-	981	129,754
Mercer Unhedged Overseas Shares Portfolio	35,631	-	-	694	36,325
Mercer Overseas Shares Portfolio B	108,081	-	-	1,491	109,572
Mercer Unlisted Infrastructure Portfolio	47,844	-	-	308	48,152
Mercer Unlisted Property Portfolio B	46,327	-	-	296	46,623
Total		1,063,781	(881)	8,751	1,071,651

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

8 RELATED PARTIES (Continued)

Investment in related parties (Continued)

	Opening Balance	Purchases	Sales	Net Change in Fair Value	Closing Balance
	2015	2015	2015	2015	2015
	\$	\$	\$	\$	\$
Mercer Shares					
Mercer Alternative Assets Portfolio	-	-	-	-	-
Mercer Australian Inflation Linked Bonds Portfolio	-	-	-	-	-
Mercer Australian Sovereign Bonds Portfolio	-	-	-	-	-
Mercer Emerging Markets Debt Portfolio	-	-	-	-	-
Mercer Emerging Markets Portfolio	21,357	-	-	9	21,366
Mercer Global Credit Portfolio	-	-	-	-	-
Mercer Hedged Overseas Shares Portfolio B	50,566	-	-	30	50,596
Mercer Indexed Cash Portfolio	-	-	-	-	-
Mercer Liquid Alternative Strategies Portfolio	-	-	-	-	-
Mercer Listed Infrastructure Portfolio	-	-	-	-	-
Mercer Listed Property Portfolio	-	-	-	-	-
Mercer Natural Resources Portfolio	-	-	-	-	-
Mercer New Zealand Sovereign Bond Portfolio	-	-	-	-	-
Mercer Hedged Overseas Shares Portfolio	16,866	-	-	14	16,880
Mercer Overseas Inflation Linked Bond Portfolio	-	-	-	-	-
Mercer Overseas Low Volatility Shares Portfolio	20,255	-	-	5	20,260
Mercer Overseas Small Companies Portfolio	17,091	-	-	10	17,101
Mercer Overseas Sovereign Bond Portfolio	-	-	-	-	-
Mercer Passive Listed Infrastructure Portfolio	-	-	-	-	-
Mercer Passive Listed Property Portfolio	-	-	-	-	-
Mercer Trans Tasman Shares Portfolio A	70,011	-	(2)	29	70,038
Mercer Unhedged Overseas Shares Portfolio	11,111	-	-	14	11,125
Mercer Overseas Shares Portfolio B	33,192	-	-	29	33,221
Mercer Unlisted Infrastructure Portfolio	-	-	-	-	-
Mercer Unlisted Property Portfolio B	-	-	-	-	-
Total	240,449	(2)	(2)	140	240,587

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

8 RELATED PARTIES (Continued)

Investment in related parties (Continued)

During the year / period the Scheme transacted the following purchases and sales between portfolios in the MITNZ:

	Purchases		Sales	
	2015	2014	2015	2014
Total	\$	\$	\$	\$
Mercer Alternative Assets Portfolio	-	18,000	-	(18,000)
Mercer Australian Inflation Linked Bonds Portfolio	433,914	16,100	(433,914)	(16,100)
Mercer Australian Sovereign Bonds Portfolio	611,470	159,420	(611,470)	(159,420)
Mercer Emerging Markets Debt Portfolio	88,636	16,550	(88,636)	(16,550)
Mercer Emerging Markets Portfolio	773,122	42,450	(773,122)	(42,450)
Mercer Global Credit Portfolio	3,428,399	180,000	(3,428,399)	(180,000)
Mercer Hedged Overseas Shares Portfolio B	2,705,245	-	(2,705,245)	-
Mercer Indexed Cash Portfolio	4,534,249	21,234,098	(4,534,249)	(21,234,098)
Mercer Liquid Alternative Strategies Portfolio	179,393	12,000	(179,393)	(12,000)
Mercer Listed Infrastructure Portfolio	254,323	189,200	(254,323)	(189,200)
Mercer Listed Property Portfolio	270,116	201,500	(270,116)	(201,500)
Mercer Natural Resources Portfolio	735,368	118,610	(735,368)	(118,610)
Mercer New Zealand Sovereign Bond Portfolio	1,237,206	52,600	(1,237,206)	(52,600)
Mercer Hedged Overseas Shares Portfolio	1,172,794	1,022,200	(1,172,794)	(1,022,200)
Mercer Overseas Inflation Linked Bond Portfolio	-	3,000	-	(3,000)
Mercer Overseas Low Volatility Shares Portfolio	303,189	68,200	(303,189)	(68,200)
Mercer Overseas Small Companies Portfolio	173,011	43,200	(173,011)	(43,200)
Mercer Overseas Sovereign Bond Portfolio	2,865,664	309,350	(2,865,664)	(309,350)
Mercer Passive Listed Infrastructure Portfolio	702,966	73,580	(702,966)	(73,580)
Mercer Passive Listed Property Portfolio	405,329	71,100	(405,329)	(71,100)
Mercer Trans Tasman Shares Portfolio A	1,660,611	1,546,980	(1,660,611)	(1,546,980)
Mercer Unhedged Overseas Shares Portfolio	619,046	262,050	(619,046)	(262,050)
Mercer Overseas Shares Portfolio B	1,313,761	-	(1,313,761)	-
Mercer Unlisted Infrastructure Portfolio	2,064,081	356,550	(2,064,081)	(356,550)
Mercer Unlisted Property Portfolio B	1,398,875	317,550	(1,398,875)	(317,550)
Total	27,930,768	26,314,288	(27,930,768)	(26,314,288)

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

9 PAYMENT OF BENEFITS

	TOTAL		Mercer Conservative		Mercer Balanced		Mercer High Growth	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Retirement	12,494,242	13,360,037	10,301,719	11,374,156	1,118,516	857,525	363,574	215,551
Serious ill health	736,169	846,824	646,385	777,504	65,470	48,180	17,785	-
Death and disability	1,254,372	1,013,202	7,357	20,169	-	-	-	-
Significant financial hardship	1,060,000	1,021,785	1,017,295	928,909	17,259	13,949	23,783	58,694
First home assistance	7,937,854	7,180,085	7,017,267	6,370,119	372,748	288,060	475,267	430,140
Permanent emigration to Australia	36,670	21,614	36,670	-	-	21,614	-	-
Permanent emigration excluding Australia	499,699	2,220,162	417,743	2,098,122	40,072	48,678	28,802	71,306
Other	887,706	824,286	874,218	798,518	11,479	23,295	2,009	1,686
Total	24,906,712	26,487,995	20,318,654	22,367,497	1,625,544	1,301,301	911,220	777,377

	Mercer Cash		Mercer Moderate	Mercer Growth	Mercer Shares
	2015	2014	2015	2015	2015
	\$	\$	\$	\$	\$
Retirement	710,433	912,805	-	-	-
Serious ill health	6,529	21,140	-	-	-
Death and disability	1,247,015	993,033	-	-	-
Significant financial hardship	1,663	20,233	-	-	-
First home assistance	72,572	91,766	-	-	-
Permanent emigration to Australia	-	-	-	-	-
Permanent emigration excluding Australia	13,082	2,056	-	-	-
Other	-	787	-	-	-
Total	2,051,294	2,041,820	-	-	-

10 TRANSFERS IN FROM OTHER SCHEMES

	TOTAL		Mercer Conservative		Mercer Balanced		Mercer High Growth	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Transfers from other KiwiSaver Schemes	6,282,546	1,548,669	3,869,071	1,312,522	1,092,131	118,481	1,220,494	75,593
Transfers from other superannuation schemes	939,748	780,901	540,991	547,350	175,238	194,079	197,797	27,725
Transfers from Trans-Tasman portability	1,267,425	466,073	897,087	419,226	179,251	13,206	161,291	33,641
Total	8,489,719	2,795,643	5,307,149	2,279,098	1,446,620	325,766	1,579,582	136,959

	Mercer Cash		Mercer Moderate	Mercer Growth	Mercer Shares
	2015	2014	2015	2015	2015
	\$	\$	\$	\$	\$
Transfers from other KiwiSaver Schemes	3,805	42,073	64,138	4,844	28,063
Transfers from other superannuation schemes	25,722	11,747	-	-	-
Transfers from Trans-Tasman portability	29,796	-	-	-	-
Total	59,323	53,820	64,138	4,844	28,063

MERCER KIWISAVER SCHEME
Notes to the Financial Statements
For the Year / Period Ended 31 March 2015

11 RECONCILIATION OF PROFIT TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	TOTAL		Mercer Conservative		Mercer Balanced		Mercer High Growth	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Net profit before membership activities	91,036,553	57,113,378	74,387,894	47,381,882	7,811,164	4,554,348	8,537,768	4,896,836
<i>Adjustments for:</i>								
Net gains on financial assets held at fair value through profit or loss	(96,566,362)	(62,524,170)	(79,336,953)	(52,342,896)	(8,091,443)	(4,770,080)	(8,792,930)	(5,081,378)
Proceeds from sale of investments	160,740,119	39,733,196	138,766,041	45,703,667	25,401,911	5,122,590	23,385,902	3,524,227
Payments for purchase of investments	(265,838,374)	(127,483,820)	(210,124,809)	(113,433,036)	(41,001,377)	(15,444,073)	(39,958,478)	(14,071,499)
<i>Changes in assets and liabilities:</i>								
(Decrease)/increase in liabilities (excluding portfolio investment entity tax payable, benefits payable and unallocated contributions)	(157,683)	470,626	(149,365)	394,313	(5,318)	37,932	(976)	33,163
Net Cash flows (used in)/from Operating Activities	(110,785,747)	(92,690,790)	(76,457,192)	(72,296,070)	(15,885,063)	(10,499,283)	(16,828,714)	(10,698,651)

	Mercer Cash		Mercer Moderate	Mercer Growth	Mercer Shares
	2015	2014	2015	2015	2015
	\$	\$	\$	\$	\$
Net profit before membership activities	287,890	280,312	3,047	8,674	116
<i>Adjustments for:</i>					
Net gains on financial assets held at fair value through profit or loss	(333,004)	(329,816)	(3,141)	(8,751)	(140)
Proceeds from sale of investments	1,115,000	11,697,000	1,150	881	2
Payments for purchase of investments	(899,841)	(10,849,500)	(480,407)	(1,063,781)	(240,449)
<i>Changes in assets and liabilities:</i>					
(Decrease)/increase in liabilities (excluding portfolio investment entity tax payable, benefits payable and unallocated contributions)	(2,154)	5,218	63	50	17
Net Cash flows (used in)/from Operating Activities	167,891	803,214	(479,288)	(1,062,927)	(240,454)

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12 AUDITORS' REMUNERATION

During the reporting period, the following fees were paid or payable to the auditor of the Scheme. Audit fees for the Scheme may be recovered from the Manager for expenses incurred in acting as Manager (Refer note 8). The auditor of the Scheme is PricewaterhouseCoopers (PwC).

	TOTAL		Mercer Conservative		Mercer Balanced		Mercer High Growth	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Audit fees for the audit of financial statements and registry testing	136,671	94,543	116,636	82,951	9,670	5,691	8,939	4,894
Tax Services - review of tax returns	1,725	1,723	1,472	1,512	122	104	113	89
Total	138,396	96,266	118,108	84,463	9,792	5,795	9,052	4,983

	Mercer Cash		Mercer Moderate		Mercer Growth		Mercer Shares	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Audit fees for the audit of financial statements and registry testing	1,195	1,007	64		136		31	
Tax Services - review of tax returns	15	18	1		2		-	
Total	1,210	1,025	65		138		31	

13 FINANCIAL RISK MANAGEMENT

The Scheme's investments are comprised of units in unlisted unit trusts which, in turn, invest in equities, interest bearing securities, units in unit trusts and derivative financial instruments. The Manager has determined that these types of investments are appropriate for the Scheme and are in accordance with its investment objectives. The objectives of the Scheme are to achieve a return (over the medium to long term) which is competitive with comparable trusts that have similar risk characteristics; and to outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

The Scheme's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Scheme's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Scheme's financial performance.

The Manager has considered the above investment risks in constructing the asset portfolios of the Scheme and aims to manage those risks primarily through diversification, including using some or all of the following (as applicable):

- investing across different asset classes (to reduce market risk and liquidity risk);
- investing predominantly in unit trusts which, in turn, invest with a number of different investment managers;
- investing across different countries (to reduce market risk); and
- investing in a number of individual securities within each asset class.

Professional investment managers are appointed on a research-based process of selection to manage the assets of the Scheme via a set of investment guidelines. These guidelines are designed to achieve diversification while encouraging a disciplined approach to the management of risk. Risk management activities are performed within the underlying investment portfolios, not at the Scheme level. Appointed investment managers may utilise derivatives in managing investment portfolios in which the Scheme invests. The use of derivatives is restricted to improving the efficiency of investments and in managing risk (for example, to hedge part of a foreign currency exposure). The investment managers of underlying investment portfolios may use derivatives and other instruments, including share price and bond futures, interest rate swaps and forward currency contracts, to manage exposures resulting from changes in interest rates, foreign currencies, equity price risks and exposures from forecast transactions.

13 FINANCIAL RISK MANAGEMENT (Continued)

a) Market Risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

The Scheme's overall market positions are monitored by the Scheme's manager who uses research and analysis to form a view on these matters and then rebalances the investment mix of the investment portfolios to reduce the impact of market risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk is minimised by the Manager through research and analysis of the investment mix within investment portfolios and ensuring that all investment activities are undertaken in accordance with established investment strategies.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Scheme does not hold financial instruments denominated in currencies other than the New Zealand dollar, the functional currency. It is therefore not exposed to currency risk. Currency risk disclosure has been considered on the basis of the Scheme's direct investments and not on a look through basis for investments held indirectly through unit trusts. Consequently the Scheme may be exposed indirectly to currency risk where the Scheme has significant investments in unit trusts which have exposure to foreign exchange rates.

Exposure to currency risk is managed through hedging using derivative investments, which may include forward exchange contracts, within the underlying investment portfolios.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The majority of the Scheme's financial assets are non-interest bearing. As a result, the Scheme is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates. Any sensitivity is immaterial.

Interest rate risk disclosures have been considered on the basis of the Scheme's direct investments and not on a look through basis for investments held indirectly through unit trusts. Consequently the Scheme may be exposed indirectly to interest rate risk where the Scheme has significant investments in unit trusts which have exposure to interest rate markets.

Exposure to interest rate risk is managed through the use of derivatives, diversification in holdings and the duration of fixed interest investments within the underlying investment portfolios.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price (other than those arising from interest rate risk or currency risk). The Scheme's investments are susceptible to market price risk arising from uncertainties about future values of the investments which will directly affect net investment income.

As the majority of the Scheme's financial instruments are carried at fair value, all changes in market conditions will directly affect investment returns, recognised in the Statements of Changes in Net Assets. The Scheme's price risk is managed through diversification of the investments in unit trusts within the portfolio. In addition, price risk may be hedged using derivative financial instruments such as options or futures within the underlying investment portfolios.

As at 31 March, the Scheme's exposure to market price risk through unlisted unit trusts was as follows:

	TOTAL		TOTAL	
	2015 \$	2015 %	2014 \$	2014 %
Mercer Conservative	930,660,886	85%	779,965,165	88%
Mercer Balanced	76,654,849	7%	52,963,940	6%
Mercer High Growth	70,732,091	7%	45,366,585	5%
Mercer Cash	9,464,952	1%	9,347,107	1%
Mercer Moderate	482,398	0%		
Mercer Growth	1,071,651	0%		
Mercer Shares	240,587	0%		
Total Unlisted Unit Trusts	1,089,307,414	100%	887,642,797	100%

13 FINANCIAL RISK MANAGEMENT (Continued)

a) Market Risk (Continued)

Price risk (Continued)

The table below shows the sensitivity analysis in market price of the financial assets held at fair value through profit and loss, if all other variables were held constant and investment markets fluctuated by the percentages disclosed below.

	2015				2014			
	Net profit before membership activities		Net Assets Available for Benefits		Net profit before membership activities		Net Assets Available for Benefits	
	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
	\$	\$	\$	\$	\$	\$	\$	\$
Mercer Conservative	93,066,088	(93,066,088)	93,066,088	(93,066,088)	77,996,517	(77,996,517)	77,996,517	(77,996,517)
Mercer Balanced	7,665,485	(7,665,485)	7,665,485	(7,665,485)	5,296,394	(5,296,394)	5,296,394	(5,296,394)
Mercer High Growth	7,073,209	(7,073,209)	7,073,209	(7,073,209)	4,536,659	(4,536,659)	4,536,659	(4,536,659)
Mercer Cash	946,495	(946,495)	946,495	(946,495)	934,711	(934,711)	934,711	(934,711)
Mercer Moderate	48,240	(48,240)	48,240	(48,240)				
Mercer Growth	107,165	(107,165)	107,165	(107,165)				
Mercer Shares	24,059	(24,059)	24,059	(24,059)				
Total Unlisted Unit Trusts	108,930,741	(108,930,741)	108,930,741	(108,930,741)	88,764,281	(88,764,281)	88,764,281	(88,764,281)

b) Credit Risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Scheme to incur a financial loss. The Scheme is exposed to counterparty credit risk on cash and cash equivalents. None of these assets are impaired nor past due but not impaired (2014: Same).

With respect to credit risk arising from the cash and cash equivalents of the Scheme, the Scheme's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of the carrying amount disclosed in the Statements of Net Assets. This represents the current maximum risk exposure at the reporting date.

The managers of the investment funds manage credit risk by establishing controls which are either specified in the guidelines set by the Manager or outlined in the product disclosure statement/information memorandum of underlying unit trust investments that it makes. Credit risk limitations include diversification of investments over a wide range of asset classes, companies, industries and maturities within the underlying investment portfolios.

The Scheme's cash balances are held with Westpac New Zealand Limited (AA- rating, as measured by Standard & Poor's) (2014: Same).

c) Liquidity Risk

Liquidity risk is the risk that the Scheme will not be able to meet its financial obligations as they fall due. The Scheme's approach to managing liquidity is to ensure, as far as possible, that there will always be sufficient liquidity to meet liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Scheme's reputation.

The Scheme is exposed to daily cash redemptions of redeemable units. Asset holdings are diversified over a range of classes and maturities.

The Scheme's liquidity risk is managed by investing in unlisted investment trusts which, in turn, invest in different asset classes and predominantly liquid assets.

Members are able to transfer their balances to another KiwiSaver Scheme at any time. As such, the liability for promised retirement benefits is deemed to be repayable on demand. All other financial liabilities of the Scheme are due within one month.

d) Capital Risk Management

The Scheme manages its Net assets attributable to Members as capital, notwithstanding Net assets attributable to Members is classified as a liability. The amounts of Members' funds can change significantly on a daily basis as the Funds are subject to daily applications and redemptions which are at the discretion of Members. The Scheme's objective when managing capital is to safeguard the Scheme's ability to continue as a going concern in order to provide returns for Members and to maintain a strong capital base to support the development of the investment activities of the Scheme. In order to maintain or adjust the capital structure, the Scheme's policy is to perform the following:

- monitor the level of daily applications and redemptions relative to the assets it is able to liquidate within seven days; and
- redeem and issue new units in accordance with the constitutional documents of the Scheme, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions in accordance with the KiwiSaver Act 2006. The Scheme does not have any externally imposed capital requirements.

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14 FINANCIAL INSTRUMENTS BY CATEGORY

	TOTAL		Mercer Conservative		Mercer Balanced		Mercer High Growth	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS								
Designated at fair value through profit or loss								
Unlisted unit trusts	1,089,307,414	887,642,797	930,660,886	779,965,165	76,654,849	52,963,940	70,732,091	45,366,585
Total investments designated at fair value through profit or loss	1,089,307,414	887,642,797	930,660,886	779,965,165	76,654,849	52,963,940	70,732,091	45,366,585
Loans and Receivables								
Cash and cash equivalents	10,962,347	16,002,026	9,078,958	13,270,965	843,907	1,280,005	904,672	1,332,790
Total loans and receivables	10,962,347	16,002,026	9,078,958	13,270,965	843,907	1,280,005	904,672	1,332,790
Total assets	1,100,269,761	903,644,823	939,739,844	793,236,130	77,498,756	54,243,945	71,636,763	46,699,375
LIABILITIES								
Amortised Cost								
Investment management and trustee fees payable	339,365	199,008	277,487	174,624	29,735	11,942	27,718	10,208
Benefits payable	1,852,246	665,914	1,628,433	580,647	50,120	48,560	173,693	19,115
Unallocated contributions	851,512	1,277,791	741,589	1,043,236	49,380	77,684	53,435	147,992
Administration fees payable	237,270	536,698	220,610	471,592	7,658	32,024	7,446	27,430
Manager fees (expense recoveries) payable	164,563	163,175	142,127	143,373	10,994	9,739	9,842	8,344
Net assets attributable to members	1,083,859,756	883,439,534	924,977,908	775,224,651	76,686,961	53,143,307	70,889,097	45,700,628
Total liabilities	1,087,304,712	886,282,120	927,988,154	777,638,123	76,834,848	53,323,256	71,161,231	45,913,717

	Mercer Cash		Mercer Moderate		Mercer Growth		Mercer Shares	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS								
Designated at fair value through profit or loss								
Unlisted unit trusts	9,464,952	9,347,107	482,398		1,071,651		240,587	
Total financial assets designated at fair value through profit or loss	9,464,952	9,347,107	482,398		1,071,651		240,587	
Loans and Receivables								
Cash and cash equivalents	91,612	118,266	30,100		9,794		3,304	
Total loans and receivables	91,612	118,266	30,100		9,794		3,304	
Total assets	9,556,564	9,465,373	512,498		1,081,445		243,891	
LIABILITIES								
Amortised Cost								
Investment management and trustee fees payable	4,346	2,234	51		18		10	
Benefits payable	-	17,592	-		-		-	
Unallocated contributions	3,201	8,879	787		2,932		188	
Administration fees payable	1,537	5,652	5		11		3	
Manager fees (expense recoveries) payable	1,568	1,719	7		21		4	
Net assets attributable to members	9,474,951	9,370,948	510,902		1,076,600		243,337	
Total liabilities	9,485,603	9,407,024	511,752		1,079,582		243,542	

At 31 March 2015 the carrying amount of cash and cash equivalents and liabilities at amortised cost approximates their fair value (2014: Same).

15 INVOLVEMENT WITH UNCONSOLIDATED SUBSIDIARIES

Subsidiaries are investees controlled by the Scheme. The Scheme 'controls' an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The MITNZ Trust Deed requires a 75% majority vote to pass an extraordinary resolution. Therefore, the Manager has determined that control exists when it holds 75% of the issued units in the investee.

At 31 March 2015, the Scheme did not have any controlling interests in subsidiaries (2014: Nil).

16 CONTINGENT LIABILITY, ASSET AND COMMITMENTS

The Scheme has requested amendments to the income tax returns previously filed with Inland Revenue in respect of management fee rebates that were originally returned as taxable income. The total amount of the adjustment is \$605,748. At the date of signing these financial statements, Inland Revenue has confirmed receipt of the amendment request however has not provided any indication on the outcome of the application.

17 EVENTS AFTER BALANCE DATE

With effect from 11 June 2015, Mercer has been granted a managed investment scheme manager licence by the Financial Markets Authority. The Scheme is in the process of becoming registered as a managed investment scheme under the Financial Markets Conduct Act 2013.

The closure of Mercer Super Trust KiwiSaver Scheme at 30 June 2015 has resulted in the majority of members transferring their membership and account balances to the Mercer KiwiSaver scheme effective 19 June 2015. The transfer will be reported in the financial statements for the year ended 31 March 2016.

