

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR

Mercer Australia

MER170QW:

Property investments

- a. Do you have any current investments in the National Housing Finance and Investment Corporation? If so, what is the size of your investments?
- b. Please provide information on the rental income for any residential property investments held for each year for the last five financial years.

Answer:

The information below is provided by Mercer Superannuation (Australia) Limited (MSAL) in its capacity as the Registrable Superannuation Entity licensee for the Mercer Super Trust. The Mercer Super Trust (MST) is MSAL's flagship offering, with \$29 billion of assets under management and over 286,000 members as at 30 June 2021.

The vast majority of assets in the MST are invested in the Mercer Managed Funds (MMFs) and the Mercer Investment Funds (MIFs) which are distributing unit trusts operated and managed by Mercer Investments (Australia) Limited (MIAL). MIAL is the responsible entity of the MMFs and the MIFs and chooses the underlying investment managers to manage the assets of the MMFs and MIFs either directly or via external investment vehicles.

The fund managers chosen by MIAL for the MMFs and MIFs are responsible for the selection of the underlying investments and management of said assets.

MSAL does not directly hold any investment in the National Housing Finance and Investment Corporation or residential property. Exposure to these property types would be via the MST's investment in underlying MMFs. The MMFs do not typically report holdings or returns specific to these types of assets. However, we estimate that a typical diversified investment option in the MST (e.g. Mercer Growth) would have less than 1% exposure to residential property holdings via its investment in the underlying Mercer Global Listed Property Fund and Mercer Passive Global Listed Property Fund.