

A photograph of two men sitting at a table in a cafe, looking at their smartphones. The man in the foreground is wearing a blue sweater and glasses, and the man behind him is wearing a dark sweater and glasses. There are two paper coffee cups on the table. The background is blurred, showing a cafe interior with warm lighting.

MERCER SUPER TRUST

# ANNUAL REPORT 2015

PART ONE  
FOR MEMBERS OF THE  
CORPORATE SUPERANNUATION  
DIVISION, PERSONAL  
SUPERANNUATION DIVISION AND  
ALLOCATED PENSION DIVISION  
OF THE MERCER SUPER TRUST FOR  
THE YEAR ENDED 30 JUNE 2015

PREPARED DECEMBER 2015

MAKE TOMORROW, TODAY

 MERCER



## ABOUT THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

Your Annual Report from the Mercer Super Trust consists of two parts:

**Part one** – (this *Annual Report* to members) which contains a general update on how your super has performed and tells you about changes that have been made to the Mercer Super Trust during the year ended 30 June 2015 and up to the date that this report was prepared which may have had an impact on your super and which may have an impact on your super in the future. It's important that you carefully read the section entitled 'Changes to the Mercer Super Trust' to see how this applies to you.

**Part two** – (your *Supplementary Annual Report*) which contains an update on the information specific to your plan for the year ended 30 June 2015.

Both parts of your *Annual Report* should be read in conjunction and kept together for future reference. A reference to this *Annual Report* means Part one and Part two collectively.

Mercer Superannuation (Australia) Limited (MSAL) ABN 79 004 717 533 Australian Financial Services Licence #235906 is the trustee of the Mercer Super Trust ABN 19 905 422 981. MSAL is responsible for the contents of this *Annual Report* and is the issuer of this *Annual Report*. In this *Annual Report*, MSAL is called trustee, we or us.

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## MESSAGE FROM OUR CHAIR

### Welcome to your Mercer Super Trust *Annual Report* for 2015.

Our purpose is to help create better lives for our customers with a suite of products and services that help you grow your wealth and plan for your retirement.

Mercer's approach to helping customers create better lives for themselves and their families has earned Mercer a place in the 2015 BRW Most Innovative Companies, recognising two years of product innovation and continuous improvement in customer service. The Trustee is very proud that Mercer Super Trust members can now access innovative products like the Mercer SmartPath® investment option, which automatically adjusts your level of risk and return to suit your stage of life and the innovative Mercer LifetimePlus investment option which is designed to help protect you against the risk of running out of savings and aims to provide a retirement income for as long as you live.

Our 2015 'Think tomorrow' campaign is just one example of the many ways we help our customers achieve a better tomorrow – by making it easier to take control of your super. The campaign helped thousands of customers consolidate their super accounts, and gave them the opportunity to minimise their fees and potentially grow larger super balances.

Our focus on delivering top notch customer service was also recognised by one of the leading bodies for the contact centre industry in Australia, Auscontact. Mercer's Helpline was named Victorian Contact Centre of the Year in our category – larger teams with 81 to 150 full-time employees – at the 2015 Victorian Auscontact Association Awards.

While we strive for excellence in direct customer service, we're also improving our online and digital platforms. Our new fully responsive website – [www.mercerfinancialservices.com](http://www.mercerfinancialservices.com) – is designed as a user-friendly platform to explore our super and financial advice services on your favourite device. Keep an eye on the site for new content, as well as opportunities to transact online and interact with your super.



## “Of course investment performance is a priority for our customers and it continues to be a focus for us.”

The 2015 financial year was a particularly good one for our investments, with Corporate Superannuation Division’s Mercer Growth Investment Option outperforming industry benchmarks – beating SuperRatings’ master trust survey median by 0.80% (or 80 basis points) – putting Mercer Growth in the top quartile against other master trusts in both the short and long term (1, 2, 5 and 10 year periods).

Our Mercer SmartPath investment option also performed well. Although returns softened slightly in June 2015, each path within the Mercer SmartPath investment option provided a positive return for the reporting period. In particular, younger members benefited from greater exposure to growth investments over the financial year.

Detailed information about returns for each of the investment options in the Corporate Superannuation, Personal Superannuation and Allocated Pension Divisions in Mercer Super Trust are available on pages 20 to 27 of this report.

Our commitment to innovation and continuous improvement is clear and as we move into 2016 we’ll continue to work hard to provide you with the information and tools you need as you plan and build your retirement savings.

We look forward to continuing to work with you as you make your plans for your health, wealth, career and retirement a reality.

Warm regards,



**Eve Crestani**

Chairman, Mercer Superannuation (Australia) Limited  
Trustee of the Mercer Super Trust

Please note:

- Returns shown allow for the deduction of tax and investment fees (but not administration or other fees)
- Past performance is no guarantee of future performance

® Mercer SmartPath is an Australian registered trademark of Mercer (Australia) Pty Ltd ABN 32 005 315 917.



IN 2015 WE CREATED  
BETTER LIVES FOR OUR  
CUSTOMERS, IN BIG WAYS  
AND SMALL.

WE'VE MADE IT EASIER TO  
MANAGE YOUR SUPER AND  
CONTINUE TO ENSURE  
YOU HAVE ACCESS TO THE  
TOOLS AND SERVICES TO  
MAKE THE BEST OF YOUR  
OPPORTUNITIES, NOW AND  
IN THE YEARS TO COME.

## AWARDS

In August 2015, Mercer made the 2015 BRW Top 50 Most Innovative Companies list. Over the past few years we've worked hard to transform our business, developing award-winning products and delivering continuous service improvement to our clients and customers.

Our Helpline was awarded Victorian Contact Centre of the Year in the category for 81 to 150 full-time employees, at the 2015 Victorian AusContact Association Awards.



Our game-changing retirement income solution, Mercer LifetimePlus was recognised across the industry, winning Mercer the innovator of the Year at the 2015 Conexus Financial Superannuation Awards as well as securing us the 2015 CANSTAR Innovation Award, a Chant West Award for 'Best Fund: Innovation', and a spot as a finalist in the SuperRatings Best New Product category.



The Mercer Super Trust was recognised for achieving the highest possible SuperRatings Platinum rating for 10 years in a row – we are one of only a few funds to achieve this honour.





# COMMUNITY



## Mother's Day Classic

Mercer is the National Silver Sponsor of Australia's largest breast cancer fundraising walk/run event.

## Mercer SuperCycle – The Hospital Research Foundation

Mercer SuperCycle is a 1,000km annual cycling event (from 21-27th March in 2015) which raises funds to improve services for country cancer patients in South Australia. Two teams from Mercer joined more than 60 others on a scenic but gruelling circuit beginning and ending in Adelaide via the Barossa and Clare Valleys, Wallaroo, Port Pirie, Burra, Tanunda and Murray Bridge.



“My future self ...  
would be happy,  
surrounded by family  
and good friends”

Kelly



## CONSOLIDATE YOUR SUPER AND WIN!

Two lucky members struck gold; twice. Not only did they consolidate their super to pay fewer fees, they also took home a cash prize in our Consolidate your super and win! competition.

“I want to  
retire on my  
own terms,  
knowing I’m  
financially stable  
and secure”

Dan

# INVESTMENT EDITORIAL

Markets started the financial year strongly, with smooth sailing generally continuing well into June. But the threat of a Greek debt default and subsequent Greek exit from the Eurozone, re-emerged after being absent for some years, coupled with a stunningly positive turnaround of China's share market, meant most key markets suffered, ending the financial year on an uncertain and volatile note.

## Q3 2014

In the third quarter of 2014, global financial markets were struck by renewed uncertainty. Stalled economic recoveries in Europe and Japan and moves by central banks in the US and England to scale back economic stimulus programs led to fears of another rollercoaster ride of growth and deflation. Mercer believed these fears were no longer warranted, a belief that was borne out over the next three quarters.

## Q4 2014

The last three months of 2014 saw markets become more optimistic about a global recovery, stemming from improvements in the United States economy, underpinned by their strong labour market and improved household balance sheets. Markets were also boosted by further monetary easing in Japan as well as expectations that the European Central Bank would do the same in Q1.

Having relied for a long time on growth coming from the mining sector, Australia's transition to growth from other areas remained painfully slow, hampered by cautious consumers and the reluctance of non-mining companies to invest in equipment or capacity.

Among emerging economies, Russia, Brazil and South Africa were expected to face another challenging year. Meanwhile Chinese growth was expected to be well down on its past five-year average, as Chinese authorities prioritised reforms to improve the quality of growth, rather than the pace of growth.

## Q1 2015

Defensive and growth assets performed strongly in early 2015 across a wide range of global markets, despite a surprising contraction in US Gross Domestic Product (GDP) growth, due to temporary impacts from poor weather conditions and major port strikes. Performance was generally stronger in Australian dollar terms due to the falling Australian dollar. Although currency volatility increased globally, equity and fixed interest remained at extraordinarily low levels.

## Q2 2015

Global deflation fears faded over the three months to 30 June 2015, contributing to a sharp increase in bond yields and mixed performance across global share markets.

The rise in bond yields occurred largely in Europe, reflecting better economic data, a partial rebound of the oil price and a re-assessment of the rationale for negative long-term bond yields. Meanwhile, US data re-affirmed the prospect of a moderate recovery in GDP growth this quarter.

## GOING FORWARD

Whilst the 2014-15 financial year returns were solid, there has been increasing global volatility as we've moved into the third and fourth quarters of the calendar year. We're maintaining our commitment to taking a long-term view for all our investment options while responding appropriately to global and market events.

Globally, interest rates have been around record low levels over recent years. Interest rates in Europe and Japan are expected to remain low for some years to come, but an increase in US rates is expected from around late 2015-early 2016. This low return environment makes it challenging for options with high allocations to cash and fixed interest to meet their investment objectives. Investors should be cognisant of this risk as they select an investment strategy to meet their goals.

# 2014-15 INVESTMENT PERFORMANCE AT A GLANCE

Most of our members invest their super in the following investment options in the Mercer Super Trust, in the Corporate Superannuation Division, Personal Superannuation Division and Allocated Pension Divisions. Detailed information about all of the Mercer Super Trust Investment Options starts on page 33.

The 10, 5, and 1 year returns are listed below.

Please note that the inclusion of an investment option in the following tables does not constitute a recommendation.

## CORPORATE SUPERANNUATION DIVISION RETURNS AT 30 JUNE 2015

Please go to page 22 for detailed information about all returns for the Mercer Super Trust Investment Options available to Corporate Superannuation Division members.

Investment Option	1 year return %	5 year return % per annum	10 year return % per annum
Mercer SmartPath	Born prior to 1929	6.4	N/A
	Born 1929-1933	6.5	N/A
	Born 1934-1938	7.5	N/A
	Born 1939-1943	7.3	N/A
	Born 1944-1948	7.0	N/A
	Born 1949-1953	7.7	N/A
	Born 1954-1958	8.4	N/A
	Born 1959-1963	9.6	N/A
	Born 1964-1968	10.5	N/A
	Born 1969-1973	10.4	N/A
	Born 1974-1978	10.4	N/A
	Born 1979-1983	10.3	N/A
	Born 1984-1988	10.6	N/A
	Born 1989-1993	10.1	N/A
	Born 1994-1998	10.2	N/A
	Born 1999-2003	9.8	N/A
Mercer Shares*	12.4	10.1	6.1
Mercer High Growth	10.4	9.4	6.1
Mercer Growth	9.8	9.0	6.0
Mercer Cash	2.3	3.2	3.8

\* Renamed to Mercer Diversified Shares on 1 October 2015.

N/A indicates that the investment option was not operating for the full period.

The investment returns shown in this *Annual Report* do not take into account the unique characteristics that apply to each member (such as timing of cashflows). As a result, the actual returns applying to a particular member may vary from the investment returns shown. Past performance should not be relied upon as an indicator of future performance.

The performance information contained in this report is up to date at the time of preparation. You can obtain updated performance information at [mercerfinancialservices.com](http://mercerfinancialservices.com) (sign in using your personal log-in) and going to the Investments section, or by calling the Helpline. We can send you a copy of updated information, free of charge, on request.

For information on how these returns are calculated please refer to 'How investment returns are calculated' in the 'Investment returns' section of this *Annual Report*.

## PERSONAL SUPERANNUATION DIVISION RETURNS AS AT 30 JUNE 2015

Please go to page 24 for detailed information about all returns for the Mercer Super Trust Investment Options available to Personal Superannuation Division members.

Investment Option	1 year return %	5 year return % per annum	10 year return % per annum
Mercer Shares*	11.3	9.9	6.1
Mercer High Growth	10.0	9.2	6.0
Mercer Growth	9.3	8.8	5.9
Mercer Conservative Growth	6.4	7.5	5.5
Mercer Cash	2.0	3.0	3.7

\* Renamed to Mercer Diversified Shares on 1 October 2015.

The investment returns shown in this *Annual Report* do not take into account the unique characteristics that apply to each member (such as timing of cashflows). As a result, the actual returns applying to a particular member may vary from the investment returns shown.

Past performance should not be relied upon as an indicator of future performance.

The performance information contained in this report is up to date at the time of preparation. You can obtain updated performance information at [mercercfinancialservices.com](http://mercercfinancialservices.com) (sign in using your personal log-in) and going to the Investments section, or by calling the Helpline. We can send you a copy of updated information, free of charge, on request.

For information on how these returns are calculated please refer to 'How investment returns are calculated' in the 'Investment returns' section of this *Annual Report*.

## ALLOCATED PENSION DIVISION RETURNS AS AT 30 JUNE 2015

Please go to page 26 for detailed information about all returns for the Mercer Super Trust Investment Options available to Allocated Pension Division members

Investment Option	1 year return %	5 year return % per annum	10 year return % per annum
Mercer High Growth	11.0	11.0	6.7
Mercer Growth	10.3	10.5	6.8
Mercer Moderate Growth	8.8	8.9	6.3
Mercer Conservative Growth	7.1	7.2	5.8
Mercer Cash	2.3	3.5	4.4

The investment returns shown in this *Annual Report* do not take into account the unique characteristics that apply to each member (such as timing of cashflows). As a result, the actual returns applying to a particular member may vary from the investment returns shown.

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For information on how these returns are calculated please refer to 'How investment returns are calculated' in the 'Investment returns' section of this *Annual Report*.



# WHO MANAGES YOUR SUPER

The trustee of the Mercer Super Trust is a company, Mercer Superannuation (Australia) Limited (MSAL) ABN 79 004 717 533 Australian Financial Services Licence #235906, which operates the Mercer Super Trust in accordance with the governing documents and applicable law.

The trustee has not incurred any penalties under section 38A of SIS during the year ended 30 June 2015.

Trustee directors are responsible for the operation of the Mercer Super Trust. In particular, they're responsible for making sure:

- your rights and interests as a member are protected
- your super payout is worked out in accordance with the rules applying to your plan
- assets are invested properly, and
- the general operation of the Mercer Super Trust is in accordance with governing documents and applicable laws.

## THE CURRENT DIRECTORS OF MSAL ARE AS FOLLOWS:

### Non-executive directors



#### **Eve Crestani, Chairman**

Eve Crestani is the Non-Executive Director and Chairman of MSAL and a member of the Company's Audit Committee and Remuneration and Nominations Committee. She is also a Non-Executive Director of Mercer Outsourcing (Australia) Pty Ltd.

Eve has over 25 years of experience in financial services, including stock broking and funds management and is a lawyer by training.

Over recent years she has been involved in advising a range of financial institutions and professional services firms, including the Australian Stock Exchange, and the Hong Kong Securities and Futures Commission. Eve is a Non-Executive Director of the Australian Unity Group, a Director of a number of its subsidiaries, and chairman of a number of its committees. She is also a Non-Executive Director of Zurich Australia Limited and Zurich Financial Services Australia Limited, and a member of the ASX Disciplinary Tribunal.



#### **Brian Benger**

Brian Benger is a Non-Executive Director of MSAL and Chairman of the Company's Service Provider Committee. He is also a Non-Executive Director of Mercer Investments (Australia) Limited and Non-Executive Director and Chairman of Mercer Financial Advice (Australia) Pty Ltd. Brian is a member of the Company's Audit Committee and Chairman of the Remuneration and Nominations Committee.

Brian has over 20 years of board experience being a current director of GMHBA, GMHBA Land Co and AC Residential Land Co Pty Ltd, as well as having been a former director of the Victoria Managed Insurance Authority (VMIA), the former Managing Director of the Guild Group of Companies for 10 years, and a former director of nine major subsidiary companies of National Mutual, including National Mutual Trustees, National Mutual Financial Planning and National Mutual Superannuation, Chairman of The FABAL Group Pty Ltd for two and a half years and a member of the Future Fund Advisory Board of the Oaktree Foundation for two years.

Brian is Chairman of GMHBA's Investment Committee and a member of GMHBA's Strategy Committee.



#### **Martin Stevenson**

Martin Stevenson is a Non-Executive Director of MSAL, Chairman of the Plan and Benefits Committee, a member of the Service Provider Committee of the Company and Chairman of the Company's Audit Committee. He is also a Non-Executive Director and Chairman of Mercer Investments (New Zealand) Limited.

Martin was a Partner at Mercer and worked at Mercer for over 40 years until his retirement in 2013. Prior to his retirement, he was also Mercer's Head of Post Retirement Products Consulting – Asia Pacific. Martin has consulted on all aspects of corporate and public sector superannuation in Australia.

Martin joined E.S. Knight & Co. in 1971 after four years with AMP, an Australian life insurance company. He was Managing Partner before Knight's merger with Mercer in 1985. Martin is a Fellow of the Institute of Actuaries of Australia. He is a past President of the Institute of Actuaries of Australia and is currently Chairman of the Institute's International Council Committee.

## Non-executive directors (continued)



### Jan Swinhoe

Jan Swinhoe is a Non-Executive Director of MSAL. She is also a Non-Executive Director of Mercer Investments (Australia) Limited, a member of the Board Risk Management Committee, the Remuneration and Nominations Committee and the Company's Plan and Benefits Committee.

Jan is an Associate of the Actuaries Institute of Australia and holds a Bachelor of Science (Majoring in Mathematics), a Diploma in Applied Psychology and is a Graduate of The Institute of Company Directors. She has held senior executive roles in the financial services industry for over 30 years, before pursuing a portfolio career. Specifically, Jan's experience spanned corporate superannuation, investments, insurance, wealth management, and both private and institutional banking among a number of leading institutions.

Since commencing her non-executive career in 2011, Jan has become a director on the Boards of Suncorp Portfolio Services Limited, Fusion Retail Group, Australian Philanthropic Services, Athletics Australia and most recently, the IMB Bank (formerly the Illawarra Building Society). She is also a member of the Leadership and Career Development Committee at the Actuaries Institute.



### Sue O'Connor

Sue O'Connor is a Non-Executive Director of MSAL. Sue has particular expertise in the fields of digital, business transformation, strategy and risk.

Sue has been a Non-Executive Director/Chairman for over ten years. She is currently Chairman of Yarra Valley Water and Director of the Transport Accident Commission, State Trustees Victoria and Director and immediate Past Chairman of YMCA Victoria. Sue is a long-term facilitator in the AICD Company Director's Course (Strategy).

Sue brings to the Board over 25 years of senior leadership experience in complex, technology dependent businesses. This includes 13 years as a Group General Manager at Telstra Corporation where she led the establishment of a number of new businesses and the completion of major cross company transformation programs and as Managing Director of her own consulting firm providing advice on strategy, growth and digital transformation to ASX top 50 companies and major Government departments and GBEs.

Sue has completed a Bachelor of Applied Science (RMIT), Graduate Diploma of Business Management (Monash) and Harvard Business School Executive Management programs. She is a Fellow of the Australian Institute of Company Directors.

## Executive director



### Ben Walsh

Ben Walsh is an Executive Director of MSAL and a member of the Board Risk Management Committee. He is also a director on four other Mercer group company boards.

He is also the Managing Director & Market Leader for Mercer in the Pacific spanning the firm's five business segments of talent, health, retirement, financial services and investments. He is a member of the Pacific Leadership Team and the Europac Regional Leadership Team. With 20 years' service, Ben has worked for the Group in four countries across seven business line/functional areas.

Ben holds a Bachelor of Commerce with Honours (University of Melbourne) and a Master of Business Administration (Melbourne Business School). He is a fellow of the Australian and New Zealand Institute of Insurance and Finance.

### Registered office:

Collins Square  
Level 15  
727 Collins Street  
Docklands Victoria 3008





# INVESTMENT INFORMATION

A key investment objective of the Mercer Super Trust is to provide members with the benefits of diversification by enabling them to access different asset classes, investment managers and investment styles.

The trustee aims to meet this objective by providing members with a wide range of investment options, each with their own investment objective and strategy.

The sections below provide some more detail in respect of the Mercer investment options.

## INVESTMENT PHILOSOPHY

Each investment option has a specific performance objective.

Our strategy generally is to select a long-term mix of investments to support the investment options' objectives and we believe our investment options are reasonably likely to meet their objectives. However, there are no guarantees.

We may change the investment objective and strategy for each investment option to ensure that there is a reasonable probability we deliver on the objective. The actual asset allocation may fall outside the stated ranges during material transactions or due to factors including extreme market conditions or asset transitions.

We use formal quarterly analysis to monitor the investment options' performances against objectives and to help us assess whether any changes are needed.

## MANAGER RESEARCH AND SELECTION

Mercer Investments (Australia) Limited (MIAL) is the primary fund manager of the Mercer Super Trust.

MIAL advises the trustee on the selection, appointment, replacement and ongoing evaluation of investment managers.

MIAL's significant scale in researching managers globally provides it with access to some of the best ideas from more than 5,000 investment managers around the world.

MIAL leverages its global research network to establish optimal combinations of specialist managers for each asset class. MIAL's investment manager research focuses on each manager's strength in idea generation, portfolio construction, implementation and business management.

A number of Mercer investment options adopt a multi-manager approach. This approach involves selecting optimal combinations of investment managers to achieve exposure to a range of investment management styles. The intention is to maximise the potential of the options to produce consistent performance throughout market cycles.

The trustee may remove, replace, or appoint investment managers for the investment options at its discretion at any time.

Information about investment managers is available on [mercercfinancialservices.com](http://mercercfinancialservices.com). You can also call the Helpline for this information.

## SUSTAINABLE INVESTMENT

For Ready-made investment options and Select-your-own investment options only.

We build sustainability principles into our investment options to help protect and enhance the value of your super. We look beyond traditional financial factors to consider the potential investment impacts of corporate governance as well as environmental and social issues – such as an aging population, energy and resource constraints and climate change.

We believe Environmental, Social and Governance (ESG) factors may have a material impact on long-term risk and return outcomes. We also believe that principles of active ownership and investment stewardship are valuable in the investment process. For this reason, we have incorporated ESG considerations, principles of active ownership and investment stewardship throughout our investment decision making and ownership practices. For more information refer to the trustee's *Mercer Funds Sustainable Investment Policy* and *Mercer Funds Corporate Governance Policy*, available from [mercerfinancialservices.com](http://mercerfinancialservices.com) or by calling the Helpline.

Principles of sustainable investment and good governance apply to all asset classes unless otherwise indicated.

The investment managers appointed to the investment options may consider the ESG factors (outlined in the Environmental, Social and Governance Considerations table below) when assessing investment risk and opportunities.

### For Mercer Direct, Indexed and Non Mercer options

The trustee does not impose any specific ESG requirements on investment managers for these investment options.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONSIDERATIONS

Investment managers also consider many factors listed below when assessing investment opportunities.

### Environmental

- energy efficiency
- pollution control
- resource scarcity
- renewable energy
- water management
- environmental policies
- environmental reporting

### Social

- employee labour standards (including wages, working hours and diversity)
- occupational health and safety
- employee relations
- human rights
- labour practices (including child and forced labour)
- talent attraction and retention

### Governance

- community engagement
- corporate citizenship
- anti-bribery and corruption
- remuneration
- board balance and diversity
- operational and risk management

## SOCIALLY RESPONSIBLE INVESTING

Socially Responsible Investing (SRI) means taking into account ethical issues when making investment decisions. We consider these issues in addition to the ESG considerations outlined earlier for our socially responsible investment options.

You can choose from two SRI options:

- the Mercer Socially Responsible Shares investment option, and
- the Mercer Socially Responsible Growth investment option.

The investment managers for these options must take into account the SRI criteria set out below:

- the portfolio's total carbon intensity (given the risks with climate change), and
- Mercer's commitment to sustainable investing and active ownership through ESG integration, proxy voting and engagement in investment decision making processes.

The trustee does not take ethical issues into account for any other investment options when making investment decisions.

## SECTOR EXCLUSIONS

Our SRI options will not invest in companies with material exposure to:

- tobacco production
- alcohol production
- gambling or gaming services, and
- armaments.

Material exposure is defined as 10% of revenue or greater in the last financial year.

## ASSET CLASSES AND SRI

Australian and international shares are the only asset classes subject to the SRI exclusions in the two SRI options listed under 'Socially Responsible Investing'. However, we may extend SRI considerations to other asset classes for these options in the future.

The SRI options use a multi-manager investment approach, with potentially different investment managers selected to implement investment strategies in each asset class.

## SRI RISK AND RETURN CONSIDERATIONS

Applying SRI principles can affect investment risk and return. Some SRI strategies, for example, may exclude investments in sectors considered unethical. These options may have less diversified investment opportunities and may forgo some potentially profitable investments on ethical grounds.

## USE OF DERIVATIVES

Derivatives, such as futures or options, are investment products whose value is derived from one or more underlying assets. The value of a share option, for example, is linked to the value of the underlying share.

The trustee does not undertake day-to-day management of derivative instruments.

Derivatives may be used to assist in the efficient management of the portfolios (e.g. to quickly and effectively adjust asset class exposures and for rebalancing purposes) and to manage risk (e.g. for currency hedging). Losses from derivatives can occur (e.g. due to market movements).

Derivative risk is managed by placing limits on using derivatives in relevant Investment and or Transition Management Agreements with investment managers and by considering the risks and controls set out in the managers' Derivative Risk Statements.

## THE DERIVATIVE CHARGE RATIO

The derivative charge ratio is the percentage of the total market value of the assets of the Mercer Super Trust (other than cash) that the trustee has charged as security for derivatives investments made by the trustee.

Based on information provided by the custodian and investment managers, the trustee is unaware of any period in the year when the derivative charge ratio exceeded 5.00%.

## INVESTMENT RISK AND STANDARD RISK MEASURE

All investments, including super, carry some risk. We invest your super in your chosen investment options that have different levels of risk depending on the assets that make up each investment option.

Generally, investment risk is that an investor gets back less than they put in. Taxes, expenses and low or negative returns can also have an impact on investment risk.

The Standard Risk Measure (SRM) is the estimated number of negative annual returns in any 20 year period. It is a tool to help you compare investment risk across investment options. The SRM is based on industry guidance and is not a complete assessment of investment risk. It does not take into account:

- what the size of a negative return could be
- if the size of a positive return will be enough to meet your objectives, or
- the impact of administration fees and tax on the likelihood of a negative return.

You should check you are comfortable with the risks and potential losses associated with your chosen investment option(s).

The standard risk measure consists of seven risk labels:

Risk label	Estimated number of negative annual returns over any 20 year period
Very high	6 or more
High	Between 4 and 6
Medium to high	Between 3 and 4
Medium	Between 2 and 3
Low to medium	Between 1 and 2
Low	Between 0.5 and 1
Very low	Less than 0.5

Risk labels are not a guarantee of the number or frequency of negative annual returns for an investment option.

For details of the SRM for each investment option refer to 'Your investment options in detail' section later in this *Annual Report*.

For more information on the risks associated with each investment option, refer to the *Product Disclosure Statement* and/or other member materials provided to you or call the Helpline.

# INVESTMENT RETURNS

## HOW INVESTMENT RETURNS ARE CALCULATED

Single year and compound returns are calculated assuming that \$1.00 is invested at the start of the relevant period and that no further amounts are invested over the period.

Division	Returns based on
Corporate Superannuation Division	Exit prices and allow for the deduction of tax and investment fees (but not administration fees or other fees)
Personal Superannuation Division	Exit prices and allow for the deduction of tax and investment fees (but not administration fees)
Allocated Pension Division	Exit prices and allow for the deduction of investment fees (but not administration fees)*

\* For the Allocated Pension Division, the calculation of the returns for the Non Mercer Balanced – Value Style investment option also allows for the deduction of tax.

Compound returns are calculated as the average of annual returns. For example, if returns are 5.00%, 6.00% and 7.00% over three consecutive years, the compound return is 6.00% per annum, as the same result could be achieved by earning a return of 6.00% in each of the three years.

## HOW THE MERCER SUPER TRUST INVESTMENT EARNINGS ARE WORKED OUT

Super contributions and rollovers made to the Mercer Super Trust purchase what are known as units in each investment option. Unit prices are generally calculated daily (except weekends and Melbourne public holidays) and fluctuate according to the investment performance of the individual investment options.

The number of units that are purchased depend on the unit price at the relevant time. For example, if \$1,000 is contributed, and the unit price is \$1.00 at that time, then 1,000 units would be purchased.

Units are redeemed when amounts due are needed to make super payouts or to meet fees, taxes and other expenses.

For members with unitised benefits, the value of your payout at any time is simply the number of units you have, multiplied by their exit price at that time. Your latest member statement shows you how many units you have and their price.

For Corporate Superannuation Division members who have defined benefits, your payout will be calculated according to a formula. Generally, the rate of earnings credited to your defined benefit accounts, other than any additional accounts you may have (where an investment choice is available), is worked out after taking into account the plan's full investment earnings and after making allowance for expenses and tax on investment earnings. Your latest member statement shows your plan's earning rate credited to your defined benefit accounts.

Please note that for some investment options, the prices at which units are bought can differ from the price at which they are redeemed.

## ALLOCATION OF INVESTMENT EARNINGS

The net investment earnings of the Mercer Super Trust investment options are allocated to members through changes in the unit price of the investment options.

You should carefully consider the risks of each of the options before making any investment decisions. You should be aware that investment returns can be volatile and the value of your investments may increase or decrease. You should not rely on past performance as an indicator of the future performance of any of the investment options

You can obtain up to date returns for your plan's investment options (excluding the Mercer Direct investment option) in the *Mercer Super Trust Monthly Report* at [mercerfinancialservices.com](http://mercerfinancialservices.com)

**We strongly recommend that you speak to a licensed, or appropriately authorised, financial adviser before making any decision about your super.**

Mercer Superannuation (Australia) Limited (MSAL) ABN 79 004 717 533 Australian Financial Services Licence #235906 is the trustee of the Mercer Super Trust.

Mercer Outsourcing (Australia) Pty Ltd (MOAPL) ABN 83 068 908 912 Australian Financial Services Licence #411980, Mercer Investments (Australia) Limited (MIAL) ABN 66 008 612 397 Australian Financial Services Licence #244385, Mercer Financial Advice (Australia) Pty Ltd (MFA) ABN 76 153 168 293 Australian Financial Services Licence #411766, and MSAL are wholly owned subsidiaries of Mercer (Australia) Pty Ltd (Mercer) ABN 32 005 315 917.

Neither MSAL, MOAPL, MIAL, MFA, Mercer, your employer or any of the investment managers guarantees the investment performance, earnings or return of capital invested in any of the Mercer Super Trust investment options.



W5			R1 W5			R29 W4			R28 W4				
3	2	1	6	5	4	3	2	1	4	3	2	1	6
4	35	36	31	32	33	34	35	36	33	34	35	36	31
5	26	25	30	29	28	27	26	25	28	27	26	25	30
6	24	19	20	21	22	23	24	21	22	23	24	19	

# INVESTMENT PERFORMANCE

## CORPORATE SUPERANNUATION DIVISION – INVESTMENT PERFORMANCE TO 30 JUNE 2015

		Investment Option	1 year return %	5 year return % per annum	10 year return % per annum
Ready-made	Mercer SmartPath	Born prior to 1929	6.4	N/A	N/A
		Born 1929-1933	6.5	N/A	N/A
		Born 1934-1938	7.5	N/A	N/A
		Born 1939-1943	7.3	N/A	N/A
		Born 1944-1948	7.0	N/A	N/A
		Born 1949-1953	7.7	N/A	N/A
		Born 1954-1958	8.4	N/A	N/A
		Born 1959-1963	9.6	N/A	N/A
		Born 1964-1968	10.5	N/A	N/A
		Born 1969-1973	10.4	N/A	N/A
		Born 1974-1978	10.4	N/A	N/A
		Born 1979-1983	10.3	N/A	N/A
		Born 1984-1988	10.6	N/A	N/A
		Born 1989-1993	10.1	N/A	N/A
		Born 1994-1998	10.2	N/A	N/A
		Born 1999-2003	9.8	N/A	N/A
		Mercer Shares <sup>+</sup>	12.4	10.1	6.1
		Mercer High Growth	10.4	9.4	6.1
		Mercer Growth	9.8	9.0	6.0
	Mercer Moderate Growth	8.4	7.8	5.6	
	Mercer Conservative Growth	6.7	6.4	5.1	
	Mercer Cash	2.3	3.2	3.8	
Select-your-own	Mercer Plus	Mercer Shares Plus	11.9	9.6	N/A
		Mercer High Growth Plus	10.4	9.2	N/A
		Mercer Growth Plus	9.1	8.3	N/A
		Mercer Australian Shares Plus	5.8	7.8	N/A
		Mercer Overseas Shares Plus (unhedged)	5.6	7.3	N/A
		Mercer Income Plus	23.4	11.6	N/A
	Mercer Sector	Mercer Australian Shares	5.8	7.9	7.0
		Mercer Australian Core Shares	6.0	8.7	N/A
		Mercer Australian Growth Shares	4.7	9.2	N/A
		Mercer Australian Value Shares	8.4	8.3	N/A
		Mercer Australian Small Companies	-1.4	6.7	N/A
		Mercer Overseas Shares (unhedged)	22.7	11.6	4.1
		Mercer Hedged Overseas Shares	10.3	13.4	N/A
		Mercer Overseas Core Shares	21.8	13.3	N/A
		Mercer Overseas Growth Shares	24.6	11.9	N/A
		Mercer Overseas Value Shares	18.9	10.8	N/A
Mercer Overseas Small Companies	24.8	16.3	N/A		



## CORPORATE SUPERANNUATION DIVISION – INVESTMENT PERFORMANCE TO 30 JUNE 2015 (CONTINUED)

	Investment Option	1 year return %	5 year return % per annum	10 year return % per annum	
Select-your-own	Mercer Emerging Markets	15.1	4.7	N/A	
	Mercer Property	7.7	9.9	N/A	
	Mercer Direct Property	6.4	6.5	3.8	
	Mercer Sector	Mercer Australian Listed Property	17.6	11.0	N/A
	Mercer Overseas Listed Property	9.3	11.7	N/A	
	Mercer Fixed Interest	4.6	6.1	5.5	
	Mercer Australian Fixed Interest <sup>+</sup>	5.1	4.6	N/A	
	Mercer Overseas Fixed Interest <sup>+</sup>	6.8	5.9	N/A	
	Mercer Term Deposit	2.5	N/A	N/A	
	Mercer Diversified Alternatives	6.0	4.0	N/A	
	Mercer Target	Mercer Target 2015	8.6	8.0	N/A
	Mercer Target 2025	10.0	9.0	N/A	
	Mercer Target 2035	11.2	9.9	N/A	
	Mercer Target 2045	11.8	10.4	N/A	
	Mercer Socially Responsible	Mercer Socially Responsible Shares	12.9	11.4	7.6
	Mercer Socially Responsible Growth	9.7	9.5	6.7	
	Indexed	Indexed Shares <sup>+</sup>	12.6	11.3	6.7
	Indexed Australian Shares	6.8	8.6	6.8	
	Indexed Overseas Shares	22.2	13.0	5.3	
	Indexed Growth <sup>+</sup>	10.9	10.1	6.9	
	Indexed Conservative Growth <sup>+</sup>	7.2	7.1	5.7	
	Non Mercer	Non Mercer Growth – Multi Manager Style	10.2	9.4	5.9
	Non Mercer Balanced – Multi Manager Style	9.2	8.9	5.7	
	Non Mercer Balanced – Core Style	11.7	10.0	6.7	
	Non Mercer Balanced – Value Style	9.8	9.6	6.8	
	Non Mercer Conservative	6.3	6.9	5.5	
	Mercer Direct	Mercer Direct	N/A	N/A	N/A

N/A indicates that the investment option was not operating for the full period.

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<sup>+</sup> These investment options were renamed on 1 October 2015. Refer to the 'Changes to the Mercer Super Trust' section later in this *Annual Report* for more information.

## PERSONAL SUPERANNUATION DIVISION - INVESTMENT PERFORMANCE TO 30 JUNE 2015

Investment Option		1 year return %	5 year return % per annum	10 year return % per annum	
Ready-made	Mercer Shares <sup>+</sup>	11.3	9.9	6.1	
	Mercer High Growth	10.0	9.2	6.0	
	Mercer Growth	9.3	8.8	5.9	
	Mercer Moderate Growth	7.6	7.5	5.5	
	Mercer Conservative Growth	6.4	6.2	5.0	
	Mercer Cash	2.0	3.0	3.7	
Select-your-own	Mercer Plus	Mercer Shares Plus	10.6	9.2	N/A
		Mercer High Growth Plus	9.6	9.0	N/A
		Mercer Growth Plus	8.4	8.3	N/A
		Mercer Australian Shares Plus	5.4	7.4	N/A
		Mercer Overseas Shares Plus (unhedged)	22.9	11.2	N/A
		Mercer Income Plus	4.1	6.4	N/A
	Mercer Sector	Mercer Australian Shares	5.6	7.8	6.9
		Mercer Australian Core Shares	5.9	8.6	N/A
		Mercer Australian Growth Shares	4.6	9.3	N/A
		Mercer Australian Value Shares	8.3	8.2	N/A
		Mercer Australian Small Companies	-2.0	6.6	N/A
		Mercer Overseas Shares (unhedged)	22.7	11.8	4.3
		Mercer Hedged Overseas Shares	10.1	12.9	N/A
		Mercer Overseas Core Shares	19.8	11.9	N/A
		Mercer Overseas Growth Shares	23.3	10.7	N/A
		Mercer Overseas Value Shares	17.4	9.4	N/A
		Mercer Overseas Small Companies	24.9	16.3	N/A
		Mercer Emerging Markets	13.6	3.9	N/A
		Mercer Property	7.6	10.1	N/A
		Mercer Direct Property	5.1	5.5	N/A
		Mercer Australian Listed Property	16.1	9.9	N/A
		Mercer Overseas Listed Property	9.4	12.6	N/A
		Mercer Fixed Interest	4.0	5.8	N/A
		Mercer Australian Fixed Interest <sup>+</sup>	3.6	3.7	N/A
		Mercer Overseas Fixed Interest <sup>+</sup>	5.5	4.9	N/A
		Mercer Term Deposit	1.4	N/A	N/A
		Mercer Diversified Alternatives	6.0	4.0	N/A

## PERSONAL SUPERANNUATION DIVISION – INVESTMENT PERFORMANCE TO 30 JUNE 2015 (CONTINUED)

		Investment Option	1 year return %	5 year return % per annum	10 year return % per annum
Select-your-own	Mercer Target	Mercer Target 2015	8.1	8.1	N/A
		Mercer Target 2025	9.4	9.0	N/A
		Mercer Target 2035	10.4	9.8	N/A
		Mercer Target 2045	10.8	10.2	N/A
	Mercer Socially Responsible	Mercer Socially Responsible Shares	13.0	11.6	N/A
		Mercer Socially Responsible Growth	9.6	9.5	N/A
	Indexed	Indexed Shares <sup>+</sup>	11.8	10.8	N/A
		Indexed Australian Shares	6.5	8.4	N/A
		Indexed Overseas Shares	22.2	13.0	N/A
		Indexed Growth <sup>+</sup>	10.6	9.5	N/A
		Indexed Conservative Growth <sup>+</sup>	6.8	6.6	N/A
	Non Mercer	Non Mercer Growth – Multi Manager Style	10.0	9.2	N/A
		Non Mercer Balanced – Multi Manager Style	9.1	8.7	N/A
		Non Mercer Balanced – Core Style	11.8	9.7	N/A
		Non Mercer Balanced – Value Style	9.7	9.4	6.6
Non Mercer Conservative		6.4	6.7	N/A	

N/A indicates that the investment option was not operating for the full period.

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+ These investment options were renamed on 1 October 2015. Refer to the 'Changes to the Mercer Super Trust' section later in this *Annual Report* for more information.

## ALLOCATED PENSION DIVISION – INVESTMENT PERFORMANCE TO 30 JUNE 2015

	Investment Option	1 year return %	5 year return % per annum	10 year return % per annum	
Ready-made	Mercer Shares <sup>+</sup>	13.8	12.3	6.9	
	Mercer High Growth	11.0	11.0	6.7	
	Mercer Growth	10.3	10.5	6.8	
	Mercer Moderate Growth	8.8	8.9	6.3	
	Mercer Conservative Growth	7.1	7.2	5.8	
	Mercer Cash	2.3	3.5	4.4	
Select-your-own	Mercer Plus	Mercer Shares Plus	13.2	11.4	N/A
		Mercer High Growth Plus	11.4	10.6	N/A
		Mercer Growth Plus	10.1	9.9	N/A
		Mercer Australian Shares Plus	6.7	9.5	N/A
		Mercer Overseas Shares Plus (unhedged)	25.8	13.4	N/A
		Mercer Income Plus	4.4	7.3	N/A
	Mercer Sector	Mercer Australian Shares	7.2	10.3	7.7
		Mercer Australian Core Shares	6.1	10.5	N/A
		Mercer Australian Growth Shares	5.2	11.1	N/A
		Mercer Australian Value Shares	9.4	9.9	N/A
		Mercer Australian Small Companies	-1.9	8.1	N/A
		Mercer Overseas Shares (unhedged)	25.2	14.0	5.1
		Mercer Hedged Overseas Shares	10.9	15.6	N/A
		Mercer Overseas Core Shares	21.9	14.5	N/A
		Mercer Overseas Growth Shares	25.7	N/A	N/A
		Mercer Overseas Value Shares	17.7	10.6	N/A
		Mercer Overseas Small Companies	26.4	N/A	N/A
		Mercer Emerging Markets	14.7	4.0	N/A
		Mercer Property	8.3	11.9	N/A
		Mercer Direct Property	5.8	N/A	N/A
		Mercer Australian Listed Property	17.9	12.1	N/A
		Mercer Overseas Listed Property	10.3	15.0	N/A
		Mercer Fixed Interest	4.7	6.7	N/A
		Mercer Australian Fixed Interest <sup>+</sup>	4.0	4.3	N/A
		Mercer Overseas Fixed Interest <sup>+</sup>	6.2	5.9	N/A
		Mercer Term Deposit	2.6	N/A	N/A
		Mercer Diversified Alternatives	7.0	4.9	N/A

## ALLOCATED PENSION DIVISION – INVESTMENT PERFORMANCE TO 30 JUNE 2015 (CONTINUED)

		Investment Option	1 year return %	5 year return % per annum	10 year return % per annum
Select-your-own	Mercer Target	Mercer Target 2015	9.3	9.5	N/A
		Mercer Target 2025	-0.2	N/A	N/A
		Mercer Target 2035	N/A	N/A	N/A
		Mercer Target 2045	N/A	N/A	N/A
	Mercer Socially Responsible	Mercer Socially Responsible Shares	10.5	10.9	N/A
		Mercer Socially Responsible Growth	13.9	13.3	N/A
	Indexed	Indexed Shares <sup>+</sup>	13.5	13.0	N/A
		Indexed Australian Shares	7.2	10.1	N/A
		Indexed Overseas Shares	24.3	15.0	N/A
		Indexed Growth <sup>+</sup>	10.9	10.5	N/A
		Indexed Conservative Growth <sup>+</sup>	7.7	7.4	N/A
	Non Mercer	Non Mercer Balanced – Value Style	10.0	9.7	6.7
	Mercer LifetimePlus	Mercer LifetimePlus	N/A <sup>^</sup>	N/A	N/A
	Mercer Direct	Mercer Direct	N/A	N/A	N/A

N/A indicates that the investment option was not operating for the full period.

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<sup>^</sup> As at 30 June 2015 there were no funds in this option to report and no investment returns.

<sup>+</sup> These investment options were renamed on 1 October 2015. Refer to the 'Changes to the Mercer Super Trust' section later in this *Annual Report* for more information.



# INDIRECT COST RATIO AND EXPENSE ALLOWANCE

Details of Indirect Cost Ratio and expense allowance are set out in the *Product Disclosure Statement* and/or other member materials (as applicable) for your plan (Corporate Superannuation Division), Personal Superannuation Division or the Allocated Pension Division.

## INDIRECT COST RATIO

The Indirect Cost Ratio for the period of 1 July 2014 to 30 June 2015 is set out below.

Investment Option		Corporate Superannuation Division	Personal Superannuation Division	Allocated Pension Division	
		Indirect cost ratio* (% pa)	Indirect cost ratio* (% pa)	Indirect cost ratio* (% pa)	
Ready-made	Mercer SmartPath	Born prior to 1929	0.13	N/A	N/A
		Born 1929-1933	0.13	N/A	N/A
		Born 1934-1938	0.13	N/A	N/A
		Born 1939-1943	0.13	N/A	N/A
		Born 1944-1948	0.15	N/A	N/A
		Born 1949-1953	0.14	N/A	N/A
		Born 1954-1958	0.12	N/A	N/A
		Born 1959-1963	0.13	N/A	N/A
		Born 1964-1968	0.13	N/A	N/A
		Born 1969-1973	0.13	N/A	N/A
		Born 1974-1978	0.13	N/A	N/A
		Born 1979-1983	0.13	N/A	N/A
		Born 1984-1988	0.13	N/A	N/A
		Born 1989-1993	0.13	N/A	N/A
		Born 1994-1998	0.13	N/A	N/A
		Born 1999-2003	0.13	N/A	N/A
	Mercer Shares <sup>+</sup>	0.09	0.09	0.11	
	Mercer High Growth	0.14	0.15	0.16	
	Mercer Growth	0.17	0.16	0.17	
	Mercer Moderate Growth	0.15	0.15	0.15	
Mercer Conservative Growth	0.14	0.15	0.14		
Mercer Cash	0.06	0.06	0.06		

## INDIRECT COST RATIO (CONTINUED)

Investment Option		Corporate Superannuation Division	Personal Superannuation Division	Allocated Pension Division	
		Indirect cost ratio* (% pa)	Indirect cost ratio* (% pa)	Indirect cost ratio* (% pa)	
Select-your-own	Mercer Plus	Mercer Shares Plus	0.12	0.12	0.13
		Mercer High Growth Plus	0.19	0.19	0.20
		Mercer Growth Plus	0.19	0.19	0.20
		Mercer Australian Shares Plus	0.09	0.09	0.13
		Mercer Overseas Shares Plus (unhedged)	0.10	0.10	0.10
		Mercer Income Plus	0.32	0.32	0.32
	Mercer Sector	Mercer Australian Shares	0.08	0.08	0.13
		Mercer Australian Core Shares	0.07	0.07	0.07
		Mercer Australian Growth Shares	0.13	0.13	0.13
		Mercer Australian Value Shares	0.13	0.13	0.13
		Mercer Australian Small Companies	0.77	0.76	0.29
		Mercer Overseas Shares (unhedged)	0.09	0.09	0.09
		Mercer Hedged Overseas Shares	0.11	0.11	0.11
		Mercer Overseas Core Shares	0.07	0.07	0.07
		Mercer Overseas Growth Shares	0.06	0.06	0.06
		Mercer Overseas Value Shares	0.06	0.06	0.06
		Mercer Overseas Small Companies	0.11	0.11	0.11
		Mercer Emerging Markets	0.12	0.12	0.12
		Mercer Property	0.12	0.12	0.12
		Mercer Direct Property	0.10	0.10	0.10
		Mercer Australian Listed Property	0.06	0.06	0.06
		Mercer Overseas Listed Property	0.18	0.18	0.18
		Mercer Fixed Interest	0.09	0.09	0.09
		Mercer Australian Fixed Interest <sup>+</sup>	0.07	0.07	0.07
		Mercer Overseas Fixed Interest <sup>+</sup>	0.09	0.09	0.09
		Mercer Term Deposit	0.07	0.07	0.07
		Mercer Diversified Alternatives	3.45	3.45	3.45



## INDIRECT COST RATIO (CONTINUED)

Investment Option		Corporate Superannuation Division	Personal Superannuation Division	Allocated Pension Division	
		Indirect cost ratio* (% pa)	Indirect cost ratio* (% pa)	Indirect cost ratio* (% pa)	
Select-your-own	Mercer Target	Mercer Target 2015	0.25	0.25	0.26
		Mercer Target 2025	0.26	0.26	0.25
		Mercer Target 2035	0.26	0.26	0.06
		Mercer Target 2045	0.19	0.19	0.06
	Mercer Socially Responsible	Mercer Socially Responsible Shares	0.11	0.11	0.11
		Mercer Socially Responsible Growth	0.20	0.21	0.20
	Indexed	Indexed Shares <sup>+</sup>	0.09	0.09	0.09
		Indexed Australian Shares	0.09	0.09	0.09
		Indexed Overseas Shares	0.09	0.09	0.09
		Indexed Growth <sup>+</sup>	0.06	0.06	0.06
		Indexed Conservative Growth <sup>+</sup>	0.06	0.06	0.06
	Non Mercer	Non Mercer Growth – Multi Manager Style	0.20	0.20	N/A
		Non Mercer Balanced – Multi Manager Style	0.20	0.20	N/A
		Non Mercer Balanced – Core Style	0.08	0.08	N/A
		Non Mercer Balanced – Value Style <sup>#</sup>	0.06	0.06	0.06
Non Mercer Conservative		0.12	0.12	N/A	
Other investment options	Mercer LifetimePlus	N/A	N/A	0.098**	
	Mercer Direct	0.06	N/A	0.06	

N/A means that the investment option is not available to members of this division and there is no indirect cost ratio.

\* The Indirect cost ratio consists of indirect costs (including but not limited to, performance fees and any expense allowance charged by external investment trusts or managers) incurred by the underlying investment vehicles of the Mercer Super Trust, and an Operational Risk Financial Requirement levy (ORFR levy).

<sup>#</sup> Closed to future investments for members of the Allocated Pension Division.

<sup>+</sup> These investment options were renamed on 1 October 2015. Refer to the 'Changes to the Mercer Super Trust' section later in this *Annual Report* for more information.

\*\* There was no actual Indirect cost ratio at 30 June 2015 for this investment option. The amount shown in this table is an estimate only of the Indirect cost ratio generally expected to apply for this investment option.

## EXPENSE ALLOWANCE

For each of the investment options listed in the above table, the expense allowance charged for the period of 1 July 2014 to 30 June 2015 was 0.033%.



# YOUR INVESTMENT OPTIONS IN DETAIL

## READY-MADE INVESTMENT OPTIONS

### MERCER SMARTPATH

#### Born Prior to 1929

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 1.75% per annum over rolling three year periods.

##### Standard Risk Measure

Low to medium

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2015	2014
Australian Shares	13%	16%
International Shares	17%	13%
Property & Infrastructure	0%	1%
Alternative Assets	1%	1%
Higher Yielding Fixed Interest	8%	8%
Defensive Fixed Interest & Cash	61%	61%

#### Born 1929 to 1933

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 1.75% per annum over rolling three year periods.

##### Standard Risk Measure

Medium

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2015	2014
Australian Shares	14%	18%
International Shares	17%	15%
Property & Infrastructure	1%	1%
Alternative Assets	2%	2%
Higher Yielding Fixed Interest	8%	8%
Defensive Fixed Interest & Cash	58%	56%

#### Born 1934 - 1938

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 1.75% per annum over rolling three year periods.

##### Standard Risk Measure

Medium

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2015	2014
Australian Shares	13%	17%
International Shares	19%	17%
Property & Infrastructure	0%	1%
Alternative Assets	1%	1%
Higher Yielding Fixed Interest	8%	8%
Defensive Fixed Interest & Cash	59%	56%

#### Born 1939 - 1943

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 2.00% per annum over rolling four year periods.

##### Standard Risk Measure

Medium

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2015	2014
Australian Shares	14%	17%
International Shares	20%	17%
Property & Infrastructure	1%	1%
Alternative Assets	1%	1%
Higher Yielding Fixed Interest	8%	8%
Defensive Fixed Interest & Cash	56%	56%

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercervfinancialservices.com](http://mercervfinancialservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.

## READY-MADE INVESTMENT OPTIONS

### MERCER SMARTPATH

#### Born 1944 – 1948

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 2.00% per annum over rolling four year periods.

##### Standard Risk Measure

Medium

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2015	2014
Australian Shares	14%	17%
International Shares	18%	17%
Property & Infrastructure	2%	1%
Alternative Assets	2%	1%
Higher Yielding Fixed Interest	9%	8%
Defensive Fixed Interest & Cash	55%	56%

#### Born 1949 – 1953

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 2.25% per annum over rolling four year periods.

##### Standard Risk Measure

Medium

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2015	2014
Australian Shares	19%	20%
International Shares	26%	22%
Property & Infrastructure	3%	3%
Alternative Assets	2%	1%
Higher Yielding Fixed Interest	9%	8%
Defensive Fixed Interest & Cash	41%	46%

#### Born 1954 – 1958

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 2.75% per annum over rolling five year periods.

##### Standard Risk Measure

Medium to high

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2015	2014
Australian Shares	23%	24%
International Shares	30%	27%
Property & Infrastructure	6%	7%
Alternative Assets	0%	0%
Higher Yielding Fixed Interest	8%	8%
Defensive Fixed Interest & Cash	33%	34%

#### Born 1959 – 1963

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.25% per annum over rolling six year periods.

##### Standard Risk Measure

Medium to high

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2015	2014
Australian Shares	26%	29%
International Shares	35%	32%
Property & Infrastructure	9%	9%
Alternative Assets	0%	0%
Higher Yielding Fixed Interest	8%	7%
Defensive Fixed Interest & Cash	22%	23%

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercercfinancialservices.com](http://mercercfinancialservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.

## READY-MADE INVESTMENT OPTIONS

### MERCER SMARTPATH

#### Born 1964 – 1968

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.75% per annum over rolling seven year periods.

##### Standard Risk Measure

Medium to high

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2015	2014
Australian Shares	33%	35%
International Shares	41%	38%
Property & Infrastructure	10%	9%
Alternative Assets	0%	0%
Higher Yielding Fixed Interest	6%	4%
Defensive Fixed Interest & Cash	10%	14%

#### Born 1969 – 1973

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4.00% per annum over rolling seven year periods.

##### Standard Risk Measure

Medium to high

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2015	2014
Australian Shares	34%	35%
International Shares	42%	38%
Property & Infrastructure	10%	9%
Alternative Assets	0%	0%
Higher Yielding Fixed Interest	6%	4%
Defensive Fixed Interest & Cash	8%	14%

#### Born 1974 – 1978

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4.00% per annum over rolling seven year periods.

##### Standard Risk Measure

Medium to high

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2015	2014
Australian Shares	34%	35%
International Shares	42%	38%
Property & Infrastructure	9%	9%
Alternative Assets	0%	0%
Higher Yielding Fixed Interest	5%	4%
Defensive Fixed Interest & Cash	10%	14%

#### Born 1979 – 1983

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4.00% per annum over rolling seven year periods.

##### Standard Risk Measure

Medium to high

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2015	2014
Australian Shares	33%	35%
International Shares	41%	38%
Property & Infrastructure	9%	11%
Alternative Assets	0%	0%
Higher Yielding Fixed Interest	5%	4%
Defensive Fixed Interest & Cash	12%	12%

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercercfinancialservices.com](http://mercercfinancialservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.

## READY-MADE INVESTMENT OPTIONS

### MERCER SMARTPATH

#### Born 1984 – 1988

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4.00% per annum over rolling seven year periods.

##### Standard Risk Measure

Medium to high

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2015	2014
Australian Shares	34%	35%
International Shares	40%	38%
Property & Infrastructure	9%	9%
Alternative Assets	0%	0%
Higher Yielding Fixed Interest	5%	4%
Defensive Fixed Interest & Cash	12%	14%

#### Born 1989 – 1993

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4.00% per annum over rolling seven year periods.

##### Standard Risk Measure

Medium to high

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2015	2014
Australian Shares	34%	35%
International Shares	40%	37%
Property & Infrastructure	9%	9%
Alternative Assets	0%	0%
Higher Yielding Fixed Interest	5%	4%
Defensive Fixed Interest & Cash	12%	15%

#### Born 1994 – 1998

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4.00% per annum over rolling seven year periods.

##### Standard Risk Measure

Medium to high

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2015	2014
Australian Shares	34%	35%
International Shares	40%	38%
Property & Infrastructure	9%	9%
Alternative Assets	0%	0%
Higher Yielding Fixed Interest	5%	4%
Defensive Fixed Interest & Cash	12%	14%

#### Born 1999 – 2003

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4.00% per annum over rolling seven year periods.

##### Standard Risk Measure

Medium to high

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2015	2014
Australian Shares	34%	35%
International Shares	40%	37%
Property & Infrastructure	9%	11%
Alternative Assets	0%	0%
Higher Yielding Fixed Interest	5%	5%
Defensive Fixed Interest & Cash	12%	12%

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercercfinancialservices.com](http://mercercfinancialservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.

## READY-MADE INVESTMENT OPTIONS

### Mercer Shares\*

#### Investment objectives

##### Corporate Superannuation Division and Personal Superannuation Division

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4.00% per annum over rolling ten year periods.

##### Allocated Pension Division

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 5.00% per annum over rolling ten year periods.

#### Standard Risk Measure

High

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	40%	39%	40%	40%	40%	40%
International Shares	59%	59%	59%	59%	59%	57%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Defensive Fixed Interest & Cash	1%	2%	1%	1%	1%	3%

\* Renamed to Mercer Diversified Shares on 1 October 2015

### Mercer High Growth

#### Investment objectives

##### Corporate Superannuation Division and Personal Superannuation Division

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4.00% per annum over rolling seven year periods.

##### Allocated Pension Division

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4.50% per annum over rolling seven year periods.

#### Standard Risk Measure

Medium to high

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	31%	34%	32%	35%	30%	35%
International Shares	38%	38%	39%	39%	38%	37%
Property & Infrastructure	12%	13%	12%	13%	12%	13%
Alternative Assets	2%	2%	2%	2%	2%	2%
Higher Yielding Fixed Interest	5%	5%	5%	5%	5%	5%
Defensive Fixed Interest & Cash	12%	8%	10%	6%	13%	8%

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## READY-MADE INVESTMENT OPTIONS

### Mercer Growth

#### Investment objectives

##### Corporate Superannuation Division and Personal Superannuation Division

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.50% per annum over rolling five year periods.

##### Allocated Pension Division

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4.00% per annum over rolling five year periods.

#### Standard Risk Measure

Medium to high

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	22%	28%	24%	28%	24%	28%
International Shares	33%	32%	33%	33%	34%	33%
Property & Infrastructure	14%	11%	12%	12%	10%	11%
Alternative Assets	3%	3%	3%	3%	3%	2%
Higher Yielding Fixed Interest	4%	4%	4%	4%	4%	4%
Defensive Fixed Interest & Cash	24%	22%	24%	20%	25%	22%

### Mercer Moderate Growth

#### Investment objectives

##### Corporate Superannuation Division and Personal Superannuation Division

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 2.50% per annum over rolling four year periods.

##### Allocated Pension Division

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.00% per annum over rolling four year periods.

#### Standard Risk Measure

Medium

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	16%	19%	16%	19%	16%	19%
International Shares	21%	22%	23%	23%	23%	22%
Property & Infrastructure	7%	9%	7%	8%	7%	8%
Alternative Assets	3%	3%	3%	3%	3%	3%
Higher Yielding Fixed Interest	4%	4%	4%	4%	3%	4%
Defensive Fixed Interest & Cash	49%	43%	47%	43%	48%	44%

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## READY-MADE INVESTMENT OPTIONS

### Mercer Conservative Growth

#### Investment objectives

##### Corporate Superannuation Division and Personal Superannuation Division

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 1.50% per annum over rolling three year periods.

##### Allocated Pension Division

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 1.75% per annum over rolling three year periods.

#### Standard Risk Measure

Low to medium

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	8%	12%	9%	12%	8%	12%
International Shares	14%	15%	15%	16%	17%	15%
Property & Infrastructure	4%	5%	3%	5%	4%	4%
Alternative Assets	3%	2%	3%	3%	3%	3%
Higher Yielding Fixed Interest	3%	4%	4%	4%	3%	4%
Defensive Fixed Interest & Cash	68%	62%	66%	60%	65%	62%

### Mercer Cash

#### Investment objectives

To maintain the invested capital and to achieve a return above that available on bank bills as measured by the Bloomberg AusBond Bank Bill Index on an annual basis.

#### Standard Risk Measure

Very low

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0%	0%	0%	0%	0%
International Shares	0%	0%	0%	0%	0%	0%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	100%	100%	100%	100%	100%	100%

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercercfinancialservices.com](http://mercercfinancialservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.

## SELECT-YOUR-OWN INVESTMENT OPTIONS

### MERCER PLUS

#### Mercer Shares Plus\*

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4.50% per annum over seven year rolling periods.

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	40%	41%	40%	39%	40%	39%
International Shares	60%	58%	59%	58%	59%	58%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	0%	1%	1%	3%	1%	3%

\* Option is now closed

#### Mercer High Growth Plus#

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4.00% per annum over six year rolling periods.

To achieve a return (over the medium to longer term) which is competitive with comparable funds that have a similar allocation to growth assets and similar risk characteristics.

##### Standard Risk Measure

Medium to high

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	33%	37%	32%	37%	33%	38%
International Shares	40%	37%	40%	39%	40%	39%
Property & Infrastructure	12%	12%	12%	12%	12%	11%
Alternative Assets	4%	4%	4%	4%	4%	4%
Higher Yielding Fixed Interest	3%	3%	3%	3%	2%	3%
Defensive Fixed Interest & Cash	8%	7%	9%	5%	9%	5%

# Option is now closed

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercercfinancialservices.com](http://mercercfinancialservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.

## SELECT-YOUR-OWN INVESTMENT OPTIONS

### MERCER PLUS

#### Mercer Growth Plus\*

##### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.50% per annum over five year rolling periods.

To achieve a return (over the medium to longer term) which is competitive with comparable funds that have a similar allocation to growth assets and similar risk characteristics.

##### Standard Risk Measure

Medium

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	25%	30%	25%	29%	24%	28%
International Shares	34%	30%	34%	32%	34%	31%
Property & Infrastructure	11%	11%	11%	12%	11%	12%
Alternative Assets	4%	4%	4%	4%	4%	4%
Higher Yielding Fixed Interest	4%	4%	4%	4%	4%	4%
Defensive Fixed Interest & Cash	22%	21%	22%	19%	23%	21%

\* Option is now closed

#### Mercer Australian Shares Plus#

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	99%	98%	99%	98%	100%	98%
International Shares	0%	0%	0%	0%	0%	0%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	1%	2%	1%	2%	0%	2%

# Option is now closed to members in the Allocated Pension Division

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercercfinancialservices.com](http://mercercfinancialservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.

## SELECT-YOUR-OWN INVESTMENT OPTIONS

### MERCER PLUS

#### Mercer Overseas Shares Plus (Unhedged)

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0%	0%	0%	0%	0%
Global Shares	98%	97%	99%	97%	99%	96%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	2%	3%	1%	3%	1%	4%

#### Mercer Income Plus

##### Investment objectives

To achieve a total portfolio yield (after tax and investment fees) of 1.00% to 3.00% per annum above the RBA cash rate over five year rolling periods.

##### Standard Risk Measure

Low to medium

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	9%	6%	9%	6%	9%	6%
International Shares	0%	0%	0%	0%	0%	0%
Property & Infrastructure	24%	24%	24%	24%	24%	24%
Alternative Assets	7%	7%	7%	7%	7%	14%
Higher Yielding Fixed Interest	31%	32%	31%	32%	31%	30%
Defensive Fixed Interest & Cash	29%	31%	29%	31%	29%	26%

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercercfinancialservices.com](http://mercercfinancialservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.

## SELECT-YOUR-OWN INVESTMENT OPTIONS

### MERCER SECTOR

#### Mercer Australian Shares

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	99%	98%	98%	98%	100%	98%
International Shares	0%	0%	0%	0%	0%	0%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	1%	2%	2%	2%	0%	2%

#### Mercer Australian Core Shares

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	99%	95%	98%	96%	98%	96%
International Shares	0%	0%	0%	0%	0%	0%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	1%	5%	2%	4%	2%	4%

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercercorporateservices.com](http://mercercorporateservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.

## SELECT-YOUR-OWN INVESTMENT OPTIONS

### MERCER SECTOR

#### Mercer Australian Growth Shares

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	97%	95%	99%	95%	98%	95%
International Shares	0%	0%	0%	0%	0%	0%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	3%	5%	1%	5%	2%	5%

#### Mercer Australian Value Shares

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	99%	96%	98%	98%	98%	98%
International Shares	0%	0%	0%	0%	0%	0%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	1%	4%	2%	2%	2%	2%

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercercorporateservices.com](http://mercercorporateservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.

## SELECT-YOUR-OWN INVESTMENT OPTIONS

### MERCER SECTOR

#### Mercer Australian Small Companies

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	96%	95%	95%	95%	96%	95%
International Shares	0%	0%	0%	0%	0%	0%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	4%	5%	5%	5%	4%	5%

#### Mercer Overseas Shares (Unhedged)

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0%	0%	0%	0%	0%
Global Shares	100%	96%	99%	97%	98%	97%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	0%	4%	1%	3%	2%	3%

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## SELECT-YOUR-OWN INVESTMENT OPTIONS

### MERCER SECTOR

#### Mercer Hedged Overseas Shares

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0%	0%	0%	0%	0%
Global Shares	100%	97%	99%	97%	99%	97%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	0%	3%	1%	3%	1%	3%

#### Mercer Overseas Core Shares\*

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0	0%	0%	0%	0%
International Shares	100%	99%	100%	99%	99%	100%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	0%	1%	0%	1%	1%	0%

\* Option is now closed

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## SELECT-YOUR-OWN INVESTMENT OPTIONS

### MERCER SECTOR

#### Mercer Overseas Growth Shares\*

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0%	0%	0%	0%	0%
International Shares	97%	96%	99%	97%	98%	97%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	3%	4%	1%	3%	2%	3%

\* Option is now closed

#### Mercer Overseas Value Shares#

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0%	0%	0%	0%	0%
International Shares	98%	100%	98%	96%	98%	98%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	2%	0%	2%	4%	2%	2%

# Option is now closed

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## SELECT-YOUR-OWN INVESTMENT OPTIONS

### MERCER SECTOR

#### Mercer Overseas Small Companies

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0%	0%	0%	0%	0%
Global Small Companies	100%	96%	97%	97%	99%	96%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	0%	4%	3%	3%	1%	4%

#### Mercer Emerging Markets

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

Very high

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0%	0%	0%	0%	0%
Emerging Market Shares	100%	96%	99%	96%	99%	95%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	0%	4%	1%	4%	1%	5%

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## SELECT-YOUR-OWN INVESTMENT OPTIONS

### MERCER SECTOR

#### Mercer Property

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

Medium to high

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0%	0%	0%	0%	0%
International Shares	0%	0%	0%	0%	0%	0%
Global Property	100%	99%	99%	99%	99%	99%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	0%	1%	1%	1%	1%	1%

#### Mercer Direct Property\*

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

Medium to high

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0%	0%	0%	0%	0%
International Shares	0%	0%	0%	0%	0%	0%
Direct Property	99%	97%	99%	97%	100%	98%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	1%	3%	1%	3%	0%	2%

\* Option is now closed

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## SELECT-YOUR-OWN INVESTMENT OPTIONS

### MERCER SECTOR

#### Mercer Australian Listed Property

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

Very high

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0%	0%	0%	0%	0%
International Shares	0%	0%	0%	0%	0%	0%
Australian Listed Property	100%	99%	99%	99%	99%	99%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	0%	1%	1%	1%	1%	1%

#### Mercer Overseas Listed Property

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0%	0%	0%	0%	0%
International Shares	0%	0%	0%	0%	0%	0%
Global Listed Property	100%	98%	99%	99%	99%	99%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	0%	2%	1%	1%	1%	1%

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## SELECT-YOUR-OWN INVESTMENT OPTIONS

### MERCER SECTOR

#### Mercer Fixed Interest

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

Low

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0%	0%	0%	0%	0%
International Shares	0%	0%	0%	0%	0%	0%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	10%	10%	10%	10%	10%	10%
Defensive Fixed Interest & Cash	90%	90%	90%	90%	90%	90%

#### Mercer Australian Fixed Interest\*

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

Medium

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0%	0%	0%	0%	0%
International Shares	0%	0%	0%	0%	0%	0%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Defensive Fixed Interest & Cash	100%	100%	100%	100%	100%	100%

\* Renamed to Mercer Australian Sovereign Bonds on 1 October 2015

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## SELECT-YOUR-OWN INVESTMENT OPTIONS

### MERCER SECTOR

#### Mercer Overseas Fixed Interest\*

##### Investment objectives

To outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

##### Standard Risk Measure

Medium

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0%	0%	0%	0%	0%
International Shares	0%	0%	0%	0%	0%	0%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Defensive Fixed Interest & Cash	100%	100%	100%	100%	100%	100%

\* Renamed to Mercer Overseas Sovereign Bonds on 1 October 2015

#### Mercer Diversified Alternatives

##### Investment objectives

To achieve a return (after tax and investment fees) of at least 3.00% to 5.00% per annum above the return on bank bills as measured by the Bloomberg AusBond Bank Bill Index over rolling five year periods.

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0%	0%	0%	0%	0%
International Shares	0%	0%	0%	0%	0%	0%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	100%	99%	99%	100%	100%	99%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	0%	1%	1%	0%	0%	1%

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# SELECT-YOUR-OWN INVESTMENT OPTIONS

## MERCER SECTOR

### Mercer Term Deposit

#### Investment objectives

To maintain the invested capital and to achieve a return (before tax and investment fees) above that available on bank bills as measured by the Bloomberg AusBond Bank Bill Index on an annual basis.

#### Standard Risk Measure

Very low

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0%	0%	0%	0%	0%
International Shares	0%	0%	0%	0%	0%	0%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	100%	100%	100%	100%	100%	100%

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercercorporateservices.com](http://mercercorporateservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.

## SELECT-YOUR-OWN INVESTMENT OPTIONS

### MERCER TARGET

#### Mercer Target 2015\*

##### Investment objectives

To outperform the notional benchmark of suitable market indices (as it varies toward the target date of the option) over periods of one year or greater.

##### Standard Risk Measure

Medium

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	22%	24%	22%	24%	22%	24%
International Shares	18%	20%	18%	20%	19%	20%
Property & Infrastructure	10%	10%	10%	10%	10%	11%
Alternative Assets	10%	10%	10%	10%	10%	10%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Defensive Fixed Interest & Cash	40%	36%	40%	36%	39%	35%

\* Option is now closed

#### Mercer Target 2025#

##### Investment objectives

To outperform the notional benchmark of suitable market indices (as it varies toward the target date of the option) over periods of one year or greater.

##### Standard Risk Measure

Medium

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	31%	32%	30%	32%	31%	33%
International Shares	26%	26%	25%	26%	26%	26%
Property & Infrastructure	10%	10%	10%	10%	10%	10%
Alternative Assets	10%	10%	10%	10%	10%	10%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Defensive Fixed Interest & Cash	23%	22%	25%	22%	23%	21%

# Option is now closed

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercercfinancialservices.com](http://mercercfinancialservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.



## SELECT-YOUR-OWN INVESTMENT OPTIONS

### MERCER TARGET

#### Mercer Target 2035\*

##### Investment objectives

To outperform the notional benchmark of suitable market indices (as it varies toward the target date of the option) over periods of one year or greater.

##### Standard Risk Measure

Medium to high moving to medium as the target date approaches

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	38%	38%	38%	38%	N/A	N/A
International Shares	32%	31%	31%	34%	N/A	N/A
Property & Infrastructure	10%	10%	10%	9%	N/A	N/A
Alternative Assets	10%	10%	10%	9%	N/A	N/A
Higher Yielding Fixed Interest	0%	0%	0%	0%	N/A	N/A
Defensive Fixed Interest & Cash	10%	11%	11%	10%	N/A	N/A

\* Option is now closed

#### Mercer Target 2045#

##### Investment objectives

To outperform the notional benchmark of suitable market indices (as it varies toward the target date of the option) over periods of one year or greater.

##### Standard Risk Measure

High moving to medium as the target date approaches

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	44%	43%	44%	43%	N/A	N/A
International Shares	37%	36%	36%	37%	N/A	N/A
Property & Infrastructure	10%	10%	10%	10%	N/A	N/A
Alternative Assets	7%	6%	7%	6%	N/A	N/A
Higher Yielding Fixed Interest	0%	0%	0%	0%	N/A	N/A
Defensive Fixed Interest & Cash	2%	5%	3%	4%	N/A	N/A

# Option is now closed

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercercfinancialservices.com](http://mercercfinancialservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.

# SELECT-YOUR-OWN INVESTMENT OPTIONS

## MERCER SOCIALLY RESPONSIBLE

### Mercer Socially Responsible Shares

#### Investment objectives

##### Corporate Superannuation Division and Personal Superannuation Division

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4.00% per annum over ten year rolling periods.

##### Allocated Pension Division

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 5.00% per annum over ten year rolling periods.

#### Standard Risk Measure

High

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	44%	43%	44%	43%	44%	44%
International Shares	56%	55%	56%	55%	56%	56%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	0%	2%	0%	2%	0%	0%

### Mercer Socially Responsible Growth

#### Investment objectives

##### Corporate Superannuation Division and Personal Superannuation Division

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.50% per annum over five year rolling periods.

##### Allocated Pension Division

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4.00% per annum over five year rolling periods.

#### Standard Risk Measure

Medium to high

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	23%	24%	23%	24%	24%	24%
International Shares	33%	34%	32%	33%	33%	33%
Property & Infrastructure	13%	14%	13%	13%	13%	14%
Alternative Assets	6%	5%	6%	5%	6%	6%
Higher Yielding Fixed Interest	1%	2%	1%	2%	1%	2%
Defensive Fixed Interest & Cash	24%	21%	25%	23%	23%	21%

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercercfinancialservices.com](http://mercercfinancialservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.

## SELECT-YOUR-OWN INVESTMENT OPTIONS INDEXED

### Indexed Shares\*

#### Investment objectives

To match the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

#### Standard Risk Measure

High

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	49%	45%	50%	50%	50%	44%
International Shares	50%	54%	50%	50%	50%	54%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Defensive Fixed Interest & Cash	1%	1%	0%	0%	0%	2%

\* Renamed to Indexed Diversified Shares on 1 October 2015

### Indexed Australian Shares

#### Investment objectives

To match the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

#### Standard Risk Measure

High

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	99%	98%	100%	100%	100%	99%
International Shares	0%	0%	0%	0%	0%	0%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Defensive Fixed Interest & Cash	1%	2%	0%	0%	0%	1%

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercercorporateservices.com](http://mercercorporateservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.

## SELECT-YOUR-OWN INVESTMENT OPTIONS INDEXED

### Indexed Overseas Shares

#### Investment objectives

To match the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

#### Standard Risk Measure

High

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	0%	0%	0%	0%	0%	0%
Global Shares	100%	99%	98%	100%	100%	99%
Property & Infrastructure	0%	0%	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Defensive Fixed Interest & Cash	0%	1%	2%	0%	0%	0%

### Indexed Growth\*

#### Investment objectives

##### Corporate Superannuation Division and Personal Superannuation Division

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.00% per annum over five year rolling periods.

##### Allocated Pension Division

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.50% per annum over five year rolling periods.

#### Standard Risk Measure

High

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	31%	31%	31%	31%	31%	31%
International Shares	31%	31%	31%	31%	31%	31%
Property & Infrastructure	8%	8%	8%	8%	8%	8%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Defensive Fixed Interest & Cash	30%	30%	30%	30%	30%	30%

\* Renamed to Enhanced Indexed Growth on 1 October 2015

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercercfinancialservices.com](http://mercercfinancialservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.

# SELECT-YOUR-OWN INVESTMENT OPTIONS

## INDEXED

### Indexed Conservative Growth\*

#### Investment objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 1.50% per annum over rolling three year periods.

#### Standard Risk Measure

Low to medium

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	13%	13%	13%	13%	13%	13%
International Shares	13%	13%	13%	13%	13%	13%
Property & Infrastructure	4%	4%	4%	4%	4%	4%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Defensive Fixed Interest & Cash	70%	70%	70%	70%	70%	70%

\* Renamed to Enhanced Indexed Conservative Growth on 1 October 2015

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercerfinancialservices.com](http://mercerfinancialservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.



## SELECT-YOUR-OWN INVESTMENT OPTIONS

### NON MERCER

#### Non Mercer Growth – Multi-Manager Style

##### Investment objectives

To achieve a return in excess of CPI plus 3.50% per annum over rolling five year periods (after tax and investment fees).

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division	
	2015	2014	2015	2014
Australian Shares	29%	32%	29%	32%
International Shares	34%	33%	34%	33%
Property & Infrastructure	6%	6%	6%	6%
Alternative Assets	7%	10%	7%	10%
Higher Yielding Fixed Interest	5%	0%	5%	0%
Defensive Fixed Interest & Cash	19%	19%	19%	19%

#### Non Mercer Balanced – Multi-Manager Style

##### Investment objectives

To achieve a return in excess of CPI plus 3.00% per annum over rolling five year periods (after tax and investment fees).

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division	
	2015	2014	2015	2014
Australian Shares	28%	31%	28%	31%
International Shares	27%	26%	27%	26%
Property & Infrastructure	5%	6%	5%	6%
Alternative Assets	7%	12%	7%	12%
Higher Yielding Fixed Interest	7%	0%	7%	0%
Defensive Fixed Interest & Cash	26%	26%	26%	26%

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercerfinancialservices.com](http://mercerfinancialservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.

## SELECT-YOUR-OWN INVESTMENT OPTIONS NON MERCER

### Non Mercer Balanced – Core Style

#### Investment objectives

To achieve a return in excess of the median Balanced superannuation fund return in the Super Ratings survey over rolling three year periods (after tax and investment fees).

#### Standard Risk Measure

High

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division	
	2015	2014	2015	2014
Australian Shares	33%	32%	33%	32%
International Shares	31%	29%	31%	29%
Property & Infrastructure	13%	12%	13%	12%
Alternative Assets	0%	6%	0%	6%
Higher Yielding Fixed Interest	0%	0%	0%	0%
Defensive Fixed Interest & Cash	23%	21%	23%	21%

### Non Mercer Balanced – Value Style\*

#### Investment objectives

To provide a superior return relative to the median Balanced superannuation fund return in the Super Ratings survey over rolling three year periods (after tax and investment fees).

#### Standard Risk Measure

High

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2015	2014	2015	2014	2015	2014
Australian Shares	33%	36%	33%	36%	33%	36%
International Shares	22%	23%	22%	23%	22%	23%
Property & Infrastructure	6%	7%	6%	7%	6%	7%
Alternative Assets	4%	4%	4%	4%	4%	4%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Defensive Fixed Interest & Cash	35%	30%	35%	30%	35%	30%

\* Closed to future investments for members in the Allocated Pension Division

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercerfinancialservices.com](http://mercerfinancialservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.

## SELECT-YOUR-OWN INVESTMENT OPTIONS NON MERCER

### Non Mercer Conservative

#### Investment objectives

To provide a superior return relative to the median Capital Stable superannuation fund return in the Super Ratings survey over rolling three year periods (after tax and investment fees).

#### Standard Risk Measure

Low to medium

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division	
	2015	2014	2015	2014
Australian Shares	12%	13%	12%	13%
International Shares	13%	14%	13%	14%
Property & Infrastructure	11%	12%	11%	12%
Alternative Assets	2%	3%	2%	2%
Higher Yielding Fixed Interest	0%	0%	0%	0%
Defensive Fixed Interest & Cash	62%	58%	62%	58%

## MERCER LIFETIMEPLUS#

#### Investment objectives

To achieve a return (net of investment fees) of at least 1.00% per annum over the Bloomberg AusBond Bank Bill Index over rolling periods of one year or greater.

To provide a living bonus payment to investors through the unique longevity pooling structure and based on the investor's age, gender, amount invested, period of investment and surviving partner election.

To provide a capital repayment of some of the investment to investors aged 75 and over who have been invested for at least 15 years.

#### Standard Risk Measure

Very low

#### Asset allocation at 30 June\*

\* As at 30 June 2015 there were no funds in this option to report.

# This investment option is available in the Allocated Pension Division only.

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercercorporateservices.com](http://mercercorporateservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.



## MERCER DIRECT<sup>+</sup>

Investing in the Mercer Direct investment option is different from the other investment options available through your plan (in the Corporate Superannuation Division) or the Allocated Pension Division in the Mercer Super Trust. Because you choose your own investments, your portfolio is likely to be unique. With this greater degree of control comes a greater responsibility to understand the nature of your investments and their ability to generate your intended return and satisfy your desired level of risk.

The investment objectives below are general in nature and offered as a guide to the way investments of this type will typically behave. The characteristics of your chosen investments may be quite different and you or your financial adviser will need to research your individual investments. You can refer to the Morningstar Investment Profiles available on the Mercer Direct section of the secure website<sup>^</sup> and the Product Disclosure Statements for Exchange Traded Funds (ETFs), which are available on the ETF provider's website, as well as any other sources.

The information provided in the Morningstar Investment Profiles is from a third party source and the trustee does not endorse the contents. While we believe the profiles are reliable, the trustee accepts no responsibility for any errors or omissions.

### Investment objectives

#### Shares

To provide long-term capital growth with some income.

#### ETFs

To provide market performance, before fees and charges, of a particular group of assets.

#### Term Deposits

To provide an income stream with a very low risk of capital loss.

### Standard Risk Measure

Shares	ETFs	Term Deposits
Very High	High**	Very low

\*\* The levels of risk for ETFs will vary depending on the ETF chosen but, because ETFs are listed, risk can be categorised as High or High to Medium. For more information, refer to the Investment Profile for any ETF you are considering, on the Mercer Direct section of the secure member website<sup>^</sup>, or read the Product Disclosure Statement on the ETF provider's website.

Expected frequency of negative returns: Expected frequency will depend on the profile of the individual ETF and the underlying investment mix. ETFs are traded on the Australian Stock Exchange, so the expected frequency can be similar to shares, however diversification within the ETF can reduce volatility. For more information, refer to the Product Disclosure Statement on the ETF provider's website.

+ This investment option is available in the Corporate Superannuation Division and the Allocated Pension Division only.

<sup>^</sup> The Mercer Direct section of the secure member website allows you to transact and includes information that you will need to monitor and manage your Mercer Direct investments.

For more information about the Mercer Direct investment option, please refer to the *Product Disclosure Statement* for your plan or the Allocated Pension Division or the *Mercer Direct Member Guide*. You can download the *Mercer Direct Member Guide* at [mercerfinancialservices.com](http://mercerfinancialservices.com) (sign in using your personal log-in) or call the Helpline.

The investment objectives and the Standard Risk Measures listed above are those that apply at the date of this *Annual Report* (December 2015). Please note that for some investment options, these details may have changed on 1 October 2015. For the previous details, please see the *2014 Annual Report for the Mercer Super Trust* available at [mercerfinancialservices.com](http://mercerfinancialservices.com) (sign in using your personal log-in) or by calling the Helpline. For investment options that have been closed since 30 June 2015, the investment objective and Standard Risk Measure shown is as at 30 June 2015.



# CHANGES TO THE MERCER SUPER TRUST

The following section includes details about the changes that were made to the Mercer Super Trust since 1 July 2014.

## CHANGES THAT AFFECT ALL DIVISIONS

### NEW INVESTMENT OPTIONS

The following three investment options were introduced on 1 October 2015 and have been created to help strengthen the range of existing investment options available to you. If you have limited or no investment choice in your plan then these investment options may not apply to you.

- Mercer Global Listed Infrastructure
- Mercer Global Low Volatility Shares
- Mercer Select Growth

### RENAMING OF INVESTMENT OPTIONS

From 1 October 2015 the following options have been renamed.

Old investment option name	New Investment option name
Mercer Shares	Mercer Diversified Shares
Indexed Shares	Indexed Diversified Shares
Mercer Australian Fixed Interest	Mercer Australian Sovereign Bonds
Mercer Overseas Fixed Interest	Mercer Overseas Sovereign Bonds
Indexed Growth	Enhanced Indexed Growth*
Indexed Conservative Growth	Enhanced Indexed Conservative Growth*

\* Please note these options predominately take an indexed investment approach (i.e. aim to perform in line with the overall market), but from 1 October 2015, they may have some exposure to active management.

### CLOSURE OF INVESTMENT OPTIONS

The following investment options have closed. New investors were not able to invest in these investment options from 1 September 2015.

- Mercer Shares Plus
- Mercer High Growth Plus

- Mercer Growth Plus
- Mercer Direct Property
- Mercer Overseas Core Shares
- Mercer Overseas Growth Shares
- Mercer Overseas Value Shares
- Target 2015
- Target 2025
- Target 2035
- Target 2045

### RECLASSIFICATION OF THE PERFORMANCE FEE

Any performance fee that applied for an investment option is now included in the Indirect Cost Ratio, rather than in the investment fee.

These performance fees are not charged directly or incurred by the trustee but instead charged further down the investment chain by underlying external investment trusts and managers. They are included in the unit prices of the underlying investment trusts and reflected in the value of your super account balance in the same way as other indirect costs.

This reclassification does not result in any increase in the total fees payable in respect of your investment. As a result of this reclassification of performance fees, the investment fee has decreased and the ICR has increased.

In addition, the expected range of the ICR for some investment options has changed.

### STRATEGIC ASSET ALLOCATION CHANGES

To reflect more uniform reporting standards across the industry since the introduction of MySuper, the growth/defensive/enhanced asset classification method changed on 1 October 2015 to a simpler two-part growth/defensive classification.

By adopting this style of reporting, which is more uniform across the industry, it will allow you to more easily compare different investment options across funds.

In addition, from 1 October 2015 some investment options had changes to some or all of their:

- Objectives
- Standard risk measures
- Minimum suggested timeframe
- Asset allocations including asset classes.

## CHANGE OF ELIGIBLE ROLLOVER FUND (ERF)

From 1 October 2015 the ERF for the Mercer Super Trust changed from the AMP Eligible Rollover Fund to the SuperTrace Eligible Rollover Fund. The trustee for the new ERF is Colonial Mutual Superannuation Pty Ltd (CMS) ABN 56 006 831 983 Australian Financial Services License #235025. SuperTrace is administered by The Colonial Mutual Life Society Limited, ABN 12 004 021 809 Australian Financial Services License #235035 (CMLA).

For more information about any of the changes described above, please refer to the *2015 Product Changes Guide* available at [mercercfinancialservices.com](http://mercercfinancialservices.com) (sign in using your personal log-in) and go to the Documents & Forms section or call the Helpline.

## INDEXATION OF STANDARD FEES FROM 1 JANUARY 2016

The trustee is entitled to increase all dollar based fees from 1 January 2016 in line with increases in Average Weekly Ordinary Times Earnings for the year to the previous May.

The updated fees that may apply to you are listed in the following column.

You should refer to your current *Product Disclosure Statement* and/or other member materials for your plan for all the fees that apply to your super. These documents are available at [mercercfinancialservices.com](http://mercercfinancialservices.com) (sign in using your personal log-in) or by calling the Helpline.

Fee	Prior to 1 January 2016	From 1 January 2016
Dollar Based Administration Fee* (per month)	\$6.65	\$6.79
Exit Fee (per payment)#	\$127.94	\$130.63
Family Law Fee	\$471.00	\$481.00
Portfolio Administration Fee (for Mercer Direct Investments)^	\$195.00	\$200.00

\* For Corporate Superannuation Division members only, different fees may apply in respect of your plan, in which case they will be set out in your *Supplementary Annual Report* (if applicable).

# For Corporate Superannuation Division members only, we deduct this fee from each super payout (including any partial payout) at the time we make the super payout (before we apply tax). This applies whether this payment is made in cash, rolled over or transferred including amounts paid to:

- another super fund, or the Australian Tax Office (ATO) (including payments to meet any tax payable), or
- your spouse pursuant to a contribution split.

You do not pay an exit fee on super payouts you withdraw from your plan that remain in the Mercer Super Trust.

^ This fee does not apply to the Personal Superannuation Division

## UPDATE TO INVESTMENT OBJECTIVES AND DESCRIPTIONS OF SOME MERCER INVESTMENT OPTIONS

### Investment Objectives

The following documents contained incorrect objectives for some paths of the Mercer SmartPath investment option:

- 2015 Product Changes Guide; and
- Product Disclosure Statements (including Investment Booklets that are part of these Product Disclosure Statements) for:
  - (a) The Mercer SmartSuper Plan (Individual Section) dated 1 September 2015; and
  - (b) Employer plans or Mercer SmartSuper Plans dated 1 October 2015 or 1 November 2015
 all in the Corporate Superannuation Division.

The correct objectives for these paths effective 1 October 2015 are:

### Mercer SmartPath Born 1939-1943

**Objective** – To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 2.00%# per annum over rolling four year periods.

### Mercer SmartPath Born 1944-1948

**Objective** – To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 2.00%<sup>#</sup> per annum over rolling four year periods.

### Mercer SmartPath Born 1949-1953

**Objective** – To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 2.25%<sup>#</sup> per annum over rolling four year periods.

<sup>#</sup> Previously advised as “2.5%”

### Investment descriptions

The following documents contained incorrect descriptions about international currency exposure for some Mercer investment options.

- 2015 Product Changes Guide
- Product Disclosure Statements (including Investment Booklets that are part of these Product Disclosure Statements) for:
  - (a) The Mercer SmartSuper Plan (Individual Section) dated 1 September 2015; and
  - (b) Employer plans or Mercer SmartSuper Plans dated 1 October 2015 or 1 November 2015all in the Corporate Superannuation Division; and
- The Supplementary Product Disclosure Statement for the Allocated Pension Division dated 1 September 2015 for the Product Disclosure Statement dated 11 February 2015.

The correct descriptions for these Mercer investment options effective 1 October 2015 are:

### Mercer Diversified Shares

**Description** – This option invests mainly in Australian and international shares. International currency exposure may be hedged<sup>\*</sup>. It is designed for members who want exposure to growth assets and can tolerate a high level of risk over ten years.

### Mercer Socially Responsible Shares

**Description** – This option invests mainly in Australian and international shares. International currency exposure may be hedged<sup>\*</sup>. It is designed for members who want exposure to growth assets and can tolerate a high level of risk over ten years. Socially responsible (i.e. ethical) considerations are taken into account when making investment decisions for this option.

### Indexed Diversified Shares

**Description** – This option invests mainly in Australian and international shares. International currency exposure may be hedged<sup>\*</sup>. The option takes an indexed investment approach. It is designed for members who want exposure to growth assets and can tolerate a high level of risk over ten years.

<sup>\*</sup> Previously advised as “International currency exposure is generally unhedged”.

### Mercer Property

**Description** – This option invests mainly in property. International currency exposure is generally hedged<sup>^</sup>. It is designed for members who want exposure to mainly growth assets and can tolerate a medium to high level of risk over ten years.

### Mercer Overseas Listed Property

**Description** – This option invests mainly in global listed property. International currency exposure is generally hedged<sup>^</sup>. It is designed for members who want exposure to growth assets and can tolerate a high level of risk over ten years.

### Mercer Global Listed Infrastructure

**Description** – This option invests mainly in listed infrastructure securities. International currency exposure is generally hedged<sup>^</sup>. It is designed for members who want exposure to mainly growth assets and can tolerate a high level of risk over seven years.

### Mercer Diversified Alternatives

**Description** – This option invests in growth and defensive assets mainly in alternative assets. International currency exposure is generally hedged<sup>^</sup>. It is designed for members who want exposure to growth and defensive assets and can tolerate a high level of risk over five years.

<sup>^</sup> Previously advised as “International currency exposure is generally unhedged”.

## AMENDMENT TO THE GOVERNING RULES

The governing rules of the Mercer Super Trust were amended to provide for:

- the nomination of a reversionary beneficiary by member of the Allocated Pension Division; and
- the Mercer LifetimePlus investment option through the Allocated Pension Division.

## ADDITIONAL CHANGES AFFECTING THE CORPORATE SUPERANNUATION DIVISION

The following section details the changes that were made to the Mercer Super Trust since 1 July 2014 that affect the Corporate Superannuation Division.

### CHANGES TO ASSET BASED ADMINISTRATION FEE

From 1 October 2015 there were some changes to the asset based administration fees that may apply to you.

Please refer to your *2015 Product Changes Guide* and your PDS for more information about fees in your plan.

### INTRODUCTION OF THE MERCER DIRECT INVESTMENT OPTION

Mercer Direct was a new investment option introduced in late 2014 and early 2015 for some plans in the Corporate Superannuation Division. From 1 October 2015 this investment option is available to most plans across the Corporate Superannuation Division. If you have limited or no investment choice in your plan then the Mercer Direct investment option may not apply to you. Learn more about the Mercer Direct option at [www.mercerfinancialservices.com/mercerdirect](http://www.mercerfinancialservices.com/mercerdirect) or call the Helpline.

### INSUFFICIENT SUPER TO COVER YOUR INSURANCE PREMIUMS AND FEES

If your super account balance is or is likely to be insufficient to meet the cost of your insurance cover and/or fees, you will no longer be able to remain as a member of the Mercer Super Trust and your insurance cover will cease.

These changes will occur automatically, unless you make a further contribution to meet the cost of your insurance cover and any other fees. You will be advised if this applies to you, and the timeframe for making additional contributions before your account is closed. Once closed, note that you would have to re-apply to re-join the Mercer Super Trust and also note that your insurance cover cannot be automatically re-instated in this case – you would have to apply to have cover and first satisfy the insurer's health check and other requirements.

### TELLING US WHAT YOU WANT TO DO WITH YOUR SUPER IF YOUR PLAN CLOSES

If your plan in the Mercer Super Trust is due to close we will write to you giving you at least 30 days' notice advising you what will happen with your super and options available to you.

From 1 October 2015, for plans that close and where there is not an automatic transfer of your super to another plan in the Mercer Super Trust or another super fund, you will then need to tell us within 30 days where you would like your super paid to, net of an exit fee. If you don't then;

- for those with account balances of \$500.00 or more
- your super may be transferred to the Individual section of the Mercer SmartSuper Plan: or
- for those with an account balance of less than \$500.00
- your super may be transferred to the SuperTrace Eligible Rollover Fund.

## QUICKER BENEFIT PAYMENTS IF YOU LEAVE YOUR EMPLOYER OR EXERCISE CHOICE

If you leave your employer or Exercise Choice (as applicable) and your super account balance is worth at least \$500.00 on the date your benefit is processed (which only occurs once we have all necessary information to calculate your benefit), then your super account balance will generally be automatically transferred to the Individual Section of the Mercer SmartSuper Plan (Individual Section).

However, from 1 October 2015, if we have received your completed benefit payment instructions before you have been transferred to the Individual Section, then your super account balance will be paid (net of an exit fee), as requested by you and you will not be automatically transferred to the Individual Section. In this case your insurance cover in the Mercer Super Trust will cease at the end of the extended cover period which applies to exiting members.

This does not apply if you are a retained or spouse member of if your plan has an open retained category or you are a member of the Employer Section of the Mercer SmartSuper Plan.

## VOLUNTARY INSURANCE COVER

You may be eligible for Voluntary Insurance Cover in addition to your basic cover. This was known as additional voluntary insurance cover but from 1 October 2015 is known as Voluntary Insurance Cover.

For more information about any of the changes described above, please refer to the *2015 Product Changes Guide* available at [mercercfinancialservices.com](http://mercercfinancialservices.com) (sign in using your personal log-in) and go to the Documents & Forms section or call the Helpline.

## ADDITIONAL CHANGES AFFECTING THE PERSONAL SUPERANNUATION DIVISION

The following section details the changes that were made to the Mercer Super Trust since 1 July 2014 that affect the Personal Superannuation Division.

### VOLUNTARY INSURANCE COVER

You may be eligible for Voluntary Insurance Cover in addition to your basic cover. This was known as additional voluntary insurance cover but from 1 October 2015 is known as Voluntary Insurance Cover.

## ADDITIONAL CHANGES AFFECTING THE ALLOCATED PENSION DIVISION

The following section details the changes that were made to the Mercer Super Trust since 1 July 2014 that affect the Allocated Pension Division.

### REVERSIONARY BENEFICIARY NOMINATIONS

From 8 October 2014, members have been able to make reversionary beneficiary nominations. This type of nomination can only be made at the time that the pension is established. For further details see the 'Keep your nomination of beneficiaries up-to-date' in the 'Other information about your super' section later in this *Annual Report*.

### NEW INVESTMENT OPTIONS

#### Mercer LifetimePlus

The Mercer LifetimePlus investment option commenced in February 2015 for members of the Allocated Pension Division. This investment option is designed to help protect you from the risk of running out of money in retirement and aims to provide you an income as long as you live.

From 1 September 2015 the Mercer LifetimePlus investment option became available to Transition to Retirement Allocated Pension accounts.

You can invest in the Mercer LifetimePlus investment option at the time you join the Allocated Pension Division or at any time after becoming a member.

#### Mercer Direct

The Mercer Direct investment option was available to members in the Allocated Pension Division from 23 July 2014.

Mercer Direct gives you direct access to a range of shares, term deposits and exchange traded funds.

For further information on Mercer LifetimePlus or the Mercer Direct, refer to the current *Product Disclosure Statement* for the Allocated Pension Division or the *Mercer LifetimePlus Member Guide* or the *Mercer Direct Member Guide* available at [mercercfinancialservices.com.au](http://mercercfinancialservices.com.au) (sign-in using your personal log-in) or by calling the Helpline.

### CLOSURE OF AN INVESTMENT OPTION

The Mercer Australian Shares Plus option is now closed for the Allocated Pension Division and new investors were not able to invest in the option from 1 September 2015.



## LEGISLATIVE CHANGES

Set out below is a summary of the key changes in super since the last Annual Report. We have also included summaries of other proposed Government changes.

### Superannuation Guarantee

From 1 July 2014, the minimum employer superannuation contribution (Superannuation Guarantee) increased from 9.25% to 9.50% of Ordinary Time Earnings. The rate is scheduled to increase to 10% from 1 July 2021 with further increases each subsequent 1 July until the rate reaches 12% in 2025 (the rate was previously planned to increase in steps to 12% by 1 July 2019).

The timetable for the increases is now:

Income Year	New Rate %
2015-16	9.5
2016-17	9.5
2017-18	9.5
2018-19	9.5
2019-20	9.5
2020-21	9.5
2021-22	10
2022-23	10.5
2023-24	11
2024-25	11.5
2025-26	12

### Low Income Superannuation Contribution

The Low Income Superannuation Contribution (LISC) currently applies to contributions made on or after 1 July 2012. The LISC is designed to offset most or all of the tax paid on superannuation guarantee contributions (at least at the 9.00% level) of individuals earning up to \$37,000. After originally attempting to remove the LISC from 1 July 2013, the Government has now amended the legislation to remove the LISC for contributions made from 1 July 2017. It will continue to apply to contributions made before 1 July 2017.

### Excess non-concessional contributions

As announced in the May 2014 Budget, the Government has introduced an option for individuals with excess non-concessional contributions made from 1 July 2013 to withdraw the excess contributions and a notional amount of 'associated earnings'. If the withdrawal option is taken, the 'associated earnings' will be taxed at the individual's marginal tax rate. Associated earnings will be calculated using a standard formula set out in the legislation and will differ from the actual earnings. Any excess non-concessional contributions which are not withdrawn will be subject to excess non-concessional contributions tax.

### Changes in age pension assets and income tests

From 1 January 2015, new account-based superannuation income streams are subject to the normal deeming rules for social security pension income tests. Existing account based income streams in place at 31 December 2014 are subject to grandfathering of the current rules for qualifying persons in receipt of a Social Security income support payment (including an age pension) at 31 December 2014. Eligibility for grandfathering will cease if the Social Security income support payments cease or if the account-based superannuation income stream held at 31 December 2014 ceases (e.g. on transfer to another provider). This change was announced in the May 2014 Federal Budget.

From 1 January 2016, the proportion of a defined benefit pension which is not counted towards the income test will be capped at 10%. This was announced in the May 2015 Federal Budget and applies to defined benefit pensions paid from corporate and public sector superannuation funds. Defence Force schemes are exempt from these limits.

From 1 January 2017, the assets test will be varied as announced in the May 2015 Budget. There will be two main outcomes:

- The level of assets which can be held before they start to impact the age pension has been increased which will result in an increase in the age pension for some retirees
- The rate at which the age pension is reduced for each \$1,000 of additional assets has been increased from \$1.50 to \$3.00 per fortnight. This will significantly reduce the age pension for some retirees.

The Government has also decided not to proceed with several other changes announced in 2014 relating to the indexation of social security pensions and freezes in various thresholds.

#### Concessional contributions limit for 2015-16

The concessional (before tax) contribution limit for 2015-16 is \$35,000 for those age 49 or over at 30 June 2015. Concessional contributions include employer and salary sacrifice contributions. The cap for younger people is \$30,000. These are the same levels as the previous year.

#### Non-concessional contributions limit for 2015-16

The non-concessional (post tax) contribution limit for 2015-16 is \$180,000. However a member under age 65 on 1 July 2015 can (unless they have already done so in the prior two years) generally bring forward two years of non-concessional contributions and make non-concessional contributions of up to \$540,000 in 2015-16. This 'bring-forward' provision will automatically be triggered if non-concessional contributions of more than \$180,000 are made in 2015-16 and excess non-concessional contributions will only arise if total non-concessional contributions for 2015-16 and the next two years exceed \$540,000.

#### Disclosure using electronic means

Recent changes announced by the Australian Securities and Investments Commission provide super funds with more opportunities to provide material on web-sites and by email rather than on paper. This should provide super funds with greater opportunities to develop more interesting and engaging material for members as well as saving considerable printing costs.

#### Accessing your superannuation balance earlier if you have a terminal illness

On 1 July 2015 the certification period for terminal medical conditions changed from 12 to 24 months. This means if you meet the criteria below for a terminal medical condition you can access your super payout up to a year earlier than before.

Please note that these changes refer to your super account balance (or leaving service benefit for Defined Benefit members), but do not automatically translate to the terminal illness provisions of the relevant insurance policy for each plan. Therefore, there may be circumstances where a member may be able to access their super account balance (or leaving service benefit for Defined Benefit members) but not the associated insurance benefit for terminal illness at the same time.

A **terminal medical condition exists** in relation to a person at a particular time if the following circumstances exist:

- a) two registered medical practitioners have certified, jointly or separately, that the person suffers from an illness, or has incurred an injury, that is likely to result in the death of the person within a period (the certification period) that ends not more than 24 months after the date of the certification;
- b) at least one of the registered medical practitioners is a specialist practising in an area related to the illness or injury suffered by the person;
- c) for each of the certificates, the certification period has not ended.

#### Transfers from the UK

Following changes to UK legislation effective from April 2015, almost all Australian funds (including the Mercer Super Trust) are no longer able to accept transfers from UK pension schemes. Further, where part or all of a member's benefit has previously been transferred from the UK, the changes in the UK may result in adverse UK tax consequences where benefits are transferred from one Australian fund to another.

However, it appears transfers of benefits from some UK funds may be possible in limited circumstances. For example, we understand some self-managed funds have been able to qualify as QROPS allowing them to receive transfers by putting in place fund rules that only allow membership for people age 55 and over. Some government sector funds have also been able to qualify as QROPS.

At this stage there does not appear to be a solution enabling a transfer to other large funds.

#### Lost super accounts

A number of initiatives through the Australian Taxation Office (ATO) have already been put in place to help reunite members with lost super accounts. The account balance threshold for lost super to be transferred to the ATO has increased from \$200 to \$2,000 from 31 December 2012, and will now increase to \$4,000 from 31 December 2015 with a further increase to \$6,000 from 31 December 2016. These accounts will receive interest equal to increases in the Consumer Price Index (CPI) after being transferred to the ATO.

The new \$4,000 threshold will first apply to accounts at 31 December 2015 reporting date with reporting and payment due by 30 April 2016.

## WHAT ELSE IS CHANGING IN SUPER?

The Government has proposed a number of superannuation changes that are not yet legislated. They include a number of changes announced in the Government's response to the Financial System Inquiry however at this point there is little detail available on most of these and considerable consultation will occur before specific proposals are put to Parliament. One proposal which has progressed relates to Trustee Boards (see below). We will advise you if any significant changes are legislated and the dates they will come into effect.

#### Trustee Boards

The Government has announced a proposal to improve the governance of superannuation funds by requiring at least one-third of the directors of a super fund trustee, including the Chairperson, be independent. This change together with a number of related requirements are intended to be implemented from around 1 July 2016 although there will be a transition period for existing funds to move to the new rules. At this stage, consultation on the changes is continuing and the precise requirements to be considered independent have not been finalised.





# FINANCIAL SUMMARY FOR THE MERCER SUPER TRUST

This is abridged financial information for the Mercer Super Trust for the year ended 30 June 2015. You can request a copy of the full audited accounts and auditor's report for the Mercer Super Trust by contacting the Helpline.

## STATEMENT OF NET ASSETS AS AT 30 JUNE 2015

Investments	2015 %	2015 (\$'000)	2014 (\$'000)
AP # 1 Trust	1.24	233,051	99,413
Mercer DG (ex P) Trust	9.12	1,719,743	2,298,690
Mercer DS Trust	1.36	256,214	254,649
Mercer Passive Australian Shares Fund	0.62	117,227	502,666
Mercer OSS Trust	2.30	434,734	1,087,153
Mercer SROSS Trust	0.19	36,603	36,658
MIFs Alternative Assets # 1 Trust	0.02	3,179	2,779
MIFs Australian Shares Plus Trust	5.36	1,011,281	771,912
Mercer Passive Emerging Markets Shares Fund	0.54	103,102	561,991
Mercer Tailored # 1 Trust	1.16	218,123	377,830
Mercer Passive Global Listed Property Fund	0.54	101,855	131,656
TAL #2 Trust	0.85	159,573	178,339
MIFs Overseas Shares Trust	2.36	445,005	394,197
Mercer Passive International Shares Fund	3.82	720,929	824,653
Mercer Passive Hedged International Shares Fund	1.39	261,939	172,193
OSSH # 1 Trust	2.86	539,012	760,307
Mercer Passive Global Listed Infrastructure Fund	0.49	92,864	80,013
Mercer Australian Inflation Linked Bond Fund	1.95	367,407	142,185
Mercer Australian Sovereign Bond Fund	2.69	507,945	712,434
Mercer Income Plus Fund	0.20	37,680	43,032
Mercer Australian Listed Property Fund	0.23	43,027	20,176
Mercer Socially Responsible Australian Shares Fund	0.15	27,677	27,270
Mercer Cash Fund	7.90	1,490,489	1,762,960
Mercer Australian Small Companies Fund	1.40	264,438	347,668
Mercer Emerging Markets Debt Fund	0.54	102,443	203,990
Mercer Global Low Volatility Shares Fund	0.06	11,678	13,392
Mercer Global Sovereign Bond Fund	1.28	240,640	341,327
Mercer Global Credit Fund	2.22	418,712	477,455
Mercer Super Investment Trust	2.15	404,883	370,932
Mercer Diversified Alternatives Fund – MLAS Class	1.26	237,058	291,262
Mercer Emerging Markets Shares Fund	1.44	270,954	23,015
Mercer Global Listed Property Fund	0.17	31,197	23,213
Mercer Australian Shares Fund for Tax Exempt Investors	0.70	132,220	115,412
Mercer Global Listed Infrastructure Fund	-	-	126,992
Mercer SmartPath Fund 1944 to 1948	0.30	56,880	25,960
Mercer SmartPath Fund 1949 to 1953	1.19	225,206	92,181
Mercer SmartPath Fund 1954 to 1958	2.90	547,249	170,804
Mercer SmartPath Fund 1959 to 1963	4.51	851,311	282,374
Mercer SmartPath Fund 1964 to 1968	4.33	816,075	276,278
Mercer SmartPath Fund 1969 to 1973	4.24	798,957	279,006
Mercer SmartPath Fund 1974 to 1978	3.57	672,919	236,773
Mercer SmartPath Fund 1979 to 1983	2.49	469,425	164,987
Mercer SmartPath Fund 1984 to 1988	1.36	257,296	87,403
Mercer SmartPath Fund 1989 to 1993	0.40	75,728	22,894

## STATEMENT OF NET ASSETS AS AT 30 JUNE 2015 (CONTINUED)

Investments	2015 %	2015 (\$'000)	2014 (\$'000)
Mercer Global Absolute Return	1.96	369,676	291,107
Mercer Global Enhanced Low Volatility Shares	1.15	217,880	223,542
Mercer Global High Yield Bond Fund	0.31	58,791	124,400
Mercer Global Opportunistic Credit Fund	0.76	143,665	113,931
Mercer Private Investment Partners III (Offshore) LP	0.02	3,889	2,461
Mercer Conservative Growth Overlay Fund	0.07	12,283	-
Mercer Moderate Growth Overlay Fund	0.09	16,272	-
Mercer Growth Overlay Fund	0.48	91,377	-
Mercer High Growth Overlay Fund	0.10	19,218	-
Mercer Hedged International Shares Fund	0.10	19,011	-
Mercer Global Private Debt Fund	0.33	61,528	-
AMP Direct Property	0.54	101,027	108,881
AMP Life Balanced Growth Fund	0.07	13,634	12,317
AMP Life Investment Linked Conservative Fund	0.03	6,009	6,308
JANA Aggressive	0.60	112,523	106,116
JANA Australia and International Shares	0.05	8,502	7,903
JANA Australian Shares	0.07	13,512	14,846
JANA Assertive	0.68	129,192	120,298
JANA Cautious	0.20	37,491	41,097
JANA Conservative	0.15	28,459	30,006
JANA Cash Trust	0.33	62,693	73,540
JANA International Shares	0.02	4,106	2,340
JANA Moderate	1.37	257,920	256,058
Lend Lease Core Plus Fund	0.06	10,550	31,474
Lend Lease Australian Prime Property Fund - Commercial	0.01	1,683	1,627
Maple Brown Abbott - PST	0.59	111,953	122,196
Goodman Australia Industrial Fund	0.27	50,243	47,014
MLC Growth Fund	0.06	11,718	10,862
MLC Balanced Fund	0.02	4,204	5,061
Vanguard Conservative	0.26	49,788	40,715
Vanguard Growth	0.91	172,423	206,612
Wesfarmers Super Pension Assets	0.21	39,716	40,469
BlackRock Australian Shares Fund	0.32	60,084	68,446
BT Australian Shares Fund	0.49	91,518	87,721
PIMCO Australia Bond Fund	0.31	59,210	54,248
UBS Australian Shares Fund	0.49	92,373	94,022
State Street Hedged Overseas Shares Fund	0.43	81,598	84,914
AMP Listed Property Fund	0.17	32,096	29,193
PIMCO Global Bond Fund	0.51	95,705	82,173
State Street Unhedged Overseas Shares Fund	0.45	84,540	93,758
Direct Investments	0.02	4,046	-
Successor Fund Transfer Investments*	1.09	205,209	-
<b>Total Investments</b>	<b>100.00</b>	<b>18,861,243</b>	<b>17,852,130</b>

\* These assets are held on behalf of Benefund Limited in relation to a Successor Fund Transfer with an effective date, 1 July 2015

## STATEMENT OF NET ASSETS AS AT 30 JUNE 2015 (CONTINUED)

Other Assets	2015 (\$'000)	2014 (\$'000)
Cash and cash equivalents	282,094	295,897
Interest receivable	206	145
Investment income receivable	719,785	435,672
Deferred tax asset	8,736	115,975
Derivative assets	746	893
Unsettled trades receivable	177,407	1,145
Sundry debtors	5,415	3,634
<b>Total Other Assets</b>	<b>1,194,389</b>	<b>853,361</b>
<b>TOTAL ASSETS</b>	<b>20,055,632</b>	<b>18,705,491</b>

Less Liabilities	2015 (\$'000)	2014 (\$'000)
Other payables	22,793	19,905
Successor Fund Transfer liability	207,246	-
Current tax liabilities	167,368	166,847
Provision for amounts due to exited members	-	6
Deferred tax liabilities	31	22
Unsettled trades payable	3,945	117
<b>TOTAL LIABILITIES</b>	<b>401,383</b>	<b>186,897</b>
<b>NET ASSETS AVAILABLE TO PAY BENEFITS</b>	<b>19,654,249</b>	<b>18,518,594</b>

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2015

Revenue	2015 (\$'000)	2014 (\$'000)
Distributions and dividends	1,098,303	614,575
Interest	3,075	3,312
Movement in the net market value of assets	706,681	1,571,406
Foreign exchange loss	-	(309)
Investment management fee rebates	1,605	1,530
Direct Investment expenses	(409)	(1,046)
<b>Investment Revenue</b>	<b>1,809,255</b>	<b>2,189,468</b>
Employer contributions	1,259,325	1,280,987
Member contributions	86,915	64,894
Transfers from other funds – taxable	2,289	2,597
Transfers from other funds – non taxable	729,558	467,833
<b>Net Contributions Revenue</b>	<b>2,078,087</b>	<b>1,816,311</b>
Fee discount to employer plans	55,687	66,642
Group life proceeds	54,565	44,699
Sundry revenue	9	12
<b>Net Other Revenue</b>	<b>110,261</b>	<b>111,353</b>
<b>Total Revenue</b>	<b>3,997,603</b>	<b>4,117,132</b>

Expenses	2015 (\$'000)	2014 (\$'000)
Lump sum benefits	2,279,951	2,230,445
Pensions	58,412	50,429
Group life insurance premiums	71,954	61,112
Asset management, administration fees and allowance for trustee expenses	175,909	199,406
Other expenses	1,071	865
Superannuation contribution surcharge	35	37
<b>Total Expenses</b>	<b>2,587,332</b>	<b>2,542,294</b>
<b>Net assets available to pay benefits at the beginning of the year</b>	<b>18,518,594</b>	<b>17,258,532</b>
Net change for the year before income tax	1,410,271	1,574,838
Income tax expense	274,616	314,776
Net change for the year after income tax	1,135,655	1,260,062
<b>Net assets available to pay benefits at the end of the year</b>	<b>19,654,249</b>	<b>18,518,594</b>



# INVESTMENT MANAGERS

## MERCER INVESTMENT MANAGERS AS AT 30 JUNE 2015

Mercer Investments (Australia) Limited as the primary fund manager of the Mercer Super Trust is responsible for the appointment of investment managers for the Mercer investment options. The following investment managers were in place as at 30 June 2015.

Fund type	Manager
<b>Australian Shares</b>	Ausbil Dexia Limited Avoca Investment Management Pty Ltd BlackRock Investment Management (Aust) Limited (Equitisation only) BT Funds Management No.2 Limited (Socially Responsible options only) FIL Limited Goldman Sachs Asset Management Australia Pty Ltd Greencape Capital Pty Limited IFM Investors Pty Ltd JCP Investment Partners Ltd (including for Australian Shares for tax Exempt Investors) Legg Mason Asset Management Australia Limited Macquarie Investment Management Limited (Australian Shares for Tax Exempt Investors only) Nikko AM Limited Perpetual Investment Management Limited (Socially Responsible options only) Perennial Investment Partners Limited (Socially Responsible options only) Perennial Value Management Limited Plato Investment Management Limited (including for Australian Shares for Tax Exempt Investors) State Street Global Advisors, Australia, Limited Vinva Investment Management Limited WaveStone Capital Pty Limited
<b>Overseas Shares</b>	Acadian Asset Management Allianz Global Investors Europe GmbH AMP Capital Investors Limited (Socially Responsible options only) AQR Emerging Small Cap Equity Fund L.P. Arrowstreet Capital Ausbil Dexia Limited (currency hedging for Socially Responsible options only) Baillie Gifford & Co BlackRock Investment Management (Aust) Ltd Fidelity Australia Global Thematic Partners, LLC Hexavest Inc. Investec Asset Management Luxembourg S.A. Macquarie Investment Management Limited National Australia Bank Limited (currency hedging only) Schroder Investment Management Australia Limited State Street Global Advisors, Australia, Limited
<b>Property</b>	AMP Capital Investors Limited Brookfield Investment Management, Inc CenterSquare Investment Management, Inc Charter Hall Funds Management Ltd Charter Hall Wholesale Management Limited Goodman Funds Management Aust Ltd Investa Property Group Lend Lease Real Estate Investments Limited Macquarie Investment Management Limited National Australia Bank Limited (currency hedging only) Principal Global Investors (Australia) Limited

## MERCER INVESTMENT MANAGERS AS AT 30 JUNE 2015 (CONTINUED)

Fund type	Manager
<b>Infrastructure</b>	Colonial First State Investments Limited Industry Funds Management Pty Ltd KKR Global Infrastructure Investors II L.P. Lazard Asset Management Pacific Co (Income Plus options only) Macquarie Asia Infrastructure Fund L.P. Macquarie Investment Management Limited National Australia Bank Limited (currency hedging only) RARE Infrastructure Limited
<b>Australian Fixed Interest</b>	Ardea Investment Management Pty Limited BT Investment Management (Institutional) Limited Challenger Management Services Limited Macquarie Investment Management Limited QIC Limited
<b>Overseas Fixed Interest</b>	AllianceBernstein Investment Management Australia Limited Audax Credit BDC Inc. AXA Investment Managers Asia (Singapore) Ltd Challenger Managed Investments Limited Colonial First State Investments Limited H2O Asset Management LLP ICG Senior Debt Partners Insight Investment Management (Global) Limited Kapstream Capital Pty Limited Loomis, Sayles & Company LP (Income Plus options only) Mercer Global Investments Management Limited Wellington International Management Company Pte Limited Westbourne Credit Management Limited (formerly in Infrastructure)
<b>Cash</b>	BlackRock Investment Management (Australia) Limited Challenger Managed Investment Limited
<b>Alternative Assets</b>	Babson Capital Australia Pty Limited Mercer Global Investments Management Limited Mercer Private Investment Partners III (Offshore), LP
<b>Natural Resources</b>	Global Commodities Limited H3 Global Advisors Pty Limited New Forests Asset Management Pty Ltd
<b>Indexed investment options</b>	Vanguard Investments Australia Ltd (Indexed Growth and Indexed Conservative Growth)
<b>Non Mercer investment options</b>	MLC Limited (Multi Manager Style options) AMP Capital Investors Limited (Core Style and Conservative options) Maple-Brown Abbott Limited (Value Style option)

## CHANGES TO INVESTMENT MANAGERS

The following managers were appointed in the 2014-15 financial year.

Fund type	Manager
<b>Australian Shares</b>	Avoca Investment Management Pty Ltd BlackRock Investment Management (Aust) Limited (Equitisation only) FIL Limited Greencape Capital Pty Limited Plato Investment Management Limited WaveStone Capital Pty Limited
<b>Overseas Shares</b>	Allianz Global Investors Europe GmbH AQR Emerging Small Cap Equity Fund L.P. Investec Asset Management Luxembourg S.A. Macquarie Investment Management Limited
<b>Property</b>	Charter Hall Funds Management Ltd Charter Hall Wholesale Management Limited
<b>Infrastructure</b>	KKR Global Infrastructure Investors II L.P. Macquarie Asia Infrastructure Fund L.P.
<b>Australian Fixed Interest</b>	Ardea Investment Management Pty Limited QIC Limited
<b>Overseas Fixed Interest</b>	Audax Credit BDC ICG Senior Debt Partners

The following managers were terminated in the 2014-15 financial year.

Fund type	Manager
<b>Australian Shares</b>	Alleron Investment Management Limited Northcape Capital Pty Ltd Vanguard Investments Australia Ltd (Income Plus options only)
<b>Overseas Shares</b>	Franklin Templeton Investments Australia Limited Linghor & Partner Asset Management GmbH Realindex Investments Pty Limited
<b>Infrastructure</b>	Magellan Asset Management
<b>Australian Fixed Interest</b>	Dimensional Fund Advisors Australia Limited (Income Plus options only)
<b>Overseas Fixed Interest</b>	Principal Global Investors (Australia) Limited (Income Plus options only)

# LARGEST SHARE HOLDINGS

The tables below show the top ten Australian and overseas shares held in aggregate by the Mercer Super Trust as at 30 June 2015 within the Australian shares and Overseas shares asset classes across the Mercer investment options. For example, Commonwealth Bank of Australia represents 8.77% of the total Australian shares component of all Mercer investment options.

## Top 10 Australian share holdings

Company	Holding %
Commonwealth Bank of Australia	8.77
ANZ Banking Group	7.26
National Australia Bank	6.44
Westpac Banking Corporation	6.29
Telstra Corporation Ltd	4.95
BHP Billiton	4.87
CSL Limited	2.49
Woolworths Ltd	2.49
Macquarie Group Ltd	2.43
QBE Insurance Group	2.27

## Top 10 Overseas share holdings

Company	Holding %
Apple	1.80
Nestle SA	0.74
Microsoft Corp	0.72
Pfizer Inc	0.69
Procter & Gamble	0.68
Amazon	0.67
Exxon Mobil Corporation	0.66
Johnson & Johnson	0.63
Citigroup Inc	0.62
Novartis AG	0.62

The trustee invests the Mercer Super Trust's assets as follows:

- in other funds managed by professional investment managers
- in a range of investments such as securities, derivatives and cash managed via mandates held with professional investment managers, and
- by investing the assets in funds managed by Mercer Investments (Australia) Limited (MIAL) including but not limited to Mercer Multi-Manager Funds (MMFs) or Mercer Investment Funds (MIFs). The assets may also be invested in funds or investment vehicles managed by other Mercer related entities.

MIAL is the responsible entity of MMFs and MIFs and appoints professional investment managers to manage the assets of MMFs and MIFs either directly or via external investment vehicles.

All of the external investments for the Mercer Super Trust including the underlying investments of the MMFs and MIFs are held by an independent custodian.



# OTHER INFORMATION ABOUT YOUR SUPER

## ELIGIBLE ROLLOVER FUND

An Eligible Rollover Fund (ERF) is a super fund that looks after small and lost or unclaimed super benefits transferred to it by other superannuation funds.

From 1 October 2015, the ERF for the Mercer Super Trust changed from the AMP Eligible Rollover Fund to the SuperTrace Eligible Rollover Fund. The trustee for the new ERF is Colonial Mutual Superannuation Pty Ltd (CMS) ABN 56 006 831 983 Australian Financial Services Licence #235025. SuperTrace is administered by The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 Australian Financial Services Licence #235035 (CMLA).

Contact details of the SuperTrace Eligible Rollover Fund are:

Locked Bag 5429  
Parramatta NSW 2124

Telephone: 1300 788 750  
Fax: 1300 700 353

Web: [www.supertrace.com.au](http://www.supertrace.com.au)  
Email: [SuperTrace.Member@cba.com.au](mailto:SuperTrace.Member@cba.com.au)

Below is a summary of the more significant features of SuperTrace, current as at 1 October 2015:

- All assets of SuperTrace are invested in the Policy issued to CMS by CMLA. The Policy is currently invested solely in the Capital Stable Fund in the CMLA's No. 2L Statutory Fund. The Capital Stable Fund and the CMLA No. 2L Statutory Fund invest in assets that can fluctuate in value. There is no investment choice available to members.
- The investment objective of the Capital Stable Fund is to provide a reasonably high level of security and consistent returns.
- The investment strategy for the assets in the Capital Stable Fund is to invest in a broad range of assets with a majority in defensive assets.
- Investment returns are credited to Members' accounts as an annual crediting rate effective 30 June. The crediting rate is derived from the earning rate of the SuperTrace Policy which is net of tax on investment earnings, less any asset charge. The crediting rate is not guaranteed and the rate applied can be negative.
- an ongoing fee is deducted from the earnings of SuperTrace prior to the crediting rate being declared. For the current fee that applies please refer to the SuperTrace Product Disclosure Statement.
- SuperTrace does not accept contributions from Members or their employers; however rollovers from other superannuation funds are permitted.
- SuperTrace does not provide insurance cover.

For more information contact SuperTrace Customer Service on 1300 788 750 between 8.30am and 6.00pm Monday to Friday Eastern Standard Time or go to [www.supertrace.com.au](http://www.supertrace.com.au) for their latest Product Disclosure Statement.

Your super may be transferred to the SuperTrace ERF if the following conditions arise.

For Corporate Superannuation Division members if:

- you leave your employer or you choose another fund for your Superannuation Guarantee contributions (Exercise Choice), and
- your account balance is less than \$500.00, and
- you don't inform the trustee within 30 days of leaving your employer or Exercising Choice.

For Personal Superannuation Division members or members of the Individual Section of the Mercer SmartSuper Plan:

- your account balance falls below \$500.00, and
- you have been asked to tell the trustee how and where you want your super paid, and
- you don't inform the trustee within 30 days.

For Allocated Pension Division members:

- your account balance falls below \$2,400
- you have been asked to tell the trustee how and where you want your super paid, and
- you don't inform the trustee within 30 days.

Your payout may also be transferred to the SuperTrace ERF if:

- If you're under age 65, and
- you haven't told us how and where you'd like your super paid, and
- we have written to you twice and both times the mail has been returned unclaimed.

## LEAVING YOUR EMPLOYER'S PLAN IN THE CORPORATE SUPERANNUATION DIVISION OTHER THAN FOR MEMBERS IN THE EMPLOYER SECTION OF THE MERCER SMARTSUPER PLAN

In most cases if you have not provided us with completed payment instructions, we will generally transfer your super to the Individual Section of the Mercer SmartSuper Plan (Individual Section) if you leave your plan (in the Corporate Superannuation Division) due to leaving your employer, or Exercising Choice, and your super is worth at least \$500.00 (on the date we process your benefit).

On transfer to the Individual Section, you will have accumulation style super. The investment options available in the Individual Section and how your super will be invested may be different to what you had in your plan immediately prior to your transfer. You will have the flexibility to change your investment options within the Individual Section at any time.

The dollar amount of your Death and Total and Permanent Disablement cover will generally continue under the Individual Section subject to certain eligibility criteria. Any Total but Temporary Disablement cover you had in your plan in the Corporate Superannuation Division will cease and not be transferred to the Individual Section.

Insurance premiums and other fees will continue to be charged to your super account. There may be different premiums, fees and charges in the Individual Section compared to those while you were a member of your plan.

We'll provide you with a copy of the *Product Disclosure Statement (PDS)* for the Individual Section when we transfer your super. This PDS provides full details of the features and benefits of the Individual Section including the investment and insurance arrangements and the premiums, fees and charges that will apply.

If you leave your employer or Exercise Choice and your super is worth less than \$500.00 you will not be transferred to the Individual Section. For details of what happens in this circumstance see the 'Eligible Rollover Fund' section of this *Annual Report*.

Please note that some employer plans may have an alternate arrangement for members who leave their employer or Exercise Choice. If this applies, you will be advised of these alternative arrangements for your super upon your employer advising the trustee that you have left employment or Exercised Choice.

For more information on what happens if you leave your employer or Exercise Choice refer to the PDS you received when joining your employer's plan and/or other member materials provided to you or call the Helpline.

## LEAVING THE EMPLOYER SECTION OF THE MERCER SMARTSUPER PLAN IN THE CORPORATE SUPERANNUATION DIVISION

In most cases, we will generally transfer your super to the Individual Section of the Mercer SmartSuper Plan (Individual Section) if you leave the Employer Section of the Mercer SmartSuper Plan (in the Corporate Superannuation Division) due to leaving your employer, or Exercising Choice, and your super is worth at least \$500.00 (on the date we process your benefit).

At the time you are transferred to the Individual Section, your super will remain invested in the same investment options in which your super was invested prior to being transferred to the Individual Section. You will have the flexibility to change your investment options within the Individual Section at any time.

Your Death and Total and Permanent Disablement cover will generally continue in the Individual Section on the same insured benefit basis, subject to certain eligibility criteria. If salary is used in the calculation of your cover, it will remain fixed at the date of your transfer to the Individual Section. Any Total but Temporary Disablement cover you had in the Employer Section of the Mercer SmartSuper Plan will cease and will not be transferred to the Individual Section.

Insurance premiums and other fees will continue to be charged to your super account. There may be different premiums, fees and charges in the Individual Section compared to those while you were a member of the Employer Section of the Mercer SmartSuper Plan.

If you leave your employer or Exercise Choice and your super is worth less than \$500.00 you will not be transferred to the Individual Section. For details of what happens to your super in this circumstance, refer to the 'Eligible Rollover Fund' section.

For more information on what happens if you leave your employer or Exercise Choice refer to your PDS you received on joining the Employer Section of the Mercer SmartSuper Plan and/or other member materials provided to you or call the Helpline. This PDS and/or other member materials provided to you gives full details of the features and benefits of the Individual Section including the investment and insurance arrangements and the premiums, fees and charges that will apply.

## KEEP YOUR NOMINATION OF BENEFICIARIES UP-TO-DATE

### Corporate Superannuation Division and Personal Superannuation Division

You may have the option of nominating one or more beneficiaries to receive your super payout if you die while you're a member of the Mercer Super Trust. There are generally two options for nominating your beneficiaries:

- **binding death benefit nomination** – the trustee is required to distribute your super payout in accordance with your wishes in the event of your death as long as your nomination remains valid. Any binding nomination you make must be renewed every three years, or if your family circumstances change, otherwise it may become invalid, or
- **preferred death benefit nomination** – you can nominate who you would like to receive your super in the event of your death. The nominations you make are only an indication of your preference and are not binding. The trustee will make the decision about who will receive your super after taking into account your nomination and other information.

Any valid binding death benefit nomination will override any preferred death benefit nomination or any nomination you make in your Will.



It's important to record who you would like to receive your super payout. You should make sure you let us know your nominated beneficiaries and review your nomination regularly. You can nominate a beneficiary or make changes to an existing nomination by completing a beneficiary nomination form available at [mercerfinancialservices.com](http://mercerfinancialservices.com) (sign in using your personal log-in) or by calling the Helpline.

For more information on beneficiary nominations please refer to the 'Who'll get your super if you die?' section on the beneficiary nomination forms available at [mercerfinancialservices.com](http://mercerfinancialservices.com) or by calling the Helpline.

#### For the Allocated Pension Division only

You may have the option of nominating one or more beneficiaries to receive your super payout if you die while you're a member of the Mercer Super Trust as a **binding death benefit nomination**. The trustee is required to distribute your super payout in accordance with your wishes in the event of your death as long as your nomination remains valid.

Any binding nomination you make must be renewed every three years, or if your family circumstances change, otherwise it may become invalid.

You can also make a **reversionary beneficiary nomination**. This nomination is irrevocable and can only be made to your dependant(s). This type of nomination can only be made at the time that your pension is established and is made on the Application Form to join the Allocated Pension Division of the Mercer Super Trust.

If you die while you are a member of Allocated Pension Division, the trustee will either:

- continue to pay your pension (or a lump sum if the law does not permit payment of a pension) to the person you nominated in a reversionary beneficiary nomination, or
- pay either a pension or lump sum to the persons you nominated in a binding death benefit nomination that is valid and in effect at the time of your death.

If a reversionary beneficiary nomination or binding death benefit nomination has not been made, or is invalid (and no default nominations apply) or is no longer in effect at the time of your death, the trustee will decide who to pay your pension to. The trustee will pay your pension to your spouse, if they survive you (or will pay a lump sum to your legal personal representative if you don't have a spouse at the time of your death).

It's important to record who you would like to receive your super payout. You should make sure you let us know your nominated beneficiaries and review your nomination regularly. You can nominate a beneficiary or make changes to an existing nomination by completing a beneficiary nomination form available at [mercerfinancialservices.com](http://mercerfinancialservices.com) or by calling the Helpline.

For more information on beneficiary nominations please refer to the 'Who'll get your super if you die?' section on the beneficiary nomination forms available at [mercerfinancialservices.com](http://mercerfinancialservices.com) or by calling the Helpline.

## UNCLAIMED AND LOST MEMBER ACCOUNTS

Your payout may be sent to the Australian Tax Office (ATO) if no contributions or rollovers have been received for more than 12 months and either:

- we have not been able to contact you and your payout is less than \$2000\*, or
- we do not have enough information to properly identify you.

If you are over 65, have received no contributions or rollovers in the past two years and we have been unable to contact you for a period of 5 years, then your payout will be considered to be unclaimed money and will be sent to the ATO.

\* This amount is changing to \$4,000 from 31 December 2015 and \$6,000 from 31 December 2016.

You can approach the ATO to claim any such money directly.

There are also other circumstances under which we may be required by law to transfer your payout to the ATO. Refer to the ATO website at [www.ato.com.au](http://www.ato.com.au) for more information.

## SUPERANNUATION SURCHARGE TAX

Although this surcharge has been abolished, Mercer Super Trust may still receive surcharge assessment notices from the ATO relating to a period where a surcharge applied. If we receive a notice in relation to a member's account, the amount assessed will be deducted from the member's account and paid to the ATO.

If we receive a surcharge assessment for a member that has left the Mercer Super Trust it will generally be forwarded to the fund to which the benefit was paid or to the individual if the benefit was paid directly to them.

## RESERVES FOR THE MERCER SUPER TRUST

The trustee has created a reserve which is held as an Operational Risk Reserve (**ORR**) in the Mercer Super Trust. The ORR is funded through the Operational Risk Financial Requirement levy which forms part of an Indirect Cost Ratio charged to members of the Mercer Super Trust.

The ORR can be used to provide funding towards the cost of compensating members for any operational incident which adversely affects their benefits. The ORR is complemented by a capital holding held by the trustee outside of the Mercer Super Trust.

The ORR in the Mercer Super Trust over the last three years was:

### At 30 June

2015	2014	2013
16,623,000	5,261,000	N/A*

\* ORR commenced 1 January 2014.

The ORR is invested in cash.

In addition, for the Corporate Superannuation Division only, the Mercer Super Trust had a reserve amount of \$108,799 as at 30 June 2015. This reserve amount only applies to some employer plans in the Corporate Superannuation Division. If this applies to your plan, details of the reserve will be set out in your *Supplementary Annual Report*.

## PAYING YOUR SUPER IF YOU LEAVE AUSTRALIA

You may be eligible to access your super and have it paid directly to you after you have left Australia as long as:

- you entered Australia on a temporary visa (other than visa subclasses 405 (Investor Retirement) and 410 (Retirement)) and
- you have left or will be leaving Australia, and
- your temporary visa has or will soon expire or has or will be cancelled, and
- you are not an Australian or New Zealand citizen or an Australian permanent resident.

Call the Helpline for more information on:

- how to make an application to the trustee for the release of your super for this reason and
- what will happen to your super if you make such an application.

Note that if at least 6 months has passed since the expiry or cancellation of your temporary visa and you have left Australia and have not claimed your super from your plan the trustee may be required to transfer your super to the Australian Taxation Office (ATO).

If this happens, you will need to contact the ATO to claim your super, which will be paid subject to the deduction of tax. The ATO will provide the trustee with details of the members whose super must be transferred in these circumstances.

Note that the tax rates on super payouts to a temporary resident who has left Australia are higher than those which apply to permanent residents or Australian or New Zealand citizens.

The transfer to the ATO can be required even if you are still employed by your Australian employer. If your benefit is transferred to the ATO in these circumstances and you need help to prove to the ATO that you are entitled to that benefit, please contact the Helpline.

In most cases, the trustee is required to provide a member with an exit statement when their benefit has been paid out of the fund. However, the Australian Securities and Investments Commission has provided trustees with relief from this requirement where benefits are paid to the ATO in these circumstances. This relief has been granted because most temporary residents do not advise the trustee of their overseas address details. The trustee intends to rely on this relief. This means that the trustee is not obliged to notify or give an exit statement to a non-resident where a benefit has been transferred to the ATO in these circumstances.

## SERVICE PROVIDERS TO THE TRUSTEE

The trustee appoints a number of service providers to assist it in running the Mercer Super Trust. The main service providers to the trustee are the administrator, the fund manager, the custodian and where applicable, the insurer. Details of the administrator, the Primary fund manager, the custodian and the insurer are set out below.

### Administrator

The trustee has appointed Mercer Outsourcing (Australia) Pty Ltd (ABN 83 068 908 912) to be the administrator to the Mercer Super Trust.

### Primary fund manager

The trustee has appointed Mercer Investments (Australia) Limited (ABN 66 008 612 397) as the primary fund manager of the Mercer Super Trust.

### Custodian

The trustee has appointed The Northern Trust Company ABN 62 126 279 918 to act as custodian.

The Northern Trust Company has succeeded National Australia Bank Limited ABN 12 004 004 937 as custodian.

### Insurer

For plans in the Corporate Superannuation Division that are insured through the trustee's umbrella insurance policy and for the Personal Superannuation Division, the trustee has appointed The National Mutual Life Association of Australasia Limited ABN 72 004 020 437 (which is part of the AMP Group) to provide insurance.

For plans in the Corporate Superannuation Division that are not insured under the trustee's umbrella insurance policy, details of the insurer (if any) for your plan will be set out in the *Product Disclosure Statement* or other member materials (as applicable) for your plan.

## INDEMNITY INSURANCE

The Directors of MSAL have professional indemnity insurance to protect them against any honest mistakes that may occur in running the Mercer Super Trust.

## SPECIAL TAX TREATMENT

Super is one of the most effective ways to save because it's generally taxed at a lower rate than many other forms of investment. To get this tax advantage, the Mercer Super Trust must operate according to a strict set of laws. The trustee is unaware of any event occurring during the year that would affect the Mercer Super Trust's special tax treatment.

## ENQUIRIES AND COMPLAINTS

The trustee of the Mercer Super Trust has a process in place for dealing with member enquiries and complaints. To make an enquiry or complaint you can:

- call the Helpline

or

- write to the Mercer Super Trust's Enquiries and Complaints Officer, Mercer Super Trust  
GPO Box 4303  
Melbourne VIC 3001

The trustee tries to deal with all matters in a timely manner and generally replies to enquiries within 28 days. However responses to some complaints may take longer, although the trustee aims to respond within no more than 90 days.

If you have a complaint and you're not satisfied with the response, you can generally request a formal reconsideration by the trustee. The trustee always seeks to resolve any complaints to the satisfaction of all concerned and in the best interests of all the members of the Mercer Super Trust. However, if you have made a complaint and are not satisfied with the outcome or after at least 90 days has passed, you may take your complaint to the Superannuation Complaints Tribunal.

The Tribunal is an external dispute resolution system for most complaints by members of super funds. You must lodge any complaints with the Tribunal within certain time limits. For more information about requirements and time limits, you can contact the Superannuation Complaints Tribunal at:

Superannuation Complaints Tribunal  
Locked Bag 3060  
Melbourne VIC 3001

Phone: 1300 884 114  
Fax: (03) 8635 5588  
Email: [info@sct.gov.au](mailto:info@sct.gov.au)  
Website: [www.sct.gov.au](http://www.sct.gov.au)

If the Tribunal decides to proceed with handling your complaint, it will try and help you and the trustee reach a mutual agreement through conciliation. If conciliation is unsuccessful, the complaint will be referred to the Tribunal panel for a determination.

## STAYING IN TOUCH

As a member of the Mercer Super Trust, you'll:

- have access to this *Annual Report* to bring you up to date on investment performance and what's been happening to your Division in the Mercer Super Trust;
- be sent an annual member statement showing changes to your super account;
- have access to regular newsletters and investment updates to keep you informed;
- be sent notification of all material changes or the occurrence of significant events;
- have the opportunity to learn about investment through wealth education seminars;
- have access to a wealth of information and interactive planning tools on the Mercer Super Trust website at [mercerfinancialservices.com](http://mercerfinancialservices.com);
- have access to knowledgeable consultants through the Helpline; as well as access to qualified Mercer financial advisers, on a limited basis.

## FURTHER INFORMATION AVAILABLE ON REQUEST

When you joined the Mercer Super Trust you would have received a range of material containing information about your Division or your plan (Corporate Superannuation Division only).

You will receive communication and a member statement with important personal information about your super. Other documents available for viewing on request are:

- governing documents
- investment policy and derivative risk statement
- latest audited accounts, auditor's report and actuary's report
- risk management plan
- enquiries and complaints procedures, and
- the privacy policy.

If you would like to see a copy of any of these documents please call the Helpline.

## PRIVACY

For information on privacy and the handling of your personal information please refer to the *Mercer Australia Privacy Policy* available at [mercerfinancialservices.com](http://mercerfinancialservices.com)

## TRUSTEE PROCEDURES FOR HANDLING POTENTIAL UNIT PRICING AND OTHER ERRORS

The trustee has developed comprehensive policies, procedures and controls to minimise the occurrence and effect of unit pricing and other errors.

If a potential error is identified that could affect members, the trustee will:

- determine whether the issue identified constitutes an error
- assess the error for significance and notify the regulators as appropriate
- seek to limit the consequences of the error
- identify the extent of the problem including the number of members/investors affected, which members/investors have been disadvantaged and which have gained and by how much
- consider whether it is appropriate to compensate the members/investors (including exited members)
- determine a strategy to communicate with affected members/investors about the error and its resolution, and
- consider whether any changes to policies, practices, systems or service level agreements are required.

If a unit pricing or other error occurs, the trustee will determine the amount and method of compensation having regard to the trustee's unit pricing framework, and any relevant trustee policies and procedures.

To the extent possible and practical, compensation will aim to return the member to the financial position that would have existed if the error had not occurred.

Where an error occurs that does not benefit the trustee and results in a loss to members, the trustee will generally determine on a case by case basis a materiality threshold. Typically a threshold of 30 basis points (0.30%) for non-cash investment options and 5 basis points (0.05%) for cash investment options would be applied in determining whether the error has a material impact and requires compensation.

Where an error inadvertently benefits the trustee at the expense of members/investors (i.e. overpayment of fees) no basis point error threshold will be used to evaluate whether compensation is payable. Compensation amounts of less than \$20.00 per member/investor will not be paid to former members.

# CONTACT US

## HOW TO CONTACT US

### TRUSTEE

Mercer Superannuation (Australia) Limited  
ABN 79 004 717 533  
GPO Box 4303  
Melbourne VIC 3001

Tel: **1800 682 525**

If calling from outside Australia  
**61 3 8687 1823**

### HELPLINE

#### Corporate Superannuation Division

Call the Helpline on **1800 682 525**  
from 8am to 7pm AEST Monday to Friday.

If calling from outside Australia  
**61 3 8687 1823**

#### Personal Superannuation Division

Call the Helpline on **1800 810 558**  
from 8am to 7pm AEST Monday to Friday.

If calling from outside Australia  
**61 3 8687 1822**

#### Allocated Pension Division

Call the Helpline on **1800 671 369**  
from 8am to 7pm AEST Monday to Friday.

If calling from outside Australia  
**61 3 9623 5883**

### WEBSITE

[mercerfinancialservices.com](http://mercerfinancialservices.com)

When you join the plan, we will send you your personal log-in. You will then be able to access information about your super in the Mercer Super Trust and other relevant information including Annual Reports and member newsletters.

Generally [mercerfinancialservices.com](http://mercerfinancialservices.com) is available 24 hours per day, seven days per week. Please note, however, that the website may not be available when we need to carry out scheduled updates or maintenance.

Call the Helpline if you need more information about accessing the website.

### POSTAL ADDRESS

Mercer Super Trust  
GPO Box 4303  
Melbourne VIC 3001

### HELP IN MAKING DECISIONS

You should get advice from a licensed, or appropriately authorised, financial adviser.

There are helpful tools and further information at [mercerfinancialservices.com](http://mercerfinancialservices.com) including:

- up to date information on investment options
- information from our wealth education experts, and
- financial planning tools.

### KEEP YOUR CONTACT DETAILS UP TO DATE

We can only send you information if we have your current contact details. You can update your details at [mercerfinancialservices.com](http://mercerfinancialservices.com) (sign in using your personal log-in) or call the Helpline.



## IMPORTANT INFORMATION AND DISCLAIMER

Mercer Superannuation (Australia) Limited (MSAL) ABN 79 004 717 533, Australian Financial Services Licence #235906 is the trustee of the Mercer Super Trust ABN 19 905 422 981, the issuer of this *Annual Report*.

The information contained in this report is given in good faith and has been derived from sources believed to be reliable and accurate. No warranty as to the accuracy or completeness of this information is given and no responsibility is accepted by Mercer Super Trust or its employees for any loss or damage arising from reliance on the information provided.

The information in this *Annual Report* includes some general product advice that does not take into account your financial situation, objectives or needs.

Before making any decisions about your super, you should consider your own objectives, financial needs and you should read and consider the *Product Disclosure Statement* and/or other member material specific to your plan or division.

We recommend you seek professional advice from a licenced, or appropriately authorised, financial adviser.

Visit [mercercfinancialservices.com](http://mercercfinancialservices.com) to obtain a copy of the relevant *Product Disclosure Statement* and/or other member materials specific to your plan or contact the Helpline.

MSAL reserves the right to correct any errors or omissions. If there is any discrepancy between this *Annual Report* and the Relevant Documents the terms of the Relevant Documents will prevail.

Prepared December 2015

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