

MERCER SUPER TRUST

# 2017 ANNUAL REPORT

**PART 1** FOR MEMBERS OF THE CORPORATE SUPERANNUATION DIVISION (CSD), PERSONAL SUPERANNUATION DIVISION (PSD), ALLOCATED PENSION DIVISION (APD) AND RETAIL DIVISION OF THE MERCER SUPER TRUST.

DECEMBER 2017



MAKE TOMORROW, TODAY



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## ABOUT THE ANNUAL REPORT

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

**Part one** – This *Annual Report* to members 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 to 30 June 2017 and up to the date that this report was prepared. These changes may have had an impact on your super and may impact on your super in the future so it's important 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 contains an update on the information specific to your plan for the year to 30 June 2017. 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.

The Mercer Super Trust comprises a Corporate Superannuation Division, a Personal Superannuation Division, an Allocated Pension Division and a Retail Division.

If you are a member of the Retail Division, not all sections of this Annual Report may be relevant to you. In particular there are no investment options available in TAL Super and the investment options in Virgin Money Super are different to those referred to in this Annual Report. Members of Virgin Money Super should also refer to their 2017 Supplementary Annual Report for specific details about their Plan including investment options.

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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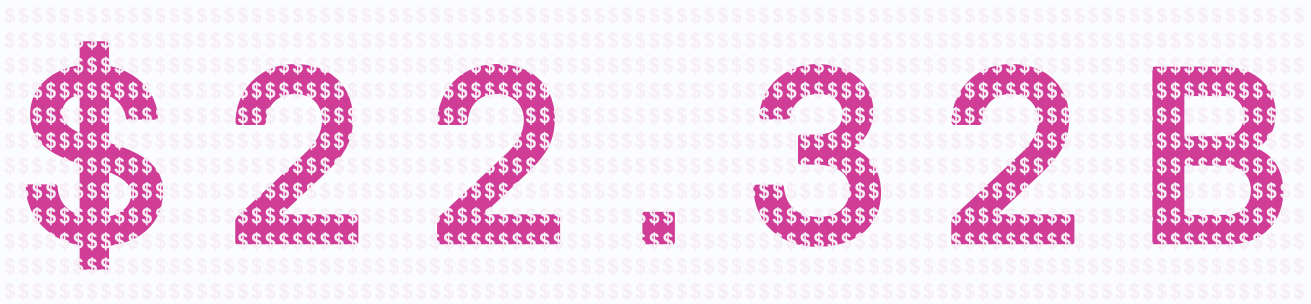




# FACTS AND FIGURES



## FUNDS UNDER MANAGEMENT



## OUR MEMBERS

224,000



## OUR INVESTMENT OPTIONS

\$16B

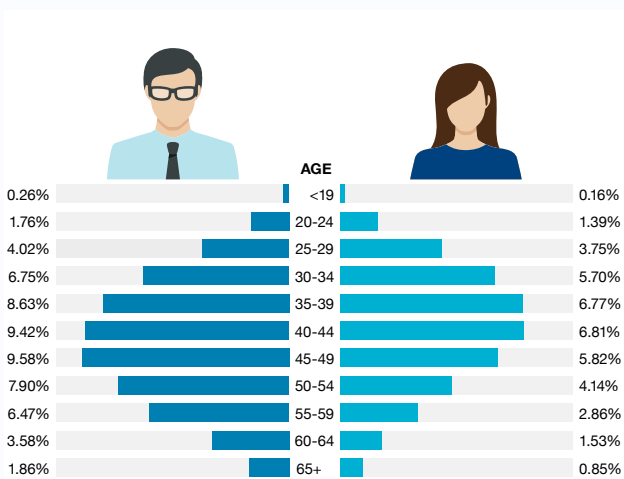
invested in our top five\*\* investment options (by number of members):

- Mercer Growth
- Mercer Smart Path
- Mercer High Growth
- Mercer Diversified Shares
- Mercer Cash

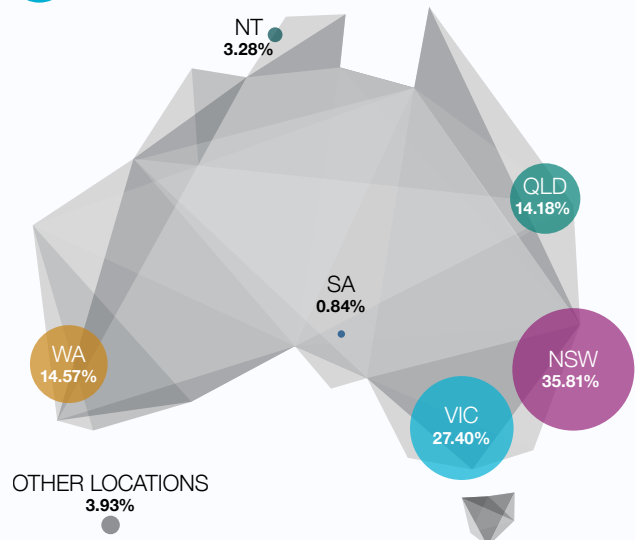
\*\*Please note that inclusion in this list does not constitute a recommendation.



## MEMBERS BY AGE



## MEMBERS BY LOCATION



\*Information on this page is as at 30 June 2017.



## MESSAGE FROM OUR CHAIR

### Welcome to your Mercer Super Trust Annual Report for the 2016-2017 financial year.

In 2016–2017, our members enjoyed positive investment returns in the Mercer SmartPath investment option, Mercer Growth investment option and for members of Virgin Money Super, the Lifestage Tracker investment option. These were undoubtedly helped by extremely favourable share conditions over most of the year to 1 July 2017, underpinned by low interest rates, strong labour markets, and economic growth picking up in most major economies. I encourage you to take a look at our investment returns in detail later in this report, or for Virgin Money Super members in their 2017 Supplementary report.

Meanwhile we've been recognised as industry leaders in member experience fields and the use of digital technologies, with two Communicator Awards and two AMY Awards. These national and international awards recognise our commitment to ensuring the way you interact with your super and communicate with us is as easy as possible.

We've had some significant changes to our Board this financial year. Firstly, I would like to take the opportunity to acknowledge and thank Martin Stevenson who retired from the MSAL board on 31 December 2016, after eight years as a director. Martin's contribution to the Mercer Super Trust was considerable and we wish him well in future endeavours.

We welcome Pauline Vamos and Darren Wickham who joined the Board this year. Both Pauline and Darren bring considerable experience and expertise to their roles as Non-Executive Directors and I look forward to our ongoing collaboration as we work to the benefit of you, our members.

I'm proud that the Mercer Super Trust continues to help create better lives for our members with products, services, support and advice designed to maintain and grow your wealth throughout your working life and your retirement.

Warm regards,

**Jan Swinhoe**

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

# INVESTMENT EDITORIAL

A look at the economy and markets for the 2016– 2017 financial year and what’s in store for the year ahead.

## EQUITIES CLOSE OUT A STRONG 2016 – 2017

Super funds performed strongly over the financial year despite starting the financial year with the aftermath of Brexit and political uncertainty during the year surrounding elections in the US and Europe.

## OUTLOOK

Returns going forward are likely to be less than those received over the last eight years, as yields have reduced and valuations across asset classes are at high levels.

Our investment portfolio management team continues to monitor economic and market developments and adjust portfolio exposures to shares accordingly.

## YEAR THAT WAS: 2016 – 2017

After the initial shock of ‘Brexit’, calm returned quickly to global markets early in July 2016. In addition to more supportive stances from a range of global central banks, economic data tended to support the consensus view of steady and broad-based, but otherwise tepid, global economic growth. Correspondingly, global deflation fears continued to recede.

In November, the impact of a new administration in Washington DC added a new layer of uncertainty, with equity markets performing strongly with renewed focus on the degree of fiscal stimulus that may flow from the new US government administration. In contrast, global bond markets weakened as growth and inflation expectations rose.

Business and consumer sentiment continued to improve into early 2017 and equity markets continued to perform strongly, with a bottoming of downwards earnings revisions in the US and a turn in the corporate profitability cycle adding a further tailwind.

Emerging markets started outperforming its developed market counterparts as concerns over geopolitical risks and a higher USD from a Trump administration faded and focus shifted to the improving developed market growth backdrop.

Global bonds then rallied gaining back some of the performance previously lost in late 2016, as the likelihood of passing the proposed changes from the Trump administration were reduced. Furthermore, price and wage pressures remained muted, with core inflation moderating in the early to mid-2017. Central banks have been attributing this to transitory effects, though this view has moderated somewhat as low inflation surprises have persisted, and markets have backed away from expected rate increases.

At the end of the financial year, markets continue to closely watch central bank actions for any signs of the pace in which monetary policy stimulus will be reduced. More generally, global financial conditions remain accommodative, credit and business investment growth continues to recover in a number of regions, renewed declines in the oil price are supporting consumer spending, and fiscal drag continues to abate.

In Australia, increases in household incomes continue to be subdued, with declining savings rates being used to increase consumption. However the last few months of the financial year saw growing signs GDP growth may be poised to gradually strengthen, with employment gains picking up and business confidence strengthening.

## SHARE MARKET PERFORMANCE

The total return from Australian shares for Australian Investors was 13.8% for the full financial year. Global equities returned 14.7% in unhedged terms and 20.5% in hedged terms.

## WHAT SHOULD INVESTORS DO?

It is important to determine the level of risk with your super based on your individual goals, needs and expectations.

If you’re unsure about whether you are in the right investment option, talk to your financial adviser or request a meeting with a Mercer financial adviser.

Please note:

- Past performance is no guarantee of future performance

# 2016-17 INVESTMENT PERFORMANCE AT A GLANCE

Most of our members invest their super in the following investment options in the Mercer Super Trust, in the CSD, PSD and APD. Detailed information about all of the Mercer Super Trust Investment Options starts on page 43. Returns over one year, five year and ten year timeframes for these investment options are listed below.

The inclusion of an investment option in the following tables does not constitute a recommendation.

Members of Virgin Money Super should refer to their 2017 Supplementary Annual Report for the Investment performance details for their Plan.

There are no investment options available in TAL Super.

## 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 including indirect costs (but not administration fees or other fees)
Personal Superannuation Division	Exit prices and allow for the deduction of tax and investment fees including indirect costs (but not administration fees)
Allocated Pension Division	Exit prices and allow for the deduction of investment fees including indirect costs (but not administration fees)

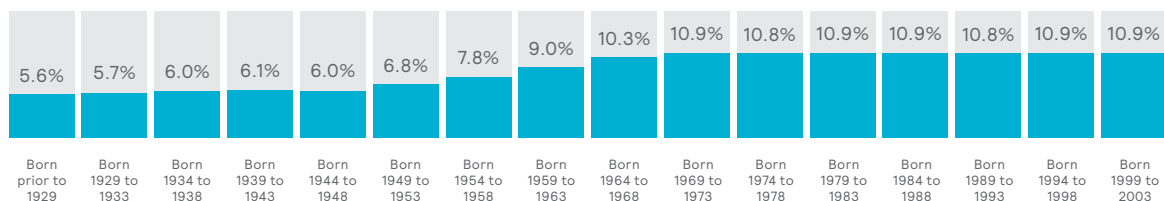
Compound returns are calculated as the geometric average of annual returns, being the annual rate of compound interest that is equivalent to the actual total return over the relevant five or ten year period.

## CORPORATE SUPERANNUATION DIVISION RETURNS AS AT 30 JUNE 2017

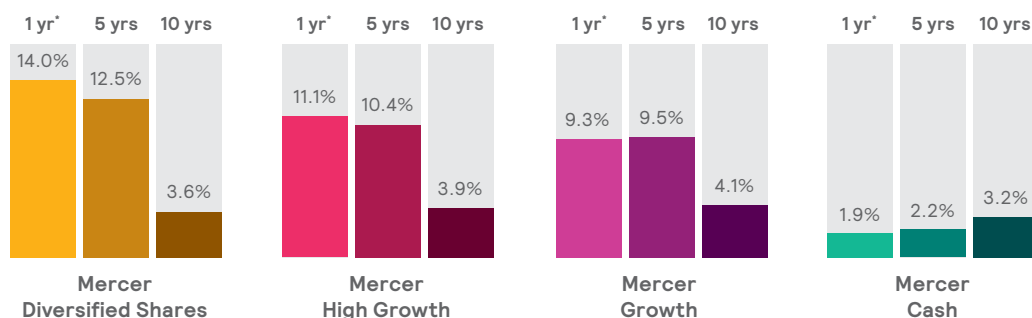
Please go to page 9 for detailed information about all returns for the Mercer Super Trust Investment Options available to CSD members.

The Mercer SmartPath investment option has not been operating for 5 year and/or 10 year periods.

### MERCER SMARTPATH – 1 YEAR RETURN\*



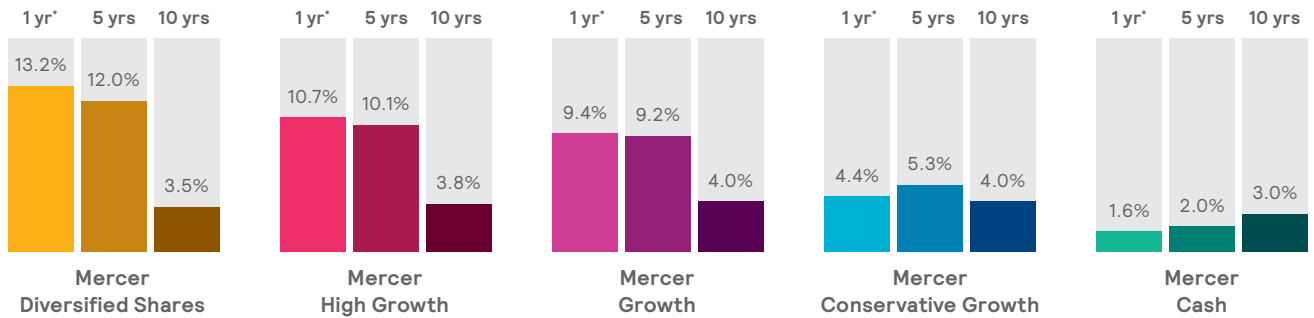
## CORPORATE SUPERANNUATION DIVISION RETURNS AS AT 30 JUNE 2017





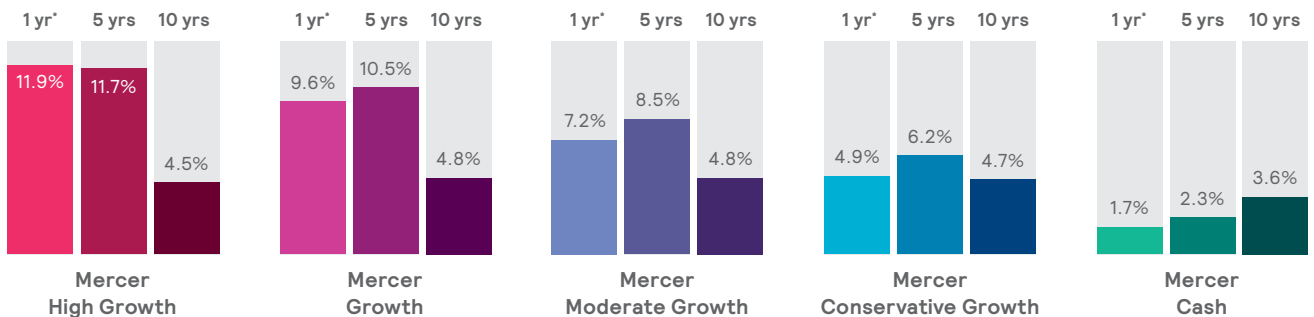
## PERSONAL SUPERANNUATION DIVISION RETURNS AS AT 30 JUNE 2017

Please go to page 11 for detailed information about all returns for the Mercer Super Trust Investment Options available to PSD members.



## ALLOCATED PENSION DIVISION RETURNS AS AT 30 JUNE 2017

Please go to page 13 for detailed information about all returns for the Mercer Super Trust Investment Options available to APD members.



**Please note for the CSD, Mercer SmartPath, PSD and APD Investment Returns as at 30 June 2017 shown in this section:**

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 [mercersuper.com](http://mercersuper.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.

\*1 year returns have been calculated differently compared to the returns shown your annual member benefit statement.

# WHO MANAGES YOUR SUPER

The trustee of the Mercer Super Trust is 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 2017.

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:



**Jan Swinhoe**  
Chairman  
Non-executive director

Jan Swinhoe is a Non-Executive Director and Chairman of MSAL. She is also a member of the Board Risk Management Committee, the Remuneration and Nominations Committee and the 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 Australian 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, Australian Philanthropic Services, Athletics Australia, the IMB Bank (formerly the Illawarra Building Society) and Swiss Re Life & Health Australia. She is also a member of the Leadership and Career Development Committee at the Actuaries Institute.



**Brian Bengler**  
Non-executive director

Brian Bengler is a Non-Executive Director of MSAL and Chairman of the 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 Audit Committee and Chairman of the Remuneration and Nominations Committee.

Brian has over 20 years of board experience being a current director of GMHBA Services Pty Ltd, GMHBA Health Insurance, GMHBA Land Co Pty Ltd, MO Health Pty Ltd, Enginsure Pty Ltd, Lendox Group Limited and National Vineyard Fund of Australia Ltd. He is a former director of the Victoria Managed Insurance Authority, 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.



**Sue O'Connor**  
Non-executive director

Sue O'Connor is a Non-Executive Director of MSAL and Chairman of the Audit Committee. She is also a member of the Remuneration and Nominations Committee and the Service Provider Committee. 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 a Director of the Transport Accident Commission, State Trustees Victoria Limited and an Advisory Board Member of the Monash Sustainable Development Institute. 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.



**Pauline Vamos**  
Non-executive director

Pauline Vamos is a Non-Executive Director of MSAL. She is also a Director of the Banking and Finance Oath (BFO) group, Interaction Disability services and Decimal Software Limited, and Chief Executive Officer of Regnan – Governance Research & Engagement Pty Ltd.

Pauline was the chief executive officer (CEO) of the Association of Superannuation Funds Australia (ASFA) between 2007 and 2016 and has over 25 years' experience in the financial services industry.

In the three years prior to joining ASFA, Pauline consulted to the financial services industry and was on a number of Boards. Pauline was also a senior executive with the Australian Securities and Investment Commission (ASIC) for seven years and in that role, managed the implementation of the Managed Investment Act and the Financial Services Reform Act.

She has also been a corporate counsel, head of compliance, and strategic risk consultant, as well as a director on various financial services boards.

Pauline is a qualified lawyer with a deep experience in superannuation funds management, financial advice and insurance. She has also consulted to the UK pensions regulator and implemented a governance project for professional trustees.



**Darren Wickham**  
Non-executive director

Darren Wickham is a Non-Executive Director of MSAL. He is also the Chairman of the Plan and Benefits Committee.

Darren is a Fellow of the Institute of Actuaries of Australia and has particular expertise in the insurance and superannuation industry. He has had a variety of consulting, insurance and superannuation roles, including his current role of General Manager – Group Life Product and Pricing, Investments and Retirement Incomes at TAL.

Through involvement with the Institute of Actuaries of Australia and other industry bodies (including ASFA), he has written a number of papers and presented on superannuation, life insurance and employee benefits. In 2008 Darren was awarded Australian Actuary of the Year.



**Ben Walsh**  
Executive Director

Ben Walsh is an Executive Director of MSAL and a member of the Board Risk Management Committee.

He is the Managing Director & Chief Executive Officer for Mercer in Australia and heads the business across Australia and New Zealand. With a passion for culture, meaning and purpose, Ben has responsibility for delivering the firm's business segments of Health, Wealth and Career to clients. He is also Chairman of Marsh & McLennan Companies (MMC) in Australia as well as a director of a number of local Mercer and MMC companies. With over 20 years' service, Ben has worked for the Group in a variety of local and regional roles, and has worked internationally in the UK, USA and India.

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.

# 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 including indirect costs (but not administration fees or other fees)
Personal Superannuation Division	Exit prices and allow for the deduction of tax and investment fees including indirect costs (but not administration fees)
Allocated Pension Division	Exit prices and allow for the deduction of investment fees including indirect costs (but not administration fees)*

\* For the APD, 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 geometric average of annual returns, being the annual rate of compound interest that is equivalent to the actual total return over the relevant five or ten year period.

## HOW WE CALCULATE MERCER SUPER TRUST INVESTMENT EARNINGS

Super contributions and rollovers made to the Mercer Super Trust purchase 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 your investment can purchase depends on the unit price at the relevant time. For example, if you contributed \$1,000 and the unit price was \$2.00 at that time, then 500 units would be purchased.

Units are also redeemed when the fund needs to make super payouts or pay fees, taxes and other expenses.

If you have unitised benefits, the value of your payout at any time is the number of units you have, multiplied by their exit price at that time (less any exit fee payable). Your latest member statement shows you how many units you have, the exit price and their value.

If you are a CSD member who has 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 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 the 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 [mercersuper.com](http://mercersuper.com)

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

# INVESTMENT PERFORMANCE

## CORPORATE SUPERANNUATION DIVISION – INVESTMENT PERFORMANCE TO 30 JUNE 2017

Investment Option		1 year return* %	5 year return % per annum	10 year return % per annum	
Ready-made	Mercer SmartPath	Born prior to 1929	5.6	N/A	N/A
		Born 1929-1933	5.7	N/A	N/A
		Born 1934-1938	6.0	N/A	N/A
		Born 1939-1943	6.1	N/A	N/A
		Born 1944-1948	6.0	N/A	N/A
		Born 1949-1953	6.8	N/A	N/A
		Born 1954-1958	7.8	N/A	N/A
		Born 1959-1963	9.0	N/A	N/A
		Born 1964-1968	10.3	N/A	N/A
		Born 1969-1973	10.9	N/A	N/A
		Born 1974-1978	10.8	N/A	N/A
		Born 1979-1983	10.9	N/A	N/A
		Born 1984-1988	10.9	N/A	N/A
		Born 1989-1993	10.8	N/A	N/A
		Born 1994-1998	10.9	N/A	N/A
		Born 1999-2003	10.9	N/A	N/A
		Mercer Diversified Shares	14.0	12.5	3.6
	Mercer High Growth	11.1	10.4	3.9	
	Mercer Growth	9.3	9.5	4.1	
	Mercer Moderate Growth	6.8	7.6	4.2	
	Mercer Conservative Growth	4.9	5.7	4.2	
	Mercer Cash	1.9	2.2	3.2	
Select-your-own	Mercer Plus	Mercer Select Growth	9.4	N/A	N/A
		Mercer Australian Shares Plus	14.7	11.3	4.2
		Mercer Overseas Shares Plus (unhedged)	15.6	15.7	2.7
		Mercer Income Plus	6.2	6.7	N/A
	Mercer Sector	Mercer Australian Shares	14.1	11.1	4.1
		Mercer Australian Core Shares	12.6	10.3	3.5
		Mercer Australian Growth Shares	13.1	11.8	4.6
		Mercer Australian Value Shares	20.7	12.9	5.3
		Mercer Australian Small Companies	6.5	6.6	2.1
		Mercer Overseas Shares (unhedged)	14.5	15.5	2.9
		Mercer Hedged Overseas Shares	19.2	13.2	3.5
		Mercer Overseas Small Companies	13.0	17.1	5.4
		Mercer Global Low Volatility Shares	6.0	N/A	N/A

## CORPORATE SUPERANNUATION DIVISION – INVESTMENT PERFORMANCE TO 30 JUNE 2017 (CONTINUED)

Investment Option		1 year return* %	5 year return % per annum	10 year return % per annum	
Select-your-own	Mercer Sector	Mercer Emerging Markets	17.8	9.0	N/A
		Mercer Property	7.6	9.0	2.6
		Mercer Australian Listed Property	-6.2	11.3	N/A
		Mercer Overseas Listed Property	3.3	9.8	2.9
		Mercer Global Listed Infrastructure	10.8	N/A	N/A
		Mercer Fixed Interest	0.8	4.2	5.6
		Mercer Australian Sovereign Bonds	-0.7	3.1	N/A
		Mercer Overseas Sovereign Bonds	0.5	5.1	N/A
		Mercer Term Deposit	2.4	N/A	N/A
		Mercer Diversified Alternatives	2.1	2.9	1.4
	Mercer Socially Responsible	Mercer Socially Responsible Shares	13.8	12.5	4.3
		Mercer Socially Responsible Growth	9.6	9.3	4.4
	Indexed	Indexed Diversified Shares	14.6	13.1	4.4
		Indexed Australian Shares	12.7	10.8	3.6
		Indexed Overseas Shares	13.5	15.9	4.3
		Enhanced Indexed Growth	10.5	11.0	5.3
		Enhanced Indexed Conservative Growth	4.6	6.7	4.9
	Non Mercer	Non Mercer Growth – Multi Manager Style	12.1	10.3	4.1
		Non Mercer Balanced – Multi Manager Style	9.8	9.2	4.0
		Non Mercer Balanced – Core Style	7.2	9.9	4.1
Non Mercer Balanced – Value Style		10.2	10.8	5.2	
Non Mercer Conservative		3.5	6.0	4.1	
Mercer Direct	Mercer Direct		Not applicable		

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 its preparation. You can obtain updated performance information at [mercersuper.com](http://mercersuper.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 the updated information, free of charge, on request.

\*1 year returns have been calculated differently compared to the returns shown in your annual member benefit statement.

## PERSONAL SUPERANNUATION DIVISION – INVESTMENT PERFORMANCE TO 30 JUNE 2017

Investment Option		1 year return* %	5 year return % per annum	10 year return % per annum	
Ready-made	Mercer Diversified Shares	13.2	12.0	3.5	
	Mercer High Growth	10.7	10.1	3.8	
	Mercer Growth	9.4	9.2	4.0	
	Mercer Moderate Growth	6.5	7.3	4.0	
	Mercer Conservative Growth	4.4	5.3	4.0	
	Mercer Cash	1.6	2.0	3.0	
Select-your-own	Mercer Plus	Mercer Select Growth	8.4	N/A	N/A
		Mercer Australian Shares Plus	14.4	11.0	4.1
		Mercer Overseas Shares Plus (unhedged)	15.0	15.3	2.0
		Mercer Income Plus	4.8	5.5	N/A
	Mercer Sector	Mercer Australian Shares	13.7	10.9	3.9
		Mercer Australian Core Shares	12.4	10.3	3.1
		Mercer Australian Growth Shares	12.7	11.7	4.8
		Mercer Australian Value Shares	20.5	12.7	5.1
		Mercer Australian Small Companies	6.2	6.3	2.0
		Mercer Overseas Shares (unhedged)	14.2	15.4	2.9
		Mercer Hedged Overseas Shares	18.9	12.9	2.5
		Mercer Overseas Small Companies	12.7	16.9	5.7
		Mercer Global Low Volatility Shares	4.5	N/A	N/A
		Mercer Emerging Markets	16.4	7.8	N/A
		Mercer Property	7.3	8.8	3.0
		Mercer Australian Listed Property	-7.3	10.0	N/A
		Mercer Overseas Listed Property	3.0	10.0	3.2
		Mercer Global Listed Infrastructure	10.7	N/A	N/A
		Mercer Fixed Interest	0.3	3.8	5.4
		Mercer Australian Sovereign Bonds	-2.1	1.9	N/A
		Mercer Overseas Sovereign Bonds	-1.1	3.9	N/A
		Mercer Term Deposit	0.9	N/A	N/A
		Mercer Diversified Alternatives	1.6	2.6	1.2
		Mercer Socially Responsible	Mercer Socially Responsible Shares	14.0	12.6
	Mercer Socially Responsible Growth		9.4	9.3	4.5



## PERSONAL SUPERANNUATION DIVISION – INVESTMENT PERFORMANCE TO 30 JUNE 2017 (CONTINUED)

Investment Option		1 year return* %	5 year return % per annum	10 year return % per annum	
Select-your-own	Indexed	Indexed Diversified Shares	14.2	12.6	4.1
		Indexed Australian Shares	12.4	10.4	3.5
		Indexed Overseas Shares	13.1	15.6	4.2
		Enhanced Indexed Growth	10.3	10.5	4.8
		Enhanced Indexed Conservative Growth	4.3	6.2	4.5
	Non Mercer	Non Mercer Growth – Multi Manager Style	11.8	10.1	4.0
		Non Mercer Balanced – Multi Manager Style	9.6	9.1	3.7
		Non Mercer Balanced – Core Style	7.5	9.8	3.9
		Non Mercer Balanced – Value Style	10.1	10.6	5.1
		Non Mercer Conservative	3.5	5.9	4.0

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 its preparation. You can obtain updated performance information at [mercersuper.com](http://mercersuper.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 the updated information, free of charge, on request.

\*1 year returns have been calculated differently compared to the returns shown in your annual member benefit statement.

## ALLOCATED PENSION DIVISION – INVESTMENT PERFORMANCE TO 30 JUNE 2017

Investment Option		1 year return* %	5 year return % per annum	10 year return % per annum	
Ready-made	Mercer SmartPath	Born prior to 1949	N/A	N/A	N/A
		Born 1949-1953	6.2	N/A	N/A
		Born 1954-1958	7.9	N/A	N/A
		Born 1959-1963	9.0	N/A	N/A
	Mercer Diversified Shares	14.5	14.3	4.3	
	Mercer High Growth	11.9	11.7	4.5	
	Mercer Growth	9.6	10.5	4.8	
	Mercer Moderate Growth	7.2	8.5	4.8	
	Mercer Conservative Growth	4.9	6.2	4.7	
Mercer Cash	1.7	2.3	3.6		
Select-your-own	Mercer Plus	Mercer Select Growth	8.5	N/A	N/A
		Mercer Overseas Shares Plus (unhedged)	16.6	17.5	N/A
		Mercer Income Plus	5.2	6.2	N/A
	Mercer Sector	Mercer Australian Shares	14.9	13.2	4.8
		Mercer Australian Core Shares	14.2	12.0	N/A
		Mercer Australian Growth Shares	14.9	13.7	N/A
		Mercer Australian Value Shares	24.0	14.8	N/A
		Mercer Australian Small Companies	7.0	7.5	N/A
		Mercer Overseas Shares (unhedged)	15.3	17.6	3.7
		Mercer Hedged Overseas Shares	21.1	14.7	N/A
		Mercer Overseas Small Companies	14.1	N/A	N/A
		Mercer Global Low Volatility Shares	N/A	N/A	N/A
		Mercer Emerging Markets	18.3	8.6	N/A
		Mercer Property	7.9	9.9	N/A
		Mercer Australian Listed Property	-8.1	11.7	N/A
		Mercer Overseas Listed Property	2.6	11.2	N/A
		Mercer Global Listed Infrastructure	N/A	N/A	N/A
		Mercer Fixed Interest	0.6	4.4	N/A
		Mercer Australian Sovereign Bonds	-2.3	2.3	N/A
		Mercer Overseas Sovereign Bonds	-1.0	4.6	N/A
		Mercer Term Deposit	1.9	N/A	N/A
		Mercer Diversified Alternatives	2.0	3.3	N/A

## ALLOCATED PENSION DIVISION – INVESTMENT PERFORMANCE TO 30 JUNE 2017 (CONTINUED)

Investment Option		1 year return* %	5 year return % per annum	10 year return % per annum	
Select-your-own	Mercer Socially Responsible	Mercer Socially Responsible Shares	15.4	14.1	N/A
		Mercer Socially Responsible Growth	10.3	10.6	N/A
	Indexed	Indexed Diversified Shares	15.5	14.7	N/A
		Indexed Australian Shares	14.4	12.3	N/A
		Indexed Overseas Shares	14.0	17.4	N/A
		Enhanced Indexed Growth	10.4	11.4	N/A
		Enhanced Indexed Conservative Growth	4.5	7.0	N/A
	Non Mercer	Non Mercer Balanced – Value Style <sup>#</sup>	10.4	10.9	5.2
	Mercer LifetimePlus	Mercer LifetimePlus	N/A	N/A	N/A
	Mercer Direct	Mercer Direct		Not applicable	

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 its preparation. You can obtain updated performance information at [mercersuper.com](http://mercersuper.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 the updated information, free of charge, on request.

<sup>#</sup> Closed to future investments for members of the APD.

\*1 year returns have been calculated differently compared to the returns shown in your annual member benefit statement.

# INDIRECT COST RATIO AND EXPENSE ALLOWANCE

Details of Indirect Cost Ratio (ICR) and expense allowance are set out in the Product Disclosure Statement (PDS) and/or other member materials (as applicable) for your plan in the CSD, PSD or the APD.

Members of Virgin Money Super should refer to their 2017 Supplementary Annual Report for the Indirect Costs for their Plan

## INDIRECT COST RATIO

The ICR for the period of 1 July 2016 to 30 June 2017 are set out below.

Investment option	Corporate Superannuation Division Indirect cost ratio* (% per annum)	Personal Superannuation Division Indirect cost ratio* (% per annum)	Allocated Pension Division Indirect cost ratio* (% per annum)
<b>Mercer Ready-made investment options</b>			
Born prior to 1929	0.29	N/A	N/A
Born 1929-1933	0.29	N/A	N/A
Born 1934-1938	0.31	N/A	N/A
Born 1939-1943	0.31	N/A	N/A
Born 1944-1948	0.36	N/A	N/A
Born Prior to 1949	N/A	N/A	0.34
Born 1949-1953	0.35	N/A	0.33
Born 1954-1958	0.35	N/A	0.32
Born 1959-1963	0.36	N/A	0.36
Born 1964-1968	0.38	N/A	N/A
Born 1969-1973	0.38	N/A	N/A
Born 1974-1978	0.39	N/A	N/A
Born 1979-1983	0.40	N/A	N/A
Born 1984-1988	0.41	N/A	N/A
Born 1989-1993	0.41	N/A	N/A
Born 1994-1998	0.41	N/A	N/A
Born 1999-2003	0.41	N/A	N/A
Mercer Diversified Shares	0.16	0.14	0.18
Mercer High Growth	0.44	0.44	0.46
Mercer Growth	0.40	0.42	0.42
Mercer Moderate Growth	0.36	0.36	0.36
Mercer Conservative Growth	0.31	0.31	0.29
Mercer Cash	0.02	0.02	0.02

## INDIRECT COST RATIO (CONTINUED)

Investment option	Corporate Superannuation Division Indirect cost ratio* (% per annum)	Personal Superannuation Division Indirect cost ratio* (% per annum)	Allocated Pension Division Indirect cost ratio* (% per annum)
<b>Select-your-own investment options</b>			
Mercer Select Growth	0.61	0.61	0.60
Mercer Australian Shares Plus	0.23	0.23	N/A
Mercer Overseas Shares Plus (unhedged)	0.14	0.14	0.14
Mercer Income Plus	0.58	0.58	0.58
Mercer Australian Shares	0.19	0.19	0.27
Mercer Australian Core Shares	0.12	0.12	0.12
Mercer Australian Growth Shares	0.23	0.23	0.23
Mercer Australian Value Shares	0.39	0.39	0.39
Mercer Australian Small Companies	0.50	0.50	0.50
Mercer Overseas Shares (unhedged)	0.12	0.12	0.12
Mercer Hedged Overseas Shares	0.16	0.16	0.16
Mercer Overseas Small Companies	0.15	0.15	0.15
Mercer Global Low Volatility Shares	0.14	0.14	0.14
Mercer Emerging Markets	0.30	0.30	0.30
Mercer Property	0.90	0.91	0.92
Mercer Australian Listed Property	0.08	0.08	0.08
Mercer Overseas Listed Property	0.41	0.41	0.41
Mercer Global Listed Infrastructure	0.70	0.70	0.70
Mercer Fixed Interest	0.20	0.20	0.20
Mercer Australian Sovereign Bonds	0.05	0.05	0.05
Mercer Overseas Sovereign Bonds	0.19	0.20	0.20
Mercer Term Deposit	0.01	0.01	0.01
Mercer Diversified Alternatives	3.64	3.64	3.64
Mercer Socially Responsible Shares	0.41	0.41	0.41
Mercer Socially Responsible Growth	0.55	0.54	0.50
Indexed Diversified Shares	0.06	0.05	0.06
Indexed Australian Shares	0.06	0.06	0.06
Indexed Overseas Shares	0.04	0.04	0.04
Enhanced Indexed Growth	0.09	0.09	0.09
Enhanced Indexed Conservative Growth	0.13	0.13	0.13

## INDIRECT COST RATIO (CONTINUED)

Investment option	Corporate Superannuation Division Indirect cost ratio* (% per annum)	Personal Superannuation Division Indirect cost ratio* (% per annum)	Allocated Pension Division Indirect cost ratio* (% per annum)
<b>Select-your-own investment options</b>			
Non Mercer Growth – Multi Manager Style	0.16	0.16	N/A
Non Mercer Balanced – Multi Manager Style	0.15	0.15	N/A
Non Mercer Balanced – Core Style	0.40	0.40	N/A
Non Mercer Balanced – Value Style <sup>#</sup>	0.11	0.11	0.11
Non Mercer Conservative	0.29	0.29	N/A
<b>Other investment options</b>			
Mercer LifetimePlus	N/A	N/A	0.09
Mercer Direct	0.00	N/A	0.00

### Notes:

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 ratios (ICRs) are for the year ending 30 June 2017 and are based on the actual information available and/or reasonable estimates for the period as at the date of this Annual Report. The ICRs may vary from year to year. The ICR consists of indirect costs (including but not limited to, performance related fees, any expense allowance charged by external investment trusts or managers, the net explicit transactional and operational costs and Over the Counter Derivative costs used for either hedging and non-hedging purposes) incurred by the underlying investment vehicles of the Mercer Super Trust. For further information, please see the “Changes to the explanation of fees and costs” on page 18 of this report.

<sup>#</sup> Closed to future investments for members of the APD.

## EXPENSE ALLOWANCE

For each of the investment options listed in the above table, the expense allowance charged for the period of 1 July 2016 to 30 June 2017 was 0.044%.

# 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 2016.

## CHANGES THAT AFFECT ALL DIVISIONS EXCEPT THE RETAIL DIVISION

### INVESTMENT CHANGES

In order to align with current market conditions the trustee regularly reviews and refines investment objectives and details for the investment options available to you. As a result of the latest review, the trustee has made some changes to some investment options.

### CHANGES FROM 1 JULY 2017

Some of the investment options available through the Mercer Super Trust had changes to some or all of the following elements from 1 July 2017:

- **Objective:** The objective of an investment option identifies the type of return it aims to achieve.
- **Asset Allocation:** Asset allocation is the mix of asset classes (such as shares, property, fixed interest and cash) that makes up an investment option. It also includes the growth/defensive benchmark of the investment option.
- **Standard Risk Measure:** The Standard Risk Measure is a tool to help you compare investment risk across different investment options and provides an estimated number of negative annual returns expected in any 20 year period.
- **Risk summary for the investment options:** The Risk Summary shows whether there is a low, medium or high likelihood of a risk (such as currency risk), applying to an investment option.
- **Minimum suggested timeframe:** The minimum suggested timeframe is the minimum timeframe you should consider holding your investment in a particular investment option. This is a guide only.

### MERCER SMARTPATH

Mercer SmartPath (available in both the CSD and the APD) is an innovative investment option that automatically adjusts your level of growth assets (such as shares and property) and defensive assets (such

as fixed interest and cash) to suit your stage of life. The allocation of growth assets reduces gradually over time as members get older, to reduce investment volatility as you near retirement.

Prior to 1 July 2017, this adjustment continued until you had an asset allocation of

- 40% growth and 60% defensive for the CSD and
- 45% growth and 55% defensive for the APD.

From 1 July 2017, this adjustment will continue until you have an asset allocation of 50% growth and 50% defensive, which we believe will improve members' retirement outcomes.

### CHANGES TO THE EXPLANATION OF FEES & COSTS

New legislation has been introduced to streamline how super funds disclose fees and costs in PDSs and member statements, such as your annual benefit statement. The aim of the new disclosure requirements is to improve transparency and consistency of fee disclosures across different financial products including super funds.

As a result, the indirect cost ratio (ICR) which is applied to each investment option available through the Mercer Super Trust has changed and will now be made up of the following elements:

- performance related fees,
- any expense allowance charged by any underlying investment vehicle or manager of those vehicles,
- the net explicit transaction and operational costs, and
- Over the Counter Derivative costs (used for either hedging or non-hedging purposes).

As disclosed in PDSs prior to 1 July 2017, allowances for transaction and operational costs were made when we calculate unit prices, which impacts investment returns and are reflected in your super account. This has not

changed. However, due to this new legislation some of these costs are now explicitly included in the ICR which will generally result in increased ICRs.

In addition, from 1 July 2016, the trustee no longer charges an Operational Risk Financial Requirement levy which was introduced from 1 January 2014 as a result of the Stronger Super reforms. This levy was previously included in the calculation of the ICR for each investment option.

For more information about any of the changes described above, please refer to the *Super Changes Guide to the 1 July 2017 Product Changes* dated May 2017 or for APD members the *Allocated Pension Division Changes dated May 2017* both available at [mercersuper.com](http://mercersuper.com) (sign in using your personal log-in) and go to the Documents section or call the Helpline.

## INDEXATION OF STANDARD FEES FROM 1 JANUARY 2018

The trustee is entitled to increase all dollar based fees from 1 January 2018 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 below.

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

Fee	Prior to 1 January 2018	From 1 January 2018
Dollar Based Administration Fee* (per month)	\$6.94	\$7.06
Exit Fee (per payment) <sup>#</sup>	\$133.40	\$135.85
Family Law Fee	\$492.00	\$501.00
Portfolio Administration Fee (for Mercer Direct Investments) <sup>^</sup>	\$200.00	\$205.00

\* For CSD 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).

<sup>#</sup> For CSD 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.

<sup>^</sup> This fee does not apply to the PSD.



## ADDITIONAL CHANGES AFFECTING THE CORPORATE SUPERANNUATION DIVISION AND THE PERSONAL SUPERANNUATION DIVISION

The following section details the changes that were made to the Mercer Super Trust since 1 July 2016 that only affect the CSD and the PSD.

### CHANGES TO INSURANCE ARRANGEMENTS IN RESPECT OF THE UMBRELLA POLICY

Death (including terminal illness), total and permanent disablement (TPD), total but temporary disablement (TTD) and salary continuance insurance (SCI) cover in the Mercer Super Trust under the group insurance policy (known as the umbrella policy) was insured with AMP Life Limited<sup>1</sup> until 30 June 2017.

When the last contract was negotiated premium rates were guaranteed in respect of the umbrella policy until 30 June 2017.

As the premium rates were up for renegotiation the trustee completed a comprehensive review of the insurance arrangements for the umbrella policy. As a result of that review there were changes to the umbrella policy from 1 July 2017 including the appointment of a new insurer.

### RESULTS OF THE INSURANCE REVIEW

Effective from 1 July 2017:

- AIA Australia Limited ABN 79 004 837 861 Australian Financial Services Licence #230043 (AIA) has been appointed as the insurer for the umbrella policy.
- Costs (premium rates) for death, TPD and SCI cover are changing and generally increasing. The TTD premium rates are generally remaining unchanged. Premium rates under the umbrella policy are guaranteed until 30 June 2020 (however there are circumstances where the premium rates can change before then).
- Certain insurance policy terms and conditions will change from 1 July 2017.

For more information about the changes to the umbrella policy (as it applies to you), please refer to the *Super Changes Guide to the 1 July 2017 Product Changes dated May 2017* available at [mercersuper.com](http://mercersuper.com) (sign in using your personal log-in) and go to the Documents section or call the Helpline.

<sup>1</sup> Formerly the umbrella policy was provided by The National Mutual Life Association of Australasia Limited ABN 72 004 020 437 Australian Financial Services Licence #234649 (NMLA). Effective 1 January 2017, NMLA transferred its life business in Australia and New Zealand (including the umbrella policy) to AMP Life Limited ABN 84 079 300 379 Australian Financial Services Licence #233671 (AMP). This change had no impact to the insurance arrangements under your Plan.

## ADDITIONAL CHANGES AFFECTING THE ALLOCATED PENSION DIVISION

The following section details the changes that were made to the Mercer Super Trust since 1 July 2016 that only affect the APD.

### TRANSITION TO RETIREMENT ALLOCATED PENSION ACCOUNTS (TRAP ACCOUNTS)

From 1 July 2017, investment earnings on TRAP accounts, for members who are under age 65 and have not advised the trustee they have met a relevant condition of release, are subject to tax at 15%.

Prior to 1 July 2017, investment earnings on all TRAP accounts were tax exempt. Therefore, on 1 July 2017, any TRAP accounts not eligible for tax exempt earnings have been moved to new taxed investment options that are the same or similar to the untaxed investment options they were previously invested in.

Please note that not all of the current tax free investment options are available as taxed investment options.

Please refer to the Allocated Pension Division Product Disclosure Statement (APD PDS) dated 23 October 2017 for details on the Taxed investment options available at [mercersuper.com](http://mercersuper.com) or by calling the Helpline.

In this Annual Report, the details provided for the investment options in the APD are for the tax free investment options only.

For more information about any of the changes including the new Taxed investment options described above, please refer to the *Allocated Pension Division Changes dated May 2017* available at [mercersuper.com](http://mercersuper.com) (sign in using your personal log-in) and go to the Documents section or call the Helpline.

### CLOSURE OF AN INVESTMENT OPTION

The Mercer LifetimePlus investment option was closed for the APD from 1 July 2017.

### NEW INVESTMENT OPTIONS

From 1 July 2017 13 new Taxed investment options were introduced for members with TRAP accounts in the APD.

#### Taxed Investment Options in the APD

Taxed Mercer SmarthPath

Taxed Mercer Growth

Taxed Mercer Moderate Growth

Taxed Mercer Conservative Growth

Taxed Mercer High Growth

Taxed Mercer Cash

Taxed Mercer Diversified Shares

Taxed Mercer Australian Shares

Taxed Mercer Fixed Interest

Taxed Mercer Property

Taxed Mercer Overseas Shares (Unhedged)

Taxed Enhanced Indexed Growth

Mercer Direct

## ADDITIONAL CHANGES AFFECTING THE RETAIL DIVISION

The following section details the changes that were made to the Mercer Super Trust that only affect Virgin Money Super.

New legislation has been introduced to streamline how super funds disclose fees and costs in PDSs and member statements, such as your annual benefit statement. The aim of the new disclosure requirements is to improve transparency and consistency of fee disclosures across different financial products including super funds.

As a result, from 1 October 2017, the indirect cost ratio (ICR) which is applied to each investment option available through the Mercer Super Trust will be made up of the following elements:

- performance related fees,
- any expense allowance charged by any underlying investment vehicle or manager of those vehicles,
- the net explicit transaction and operational costs, and
- Over the Counter Derivative costs (used for either hedging or non-hedging purposes).

As disclosed in the 1 December 2016 PDS, allowances for transaction and operational costs are made when unit prices are calculated, which impacts investment returns and are reflected in your account. This new legislation means some of these costs will now be explicitly included in the ICR which will generally result in increased ICRs. Note, this is not an increase in fees, but a broadening of costs which are included in the calculation of the ICR, such as brokerage costs associated with buying and selling shares.

For more information about the change described above, please refer to the Super Update dated September 2017 and your *Virgin Money Super PDS dated 29 September 2017* available at [virginmoney.com.au/super](http://virginmoney.com.au/super) or by calling Customer Care.

## AMENDMENT TO THE GOVERNING RULES – ALL DIVISIONS

The governing rules of the Mercer Super Trust were amended to provide for the creation of a new plan within the Mercer Retail Division; TAL Super.

## LEGISLATIVE CHANGES

Set out below is a summary of the key changes in super since the last Annual Report.

### RECENT AND UPCOMING CHANGES UNDER CURRENT LEGISLATION

#### CHANGES IN AGE PENSION ASSETS TEST

From 1 January 2017, the age pension assets test was varied so that:

- The level of assets which can be held before they start to impact the age pension was increased, which results 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 was increased from \$1.50 to \$3.00 per fortnight. This reduces the age pension for some retirees.

#### CONCESSIONAL CONTRIBUTIONS LIMIT FOR 2017-18

The standard concessional (before tax) contribution limit for 2017-18 is \$25,000 for all ages. This is a reduction from 2016-17 when the limits were \$35,000 for those aged 50 or over at 30 June 2017 and \$30,000 for those younger than 50. Concessional contributions include employer and salary sacrifice contributions.

From 1 July 2019 you may be entitled to contribute more than the standard concessional contribution limit if:

- you have not fully used your annual cap on concessional contributions in the previous five years (but not counting years before 1 July 2018), and
- the combined balance of all your superannuation accounts is less than \$500,000 on 30 June of the previous financial year.

## NON-CONCESSIONAL CONTRIBUTIONS LIMIT FOR 2017-18

The annual non-concessional (post tax) contribution limit for 2017-18 is:

- \$100,000 if the combined balance of all your superannuation accounts as at 30 June 2017 is less than \$1.6 million and you did not trigger the 'bring forward' rule (see below) in 2015/16 or 2016/17, or
- A special calculation if the combined balance of all your superannuation accounts as at 30 June 2017 is less than \$1.6 million and you did trigger the 'bring forward' rule (see below) in 2015/16 or 2016/17, or
- Nil if the combined balance of all your superannuation accounts as at 30 June 2017 is \$1.6 million or more.

The 'bring forward' rule, allows eligible members under age 65 at the start of a financial year to bring forward one or two years of non-concessional contributions and make non-concessional contributions of up to three times the annual limit in that year.

For further details of the operation and eligibility conditions of the 'bring forward' rule go to [ato.gov.au](http://ato.gov.au).

## LOST SUPER ACCOUNTS

The account balance threshold for lost super to be transferred to the ATO increased from \$4,000 to \$6,000 from 31 December 2016. These accounts will attract an interest rate equal to increases in the Consumer Price Index (CPI) after being transferred to the ATO.

## OTHER 2016 FEDERAL BUDGET REFORMS NOW LEGISLATED

**High income concessional contributions threshold:** From 1 July 2017, the income threshold at which high income earners pay additional contributions tax was reduced from \$300,000 to \$250,000.

**Spouse contributions tax offset:** From 1 July 2017, the income threshold for a low income spouse to qualify for the maximum spouse contributions tax offset was increased from \$10,800 to \$37,000 and the cut off income level for a partial offset increased from \$13,800 to \$40,000. However the offset is not available if the low income spouse's total superannuation balance is \$1.6 million (indexed) or more.

**\$1.6 million superannuation pension transfer balance cap:** From 1 July 2017, a \$1.6 million (indexed) cap applies to the amount that individuals can transfer into a superannuation pension account that has tax-exempt investment earnings. Those with pension accounts above \$1.6 million at 1 July 2017 would need to transfer the excess to a taxed superannuation account or withdraw it from super. Special rules apply to defined benefit pensions.

**Low income superannuation tax offset:** From 1 July 2017, the Government has introduced a Low Income Superannuation Tax Offset of up to \$500 to offset tax on concessional contributions for members with adjusted taxable incomes up to \$37,000. This is to replace the existing Low Income Superannuation Contribution which applies for contributions made up to 30 June 2017.

**Co-contribution:** From 1 July 2017, individuals will not be eligible for the government co-contribution in an income year if their non-concessional contributions exceed their limit for the year or if their total superannuation balance is \$1.6 million (indexed) or more.

**Removal of anti-detriment provision:** From 1 July 2017, the Government has removed the 'anti-detriment' tax deduction that was available for some superannuation death benefits. This provision allowed eligible death benefits to be augmented to offset the contributions tax introduced in 1988.

**Transition-to-retirement pensions:** From 1 July 2017, the tax exemption on earnings from assets supporting transition-to-retirement pensions only applies where the pensioner has reached age 65 or has advised the trustee they have satisfied another relevant condition of release. The ability for individuals to treat superannuation income stream payments as lump sums for tax purposes was also removed.

Further, a reversionary pension will only be permitted to be paid from a transition-to-retirement pension where, at the time of death, the reversionary beneficiary has reached age 65 or has advised the trustee they have satisfied another relevant condition of release.

**Tax deduction for personal superannuation**

**contributions:** From 1 July 2017, most individuals will be eligible to claim an income tax deduction for any after-tax personal contributions they make to superannuation (subject to the concessional limit). This option was previously largely restricted to the fully self-employed.

**Concessions for deferred pension products:** From 1 July 2017, the Government has extended the tax-exemption on investment earnings to deferred pension products that meet rules such as restrictions on access to capital. However treatment of these products under the age pension means tests is yet to be determined.

**Departing Australia superannuation payment tax:**

From 1 July 2017, the rate of tax on 'departing Australia superannuation payments' increased to 65 per cent for working holiday makers.

## PROPOSED CHANGES YET TO BE LEGISLATED

**Super measures to assist housing affordability:** In the 2017 Federal Budget, the Government announced a package of changes to assist housing affordability, which included the following superannuation measures:

- A First Home Super Saver Scheme (FHSSS) which is proposed to allow first-home buyers to save for a deposit inside their superannuation account. Savers will be able to contribute \$30,000 (up to \$15,000 a year within existing caps), and be able to withdraw the contributions along with deemed earnings in order to help fund a deposit on their first home. Concessional tax treatment is proposed to apply. The Government proposes to allow releases from 1 July 2018, with voluntary contributions made from 1 July 2017 to be eligible. Conditions to access super under the FHSSS include that a member must be aged 18 or more, not have used the FHSSS before, and never owned real property in Australia. The FHSSS will be administered by the ATO.
- Allowing Australians aged over 65 to make an exempt contribution to their superannuation after downsizing their family home. The aim of this measure is to help free up the stock of larger houses for young families, by allowing older Australians to sell their houses and contribute up to \$300,000 of the proceeds into superannuation. Existing voluntary contribution rules and restrictions would not apply to Downsizer contributions. This measure is proposed to apply from 1 July 2018.

For further details and current status of these proposed measures go to [ato.gov.au](http://ato.gov.au).

**Amending the Superannuation Guarantee to exclude**

**salary sacrifice contributions:** The Government has announced it will amend the Superannuation Guarantee (SG) legislation, effective from 1 July 2018, to:

- prevent contributions made under salary sacrifice arrangements from satisfying an employer's SG obligations; and
- to specifically include salary or wages sacrificed to superannuation in the earnings base for calculating an employer's SG obligations

**Superannuation complaints body:** The Government has announced it will establish of a new 'one-stop shop' external dispute resolution (EDR) body – the Australian Financial Complaints Authority (AFCA) – that will deal with all financial disputes, including superannuation disputes from 1 July 2018. AFCA is to replace the existing three EDR bodies in the financial system (the Financial Ombudsman Service (FOS), the Credit and Investments Ombudsman (CIO) and the Superannuation Complaints Tribunal (SCT)) and will operate under an ombudsman model.

**Superannuation objective:** The Government proposes to enshrine in legislation a superannuation objective 'to provide income in retirement to substitute or supplement the Age Pension'. The objective is to serve as a guide to policy-makers, regulators, industry and the community about superannuation's fundamental purpose.

**Governance:** The Government proposes to require at least one-third independent directors (including an independent chair) on trustee boards for both public offer and non-public offer super funds.

**Choice of Fund:** The Government proposes to remove the current exemption from Choice of Fund requirements for employees covered by enterprise agreements and workplace determinations.

# FINANCIAL SUMMARY FOR THE MERCER SUPER TRUST

This is abridged financial information for the Mercer Super Trust for the year ended 30 June 2017. 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 FINANCIAL POSITION AS AT 30 JUNE 2017

	2017 (\$'000)	2016 (\$'000)
<b>Assets</b>		
Cash and cash equivalents	330,757	271,918
Investments	21,653,480	18,976,484
Derivative assets	629	515
<b>Receivables</b>		
Interest receivable	150	153
Investment income receivable	579,123	684,948
Sundry debtors	8,336	6,895
Unsettled trades receivable	9,378	36,826
<b>Other Assets</b>		
Deferred tax asset	2,237	53,671
<b>Total Assets</b>	<b>22,584,090</b>	<b>20,031,410</b>
<b>Liabilities</b>		
Unsettled trades payable	247	18,111
Payables	28,980	19,469
Current tax liabilities	167,087	168,408
Deferred tax liabilities	66,881	23
<b>Total Liabilities (excluding member liabilities)</b>	<b>263,195</b>	<b>206,011</b>
<b>Net Assets Available to Pay Benefits</b>	<b>22,320,895</b>	<b>19,825,399</b>

## STATEMENT OF CHANGES IN NET ASSETS

	2017 (\$'000)	2016 (\$'000)
<b>Investment Revenue</b>		
Distributions and dividends	823,979	945,748
Interest	1,840	2,428
Movement in fair value of investments	1,212,648	(532,437)
Investment management fee rebates	1,703	1,610
	<b>2,040,170</b>	<b>417,349</b>
<b>Contribution Revenue</b>		
Employer contributions	1,225,670	1,206,150
Member contributions	143,475	78,397
Transfers from Other Funds	1,551,484	886,414
	<b>2,920,629</b>	<b>2,170,961</b>
<b>Other Revenue</b>		
Other revenue	117	791
<b>Total Revenue</b>	<b>4,960,916</b>	<b>2,589,101</b>
<b>Expenses</b>		
Net asset administration and trustee expenses	94,349	104,598
Other expenses	2,505	1,990
Benefit payments	2,070,502	2,172,722
Net insurance costs	18,120	15,538
Tax on contributions	169,629	166,605
Tax on investment income	110,309	(43,526)
Other taxes	6	24
<b>Total Expenses</b>	<b>2,465,420</b>	<b>2,417,951</b>
<b>Net Change in Net Assets</b>	<b>2,495,496</b>	<b>171,150</b>
<b>Net Assets at Start of Year</b>	<b>19,825,399</b>	<b>19,654,249</b>
<b>Net Assets at End of Year</b>	<b>22,320,895</b>	<b>19,825,399</b>

# INVESTMENT MANAGERS

## INVESTMENT MANAGERS AS AT 30 JUNE 2017

The majority of the assets of the Mercer Super Trust, are invested in funds managed by Mercer Investments (Australia) Limited (MIAL), which in turn have investments with underlying investment managers. The underlying investment managers for the Mercer Super Trust as at 30 June 2017 are listed below.

Members of Virgin Money Super should refer to their 2017 Supplementary Annual Report for the underlying investment managers and changes to the underlying investment managers specific to their Plan

Fund type	Manager
<b>Australian Shares</b>	Acadian Asset Management (Australia) Limited (Socially Responsible options only)
	Ausbil Investment Management Limited
	Avoca Investment Management Pty Ltd
	Blackrock Investment Management (Aust) Limited (Equitisation only)
	BT Investment Management No.2 Limited (Socially Responsible options only)
	Colonial First State Investments Limited
	FIL Limited
	Greencape Capital Pty Limited
	IFM Investors Pty Ltd
	JCP Investment Partners Ltd (including for Australian Shares for Tax Exempt Investors)
	Macquarie Investment Management Limited (including for Australian Shares for Tax Exempt Investors)
	Nikko AM Limited
	Perpetual Investment Management 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
Yarra Capital Management (previously Goldman Sachs Asset Management Australia Pty Ltd)	
<b>Overseas Shares</b>	Acadian Asset Management
	AllianceBernstein Investment Management Australia Limited
	Allianz Global Investors Europe GmbH
	AQR Emerging Small Cap Equity Fund L.P.
	Arrowstreet Capital
	Northern Trust Limited (currency hedging for Socially Responsible options only)
	Baillie Gifford & Co.
	BlackRock Investment Management (Aust) Ltd
	BNP Paribas Investment Partners
	FL Responsible Entity (Australia) Limited
	Hexavest Inc.
	Investec Asset Management Luxembourg S.A.
	LSV Asset Management
	Macquarie Investment Management Limited
	Mercer Sustainable Global Equity Fund (Socially Responsible options only)
	Schroder Investment Management Australia Limited
State Street Global Advisors, Australia, Limited	



## INVESTMENT MANAGERS AS AT 30 JUNE 2017 (CONTINUED)

Fund type	Manager
<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 Dexus Wholesale Property Limited Goodman Funds Management Australia Ltd Investa Property Group Lend Lease Real Estate Investments Limited Macquarie Investment Management Limited Northern Trust Limited (currency hedging only) Principal Global Investors (Australia) Limited
<b>Infrastructure</b>	Colonial First State Investments Limited Industry Funds Management Pty Ltd KKR Global Infrastructure Investors II L.P. Macquarie Asia Infrastructure Fund L.P. Macquarie Investment Management Limited Northern Trust Limited (currency hedging only) RARE Infrastructure Limited Stonepeak Infrastructure Partners
<b>Australian Fixed Interest</b>	Ardea Investment Management Pty Limited BT Investment Management (Institutional) Limited Challenger Managed Investments Limited Macquarie Investment Management Limited QIC Limited
<b>Overseas Fixed Interest</b>	Audax Credit BDC Inc. AXA Investment Managers Asia (Singapore) Ltd BlackRock Investment Management (UK) Ltd Challenger Managed Investments Limited Colchester Global Investors (Singapore) Pte. Ltd Colonial First State Investments Limited H2O Asset Management LLP ICG Senior Debt Partners Insight Investment Management (Global) Limited Kapstream Capital Pty Limited Mercer Global Investments Management Limited Metrics Credit Partners Pty Ltd T. Rowe Price International Ltd 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>	Aviva Investors Pacific Pty Ltd Invesco Australia Ltd Mercer Global Investments Management Limited Mercer Private Investment Partners III (Offshore),LP
<b>Natural Resources</b>	Global Commodities Limited Janus Henderson Investors (previously H3 Global Advisors Pty Limited) New Forests Asset Management Pty Ltd
<b>Non Mercer investment options</b>	MLC Investments 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 underlying managers were appointed in the 2016/17 financial year.

Fund type	Manager
Australian Shares	Macquarie Investment Management Limited
Overseas Shares	Mercer Sustainable Global Equity Fund (Socially Responsible options only)
Infrastructure	Stonepeak Infrastructure Partners
Property	Dexus Wholesale Property Limited
Overseas Fixed Interest	T. Rowe Price International Ltd BlackRock Investment Management (UK) Ltd
Currency Hedging	Nothern Trust Limited (currency hedging only)

The following underlying managers were terminated in the 2016/17 financial year.

Fund type	Manager
Overseas Shares	AMP Capital Investors Limited (Socially Responsible options only) Ausbil Dexia Limited (currency hedging for Socially Responsible options only)
Overseas Fixed Interest	Pioneer Investment Management Limited
Currency Hedging	National Australia Bank Limited (currency hedging 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 2017 within the Australian shares and Overseas shares asset classes across the Mercer investment options. For example, Commonwealth Bank of Australia represents 8.4% of the total Australian shares component of all Mercer investment options.

Members of Virgin Money Super should refer to their 2017 Supplementary Annual Report for the Largest Share Holdings specific to their Plan

## Top 10 Australian share holdings

Company	Holding %
Commonwealth Bank of Australia	8.4%
Westpac Banking Corporation	7.1%
National Australia Bank Limited	5.4%
ANZ Banking Group	4.9%
BHP Billiton Limited	4.8%
CSL Limited	4.0%
Macquarie Group Ltd	2.3%
Woolworths Limited	2.1%
Rio Tinto Limited	2.0%
Telstra Corporation Limited	2.0%

## Top 10 Overseas share holdings

Company	Holding %
Apple Inc.	1.9%
Amazon.com Inc	1.5%
Microsoft Corporation	1.4%
Alphabet Inc	1.2%
Merck & Co Inc	1.0%
Johnson & Johnson	1.0%
JP Morgan Chase & Co	0.8%
Intel Corporation	0.8%
Pfizer Inc	0.8%
Citigroup Inc	0.8%

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 MIAL including but not limited to Mercer Multi-Manager Funds (MMFs), Mercer Investment Funds (MIFs) or the Mercer Super Investment Trust (MSIT). The assets may also be invested in funds or investment vehicles managed by other Mercer related entities.

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

All of the external investments for the Mercer Super Trust including the underlying investments of the MMFs, MIFs and the MSIT 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.

The Mercer Super Trust uses the SuperTrace Eligible Rollover Fund (SuperTrace ERF).

SuperTrace Eligible Rollover Fund  
ABN 73 703 878 235  
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)

The trustee of SuperTrace is Colonial Mutual Superannuation Pty Ltd ABN 56 006 831 983 AFSL #235025 (CMS). SuperTrace is administered by The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 AFSL #235035 (CMLA).

Set out below is a summary of some of the more significant features of SuperTrace ERF (current as at the date of this report):

- All assets of SuperTrace ERF are invested in the investment policy (Policy) issued to CMS by CMLA. The Policy is currently invested solely in the Capital Stable Fund in the CMLA 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 is to invest in a diversified portfolio of assets expected to generate a mix of income and long-term capital growth with an emphasis on stable returns and a reasonably high level of security;
- Investment returns are credited to members' accounts as an annual crediting rate effective 30 June;
- An ongoing fee is calculated as a percentage of your share of assets of SuperTrace (net of tax), which is deducted before the crediting rate is applied. For the current fee refer to the SuperTrace PDS;

- SuperTrace ERF is unable to accept contributions from members or their employers; however rollovers from other superannuation funds are permitted; and
- SuperTrace ERF does not provide insurance cover.

For more information, contact SuperTrace Customer Service Representative on 1300 788 750 between 8.30am and 6pm AEST Monday to Friday or go to [www.supertrace.com.au](http://www.supertrace.com.au) for their latest PDS.

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

For CSD 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 how and where you want your super paid within 30 days of leaving your employer or Exercising Choice.

For PSD members, members of the Individual Section of the Mercer SmartSuper Plan and members of Virgin Money Super if:

- 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 APD members if:

- 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.

For TAL Super members if:

- a disability benefit becomes payable, and you do not meet an appropriate condition of release, and
- you haven't told us how and where you want your benefit paid

Your payout may also be transferred to the SuperTrace ERF 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.

If your super is paid to the SuperTrace ERF, then you will no longer be a member of the Mercer Super Trust and any insurance cover you had in the Mercer Super Trust will cease.

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

### Super worth at least \$500

Unless you have 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 due to leaving your Employer or Exercising Choice, and
- your super is worth at least \$500 (on the date we process your benefit).

On transfer to the Individual Section, you will have accumulation style super. The investment options available to the Individual Section and how your super is invested may differ from the arrangements you had in your employer plan immediately prior to your transfer. You will be able 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 (TTD) or Salary Continuance Insurance (SCI) 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. Contact the Helpline if you want to opt-out of this insurance cover after your transfer to the Individual Section. There may be different premiums, fees and charges in the Individual Section compared to your employer plan.

If we have received your completed benefit payment instructions before we transfer you to the Individual Section, you will receive your super (net of an exit fee) as requested by you. Your super will not be transferred to the Individual Section and you will not be entitled to continuation of insurance cover in the Individual Section.

If we receive further contributions from your Employer after your Plan account is closed, then we may have to open a new account for you. We will notify you if this occurs.

We'll provide you with a copy of the 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 arrangement and the premiums, fees and charges that will apply.

### Super worth less than \$500

If you leave your Employer or Exercise Choice and your super account balance is less than \$500 (on the date we process your benefit), you will not be transferred to the Individual Section. See the Eligible Rollover Fund (ERF) section to this Annual Report for information about what happens to your super in these circumstances.

We will advise you in writing when we transfer your super to the ERF.

### All members

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 after your employer has advised the trustee that you have left employment or Exercised Choice.

Or you can find out more information in the PDS you received when joining your employer's plan, other member materials provided to you or you can call the Helpline.

## LEAVING THE EMPLOYER SECTION OF THE MERCER SMARTSUPER PLAN

### Super worth at least \$500

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 CSD) due to:

- leaving your Employer or Exercising Choice, and
- your super account balance is worth at least \$500 (on the date we process your benefit)

At the time we transfer your super 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 be able to change your investment options within the Individual Section at any time.

Your Death and TPD cover will generally continue in the Individual Section on the same insured 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 TTD or SCI 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. Contact the Helpline if you want to opt out of this insurance cover after you transfer to the Individual Section. 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 we receive further contributions from your Employer after your Plan account is closed, then we may have to open a new account for you. We will notify you if this occurs.

### Super worth less than \$500

If you leave your Employer or Exercise Choice and your super account balance is less than \$500 (on the date we process your benefit), you will not be transferred to the Individual Section. See the Eligible Rollover Fund (ERF) section to this Annual Report for information about what happens to your super in these circumstances.

We will advise you in writing when we transfer your super to the ERF

## All members

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 other member materials provided to you or you can call the Helpline. The PDS and other member materials give you 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, Personal Superannuation Division and Retail Division

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

- **binding death benefit nomination** – the trustee is legally 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.
- **preferred death benefit nomination** – you can nominate who you would like to receive your death payout. These nominations 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.

Members of the CSD and PSD can refer to the 'Beneficiaries' Fact Sheet available at [mercersuper.com](http://mercersuper.com) or by calling the Helpline.

Members of TAL Super can refer to the 'Structuring your policy through TAL Super' section of your PDS available at [tal.com.au/super](http://tal.com.au/super) or by calling the Helpline.

Members of Virgin Money Super can refer to the 'Beneficiaries' factsheet available from [virginmoney.com.au/super](http://virginmoney.com.au/super) or by calling Customer Care.

### For the Allocated Pension Division only

You can nominate 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 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 you can only nominate your dependant(s). You can nominate reversionary beneficiaries when your pension is established. You can nominate reversionary beneficiaries on your Application Form to join the APD of the Mercer Super Trust.

If you die while you are a member of APD, 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 pay your pension to your spouse, if they survive you. In the event that you do not have a spouse at the time of your death, or you have a Transition to Retirement Allocated Pension and your spouse is not eligible to receive a reversionary pension at the time of your death the trustee will pay a lump sum equal to your account balance to your legal personal representative.

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 [mercersuper.com](http://mercersuper.com) or by calling the Helpline.

For more information on beneficiary nominations please refer to the APD PDS available at [mercersuper.com](http://mercersuper.com) or by calling the Helpline.

### UNCLAIMED MONEY

We will consider your payout as unclaimed money and send it to the ATO if:

- you are over age 65, we have received no contributions or rollovers for more than two years, and;
- we have been unable to contact you for a period of five years.

We may also be required to transfer your account to the ATO if;

- no contributions or rollovers have been received for more than 12 months, and
- we have not been able to contact you and your payout is less than \$6,000, or
- we do not have enough information to properly identify you.

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 [ato.gov.au](http://ato.gov.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 was funded through the Operational Risk Financial Requirement (ORFR) levy which was charged to members of CSD, PSD and APD in the Mercer Super Trust. From 1 July 2016, the ORFR levy ceased to be charged to members of the Mercer Super Trust.

The ORR can be used to provide funding towards the cost of compensating Mercer Super Trust 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 four years was:

At 30 June

2017	2016	2015	2014
\$32,458,000	\$29,612,000	\$16,623,000	\$5,261,000

The ORR is invested in Mercer Growth as at 30 June 2017.

In addition, for the CSD only, the Mercer Super Trust had a reserve amount of \$884,338 as at 30 June 2017. This reserve amount only applies in respect of some employer plans in the CSD. If this applies in respect of your plan, details of the reserve will be set out in your Supplementary Annual Report (if applicable).

## 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
- your temporary visa has expired or been cancelled, and
- you are not an Australian or New Zealand citizen or an Australian permanent resident.

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

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

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.

Interest (or investment earnings) in respect of super for temporary residents is not paid on amounts paid by the ATO (except in certain limited circumstances).

The transfer to the ATO can be required even if you are still employed by your Australian employer.

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 (ASIC) has provided trustees with relief from this requirement where benefits are paid to the ATO. 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.

Members should call the Helpline or Customer Care for more information on:

- how to make an application to the trustee for the release of your super for the reasons listed above, and
- what will happen to your super if you make such an application, and
- if your benefit has been transferred to the ATO and you need help to prove to the ATO that you are entitled to that benefit.



## 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 investment consultant, the custodian and where applicable, the insurer. Details of the administrator, the investment consultant, the custodian and the insurer are set out below.

### Administrators

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

TAL Services Limited (ACN 076 105 130), a related body corporate of TAL Life Limited (TAL) (ABN 79 004 717 533, AFSL 235 906) is the administrator of TAL Super.

### Investment Consultant

The trustee has appointed Mercer Investments (Australia) Limited (ABN 66 008 612 397) to advise on the selection, appointment, replacement and ongoing evaluation of investment managers through an implemented consulting arrangement.

### Custodian

The trustee has appointed The Northern Trust Company ABN 62 126 279 918 to act as the main custodian of the Mercer Super Trust.

### Insurer

For plans in the CSD that are insured through the trustee's umbrella insurance policy and for the PSD, the trustee has appointed AIA Australia Limited ABN 79 004 837 861 AFSL 230043 to provide insurance cover.

For plans in the CSD 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 PDS or other member materials (as applicable) for your plan.

For Virgin Money Super the trustee has appointed One Path Life Limiter ABN 33 009 657 176, AFSL 238341 to provide insurance cover.

For TAL Super the trustee has appointed TAL to provide insurance cover.

## 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.

If you are a member of the CSD, PSD, APD to make an enquiry or complaint you can:

- call the Helpline **1800 682 525**

or

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

Members of Virgin Money Super can:

- call Customer Care **1300 652 770**

or

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

## ENQUIRIES AND COMPLAINTS (CONT)

Members of TAL Super can:

- call the Helpline **1300 209 088**

or

- write to The Manager Complaints Resolution, TAL Super plan in the Mercer Super Trust

GPO Box 5830  
Sydney NSW 2001

### **For CSD, PSD, APD and Virgin Money Super members:**

The trustee tries to deal with all matters as soon as possible 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.

You can generally request a formal reconsideration by the trustee if you have a complaint and you're not satisfied with the response. The trustee always seeks to resolve any complaints to the satisfaction of all concerned and in the best interests of all 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 (SCT).

### **For TAL Super members:**

If your complaint has not been resolved to your satisfaction within 90 days of it being received by MSAL, you may refer your complaint to the Superannuation complaints Tribunal (SCT). The SCT is an independent body established by the Commonwealth Government to deal with complaints about superannuation, annuity policies and retirement savings accounts. The objective of the SCT is to provide a fair, timely and economical means of resolution of complaints as an alternative to the court system. The SCT cannot consider complaints that have not first been referred through our internal complaint resolution process.

### **For all members:**

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 details about requirements and time limits, you can contact the SCT as follows:

- Mail                    Locked Bag 3060  
                                 Melbourne VIC 3001
- Phone                 1300 884 114
- Fax                     (03) 8635 5588
- Email                 info@sct.gov.au
- Website               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 in the Mercer Super Trust;
- be sent an annual member statement showing changes to your super;
- have access to member communications 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; and
- have access to knowledgeable consultants through the Helpline or Customer Care as well as access to qualified Mercer financial advisers, on a limited basis.

## FURTHER INFORMATION AVAILABLE ON REQUEST

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;
- latest audited accounts, auditor's report and actuary's report;
- enquiries and complaints procedures;
- the privacy policy; and
- investment policy and derivative risk statement (not applicable for members of TAL Super).

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

## PRIVACY

For information on privacy and the handling of your personal information please:

- For members of the CSD, PSD and APD, refer to Mercer Australia Privacy Policy available at [mercersuper.com](http://mercersuper.com) or contact the Helpline.

If you have a question or you have a complaint about a breach of your privacy, please contact the Helpline or write to:

Mercer's Privacy Officer  
Mercer Superannuation (Australia) Limited  
GPO Box 4303, Melbourne VIC 3001

- For members of Virgin Money Super refer to Virgin Money's Privacy Policy and to Mercer Australia's Privacy Policy available at [virginmoney.com.au/super](http://virginmoney.com.au/super)

If you have a question or you have a complaint about a breach of your privacy, please contact our Customer Care Team or write to:

Virgin Money's Privacy Officer  
Level 8, 126 Phillip Street  
Sydney NSW 2000

Email: [privacy@virginmoney.com.au](mailto:privacy@virginmoney.com.au)

- For TAL Super members refer to the TAL Privacy Policy available at [tal.com.au/talsuper](http://tal.com.au/talsuper) or contact the Helpline

## TRUSTEE PROCEDURES FOR HANDLING POTENTIAL ERRORS, INCLUDING UNIT PRICING ERRORS (WHERE APPLICABLE)

The trustee has developed comprehensive policies, procedures and controls to minimise the occurrence and effect of errors including unit pricing errors (where applicable).

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

- seek to limit the impact of the error;
- assess the impact and extent of the error, including the number of members affected, which members have been disadvantaged and which have gained and by how much;
- consider whether it is appropriate to compensate the members or recover overpayments;
- determine a strategy to communicate with affected members about the error and its resolution; and
- consider whether any changes or process improvements should be made to prevent reoccurrence.

Compensation issues will arise where an error adversely impacts members. The amount and method of compensation will be determined by the trustee with regard to many factors including legislative and regulatory requirements.

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

# INVESTMENT INFORMATION

Members of Virgin Money Super should refer to the Supplementary Annual Report 2017 for Investment Information specific to their Plan.

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 AND STRATEGY

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 will provide information about any significant changes to the features of our investment options.

We use formal quarterly analysis to monitor the performance of investment options against their objective and to help us assess whether we need to make any changes.

## MANAGER RESEARCH AND SELECTION

The trustee has appointed Mercer Investments (Australia) Limited (MIAL) as an investment consultant.

MIAL advises the trustee about the selection, appointment, replacement and ongoing evaluation of investment managers excluding the Ford Select investment option and the Non-Mercer investment options where the trustee receives advice from other investment advisers.

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 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 shown on page 27 and is also available at [mercersuper.com](http://mercersuper.com). You can also call the Helpline for this information.

## SUSTAINABLE INVESTMENT

**For Ready-made, Mercer Plus, Mercer Sector, Mercer Socially Responsible and Fairfax Media Super\* 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. For more information refer to the trustee's *Mercer Funds Sustainable Investment Policy* and *Mercer Funds Corporate Governance Policy*, available from [mercersuper.com](http://mercersuper.com) or by calling the Helpline.

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

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

**For Ford Select \*\*, Mercer Direct^^, Indexed and Non Mercer investment options**

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

## ACTIVE OWNERSHIP AND INVESTMENT STEWARDSHIP

We also believe that principles of active ownership and investment stewardship are valuable in the investment process. For that reason, we have incorporated ESG considerations, principles of active ownership and investment stewardship throughout our investment decision making and ownership practices as documented in the trustee's policies on [mercersuper.com](http://mercersuper.com)

\*The Fairfax Media Super investment option is only available to members of Fairfax Media Super.

\*\*The Ford Select investment option is only available to members of the Ford Employees and Ford Management Superannuation Plans.

^^The Mercer Direct investment option is available in your Plan unless advised otherwise.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONSIDERATIONS

Investment managers are encouraged to consider relevant ESG factors (in the table below) when assessing investment opportunities as relevant to the type of investments.

Environmental	Social	Governance
Climate change	Employee labour standards (including wages, working hours and diversity)	Community engagement
Energy efficiency	Occupational health and safety	Corporate citizenship
Pollution control	Employee relations	Anti-bribery and corruption
Resource scarcity	Human rights	Remuneration
Renewable energy	Supply chain labour practices (including child and forced labour)	Board balance and diversity
Water management	Talent attraction and retention	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 and opportunities posed by climate change), and
- Mercer's commitment to sustainable investing and active ownership through ESG integration, proxy voting and corporate engagement.

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'. These exclusions are not typically relevant to most other asset classes. 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 investment 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 where 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 limiting derivative use 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, where applicable.

## 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 investment 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 SRM 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.

# YOUR INVESTMENT OPTIONS IN DETAIL

The investment objectives and the Standard Risk Measures listed in the following pages are those that apply at the date of the Annual Report (December 2017). Please note that for some investment options, these details may have changed on 1 July 2017. For the previous details, please see the 2016 Annual Report for the Mercer Super Trust available at [mercersuper.com](http://mercersuper.com) or by calling the Helpline.

Details of investment options below for the APD refer to the tax free investment options. For further details on the taxed options, please refer to the APD PDS available at [mercersuper.com](http://mercersuper.com) or by calling the Helpline.

Members of Virgin Money Super should refer to the Supplementary Annual Report 2017 for the Investment Options in Detail specific to their Plan

There are no investment options available in TAL Super.

## 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 2.00% per annum over rolling four year periods.

##### Standard Risk Measure

Medium

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2017	2016
Australian Shares	16%	15%
International Shares	20%	15%
Property & Infrastructure	8%	5%
Alternative Assets	5%	3%
Higher Yielding Fixed Interest	5%	4%
Defensive Fixed Interest & Cash	46%	58%

#### Born 1934 - 1938

##### 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	2017	2016
Australian Shares	16%	16%
International Shares	19%	17%
Property & Infrastructure	9%	7%
Alternative Assets	5%	3%
Higher Yielding Fixed Interest	5%	4%
Defensive Fixed Interest & Cash	46%	53%

#### Born 1929 to 1933

##### 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	2017	2016
Australian Shares	16%	15%
International Shares	18%	15%
Property & Infrastructure	8%	6%
Alternative Assets	5%	3%
Higher Yielding Fixed Interest	5%	4%
Defensive Fixed Interest & Cash	48%	57%

#### 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	2017	2016
Australian Shares	16%	15%
International Shares	20%	17%
Property & Infrastructure	9%	6%
Alternative Assets	5%	4%
Higher Yielding Fixed Interest	5%	4%
Defensive Fixed Interest & Cash	45%	54%



## 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	2017	2016
Australian Shares	16%	16%
International Shares	20%	16%
Property & Infrastructure	9%	7%
Alternative Assets	5%	4%
Higher Yielding Fixed Interest	5%	4%
Defensive Fixed Interest & Cash	45%	53%

#### Born Prior to 1949<sup>#</sup>

##### Investment objectives

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.

##### Standard Risk Measure

Medium

##### Asset allocation at 30 June

###### Allocated Pension Division

Asset Class	2017	2016*
Australian Shares	20%	N/A
International Shares	16%	N/A
Property & Infrastructure	8%	N/A
Alternative Assets	5%	N/A
Higher Yielding Fixed Interest	5%	N/A
Defensive Fixed Interest & Cash	46%	N/A

<sup>#</sup> Option is only available to members in the APD.

\* As at 30 June 2016, there were no funds in this option to report.

#### Born 1949 –1953

##### Investment objectives

###### Corporate Superannuation Division

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.

###### Allocated Pension 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.

##### Standard Risk Measure

Medium

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Allocated Pension Division	
	2017	2016	2017	2016
Australian Shares	18%	17%	22%	21%
International Shares	20%	20%	16%	17%
Property & Infrastructure	9%	8%	8%	7%
Alternative Assets	5%	4%	5%	3%
Higher Yielding Fixed Interest	5%	4%	5%	4%
Defensive Fixed Interest & Cash	43%	47%	44%	48%

## READY-MADE INVESTMENT OPTIONS

### MERCER SMARTPATH

#### Born 1954 -1958

##### Investment objectives

##### Corporate Superannuation Division

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.

##### Allocated Pension Division

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

##### Standard Risk Measure

Medium to high

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Allocated Pension Division	
	2017	2016	2017	2016
Australian Shares	21%	21%	25%	26%
International Shares	25%	26%	20%	22%
Property & Infrastructure	9%	9%	9%	8%
Alternative Assets	5%	4%	5%	3%
Higher Yielding Fixed Interest	5%	4%	5%	4%
Defensive Fixed Interest & Cash	35%	36%	36%	37%

#### Born 1959 -1963

##### Investment objectives

##### Corporate Superannuation Division

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.

##### Allocated Pension Division

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

##### Standard Risk Measure

Medium to high

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Allocated Pension Division	
	2017	2016	2017	2016
Australian Shares	25%	25%	31%	31%
International Shares	30%	31%	24%	26%
Property & Infrastructure	11%	10%	10%	9%
Alternative Assets	5%	3%	5%	3%
Higher Yielding Fixed Interest	5%	5%	5%	4%
Defensive Fixed Interest & Cash	24%	26%	25%	27%

## 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

High

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2017	2016
Australian Shares	30%	31%
International Shares	35%	36%
Property & Infrastructure	11%	10%
Alternative Assets	5%	3%
Higher Yielding Fixed Interest	6%	5%
Defensive Fixed Interest & Cash	13%	15%

#### 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

High

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2017	2016
Australian Shares	34%	32%
International Shares	38%	38%
Property & Infrastructure	11%	10%
Alternative Assets	4%	4%
Higher Yielding Fixed Interest	6%	5%
Defensive Fixed Interest & Cash	7%	11%

#### 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

High

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2017	2016
Australian Shares	34%	33%
International Shares	38%	38%
Property & Infrastructure	11%	10%
Alternative Assets	4%	3%
Higher Yielding Fixed Interest	6%	5%
Defensive Fixed Interest & Cash	7%	11%

#### 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

High

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2017	2016
Australian Shares	34%	33%
International Shares	38%	37%
Property & Infrastructure	11%	10%
Alternative Assets	4%	3%
Higher Yielding Fixed Interest	6%	5%
Defensive Fixed Interest & Cash	7%	12%

## 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

High

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2017	2016
Australian Shares	34%	33%
International Shares	38%	38%
Property & Infrastructure	11%	10%
Alternative Assets	3%	3%
Higher Yielding Fixed Interest	6%	5%
Defensive Fixed Interest & Cash	8%	11%

#### 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

High

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2017	2016
Australian Shares	33%	33%
International Shares	38%	38%
Property & Infrastructure	11%	10%
Alternative Assets	4%	3%
Higher Yielding Fixed Interest	6%	5%
Defensive Fixed Interest & Cash	8%	11%

#### 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

High

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2017	2016
Australian Shares	33%	37%
International Shares	38%	35%
Property & Infrastructure	11%	10%
Alternative Assets	4%	3%
Higher Yielding Fixed Interest	6%	5%
Defensive Fixed Interest & Cash	8%	10%

#### 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

High

##### Asset allocation at 30 June

###### Corporate Superannuation Division

Asset Class	2017	2016
Australian Shares	33%	37%
International Shares	38%	35%
Property & Infrastructure	11%	10%
Alternative Assets	4%	3%
Higher Yielding Fixed Interest	6%	5%
Defensive Fixed Interest & Cash	8%	10%

## READY-MADE INVESTMENT OPTIONS

### Mercer Diversified 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	44%	44%	44%	43%	57%	57%
International Shares	56%	56%	55%	56%	42%	43%
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%	0%	1%	1%	1%	0%

### 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

High

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2017	2016	2017	2016	2017	2016
Australian Shares	33%	32%	33%	32%	41%	38%
International Shares	38%	38%	38%	38%	28%	32%
Property & Infrastructure	14%	13%	14%	13%	14%	14%
Alternative Assets	5%	4%	5%	6%	5%	5%
Higher Yielding Fixed Interest	5%	4%	5%	4%	5%	4%
Defensive Fixed Interest & Cash	5%	9%	5%	7%	7%	7%

## 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	26%	25%	25%	25%	34%	30%
International Shares	31%	32%	31%	31%	22%	25%
Property & Infrastructure	12%	11%	12%	11%	12%	11%
Alternative Assets	6%	4%	6%	6%	6%	4%
Higher Yielding Fixed Interest	5%	4%	5%	4%	5%	4%
Defensive Fixed Interest & Cash	20%	24%	21%	23%	21%	26%

### 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	17%	16%	17%	17%	22%	21%
International Shares	22%	22%	22%	22%	17%	17%
Property & Infrastructure	11%	11%	11%	10%	11%	10%
Alternative Assets	5%	4%	5%	4%	5%	4%
Higher Yielding Fixed Interest	5%	4%	5%	4%	5%	4%
Defensive Fixed Interest & Cash	40%	43%	40%	43%	40%	44%

## 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	9%	8%	9%	8%	12%	11%
International Shares	14%	14%	14%	14%	10%	11%
Property & Infrastructure	9%	8%	9%	8%	9%	8%
Alternative Assets	4%	3%	4%	3%	4%	3%
Higher Yielding Fixed Interest	4%	4%	4%	4%	4%	4%
Defensive Fixed Interest & Cash	60%	63%	60%	63%	61%	63%

### 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	
	2017	2016	2017	2016	2017	2016
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%

## SELECT-YOUR-OWN INVESTMENT OPTIONS

### MERCER PLUS

#### Mercer Select 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 3.75% per annum over rolling six year periods.

##### Allocated Pension Division

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4.25% per annum over rolling six year periods.

##### Standard Risk Measure

Medium to high

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2017	2016	2017	2016	2017	2016
Australian Shares	25%	23%	25%	23%	32%	30%
International Shares	33%	27%	33%	27%	26%	20%
Property & Infrastructure	22%	16%	21%	16%	20%	15%
Alternative Assets	5%	5%	5%	5%	7%	5%
Higher Yielding Fixed Interest	6%	5%	6%	5%	6%	4%
Defensive Fixed Interest and Cash	9%	24%	10%	24%	9%	26%

#### 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	
	2017	2016	2017	2016
Australian Shares	100%	98%	99%	99%
International Shares	0%	0%	0%	0%
Property & Infrastructure	0%	0%	0%	0%
Alternative Assets	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%
Cash	0%	2%	1%	1%

\* Option is closed to members in the APD.



## 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	0%	0%	0%	0%	0%	0%
Global Shares	100%	99%	100%	99%	99%	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%
Cash	0%	1%	0%	1%	1%	1%

#### 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

Medium

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2017	2016	2017	2016	2017	2016
Australian Shares	17%	18%	17%	18%	17%	18%
International Shares	0%	0%	0%	0%	0%	0%
Property & Infrastructure	13%	14%	13%	14%	13%	14%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	24%	23%	24%	23%	24%	23%
Defensive Fixed Interest & Cash	46%	45%	46%	45%	46%	45%

# 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	99%	100%	100%	99%	100%	100%
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%	0%	0%	1%	0%	0%

### 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	99%	100%	99%	100%	99%	100%
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%	0%	1%	0%	1%	0%

# 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	100%	98%	100%	99%	100%	100%
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	0%	2%	0%	1%	0%	0%

### 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	99%	100%	100%	99%	100%	100%
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%	0%	0%	1%	0%	0%

# 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	98%	100%	99%	98%	99%	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%
Cash	2%	0%	1%	2%	1%	1%

### 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	0%	0%	0%	0%	0%	0%
Global 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%

# 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	0%	0%	0%	0%	0%	0%
Global Shares	100%	100%	100%	99%	100%	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%	0%	0%	1%	0%	0%

### 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	0%	0%	0%	0%	0%	0%
Global Small Companies	98%	100%	99%	100%	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	2%	0%	1%	0%	1%	0%

# SELECT-YOUR-OWN INVESTMENT OPTIONS

## MERCER SECTOR

### Mercer Global Low Volatility 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	0%	0%	0%	0%	0%	0%
Global Shares	99%	100%	99%	99%	100%	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	1%	0%	1%	1%	0%	0%

### 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	0%	0%	0%	0%	0%	0%
Emerging Market Shares	99%	99%	100%	98%	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	1%	1%	0%	2%	1%	0%

# 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	0%	0%	0%	0%	0%	0%
International Shares	0%	0%	0%	0%	0%	0%
Global Property	99%	99%	99%	100%	100%	100%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	1%	1%	1%	0%	0%	0%

### 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	0%	0%	0%	0%	0%	0%
International Shares	0%	0%	0%	0%	0%	0%
Australian Listed Property	99%	97%	99%	99%	99%	100%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	1%	3%	1%	1%	1%	0%

# SELECT-YOUR-OWN INVESTMENT OPTIONS

## MERCER SECTOR

### 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

Very High

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2017	2016	2017	2016	2017	2016
Australian Shares	0%	0%	0%	0%	0%	0%
International Shares	0%	0%	0%	0%	0%	0%
Global Listed Property	99%	100%	99%	100%	100%	100%
Alternative Assets	0%	0%	0%	0%	0%	0%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	1%	0%	1%	0%	0%	0%

### Mercer Global Listed Infrastructure

#### 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	0%	0%	0%	0%	0%	N/A
International Shares	0%	0%	0%	0%	0%	N/A
Global Listed Property	100%	99%	99%	100%	99%	N/A
Alternative Assets	0%	0%	0%	0%	0%	N/A
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	N/A
Cash	0%	1%	1%	0%	1%	N/A

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



# SELECT-YOUR-OWN INVESTMENT OPTIONS

## MERCER SECTOR

### 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	
	2017	2016	2017	2016	2017	2016
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%	99%	100%	100%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Cash	0%	1%	1%	1%	0%	0%

### 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	
	2017	2016	2017	2016	2017	2016
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%

# SELECT-YOUR-OWN INVESTMENT OPTIONS

## MERCER SECTOR

### Mercer Australian Sovereign Bonds

#### 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 to medium

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2017	2016	2017	2016	2017	2016
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%

### Mercer Overseas Sovereign Bonds

#### 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	
	2017	2016	2017	2016	2017	2016
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%

# 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	
	2017	2016	2017	2016	2017	2016
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%

## 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	44%	44%	44%	45%	44%	45%
International Shares	56%	55%	56%	55%	56%	55%
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%	0%	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	
	2017	2016	2017	2016	2017	2016
Australian Shares	25%	25%	25%	25%	31%	31%
International Shares	29%	31%	29%	31%	23%	24%
Property & Infrastructure	12%	11%	12%	11%	12%	12%
Alternative Assets	6%	4%	6%	4%	6%	4%
Higher Yielding Fixed Interest	5%	4%	5%	4%	5%	4%
Defensive Fixed Interest & Cash	23%	25%	23%	25%	23%	25%

# SELECT-YOUR-OWN INVESTMENT OPTIONS

## INDEXED

### Indexed Diversified 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	50%	49%	50%	50%	50%	50%
International Shares	49%	50%	50%	50%	50%	50%
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%	0%

### 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	100%	99%	98%	99%	100%	100%
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	0%	1%	2%	1%	0%	0%

# 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	0%	0%	0%	0%	0%	0%
Global Shares	99%	99%	99%	100%	100%	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%
Defensive Fixed Interest & Cash	1%	1%	1%	0%	0%	0%

### Enhanced 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	30%	30%	30%	30%	30%	30%
International Shares	34%	34%	34%	34%	33%	34%
Property & Infrastructure	6%	6%	6%	6%	6%	6%
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%	31%	30%

# SELECT-YOUR-OWN INVESTMENT OPTIONS

## INDEXED

### Enhanced 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

Medium

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division		Allocated Pension Division	
	2017	2016	2017	2016	2017	2016
Australian Shares	12%	12%	12%	12%	12%	12%
International Shares	14%	14%	14%	14%	14%	14%
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%

## SELECT-YOUR-OWN INVESTMENT OPTIONS

### NON MERCER

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

##### Investment objectives

To achieve a return (after tax and investment fees) in excess of CPI plus 2.50% per annum over rolling five year periods.

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division	
	2017	2016	2017	2016
Australian Shares	32%	33%	32%	33%
International Shares	28%	34%	28%	34%
Property & Infrastructure	4%	4%	4%	4%
Alternative Assets	16%	14%	16%	14%
Higher Yielding Fixed Interest	0%	0%	0%	0%
Defensive Fixed Interest & Cash	20%	15%	20%	15%

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

##### Investment objectives

To achieve a return (after tax and investment fees) in excess of CPI plus 2.00% per annum over rolling five year periods.

##### Standard Risk Measure

High

##### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division	
	2017	2016	2017	2016
Australian Shares	28%	28%	28%	28%
International Shares	23%	28%	23%	28%
Property & Infrastructure	2%	4%	2%	4%
Alternative Assets	18%	14%	18%	14%
Higher Yielding Fixed Interest	0%	0%	0%	0%
Defensive Fixed Interest & Cash	29%	26%	29%	26%



# SELECT-YOUR-OWN INVESTMENT OPTIONS

## NON MERCER

### Non Mercer Balanced – Core Style

#### Investment objectives

To achieve a return (after tax and investment fees) in excess of CPI plus 2% per annum over rolling five year periods.

#### Standard Risk Measure

High

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division	
	2017	2016	2017	2016
Australian Shares	27%	29%	27%	29%
International Shares	32%	29%	32%	29%
Property & Infrastructure	11%	16%	11%	16%
Alternative Assets	5%	2%	5%	2%
Higher Yielding Fixed Interest	0%	0%	0%	0%
Defensive Fixed Interest & Cash	25%	24%	25%	24%

### Non Mercer Balanced – Value Style\*

#### Investment objectives

To provide a return (after tax and investment fees) in excess of CPI plus 2.00% per annum 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	
	2017	2016	2017	2016	2017	2016
Australian Shares	33%	32%	33%	32%	33%	32%
International Shares	21%	22%	21%	22%	21%	22%
Property & Infrastructure	6%	4%	6%	4%	6%	4%
Alternative Assets	5%	5%	5%	5%	5%	5%
Higher Yielding Fixed Interest	0%	0%	0%	0%	0%	0%
Defensive Fixed Interest & Cash	35%	37%	35%	37%	35%	37%

\* Closed to future investments for members in the APD.

# SELECT-YOUR-OWN INVESTMENT OPTIONS

## NON MERCER

### Non Mercer Conservative

#### Investment objectives

To achieve a return (after tax and investment fees) in excess of CPI over rolling three year periods.

#### Standard Risk Measure

Medium

#### Asset allocation at 30 June

Asset Class	Corporate Superannuation Division		Personal Superannuation Division	
	2017	2016	2017	2016
Australian Shares	11%	10%	11%	10%
International Shares	13%	13%	13%	13%
Property & Infrastructure	8%	11%	8%	11%
Alternative Assets	2%	1%	2%	1%
Higher Yielding Fixed Interest	0%	0%	0%	0%
Defensive Fixed Interest & Cash	66%	65%	66%	65%

## OTHER INVESTMENT OPTIONS

### Mercer LifetimePlus<sup>#</sup>

#### Investment objectives

To achieve a return (net of investment fees) of at least 0.60% 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

Asset Class	Allocated Pension Division	
	2017	2016
Australian Shares	0%	0%
International Shares	0%	0%
Property & Infrastructure	0%	0%
Alternative Assets	0%	0%
Higher Yielding Fixed Interest	30%	30%
Defensive Fixed Interest & Cash	70%	70%

<sup>#</sup> This investment option was closed for the APD from 1 July 2017.

### Mercer Direct<sup>+</sup>

Investing in the Mercer Direct investment option is different from the other investment options available through your plan in the CSD or the APD 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 PDS 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

<sup>+</sup> This investment option is available in the CSD and the APD 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.

<sup>\*\*</sup> 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 PDS on the ETF provider's website.

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

# CONTACT US

## HOW TO CONTACT US

### TRUSTEE

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

### 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 8687 1823

### TAL SUPER

Call the Helpline on 1300 209 088  
from 8am to 7pm AEST Monday to Friday.

### VIRGIN MONEY SUPER

Call Customer Care on 1300 652 770  
from 8am to 6pm AEST Monday to Friday

### WEBSITES

**For members of the CSD, PSD and APD:**  
[mercersuper.com](http://mercersuper.com)

After you join the plan, we send you your personal log-in. You will then be able to access your PDS (and if you are a member of the CSD, your Plan Guide where applicable) and other information about your super in the Mercer Super Trust and other relevant information including annual reports and member newsletters.

**If you are a member of TAL Super**

[www.tal.com.au/talsuper](http://www.tal.com.au/talsuper)

After you join the plan, you will be supplied with a Policy Schedule issued by TAL Life Limited which will contain details of your insurance cover. The Product Disclosure Statement and other information about your insurance cover and super account in the Mercer Super Trust is available at [www.tal.com.au/talsuper](http://www.tal.com.au/talsuper).

**If you are a member of Virgin Money Super**

[virginmoney.com.au/super](http://virginmoney.com.au/super)

After you join the plan, we send you your personal log-in. You will then be able to access your PDS and Product Guide and other relevant information about your super including annual reports and member newsletters.

Generally the websites above are available 24 hours per day, seven days per week. Please note, however, that they may not be available when scheduled updates or maintenance needs to be carried out.

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

### POSTAL ADDRESS

**For the CSD, PSD, APD and TAL Super**

Mercer Super Trust  
GPO Box 4303  
Melbourne VIC 3001

**For Virgin Money Super**

Virgin Money Super  
GPO Box 4650  
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 available online, including:

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

If you are a member of the CSD, PSD or APD you can access this information at [mercersuper.com](http://mercersuper.com) or you can call the Helpline.

If you are a member of TAL Super, you can access this information at [tal.com.au/talsuper](http://tal.com.au/talsuper) or you can call the Helpline.

If you are a member of Virgin Money Super, you can access this information at [virginmoney.com.au/super](http://virginmoney.com.au/super) or you can call Customer Care.

## 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.

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 (MFAAPL) 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.

None of MSAL, MOAPL, MIAL, MFAAPL, 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.

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 PDS 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 where applicable.

Visit [mercersuper.com](http://mercersuper.com) to obtain a copy of the relevant PDS and/or other member materials specific to your plan or contact the Helpline.

If you are a member of Virgin Money Super visit [virginmoney.com.au/super](http://virginmoney.com.au/super) to obtain a copy of the relevant PDS and/or other member materials specific to your plan or contact Customer Care.

If you are a member of TAL Super visit [www.tal.com.au/talsuper](http://www.tal.com.au/talsuper) to obtain a copy of the relevant PDS and/or other member materials specific to your plan or contact the Helpline.

## KEEP YOUR CONTACT DETAILS UP TO DATE

We can only send you information if we have your current contact details.

If you are a member of the CSD, PSD and APD you can update your details via our website [mercersuper.com](http://mercersuper.com) (sign in using your personal log-in) or you can call the Helpline.

Or

If you are a member of TAL Super, you can update your details via [www.tal.com.au/talsuper](http://www.tal.com.au/talsuper) (sign in using your personal log-in) or you can call the Helpline.

Or

If you are a member of Virgin Money Super, you can update your details via [virignmoney.com.au/super](http://virignmoney.com.au/super) (sign in using your personal log-in) or you can call Customer Care.

