

FY2022 Annual Member Meeting

Mercer Superannuation (Australia) Limited ABN 79 004 717 533 AFS Licence 235906

as Trustee for

Mercer Super Trust ABN 19 905 422 981

Minutes of the Annual Member Meeting

Held via Webinar, Thursday 16 February 2023 5:15 PM AEDT

Video Recording: <https://mercersuper.me/amm2023>

Present:	Ms Jan Swinhoe - Director/Chair Mr Jim Minto - Director Ms Sue O'Connor - Director Ms Pauline Vamos - Director Mr Darren Wickham - Director
In Attendance:	Management: Mr Tim Barber – Mercer, CEO Mercer Super; Ms Kylie Willment – Mercer, Chief Investment Officer; Ms Carmen Lunderstedt – Mercer, Company Secretary; Mr Ashnil Singh – Mercer, Company Secretary; Mr Leigh Cleland – Mercer, Acting Chief Risk & Compliance Officer; Ms Sai Ahlawat – Mercer, Advice Services panel expert Auditors: Mr George Sagonas, Mr Yuta Takahashi and Mr Alex Mai (PwC); Ms Fiona O'Keefe (Deloitte); Actuaries: Mr Andrew West, Mr Chris Porter, Ms Jackie Downham, Mr Nick Callil, Mr Phil Patterson, Mr Richard Saverimuttu - (Willis Towers Watson); Mr Guy Holley, Mr Julian Hotz, Mr Mark Nelson, Mr Mark Samuels, Mr Richard Codron, Mr Tim Jenkins - (Mercer); Ms Nerida Seccombe - (Heron); Mr John Newman - (PFS); Ms Safron Sweeney - (AON); Mr David O'Keefe - (ALEA Consulting)
Apologies:	N/A

Important Note

The information provided is general information and does not take into account your individual objectives, financial situation or needs. Before you act on this information you need to take into account your own financial circumstances, consider the Product Disclosure Statement for any product you are considering, and seek professional advice from a licensed, or appropriately authorised financial adviser if you are unsure of what action to take. The product Target Market Determinations can be found at mercersuper.com.au/tmd.

Introduction and Welcome

Mr Barber, CEO of Mercer Super, welcomed members to the Annual Member Meeting (AMM) for the Mercer Super Trust, including members of Virgin Money Super, Kogan Super and TAL Super (MST).

He noted that the meeting was being recorded and that the recording would be available on the website by mid-March.

Invited Tennille Parkes from Mercer to deliver the Acknowledgement of Country by video.

Mr Barber spoke to the following matters:

- Thanked all members for their feedback following last year's event noting responses have assisted us to design the session to be relatable to all members, regardless of where members are in the retirement journey.
- Advised that the meeting agenda would be as follows:
 - The Chair's address from Ms Jan Swinhoe, Chair of the Trustee Board. He noted that the address was pre-recorded, noting Jan Swinhoe could not attend the presentation in person.
 - A fund update from Mr Barber, CEO of Mercer Super.
 - An investment update from Ms Kylie Willment, Chief Investment Officer.
 - A Q&A panel.
- Thanked members who submitted questions at registration and advised that members could also submit questions live during the meeting, providing instructions on how to do this.
- Advised that it would not be possible to address all questions during the meeting and that the presentation aims to cover many areas members have expressed interest in.
- Advised responses to all individual questions received would be published on the website along with the recording of the session within 30 days.
- Introduced Jan Swinhoe to deliver the Chair Address.

Chair Address

Ms Swinhoe, the Chair, welcomed members to the meeting. The Chair acknowledged the other Trustee Board directors present at the meeting: Pauline Vamos, Jim Minto, Sue O'Connor and Darren Wickham. She noted that in her absence, Ms Vamos will be attending the Q&A panel on her behalf.

Ms Swinhoe spoke to three key areas:

- The significant expansion to the MST with the addition of BT Super.

- How much super members need for a comfortable retirement.
- Announced a new service available to Mercer Super Members, Care and Living with Mercer.

Ms Swinhoe thanked members for the privilege of safeguarding their future with Mercer Super Trust.

Mercer Super Update

Mr Barber noted some of his early observations of Mercer and outlined a commitment that everything we focus on in the business will help grow and protect members' retirement outcomes; and a vision to grow Mercer Super's asset and member base so that the business can continue to deliver strong returns for members over the long-term with increasingly lower fees and higher quality services.

Mr Barber, Mercer SEO spoke to the following three broad areas:

- Merger of BT Super into Mercer Super in April 2023 as a game changing development for Mercer and the Superannuation landscape welcoming 350 new colleagues, 16,000 corporate employers as clients, and almost 600,000 new members to Mercer Super.
- Mercer's global expertise and backing adds to our significant local strength and capability to increase value for our members.
- Encouraging members to get the most value possible out of their Mercer Super experience.

Mr Barber also noted pride in the work we have done this past year and our track record of delivering strong retirement outcomes for members. Our role and privilege at Mercer Super is to support our members.

Investment Update

Ms Willment, Chief Investment Officer at Mercer, spoke to the overview of performance for the 2022 year, highlighting in particular:

How investment markets performed

- Highlighted the returns for some of the major asset classes over the 2022 financial year and returns on average over 7 years to 30 June 2022.
- Advised the 2022 financial year was a down year for investment markets due to the challenging rise of inflation and the cost of living driven by the post-Covid-19 recovery period after decades of low inflation.
- Noted the Reserve Bank of Australia lifted the official cash rate a staggering 3.25% in less than a year from an all-time low of 0.1% to 3.35%.

- Noted that bond prices fall when interest rates increase, and bond markets fell alongside equity markets through this time.
- Noted that private markets held up well through the period and Australian unlisted property was one of the only major asset classes to deliver a positive return in financial year 2022.
- Noted that this negative year came after a period of strength in markets, and that with a long-term view to investing, the numbers over a 7-year period remain strong.

How we perform relative to other funds

- Noted that with the exception of the COVID-19 crisis in 2020, Mercer SmartPath® members have experienced a number of strong positive years, over a period of 7 years members in the age cohorts up to around age 50 averaged a return of around 6.4% after fees and taxes.
- Noted that pursuing a growth strategy will typically lead to year-on-year ups and downs but has the potential to deliver a strong positive return over the longer term. Approximately 84% of Mercer SmartPath® members were achieving returns above the default options median over a 7-year period, compared to the SuperRatings Default Options Survey as at 30 June 2022.
- Noted that markets have experienced recovery since the end of the financial year and the return for the 90% growth Mercer SmartPath® members financial year to date to 31 December is 5.4% after fees and taxes which is 2.2% above the SuperRatings default options median over the same time period.

In relation to potential market outlook for 2023 and beyond

- Noted it remains a pivotal time in markets and that how long it takes for inflation to come down and what level it settles at remain open questions for economies and markets.
- Noted that while we're watching the geopolitics and environment very closely, we are not expecting the global economies to plunge into a deep and extended recession, but we do recognise the risk of recession and we remain cautious.

How we are managing your super through the changing market conditions

- Noted that geopolitical events, Covid-19, the ongoing balance of power tensions between the East and West, the continuing conflict in Ukraine, the climate transition, and the increased focus on environmental, social and governance factors on company returns mean that we need to embed the inherent uncertainty into our investment strategy formulation to be ready to respond if necessary.
- Integrating sustainability considerations broadly and the climate transition specifically into the way that we manage portfolios as relevant

- Applying one of the defences against uncertainty by focusing on diversification, we invest in a broad and deep set of asset classes across both public and private markets, we use underlying investment managers across a range of styles, and we have strong geographical and sector diversification.
- Noted there will be components of the portfolio that should do well in different market environments, but we also remain vigilant because market conditions can change quickly which can both increase risk as well as opportunity.

Question & Answer Segment

Mr Barber opened the Q&A section of the meeting, noting that over 200 questions were received prior to the meeting and that a number of questions had been addressed through the updates provided. He advised that there was not sufficient time to cover each question in this forum, and that a full response would be provided by the Mercer team and published on our website by mid-March.

Mr Barber noted that where member questions were specific to a personal situation that a member of our Helpline team would be in contact with members directly.

Mr Barber welcomed Pauline Vamos, a non-Executive Director of Mercer Superannuation (Australia) Limited since 2017, who also holds two other important positions as a Trustee Board member, the current Chair of the Member Experience Committee and the People & Culture Committee.

Mr Barber welcomed Sai Ahlawat, Head of Adviser Services at Mercer Super who oversees the provision of quality and timely Advice Services to Mercer Super Members.

Given the recent data security breaches incurred by Optus and Medibank, what is Mercer doing to upgrade its digital security and protect its customers from unauthorised access to their data?

Ms Vamos responded:

- I am on a number of boards and Cyber Security is well within the top 3 risks for all of them. I am pleased to advise that Cyber risk and Data security is a top priority for Mercer Globally as well as in Australia. The Trustee Board is comforted by the fact that our holding company funds significant resources to manage this risk. Across all of Mercer our Cyber Security Framework meets one of the highest maturity levels within the Australian Government's Cyber Security framework.
- Further, our regulator APRA is all over this issue we have specific APRA standards we must meet. APRA recognises that the whole industry including service providers must be diligent.

Mr Barber responded:

- The backing that we have from Marsh McLennan Group extends to this area of safety. Marsh McLennan has over 120 cyber security specialists protecting the organisation's customers and its data amongst other things. And that covers 80% of the controlled environment that applies to the Mercer Super Trust here in Australia. For us managing that risk for our members, that's a significant head start we've got by virtue of that global support.

I am interested to hear your views on how individual super portfolios and the government pension will coexist and complement each other or not in the near future say 5-10 years.

Ms Vamos responded:

- We do not have a crystal ball regarding future public policy in relation to superannuation. We have the retirement income system, part of that is the age pension which is about alleviating poverty in retirement. We have the super system which is about supplementing the age pension. I think they will always co-exist. I know the constant tinkering of the super system can be alarming for many members.
- I do believe with the aging population, the increase in longevity, the relatively low average super account balance and the cost of the age pension – both systems are sustainable over the next 5 to 10 years. Even today, more people are on a part pension rather than the full age pension. It was never intended for the super system to fully replace the age pension but to supplement it for the majority of people.

How do I get access to my super? At the preservation age, I would like to pay off my mortgage, purchase an investment property, or a car. If I am still working, can I do this? What assistance can Mercer provide for retirement planning without paying substantial amounts for financial advice?

Ms Ahlawat responded:

- If you are planning to keep working and would like to access your super, a Transition to Retirement (TTR) pension is a good way to achieve that. You will need to have reached your preservation age – generally between 55 to 60. A TTR pension allows you access some of your super when you're approaching retirement. This means you can supplement your income with the super you've accumulated throughout your working life.
- With a TTR pension you move a sum of money from your super to a pension account and start an income stream. You will need to take an annual pension with a minimum withdrawal of 4% up to a maximum of 10% of your account balance as at 1 July of each financial year. You can use the money you withdraw to supplement your working income.
- It's important to note that accessing your superannuation may have tax consequences, and the rules and regulations around superannuation can be complex. It's always a good idea to consult with a financial advisor or the ATO for guidance on your specific situation. As a Mercer member you have access to our phone-based advisers who can help you plan your retirement by providing objective professional advice tailored to your goals and circumstances. This is at no additional cost and is a benefit of membership with Mercer Super. You can reach our advice team by calling the Helpline.

Does my super automatically enter a pension fund on retirement or do I need to organise a financial advice meeting with Mercer and is anyone monitoring the superannuation investment plan as we the members approach the retirement age bracket?

Ms Ahlawat responded:

- Your super does not automatically move to pension. Once you have reached preservation age and decided to start a Transition to Retirement or an account based pension, you will need to let us know by calling our Helpline and we can help you establish a pension account.
- You can log on to Mercer Online and search for the Super to Pension journey. This journey will help move your super into a pension account in under 10 minutes.
- Before you start a pension it is a good idea to consult with one of our phone advisers. They can help you plan for your income needs and consider any insurances you may have in your superannuation account. Our members can also access powerful calculators such as the Retirement Income Simulator that can help you understand your options.

Ms Willment responded:

- Generally, if you're in the choice option the onus really is on the member to choose an investment strategy appropriate for your retirement. However, if you are invested in our MySuper Default option Mercer SmartPath®, it is a lifecycle strategy, and we will automatically adjust the level of growth assets in our portfolio as you age
- For retirees from around retirement age of 65 we take a growth asset exposure of around 60% which might not be right for all members, but it does calibrate to the typical risk tolerance that our research tells us the average retiree is comfortable with. They tell us they don't like an annual drawdown or negative return of more than 10%. Within Mercer SmartPath® we seek to calibrate the level of risk taken with that typical risk tolerance of a retiree.

What are the current co-contributions rules and do you see any changes ahead to be made by the current Labour government?

Ms Vamos responded:

- I think we will see some tweaking of the superannuation system in the May budget. The current government is likely to look at ways to make the system fairer as well as fill some of gaps in the system for women and looking after low-income earners.
- We don't believe there will be a winding back of the co-contribution rules. Changing the rules around co contribution has not been mentioned to date.
- Whether the co contribution remains or changed will I think depend on whether they extend the Low-Income Super Tax Offset (LISTO). An extension of LISTO is something that Mercer is advocating for.

- The Government may pay for any changes by placing further caps on super balances where there may be some limits put on how much you can have in your super and attract the tax concessions.

Ms Ahlawat responded:

- The Government co-contribution is a great way to boost your super. If your earnings are \$57,016 or less in 22/23, and you make at least one after-tax contribution (also known as non-concessional contribution) to super the government will add up to \$500 to your account. The amount of government co-contribution you receive will depend on your income and how much you contribute.
- To qualify for the maximum co-contribution of \$500 in 2022/23 you need to contribute \$1,000 and earn \$42,016 or less. You may receive a lower amount if you contribute less than \$1,000 and/or earn between \$42,016 and \$57,016.
- To be eligible have earnings of \$57,016 or less in 22/23. Make at least one after tax contribution (also known as non-concessional contribution) you need to be below 71 years old at the end of the financial year, lodged your tax return for the relevant financial year, and have a balance of less than the \$1.7m in your superannuation at the end of 30 June of the previous financial year.
- You don't need to apply for this as the ATO will work it out once you have lodged your tax return.

I would like to clarify with respect to the Care and Living with Mercer service, does this only cover my needs as a member?

Mr Barber responded:

- The answer is no, you as the member can avail yourself of this service and that service could be received by your loved one, could be a parent for example.
- To reiterate for you the recipient of the care does also not need to be a member of the fund.

Will there be an increase in fees or costs for managing our super this year as a result of the BT Merger?

Mr Barber responded:

- In aggregate and ongoing for the majority of members, fees and costs are definitely reducing significantly, so that's a fantastic outcome in that respect.

Ms Willment responded:

- The globalness of Mercer is a differentiator for us in the market. It has the potential to bringing great benefits to our members because, post-merger we are going to be one of the largest super funds in Australia which is very exciting.
- We also sit inside a global investment business that has tremendous expertise, which helps achieve great investment returns for our members, and it also gives us access to an even greater scale.

- Globally, Mercer has, at the end of December, US\$345 Billion in assets under management which is bigger than any single fund locally here in Australia.
- We tap into that global scale when we're accessing the underlying investment managers, we are often negotiating with those investment managers on the basis of that global scale.
- We're able to generate competitive fees from those managers. And that gives us the potential to build better portfolios that seek to deliver better net outcomes to members. As it can also mean that the cost of investing into the market is lower and can create the ability to pass on some of those savings to members, and that will continue to be a goal of ours. It has been a goal already, post-merger I think the opportunity for us to do that is only greater.

Can you expand more on the investment outlook and what it means for members? Of particular interest is the impact of the tenuous nature of world events like the war in Ukraine, global warming, growing political instability, and inflation.

Ms Willment responded:

- Pivotal point and we are likely to see continued volatility because uncertain periods tend to lead to market volatility.
- Investing is a long-term game and we are likely to get short-term swings and roundabouts.
- Need to be comfortable with the risk profile the portfolio and be able to hold through those periods of volatility.
- Cash rates have moved up and that does provide the ability to get a better return out of cash. Albeit, while inflation remains heightened, returns can be eaten away by inflation.
- The ramp up of interest rates led to the negative returns from bonds. Potentially, the worst of the sell off in bond markets is behind us and may mean better yields available from bonds compared to recent history, which is a positive for investors.
- Equities are likely to be volatile, but we continue to believe the equities are likely to deliver an excess return to those more defensive asset classes like cash and bonds over time.
- Other asset classes particularly in real assets like property and infrastructure, are good to build into portfolios as they can have strong, consistent cash flow profiles, good yields, and an opportunity for capital appreciation.
- Nearer term dynamics are whether the recovery in markets over this financial year to date is cause to question if the market is being over-optimistic around that soft landing base-case scenario.
- Potential for a downside risk still coming through which is why Mercer is remaining a little cautious.

- Ultimately suggest sticking to your long-term investment strategy, have really well diversified portfolios, and accept that from time to time there's going to be the swings and roundabouts in markets.

Is it time to move my superannuation to a conservative investment during the current market volatility and a potentially looming recession?

Ms Willment responded:

- We caution members from switching between options in an attempt to time markets. . If you switch at the wrong time, say after a market sell off but then the recovery comes through, and you miss out on the recovery and end up locking in losses.
- If this member is thinking about switching for those reasons, I would say think hard about that, but should you be doing a good assessment to make sure you're in the right option for you, yes absolutely.

Ms Ahlawat responded:

- It's important to consider your financial goals and the impact moving to conservative options might have on your ability to achieve those goals.
- Another important consideration is the impact of inflation and the potential loss of purchasing power over time.
- Consult with a financial advisor to help you make informed investment decisions that are tailored to your specific financial situation and goals.

Responsible investment and sustainable investment, what is the current position, approach and plan over the next three years?

Ms Willment responded:

- We acknowledge the importance of focusing on climate change within the portfolios and that in order to achieve those net zero ambitions by 2050 and the goals of the Paris agreement, the whole global economy needs to transition to a lower carbon economy.
- We also acknowledge this will have implications for companies
- Where relevant, Mercer seeks to engage with the underlying investment managers who actually make the decisions on company level selection. We talk to those investment managers about how they're factoring climate change into their selection of those companies, how they're considering the return implications for those companies if they don't have good transition strategies in place. We're expecting them to keep an eye out for things like stranded asset risk.

- It is a complex area requiring a thoughtful approach, a lot of analysis, and a lot of trying to get the balance right between the need to transition while realising that the transition won't happen overnight.

What's the difference between a binding and a non-binding nomination?

Ms Ahlawat responded:

- A binding nomination is a direction to the trustee, it explicitly outlines your intentions of what you want to happen with your superannuation and the trustee will follow those directions, they do expire every 3 years so you will need to update it.
- If you have a non-binding nomination, it means this is a recommendation to the trustee to follow the beneficiary recommendation. It doesn't lapse and the most common one we see our members having.
- We mentioned earlier, the non-lapsing beneficiary nomination that we have just introduced. A non-lapsing beneficiary nomination means it will not lapse, once you've put it in place, it's there until you revoke it.
- It is important for our members to remember that the beneficiary nomination must be valid at the point of your passing. If your life circumstances change, a divorce for example, you should review your nominations.

Are nominations for beneficiaries irrelevant if there is a Will in place?

Ms Ahlawat responded:

- There is a common misconception that superannuation is an asset that you can pass on through your Will. You can't. So, you have to have a beneficiary nomination in place to ensure that your superannuation asset is directed according to your wishes.
- You can nominate your legal personal representative as a beneficiary. It is important to have a will for your assets outside of your superannuation fund. And it's important to have a nomination in place as well.

Ms Vamos responded:

- As trustees we monitor the service levels, when you make a claim particularly if there is a death benefit.
- As trustees we really do urge you to get that beneficiary nomination right and update it regularly because your life changes regularly.

When does Mercer do rerating or switches in the SmartPath options? And what happens if markets are down at the time that's going on?

Ms Willment responded:

- When you come into Mercer SmartPath® you go into an age cohort based on your year of birth. That cohort will glide along the Mercer SmartPath® glide path, so you stay within one option. We make the changes to the growth allocation under the hood as you age. We very deliberately glide down the risk spectrum very slowly to try and mitigate some of the sequencing risk that this member is alluding to.
- At age 52 we are at 90% growth assets, and we glide this to around 60% growth assets by the time you get to retirement age at 65. We glide down very slowly at a rate of around 2% per annum so you're not de-risking a massive portion of your portfolio in any one particular set of market conditions. That's primarily how we navigate that issue.
- We also have dynamic asset allocation processes in place. If we were particularly worried about that type of event happening and locking in losses, we do have flexibility to be able to adjust the timing and allow for some market recovery. We handle that in the design of the glide as well as through our dynamic processes.

Closing Remarks

Mr Barber thanked panellists for their insights and assisting in responding to the selection of member questions.

Mr Barber thanked Mercer Super members for joining the meeting and reminded them that the information provided in the meeting is general information only and is not tailored to their individual circumstances. Members should get their own financial advice. Members who would like to be introduced to a financial adviser can call the Helpline. Further information is also available on the Mercer Super website.

To help us to continue to improve, Mr Barber encouraged members to provide feedback by completing the short survey that will be issued shortly after the meeting.

Mr Barber advised that a recording of the meeting would be available on the plan website from mid-March. The meeting minutes and answers to all questions received from members, including those that were not answered during the meeting.

Meeting Close

The meeting closed at: 6:30PM

Issued by Mercer Superannuation (Australia) Limited, the Trustee of the Mercer Super Trust.

Additional member questions

Members of the Mercer Super Trust (**MST** or **Mercer Super**) provided questions upon registration and submitted questions during the Annual Member Meeting (**AMM**). A number of questions were answered live during the AMM, and in some cases questions on a similar topic were grouped together. Responses provided during the AMM are set out in the minutes.

Responses to questions that were not addressed during the AMM are set out in the following sections. Similar to the live AMM Q&A panel segment, where we have received a number of questions on a similar topic or theme, these may have been grouped and answered in a consolidated response.

Where members raised questions relating to their individual circumstances, they are being contacted directly with a response.

If you have any additional questions, please contact us by logging into your super account and submitting a query or contacting us by phone:

Plan	Helpline Phone
Mercer Super Trust (MST)	1800 682 525 (outside Australia +61 3 8306 0900)
MST Pension members	1800 671 369
Virgin Money Super	1300 652 770
TAL Super	1300 209 088
Kogan Super	1800 517 212

Important notes

The information provided is general information and does not take into account your individual objectives, financial situation or needs. Before you act on this information you should consider whether it is appropriate to your objectives, financial situation or needs. If you are not sure, you should seek advice tailored to your personal circumstances from a licensed or appropriately authorised financial adviser.

Questions relating to personal circumstances, personal advice or certain commercial, legal and confidential matters cannot be addressed as part of the AMM.

Unless indicated otherwise, responses relate to Accumulation style superannuation accounts and benefits. If you are a Defined Benefit member, some rules and processes may be different so you should contact our Helpline for more information.

Contents

1.	Strategy.....	15
1.1	Plans for the future	15
1.2	BT Super merger.....	16
2.	Investments.....	20
2.1	Economic Outlook	20
2.2	Investment strategy	22
2.3	ESG.....	28
2.4	Investment performance	29
3.	Services	36
3.1	Education	36
3.2	Member Service	42
3.3	Advice	50
4.	Product.....	57
4.1	Accessing my Benefits.....	57
4.2	Fees	59
4.3	General	60
4.4	Pensions	64
4.5	Insurance.....	65
5.	Other.....	67
5.1	Defined Benefits	67
5.2	General questions	68
5.3	Cyber Security.....	71

1. Strategy

1.1. Plans for the future

1.1.1. What is the plan for the future?

We refer members to the Fund Update segment relating to areas of focus for Mercer Super, highlighting in particular:

- The transfer of BT Super into Mercer Super is on track to occur in April 2023, welcoming 350 new colleagues, 16,000 corporate employers as clients, and almost 600,000 new members to Mercer Super.
- Our members will benefit from meaningful fee reductions, more investment choice, and ultimately better retirement outcomes.
- The launch of Care and Living with Mercer, which is an innovative, unique and differentiating service available to our members to make ageing care services easier to access.
- A commitment to invest in website enhancements and cutting-edge tools that help support and empower members to manage their super easily.
- Mercer's aim to continue building the best super fund in Australia with a focus on further valuable enhancements that support and deliver strong retirement outcomes for members.

1.1.2. What is Mercer Super doing differently in terms of ensuring the best for its members that distinguishes it from the other Funds out there?

We refer members to the Chair's Update and Fund Update segments of the meeting on how Mercer Super is delivering for its members, as well as pages 2-4 of the minutes, highlighting in particular:

- With the welcoming of BT Super into the Mercer Super family in early 2023, our membership will be increasing from 250,000 to 850,000 members, almost quadrupling in size to become one of the largest and most competitive funds in Australia.
- This change brings benefits for members ranging from a meaningful reduction in fees to more choice in investments.
- Mercer Super's increased scale will make for a more meaningful contribution to the superannuation industry in many ways, including our influence in government policy direction.
- Commitment that everything we focus on in the business will help grow and protect members' retirement outcomes, with a vision to grow Mercer Super's asset and member base so that the business can continue to deliver strong returns for members over the long-term with increasingly lower fees and higher quality services.

1.1.3. With a number of Super funds amalgamating due to poor returns and lack of size, where does Mercer fit into Size of organisation compared to market; Returns compared to market; Competition between Super funds should bring about reduced fees?

We refer members to the Chair's Update and Fund Update segments of the meeting on how Mercer Super is delivering for its members, highlighting in particular:

- With the welcoming of BT Super into the Mercer Super family in early 2023, our membership will be increasing from 250,000 to 850,000 members, almost quadrupling in size to become one of the largest and most competitive funds in Australia.
- This change brings benefits for members ranging from a meaningful reduction in fees to more choice in investments.
- Mercer Super's increased scale will make for a more meaningful contribution to the superannuation industry in many ways, including our influence in government policy direction.
- Commitment that everything we focus on in the business will help grow and protect members' retirement outcomes, with a vision to grow Mercer Super's asset and member base so that the business can continue to deliver strong returns for members over the long-term with increasingly lower fees and higher quality services.

1.1.4. What is Mercer doing to support loyalty of customers / investors where a customer has multiple accounts with the same investment strategy why are fees not reduced?

Mercer Super fees apply per account and are different depending on the type of account. Some Plans offer features such as capping of fees where an account balance exceeds a certain threshold. Capping of fees does not apply across multiple accounts.

Please refer to the Product Disclosure Statement for your Plan (and any applicable Your Plan Guide) for more information on the fees apply. If you would like assistance in consolidating multiple accounts, please call our Helpline.

1.2. BT Super merger

1.2.1. There was talk of a merge with BT Super - any developments there?

1.2.2. When is the merger between BT super and Mercer happening?

1.2.3. When will the merger with BT Super be finalized?

1.2.4. Thought I can ask for an update on the BT super accounts?

1.2.5. What is Mercer's involvement in BT?

1.2.6. How the new merger will benefit members and how is the cost compared to other major leading top 5 funds?

We have received many questions from members about the nature and progress of the proposed BT Super merger into Mercer Super. In each of the Chair's Address and CEO Fund Update, information about the merger and its impacts for members were shared in the meeting. Please refer to the video recording, the minutes and the additional information below.

- BT Super members will be transitioned to Mercer Super Trust on or around 1 April 2023 via a Successor Fund Transfer.
- The merger of BT Super into Mercer Super is a game changing development for Mercer and the superannuation landscape.
- The transfer of BT Super into Mercer Super is on track to occur in April 2023, when we will welcome 350 new colleagues, 16,000 corporate employers as clients, and almost 600,000 new members to Mercer Super.
- Upon completion of the transfer, Mercer Super will be one of Australia's most competitive super funds in the market. This important step advances Mercer's purpose in delivering a leading super product that will help members thrive in retirement and set the benchmark in innovation and services for superannuation in Australia.
- The greater scale and efficiencies achieved through this merger will provide many benefits for our members including:
 - Lower fees
 - Strong performing and historically award-winning fund
 - Flexible investment choice
 - Insurance protection
 - Enhanced member services.

Please visit [our dedicated webpage](#) for more information about the merger.

1.2.7. Did the merger with BT Super effect the performance of Mercer Super which has had negative returns lately? Is Mercer Super picking up any bad performances by BT Super after the merger is finalised? When will we see the

reduced fees because of the merger with BT Super? When will we receive notification of more investment options with the merger with BT Super?

1.2.8. Please update us regarding the acquisition of BT Super with respect to: Project Status with regard to Integration into Mercer? What are Mercer's performance plans for this acquisition? How would this acquisition help Mercer?

- Mercer Super has entered into an agreement with the intention to merge BT Super members into the MST on or around 1 April 2023. The merger has had no impact on Mercer Super's investment performance to date.
- At the date of transfer, the account balances of the BT Super members will be transferred into Mercer Super investment options; existing BT Super investment options are not being transferred to Mercer Super.
- The Mercer Super default investment option, Mercer SmartPath®, which has achieved returns above the default options median, spanning 3, 5, 7 years* for the majority of members, passed the APRA Annual Performance Assessment in 2021 and 2022.

*SuperRatings Fund Crediting Rate Survey – Default Options as of June 2022. The Mercer SmartPath® investment option is nominated by Mercer Super as the default option for members not making an explicit choice.

1.2.9. Will the merger have any impact on my pension account with BT?

- All current BT Super members and pensioners whose accounts will be transferred to MST will have received a Significant Event Notification (SEN) sent to them from BT Super in February 2023.
- This SEN outlines what will happen to your pension account during the transition period, including details about the Limited Services Period. Some transactions won't be able to be processed, including pension payments.
- Your SEN from BT Super highlights changes (if any) that will apply to your account once you join the MST.

1.2.10. Has the portfolio rollover from BT Super incurred extra charges at a customer level? What are the advantages? Are there are disadvantages to customers?

- We are introducing a number of changes for your benefit. In the Significant Event Notice (SEN) sent to you in March 2023 you will find more information on:
 - Fees and costs changes impacting your account.
 - Changes to investment options.
 - The introduction of a new beneficiary nomination option.
 - Impacts to some transactions while we implement changes in April 2023.

- Please take the time to read this important information that we sent to you to find out more about fee changes in your particular Plan.
- Please refer to the SEN sent to our current Mercer Super members for details of important changes that may affect your superannuation account. You should read this SEN, in conjunction with the cover letter or email you received. Together they form the SEN.

1.2.11. Since the announcement of the merger I have been doing a lot of research and everything points towards lower fees and greater returns. Can you please tell me the benefits of moving to Mercer over moving to an Industry Fund?

- Please refer to the responses above. Following is an extract from the BT Super website in response to why the BT Super Trustee chose Mercer on behalf of its members.

“The BT Super Trustee undertook a robust and competitive process, to find the right future partner who shares their passion to help members have the best possible retirement.

Mercer Super Trust has been operating for over 25 years and has more than 280,000 members. The merger will increase the scale of Mercer Super Trust to become one of the 15 largest super funds in Australia creating more opportunities that will benefit BT Super and Mercer Super members.

Mercer is focused on its members and people. Mercer’s core business is superannuation, and keen to invest and provide better outcomes for members.

The BT Super Trustee is confident that the terms agreed on will enable both parties to execute the merger, our members to retain their benefits and performance objectives for their investments, and suitable outcomes will be made available for BT members.”

1.2.12. The current performance of my Super with BT has been terrible, I accept the current market is not good. However, when the merger takes place will I crystalize my losses or will the merger be an in-species transfer, changing ownership of my investments-keeping the assets for when the market recovers?

- All current BT Super members and pensioners whose accounts will be transferred to MST will have received a Significant Event Notification (SEN) sent to them from BT Super in February 2023.
- Your SEN from BT Super highlights what will occur in relation to your account and investments once you join the MST.

1.2.13. As a BT member how do I find out now prior to the merger if my fees under Mercer will reduce or increase?

- Most BT members will receive a reduction in fees. Upon completion of the transfer from BT Super to Mercer Super, BT Super members will enjoy one of the most competitive super offers in Australia. This includes zero dollar-based administration fees, and competitive investment fees including no

buy-sell spreads and, in most cases, reduced asset-based administration fees. BT Super members were sent a Significant Event Notice (SEN) in late February, which includes important information about the impact to their member account.

- Please visit [our dedicated website](#) for more information about the transition of your account.

2. Investments

2.1. Economic Outlook

We received many questions from members regarding the economic and investment outlook. We refer members to the Investments update on the current and potential market outlooks and insights into how Mercer is managing investments.

You can also read more about our outlook in [Mercer's Economic and market outlook 2023 report](#) and [Mercer's Investment themes and opportunities in 2023 and beyond](#).

- 2.1.1. How is the Ukrainian conflict affecting global investment strategies, how are you adapting to these issues?**
- 2.1.2. With so much uncertainty in the world - war in Ukraine, China / Taiwan, supply chain pressures which were all features of 2022 should we expect the same volatility to impact markets in 2023 and next few years?**
- 2.1.3. Given commentary re: possible US recession. What should we consider in regard to "managed funds / US shareholdings" within portfolio?**
- 2.1.4. Outlook of investment for 2023, due to the uncertain event happening around the world right now?**
- 2.1.5. What does 2023 look like with the share market and superannuation? The fund is not doing well in the past year with a negative return. What's the outlook in 2023 and beyond?**
- 2.1.6. What's the recovery forecast for international shares investment?**
- 2.1.7. How is the fund protecting smart path members during the USA downturn?**
- 2.1.8. What is the projected recovery of lost super investment given the current economic climate?**

- 2.1.9. Interested in outlook for the next 12 months and how mercer are adjusting investments and risk management accordingly?**
- 2.1.10. How are super funds in general tackling the economic headwinds caused by the ever-increasing global political tension?**
- 2.1.11. Mercer forecast for 2023 as many people predicting a world downturn.**
- 2.1.12. Would like to understand the performance forecast for the fund for 2023-2025 and, with the anticipated challenges for the economy in 2023 how the business will mitigate the overall risk to performance.**
- 2.1.13. Is there an expectation that there will be a 15%+ stock market dip this year? If so when is this potentially going to occur? In this current market I am struggling to know where to invest for growth. Can you please provide guidance to maximise my returns? The last 2 years has shaken my confidence in super.**
- 2.1.14. What is the outlook for treasury bonds with interest rates expected to peak this year?**
- 2.1.15. Market predictions for the next six months for Australian and international shares?**
- 2.1.16. Does Mercer see an easing in the supply chain pressures globally? What is Mercer's outlook on inflation, interest rates and property market? What impact will a potential recession have on our Super.**
- It is difficult to predict specific return outcomes for markets generally and equally for superannuation funds.
 - There remains an ongoing balance of power tension between the East and West, and the continuing conflict in Ukraine.
 - Geopolitical events tend to be very difficult to predict and even harder to manage in a portfolio with any sort of precision, but there's no doubt they can impact markets and we need to keep it under a watching brief, we need to embed the inherent uncertainty into our investment strategy formulation and we need to be ready to respond if necessary.
 - We believe are at a multi decade turning point for both inflation and interest rates. There is also a lot of things going on in the geopolitical landscape. That uncertainty tends to bring volatility to markets.
 - Cash rates have moved up and that does provide the ability to get a better return out of cash. Albeit, while inflation remains heightened, returns can be eaten away by inflation.

- We think we're already past the peak-inflation period and expect a moderating from here. How long it takes for inflation to come down and what level it settles at remain open questions for economies and markets.
- Potentially, the worst of the sell off in bond markets is behind us and may mean better yields available from bonds compared to recent history which is a positive for investors.
- Equities will be volatile, but we continue to believe the equities will deliver an excess return to those more defensive asset classes like cash and bonds over time.
- Other asset classes particularly in real assets like property and infrastructure, are good to build into portfolios as they can have strong, consistent cash flow profiles, good yields, and an opportunity for capital appreciation.
- Nearer term dynamics are whether the recovery in markets over this financial year to date is cause to question if the market is being over-optimistic around that soft landing base-case scenario.
- You can also read more about our outlook in [Mercer's Economic and market outlook 2023 report](#) and [Mercer's Investment themes and opportunities in 2023 and beyond](#).

2.2. Investment strategy

We received many questions from members regarding Mercer's investment strategy. We refer members to the Investments update on insights into how Mercer is managing investments.

You can also read more detail about Mercer's Investment Strategy located in the [Investment Booklet applicable to your Plan](#).

- 2.2.1. More information about your share investment strategy. How do you choose what goes into your portfolios? What risks are you factoring into investment strategies in the short and medium term?**
- 2.2.2. Feedback on how Mercer are dealing/monitoring with the market downturn in the Smart super option**
- 2.2.3. How do you see the investments performing in the coming year given current economic performance and the foreseeable economic downturn? How are you future proofing members return on investment?**
- 2.2.4. How to navigate the return from this point onwards and future performance projections.**

- 2.2.5. Do you think super funds are in danger of big losses in the current global stock market? And what's the safest investment strategy to protect superannuation long term?**
- 2.2.6. Taking global consideration, what do you foresee investors returns out of super in the next 10 years?**
- 2.2.7. What are Mercer Super expectations for financial markets in 2023 and what are Mercer Super strategies to overcome challenges in 2023?**
- 2.2.8. Considering the below par returns for 2022. What's next year look like? Challenges, risk and opportunities.**
- 2.2.9. The way things are going up interest rates etc, does it affect what Mercer invests for us?**
- 2.2.10. What happens to our super should there be a Global Financial System collapse? What should we do now to safeguard our Super?**
- 2.2.11. Do you think super funds are in danger of big losses in the current global stock market? And what is the safest investment strategy to protect superannuation long term?**
- 2.2.12. What is the strategic plan for 2023 given the economic conditions aren't favourable and how will you ensure that the Fund meets the expectations of the investors?**
- 2.2.13. I am interested to hear what Mercer is doing to improve investment performance in the future.**
- 2.2.14. What does super growth look like in the short term 2023, 2024 and 2025?**
 - Ms Willment, Chief Investment Officer presented in relation to investment strategy in the AMM, please refer to the recording of the AMM for full commentary, noting that:
 - Markets have experienced recovery since the end of the financial year and the return for the 90% growth Mercer SmartPath® members financial year to date to 31 December 2022 is 5.4%, which is 2.2% above the default options median over the same time period.
 - We acknowledge that the forward looking environment right now looks a little more uncertain than it has at any time over the past decade. To manage this, we put a lot of focus on diversification. It is one of your best defenses against uncertainty.

- We have built a lot of diversification into the portfolios – we invest in a broad and deep set of asset classes across both public and private markets, we use underlying investment managers across a range of styles and we have strong geographical and sector diversification so that, ultimately, we are not putting all your eggs in one basket, and we know there will be components of the portfolio that should do well in different market environments.
- We are remaining vigilant because market conditions can change quickly and that can provide both increased risk but also increased opportunity.
- Where possible, we take an active and dynamic approach so that we, and the underlying investment managers that we employ on your behalf, can take advantage of the changing market opportunity set.
- While we are watching the geopolitics and environment very closely, we are not expecting the global economies to plunge into a deep and extended recession. We are not anticipating a Global Financial System collapse. We do recognise the risk of recession and we remain cautious.
- Moving forward and thinking long term is what Mercer does on your behalf, investing your super in a wide range of asset classes and management styles as diversification is one of our key investment beliefs that can help mitigate the risk involved in investing to target a specific investment objective. In addition, we have a dynamic asset allocation process that we can utilise to tilt the portfolios to asset classes where we find opportunity, and conversely tilt away to manage risk and shift between a growth or defensive orientation to help navigate the ever-changing investment landscape.
- Our global team of 1,300 investment experts continue to seek out the best possible investment opportunities in Australia and around the world to help grow your super.
- We monitor investment markets on a daily basis, continuously working behind the scenes to help you stay on track for your retirement.

2.2.15. Last year was not good, there was a 7% loss in value. How does it look for the future, are we going to make up this loss? Will we get our money back at the end?

- Whilst we don't like to see negative returns for our members, we know that this is a normal part of investing.
- With the exceptional macroeconomic back drop we endured in 2022 - where we did not benefit from the typical negative correlation benefits to the extent of previous drawdowns - to endure a negative return that was a lot less than what the major asset classes experiencing in the order of 10-20%, showcased the power of managing risk and being well diversified in our portfolios.
- Super funds have enjoyed a long period of growth, and other than a couple of mild negative returns for a handful of options in 2018, this was the only negative calendar year we have seen across

Mercer Super's diversified options in the past 10 years. However, that should be seen in the overall context of a robust 2021, and the long term horizon, and that we can and should expect negative returns every few years as indicated in the Product Disclosure Statement for your particular investment option.

2.2.16. Can we please address what is the extent the volatility of share market this year will affect our super savings? Is it possible to convert all investment into cash savings in superfund? Is that a good strategy?

Please refer to the response at the beginning of this section for additional information.

- For investments in Mercer SmartPath® or any of our ready-made or diversified investment options, your investment is diversified and is intentionally invested across a range of asset classes including property, infrastructure, fixed assets, bonds, and cash to smooth out the different return and risk drivers of investing across these sectors. While this investment can sometimes yield negative returns in the short-term, you can have confidence that our investment strategy is working hard to ensure your super is well positioned for long-term growth.
- Market volatility may prompt a member to reconsider their investment strategy and the underlying risk profile. However, switching investment options at a time when markets are low or volatile may not be in your best long-term interest.
- If you believe you need to review your current risk profile or are considering an investment switch, we strongly recommend you seek financial advice before taking any action.

2.2.17. In the Mercer SmartPath fund for people born in 1974 specifically, and in general, I'd like to know what portion of the International Shares "bucket" is invested in the US, Europe, Asia, Emerging markets etc, and how you are managing the likely global recession risk and the rising interest rate environment, with the huge debt levels most Western governments and Japan have ladened themselves with.

- Mercer Super invests your super in a wide range of asset classes and management styles. Diversification is one of our key investment beliefs that can help mitigate the risk involved in investing to target a specific investment objective.
- Additionally, we have a dynamic asset allocation process that we can utilise to tilt the portfolios to asset classes where we find opportunity, and conversely tilt away to manage risk and shift between a growth or defensive orientation to help navigate the ever-changing investment landscape.
- On your specific investment option, you may already have exposure to European, Asian and Emerging Markets shares and fixed interest assets, which you can check how we are positioned via [our Quarterly Investment Report](#).

2.2.18. What actual percentage is cash investment category paying in mercer super? How can this number be seen?

- For the period ending 30 June 2022, the Mercer Cash investment option delivered the following returns (before fees and taxes):
 - 1-year return = 0.2% (benchmark* return of 0.1%)
 - 5-year return = 1.2% p.a. (benchmark* return of 0.9%)
 - 10-year return = 2.0% p.a. (benchmark* return of 1.7%).

*Benchmark for Mercer Cash is the Bloomberg Bank Bill Index.

2.2.19. What is the place of gold and silver in our investments? Should it increase?

- We currently do not hold any direct investments in gold and silver within the investment options.
- We can indirectly hold exposure to gold and silver via companies that extract these minerals that are listed on share markets and via our underlying investment managers that specialise in alternative investment strategies.

2.2.20. Are losses in unit value 'crystallised' before the end of the Financial year?

- All Mercer Super investment options are unitised, so your account balance will rise or fall based on changes in the daily unit price.
- Positive or negative returns are crystallised when you withdraw / redeem from your account.

2.2.21. I am a retiree (66+ years). Stability of balance with moderate growth is important. How does Mercer intend to achieve this objective - given the volatility in the market and negative returns in last few years.

- Mercer Super offers members a range of investment options to choose from and each option has a different investment objective, risk measure and strategic asset allocation. These factors mean that the level of volatility experienced by each option, and its potential level of investment return, will also be different. Investment options with higher long-term return also carry higher levels of short-term risk.
- It is important to consider your personal goals along with the level of risk you are comfortable taking. You can get quick easy advice on how to invest by logging onto Member Online (using your personal login details) and using our simple and easy e-Advice tool. You will find it under 'Advice Tools'.

2.2.22. How can I find out what my Investment selections are attached to within the market?

- Your balance will be invested in one or more Mercer Super investment options. Depending on your investment options, we'll invest in a range of asset classes such as shares, property, fixed interest and cash. For every asset class, you can break this further down into underlying assets to see exactly what your super or allocated pension is invested in by viewing or downloading from the Portfolio Holdings section of our website.

2.2.23. Why can't your analysts predict drops in the market i.e. Interest rate rises on the 1st Tuesday of every month in current environment and shift investments into Cash to avoid a usual sharp drop in the share market and thus avoid a loss in members balance?

- As superannuation is a long-term investment, we focus on the longer term at Mercer Super. Reacting to short-term market volatility or economic changes in this way is not in line with our approach or something that we would consider in the best interests of our members.
- Market volatility can be a natural part of the investment cycle and some investment options will be more greatly affected by certain market downturns than others, depending on what types of assets they invest in.
- Markets will often recover in time, so we encourage members to take a longer-term view of their super and choose investment options that are consistent with their overall objectives, financial situation or needs.
- It's important to consider your time frame to retirement along with the level of risk you are comfortable taking.

2.2.24. Do you invest in cryptos?

- Mercer does not invest in cryptocurrency.
- We would categorise it as a highly speculative investment.
- While it may have a legitimate place in the economy in the longer term, it is a largely unregulated investment that carries significant risks. It offers no income and there is no way to assess or measure its real value.

2.2.25. Who are these underlying investment managers? Are they individuals or companies

- The trustee has appointed Mercer Investments (Australia) Limited (MIAL) ABN 66 008 612 397 AFSL 244385 to advise the trustee on the selection, appointment, replacement, and ongoing evaluation of investment managers.

- Mercer's significant scale in researching investment managers globally provides us with access to some of the best ideas from more than 7,700 investment managers around the world. MIAL leverages a global research network to seek to establish a combination of specialist managers for each asset class, selecting managers for their strength in idea generation, portfolio construction, implementation and business management.
- The Ready-made investment options and many of the Select-Your-Own investment options adopt an actively managed, multi-manager approach. Passive options are typically invested via a single investment manager. Enhanced passive investment options may utilise one or more investment managers depending on the level of active management utilised.
- You can find a list of the underlying investment managers, including details of the proportion of assets they manage and their investment performance, in [our Quarterly Report](#).

2.3. ESG

We received multiple questions from members regarding Environmental, Social and Governance (ESG).

- 2.3.1. What is Mercer's long-term strategy to manage the impacts from climate change, and how have the recent fires and floods in Australia in the past few years impacted on the business outlook?**
- 2.3.2. What is Mercer doing to either reduce or eliminate fossil fuel companies from share portfolios (it doesn't sit comfortably with me that I'm increasing my wealth through fossil fuel companies who are profiting whilst contributing to climate change)?**
- 2.3.3. Are there any ethical investment and/or corporate social responsibility strategies? When you are considering potential mergers and acquisitions, what due diligence is followed?**
- 2.3.4. What ESG investments do we have?**
- 2.3.5. Minority green groups are increasingly placing pressure on investors to remove coal and gas from their portfolios. Succumbing to this pressure has been at the detriment of investors noting that coal and gas values continue to increase. True energy investors should know that the value of coal and gas to society and investors will remain high well beyond the current Russia fiasco. What is Mercer's policy on investing or de-investing in coal and gas?**
- 2.3.6. Can you show members how our super funds promote an environmentally friendly investment portfolio?**

- 2.3.7. To what extent does Mercer invest in stocks/companies that engage in fossil fuel extraction, deforestation, and / or gambling?**
- 2.3.8. The ethical assessment that you use when selecting your fund managers?**
- 2.3.9. To what extent are funds invested in Mercer exposed to Carbon polluting industries and what offset investments are there in "Green" industries?**
- 2.3.10. How does Mercer measure the carbon intensity of its investment portfolio? How is the carbon inventory of Mercer's investments disclosed to superannuation members?**
- 2.3.11. Are current and/or future investments, offered by Mercer, tailored to meet the future energy needs and are Mercer looking at these companies and those that are investing in new technology that drives this change?**
- We refer members to the Investments update section of the AMM on the approach to how Mercer is managing ESG investments, highlighting:
 - We have a core investment belief that centres on the importance of taking sustainability considerations into a portfolio because we believe they can have implications for long term return generation.
 - We offer a range of Mercer Sustainable Plus investment options, including diversified and sector options.
 - For more information, please refer to the investment option menu in the [Investment booklet applicable to your Plan](#).
 - Refer to [How Your Super is Invested](#) on our website and search for the relevant plan and fund for specific investment holdings information.

2.4. Investment performance

More generally, tracking the performance of your superannuation can help you understand how your portfolio is gaining or losing value. Mercer Super, like most funds, provides monthly, quarterly and annual reports that outline investment returns.

- In comparing funds, we recommend that you consider the following
- Compare like for like funds - this means comparing super funds of the same type, as well as those that have a similar risk profile.
- Review your account net benefit - this refers to the investment return after administration fees, investment fees, insurance premiums and taxes are removed.

- Consider long-term returns - superannuation is a long-term investment and it's the net returns over a period of years and decades that really count.
- Talk to a licensed financial adviser - if you are considering changing super funds, we recommend that you speak to an adviser who can take your personal circumstances and financial goals into consideration.
- Most published fees do not take account of insurance costs, so comparing insurance terms and conditions should also be taken into account when comparing funds. We believe that Mercer Super's insurance offering is highly competitive, given the terms, conditions and benefits provided.
- It's important to note that past performance is not an indication of future performance. What strong long-term investment returns may reflect, however, is a superannuation fund's experience and commitment to great financial outcomes for its members.
- We have a wealth of local superannuation expertise and are committed to delivering strong retirement outcomes for Australians. Our global team of over 1,300 investment professionals strive to seek out the best investment opportunities in Australia and around the world to help grow and protect members' super balances.

We received many questions from members regarding Mercer Super's investment performance. We refer members to the Investments update in the AMM on Mercer Super's performance to 30 June 2022 including performance relative to other funds.

We regularly email our members about our investment performance and details are provided on the [Mercer Super website](#).

You can also register and dial in to our regular investment performance update webinars to find out more.

- 2.4.1. How did Mercer perform in 2022?**
- 2.4.2. Will there be comparative returns slide on how our Super is performing vs competitors in the market? and How has Mercer Super performed in comparison with other super funds over the 2021/2022 financial year?**
- 2.4.3. Where is Mercer situated in the list of good returns compared to the market?**
- 2.4.4. Fund performance has not been as good compared to other funds eg Australian Super. Please comment. Why should members stick with Mercer?**
- 2.4.5. Why should we stay with Mercer Super when other Super Funds are and have been performing better in recent years?**

- 2.4.6. Can you give a brief / high level comparison between Mercer Super and ART performance for 2021/2022?
- 2.4.7. How does Mercer compare to Plum super in terms of performance, size and governance?
- 2.4.8. According to APRA, there are many Super funds that have better performance ratings such as Unisuper, Aware, etc. Why is Mercer lagging behind?
 - Two comparative return slides were shared in the Investment update section of the AMM.

Mercer SmartPath returns by cohort (after tax and investment fees)

30 June 2022

Members nearing retirement were protected from the biggest of falls

Age	Path	Growth (%)	FY22 (%)	7 years (% p.a.)
69 - 73	1949 - 1953	60%	-4.1	4.3
64 - 68	1954 - 1958	66%	-3.9	4.9
59 - 63	1959 - 1963	76%	-4.3	5.4
54 - 58	1964 - 1968	86%	-4.8	6.0
49 - 53	1969 - 1973	90%	-5.3	6.4
44 - 48	1974 - 1978	90%	-5.4	6.4
SuperRatings Default Options Median			-5.0	5.9

Over 84% of our SmartPath members are outperforming the Default Options median over 3, 5 and 7 years

- The purple row highlighted above is the median return for other Super fund default options according to the SuperRatings Default Options Survey. In the rows above this, we compare this return to the returns achieved by our Mercer SmartPath® for default members across the various cohorts. Younger members are towards the bottom of the table, and older members towards the top.
- Over 84% of our Mercer SmartPath® members are achieving returns above the default options median over the 7 year period to 30 June 2022.
- For those members approaching or in retirement, where we dial down the level of growth assets gradually from 90% growth to 60% growth, we are providing a level of protection through down markets such as we experienced during financial year 2022.

- For the most popular Ready-Made choice options on the Mercer Super menu, the slide below demonstrates that over most time frames, we are delivering above median returns compared to the respective SuperRatings peer group median.
- The Mercer Super default investment option, Mercer SmartPath®, passed the APRA Annual Performance Assessment in 2021 and 2022.

Mercer choice options vs SuperRatings peers (after tax and investment fees)

30 June 2022

Mercer Ready-Made Investment Option / <u>SuperRatings</u> Survey Median	FY22 (%)	7 years (% p.a.)
Mercer Conservative Growth SuperRatings – Capital Stable (20-40%)	-3.1 -3.4	3.7 3.4
Mercer Moderate Growth <u>SuperRatings</u> – Conservative Balanced (41-59%)	-3.8 -3.8	4.6 4.5
Mercer Select Growth SuperRatings – Balanced (60-76%)	-3.2 -3.8	- 5.9
Mercer High Growth <u>SuperRatings</u> – Growth (77-90%)	-5.1 -5.4	6.6 6.5
Mercer Diversified Shares <u>SuperRatings</u> – High Growth (91-100%)	-6.9 -6.9	7.1 6.7

- The update provided in the AMM for results to 31 December 2022, more than 88% of Mercer SmartPath® members continue to enjoy returns comfortably above the SuperRatings Default Options Median across all time periods with more than 77% of Mercer SmartPath® members continuing to benefit from top quartile investment performance over 3, 5 and 7 years.
- We refer you to the details provided in CEO Fund update in the AMM for the benefits for members arising from the merger with BT Super in April 2023. Our member benefits range from a meaningful reduction in fees, to more choice in investments and our increased scale will mean Mercer will be one of the largest and most competitive funds in Australia, helping to drive better retirement outcomes for our members.
- It is not appropriate for us to comment on the investment performance of other super funds.

2.4.9. Mercer Moderate Growth, Conservative Growth and Smart Path are underperforming many other funds. Why?

- For the most popular Ready-Made choice options on the Mercer Super menu, including Mercer Moderate Growth and Conservative Growth, we are delivering above median returns compared to the respective SuperRatings peer group medians over 3, 5 and 7 years.

Source: SuperRatings Fund Crediting Rate Survey - December 2022

2.4.10. How can you lose money on "Mercer Fixed Interest"? Put it to saving account in Australian bank and it would make stable guaranteed income. Even for 5 years average this investment option does worse than simple saving account interest in any Australian bank. I chose it specifically as a safe option based on its name but looks like the only thing fixed about it is Mercer charging interest to my investment.

2.4.11. Why did fixed deposits get negative returns during the pandemic period? These are supposed to be the safest investments and yet tens of thousands of member funds were lost.

- Interest rate risk – the risk of loss resulting from changes in interest rates and bond yields has been a phenomenon that has impacted the returns for Fixed Interest over the past few years, with Australian and global bonds selling off sharply as yields climbed higher. Bond yields rose in response to central banks swiftly raising interest rates to curb fast rising inflation from the extreme lows that resulted from the Covid-19-19 pandemic.
- The combination of rising yields and rising interest rates is a negative for Fixed Income as an asset class, and the fixed income sub-asset classes experienced negative absolute returns typically greater than 10%. Our underlying active managers also experienced performance headwinds from the swift movements in bond markets, which lead to some relative underperformance in the short term. However, over the medium term, our managers have performed well, and most have outperformed their benchmark.

2.4.12. Why has Virgin Money Superannuation's performance been worse than the average performing fund?

- For the period to 30 June 2022 Virgin Money Super passed the 'Your Future, Your Super' performance test. The performance test results are provided as part of the release of the APRA heatmaps. Virgin Money Super LifeStage Tracker (MySuper) and choice investment performance continue to be competitive and promote improved retirement outcomes for Virgin Money members.
- For the majority of members, Virgin Money Super's rolling 3 and 5-year returns remain above both the industry fund and retail super fund median return based on independent research house SuperRatings as at 31 December 2022.

2.4.13. I would like to know why Mercer's performance is so low as compared to other funds. Even my wife's tiny superannuation at VicSuper has grown while my huge amount of money is still losing. We checked her super today and noticed that it has grown again, not a tiny loss. Even if all my money is deposited to a bank account, it will make very good interest instead of shrinking. I believe the time has come to move my funds.

- Over 84% of our Mercer SmartPath® members are achieving returns above the default options median over the 7 year period to 30 June 2022.
- All investments, including super, carry some risks. Investment options each have different levels and types of risks, depending on the assets they invest in.
- Assets with the highest long-term return also carry the highest level of short-term risk. Returns for each investment option will vary and future returns may be different to past returns. Your investment could rise or fall in value or produce a return that is less than expected.

2.4.14. I find your reporting difficult to follow and at times misleading. A passive investment strategy with a low fee fund will give you the market median returns. As Mercer is meant to be an active manager your performance needs to be measured by how much you exceed median returns. Can you please advise for the last 5 years how the smartpath product has performed in terms of exceeding median fund returns and the cost to members of achieving those returns.

2.4.15. More about fees and performance in last 5 years

- We regularly email our members about our investment performance and details is provided on our webpage Mercer Super website. As highlighted in Investment update provided in the AMM, for our results to 31 December 2022, more than 88% of Mercer SmartPath® members continue to enjoy returns comfortably above the SuperRatings Default Options Median across all time periods with more than 77% of Mercer SmartPath® members continuing to benefit from top quartile investment performance over 3, 5 and 7 years.

2.4.16. Can you also outline any performance payments made to employees or directors where industry medians have not been exceeded.

- The Trustee is responsible for the appointment/termination, oversight and monitoring of investment managers and their performance with respect to the best financial interests of members.
- It is generally accepted industry practice that appropriate senior investment professionals, including our appointed investment managers, may have components of their remuneration that is variable and linked to specific investment performance outcomes.

- The Trustee oversees the Remuneration Policy which includes variable bonus payments to Mercer employees in accordance with prudential requirements.

2.4.17. How is it possible that Mercer International Shares - Hedged portfolio performance is -17%? Do you not know how to hedge effectively? Get rid of your EQ traders / portfolio managers.

- We have in place currency hedging arrangements to minimise the impact of fluctuations in the Australian dollar against other currencies on overseas investments.
- Currency hedging is not utilised as a trading strategy in an attempt to manage performance.
- The return of Mercer International Shares – Hedged will be primarily reflective of the aggregate performance of the underlying share markets in their local currencies.

2.4.18. Mercer investment update for July-Sept 2022 as follows; "We are delighted to report that Mercer Select Growth, Moderate Growth and High Growth occupies the number one position in its respective survey, with all other diversified options sitting in the top 10." I do not believe this is correct, performance was below some other similar funds. I would be interested to hear an explanation to explain this statement.

- As indicated in the source reference where this statement appeared (Investment update: July to September 2022), the statement was made on the basis of the 3-month median investment return of each of the investment option's respective peer group medians also over 3-months, as reported in the SuperRatings Fund Crediting Rate Survey September 2022.

2.4.19. How is it when the market drops, I lose a significant amount of Account Balance, but when it recovers the balance is not back to the original balance from when it was in the first place?

- All investments, including super, carry some risks. Investment options each have different levels and types of risks, depending on the assets they invest in. Assets with the highest long-term return also carry the highest level of short-term risk. Returns for each investment option will vary and future returns may be different to past returns. Your investment could rise or fall in value or produce a return that is less than expected.
- For example, the negative year to 30 June 2022 came after a period of strength in markets, and therefore with a long-term view to investing, the numbers over a 7-year period remain strong.
- We recommend that you contact the Helpline for your particular plan or speak with a financial adviser in helping you understand your particular return outcomes.

2.4.20. Comment on the Mercer returns. My UK Pensions increased over the same period so I do not understand why Mercer has not performed better. The UK Pensions would have faced similar Global issues

- Investment returns depend on a number of factors, including the objective that the investment provider sets, the level of risk for the investment, and the types of asset classes being invested in. This means that not all investment products will achieve the same investment returns, even in similar investment and economic markets.

3. Services

3.1. Education

3.1.1. What is the best way to handle the fund for those who are thinking of retirement?

3.1.2. What should people looking at retiring in the next 12 months be cautious of?

3.1.3. The best way for my super to be invested, at these worrying times. I am 52 so I need to watch how my super is going and take note of fees.

3.1.4. At 52 looking for early retirement at 60. How aggressive or not aggressive should we invest in current markets?

3.1.5. I would like to know being 57 years old now how to make the most of my superannuation before I retire. Would cash be an option now given interest rates going up? I want as much bang for my buck. I work very hard for every dollar.

3.1.6. What is the best option to invest in Super for people above 55 years old?

- There are a number of important considerations as members approach retirement, and each member's circumstances will be different. It is always important to assess your super to make sure you continue to be in the right investment option for your circumstances and consider your time frame to retirement along with the level of risk you are comfortable taking.
- We offer a range of information, education and advice options for our members, including:
 - Quick and easy advice on how to invest, which you can access by logging into Mercer Online and using our simple and easy e-Advice tool (available under 'Advice Tools').
 - Phone-based advisers who can provide intrafund or limited financial advice related to your Mercer Super account – this is at no additional cost and is a benefit of membership with Mercer Super.

- Access to powerful calculators, such as our Retirement Income Simulator, that can help you understand your options.
- Regular seminars on retirement planning, investments and Centrelink – find out more or register on our website.
- Fees that you negotiate with a Mercer financial adviser, or any other financial adviser, for advice in relation to your Mercer Super account can be deducted from your account balance (subject to certain conditions).
- Call the Helpline if you wish to find out more about financial advice services or speak to a Mercer financial adviser.

3.1.7. How can I grow my Super fast?

3.1.8. How to maximise my investments in Mercer?

3.1.9. I have less than \$100,000 super balance; what is the best option to improve my investment returns?

- There are a number of ways you can boost your super account. However, there are limits (caps) on the amount you can contribute and tax implications if you exceed these caps.
- You may wish to [register for our 'Making the most of your money' webinar](#). For more information on contributions, you can also refer to the [Product Disclosure Statement and incorporated Booklets for your Plan](#) or our [Contributions fact sheet](#).
- It is always important to assess your super to make sure you continue to be in the right investment option for your circumstances. It is important to consider your time frame to retirement along with the level of risk you are comfortable taking.

3.1.10. Why are people over 75 being discriminated against in not allowing Salary Sacrifice. The Government is wanting all people to work to help fill vacancies.

- Mercer supports the objectives of Australia's superannuation system, and advocates strongly in helping influence government policy to help retirees reach their retirement standard of living goals.

3.1.11. With Covid-19 and other factors strongly influencing and changing our work and employment choices and family structures the Start of 2020 to Mid/End 2022 has been challenging to say the least; Many members have chosen to deviate from the usual structure and undertake family carers functions and are semi-retired on pension payments rather than salary. What other ways of regular minor contributions rather than salary sacrifice or one-off payments can

be set up to suit the new situation of any semi-retired/retired White Collar and Grey Collar Members?

- There are a number of ways you can boost your super account. However, there are limits (caps) on the amount you can contribute and tax implications if you exceed these caps.
- You may wish to [register for our 'Making the most of your money' webinar](#). For more information on contributions, you can also refer to the [Product Disclosure Statement and incorporated Booklets for your Plan](#) or our [Contributions fact sheet](#).
- If you're a low or middle-income earner and make personal (after-tax) contributions to your super fund, the government may also make a contribution (called a co-contribution) up to a maximum amount of \$500. The amount of government co-contribution you receive depends on your income and how much you contribute. Visit the [ATO website for more information on the super co-contribution](#).
- If you have reached your preservation age but are still working (either full-time or part-time), a re-contribution strategy may enable you to boost your super. With the strategy, the person uses a Transition to Retirement (TTR) allocated pension to begin receiving an income from their super, while using income from their paid employment to make salary sacrifice contributions into their super account.
- Depending on your personal circumstances, there may be tax savings as the tax paid on salary sacrifice super contributions is generally lower than the tax you pay on your salary. It's important to remember that there are limits on the amount that can be contributed to super without incurring additional tax, and limits on how much you can receive in pension payments from a TTR account each year.
- We recommend you seek professional advice tailored to your personal circumstances from a licensed or appropriately authorised financial adviser to consider if this type of strategy is appropriate to your objectives, financial situation and needs.

3.1.12. Best time to switch funds to optimise return over the next 10yrs.

3.1.13. Best time to switch funds heading into retirement. Can you combine funds with your spouse?

- It is always important to assess your super to make sure you continue to be in the right investment option for your circumstances. It is important to consider your time frame to retirement along with the level of risk you are comfortable taking.
- For easy advice on how to invest by logging onto Member Online (using your personal login details) and using our simple and easy e-Advice tool. You will find it under 'Advice Tools'.

- We recommend members exercise caution in trying to time movement in and out of investment options based on where you think markets are at. Switching options at the wrong time after a market downturn may mean you end up locking in losses and you may miss out on any potential recovery.
- Super and pension accounts are held in individual names; joint accounts don't apply. However, there are circumstances where you may be eligible to transfer some of your super contributions into your spouse's super account – this is called 'contribution splitting'. For more information, refer to our [Contributions fact sheet](#).

3.1.14. Default or specific investment strategies? Pros and cons? Suggested requirement to work for each?

- The type of investment option that's right for you, and the pros and cons of each type, depends on a number of factors that will be different for each person. For example, whether you're an active investor with an appetite for risk, prefer to play it safe, or somewhere in between.
- The suite of investment options in the MST includes:
 - Mercer SmartPath®, which automatically adapts your investment strategy as you age – your balance is invested more aggressively in your younger years and more conservatively as you get older, all within one investment option. Mercer SmartPath® is the default option for most plans in the MST.
 - Ready-made options, which combine a mix of asset classes and management styles to target a specific investment objective. The trustee chooses and monitors the investment managers and decides how to allocate across the different asset classes, which may be growth or defensive oriented, or a mix of both.
 - Select-your-own options, which are designed for those who want to be more hands-on. These options are the Mercer Sustainable Plus options, the Mercer sector options, as well as passive and enhanced passive options. The Mercer Sector options are designed for investors who want to invest in a particular asset class, or multiple asset classes, to tailor their own portfolio.
 - Mercer Direct, which lets you take greater control of your investments by trading directly in ASX 300 shares, exchange traded funds and term deposits from your account. (Mercer Direct may not be available for all Plans or account types - please check your Product Disclosure Statement or Your Plan Guide).
- It is important to consider your time frame to retirement along with the level of risk you are comfortable taking. You can get quick easy advice on how to invest by logging onto Member Online (using your personal login details) and using our simple and easy e-Advice tool. You will find it under 'Advice Tools'.

3.1.15. Who can we contact if we don't fully understand all of this stuff about Super?

- As a member of the Mercer Super Trust, you have access to a range of tools and resources to help you understand more about your super. You may wish to:
 - Register for the [‘Super 101: Basics of super’ or one of our other webinars](#).
 - Access [online tools at mercersuper.com.au](#) such as up to date information on investment options, information from our wealth education experts and financial planning tools.
 - Get quick easy advice on how to invest by logging into Member Online and using our simple and easy e-Advice tool. You will find it under 'Advice Tools'.
 - Talk to our phone-based advisers who can provide intrafund or limited financial advice related to your Mercer Super account – this is at no additional cost and is a benefit of membership with Mercer Super.

3.1.16. Superannuation guideline for members not living in Australia?

- You should be aware of your tax and super obligations before you leave Australia. If you have already left, you can use ATO online services to do most tasks. When you leave Australia, you need to work out if you remain an Australian resident overseas.
- For guidance visit the [ATO website for Australians living overseas](#).

3.1.17. I'm 68 and do not have paid employment. Have the laws changed so that I can make a contribution to my super and if so what is the max amount per year allowed?

- From 1 July 2022, the work test rules were removed for people aged 67 to 74, meaning these members can now make personal after-tax contributions at any time. These contributions are subject to the non-concessional contributions cap, which is \$110,000* for the 2022-23 financial year. A member aged under 75 may also be eligible to bring forward two financial years' worth of contributions and make total contributions of up to three times the cap over a three-year period. For more information on contributions and caps, refer to our Contributions fact sheet.

*Note: If your total superannuation balance is \$1.7 million or more, your non-concessional contributions cap (and any bring-forward cap) will be zero.

3.1.18. Do the Super have any health or accident insurance cover. Does it have any investments into the local and Global stock markets whereby members can gain from the investments which increases the Super payout. And what is the Tax percentage on Super.

- Depending on the rules for your Plan, you may have, or be eligible to apply for, insurance cover for Death (including Terminal Illness), Total and Permanent Disablement (TPD) and/or Income

Protection. Please refer to the [Product Disclosure Statement for your Plan](#), a recent benefit statement, or call our Helpline for assistance.

- If your super is invested in the Mercer SmartPath® investment option, or one of our Ready-made investment options, there will generally be some allocation to both Australian and international share markets.
- If your super is invested in one of our Select-your-own investment options, your exposure to share markets will depend on which option you're invested in.
- The [Product Disclosure Statement and Investments booklet for your Plan](#) will include more information about how your super is allocated across different asset classes (known as the strategic asset allocation) for each investment option. You can also check a recent benefit statement or your online account (if you have online access) for more information on how your account is invested.
- Superannuation is generally taxed at three stages:
 - When contributions are received: The amount of tax that applies depends on the type and amount of contributions, your level of income and whether we have your tax file number – refer to our [Contributions fact sheet](#) for more information
 - When investment income is earned: Generally, the MST is liable to pay tax of up to 15% on investment income some realised capital gains; this tax is taken into account when unit prices are calculated.
 - When super benefits are paid out in cash: The amount of tax that applies depends on your age when the benefit is paid, the type of benefit and some other factors - refer to our [Tax on lump sum super payouts fact sheet](#) for more information, or refer to the [Product Disclosure Statement](#) for tax on pension payments.

3.1.19. In the inevitable time when I pass away, how difficult is it going to be for my dependents to receive my outstanding benefits without having to go through an incredible amount of time, stress and loss of benefits before receiving the balance?

- It's a common misconception that superannuation is an asset that automatically gets passed on through your Will. It's important to have a Will for your assets outside of your superannuation fund, but it's equally as important to have a beneficiary nomination in place directly with your super fund.
- Without a valid nomination, it can take the trustee considerably longer to consider who should receive your super, which can add additional stress or financial difficulty for your beneficiaries.
- For most Plans in the MST, you can make a binding nomination for your super, which is an explicit instruction of your wishes that the trustee is bound to follow.

- From 1 April 2023, we will offer non-lapsing death benefit nominations, which do not expire and will remain in place until you make a different nomination or revoke it.
- For any type of nomination, by law, the nominated beneficiaries for your super must be either your spouse, your child (of any age), someone in an interdependent relationship with you, your financial dependent, and/or your legal personal representative (which means your super is paid to your estate, to be distributed according to your Will).
- A nominated beneficiary must still be considered a valid beneficiary at the date of your death. Whenever your life circumstances change (for example, marriage, divorce or children), you should review your nominations.
- For more information, please refer to our [Beneficiaries fact sheet](#) – this fact sheet will be updated from 1 April 2023 to include information on non-lapsing binding nominations.

3.1.20. Could you discuss re-contribution strategy as it applies to allocated pensions.

- A re-contribution strategy generally relates to a person who has reached their preservation age but is still working (either full-time or part-time). With the strategy, the person uses a Transition to Retirement (TTR) allocated pension to begin receiving an income from their super, while using income from their paid employment to make salary sacrifice contributions into their super account.
- Depending on your personal circumstances, there may be tax savings as the tax paid on salary sacrifice super contributions is generally lower than the tax you pay on your salary.
- There are limits on the amount that can be contributed to super without incurring additional tax, and limits on how much you can receive in pension payments from a TTR account each year.
- We recommend you seek professional advice tailored to your personal circumstances from a licensed or appropriately authorised financial adviser to consider if this type of strategy is appropriate to your objectives, financial situation and needs.

3.1.21. Where can the tools such as the super to pension journey mentioned in the seminar be found - the Mercer website or my employer super website.

- You can log into Mercer Online and search for the 'Super to Pension' journey.

3.2. Member Service

3.2.1. How do I transfer to a new super fund i.e. Mercer when I have deductions coming out of my existing super fund for Death and Disability Cover (example only)?

- An important factor to consider if you're thinking about changing super funds is whether there is any impact to your existing insurance cover by closing your other super account.

- If you are a member of the MST, you may already have insurance cover through your account. If you don't already have cover, you may be eligible to transfer your insurance cover from another super fund or policy. Please refer to the [Product Disclosure Statement and Insurance booklet for your Plan](#), or you can call our Helpline for assistance.

3.2.2. Why do Investment Changes take over two days to be updated?

3.2.3. Why is there not a list of what makes up an investment, i.e Diversified Funds, and does this change, and how often? If there is an online investment change and it cannot be done in a meaningful time frame, can it be backdated to when the change occurred online, date, and time? Is there a charge for doing investment changes?

- If you change investment options, we do not currently charge an investment switching fee. The switch transaction will be processed using the unit price determined for the day we receive a valid and complete request. For more information on unit pricing and transaction processing timeframes, please refer to the Product Disclosure Statement on our website.
- The Strategic Asset Allocation for each investment option offered in the MST is described in the [Product Disclosure Statement and/or Investment booklet](#) for each relevant plan and also available in Member Online. Actual Asset Allocations are disclosed at the end of the financial year in [our Annual Report](#).

3.2.4. How do overseas member call for assistance?

- You can call the Helpline from outside Australia on + 61 3 8306 0900 from 8am to 7pm AEST Monday to Friday.

3.2.5. What is the likely cause of a reduction in number of members for my employer plan (Wesfarmers)? What is proactively being done to boost member numbers? At what point do member numbers become unsustainable for a super plan and what would happen next? Furthermore, it would be nice to see the reintroduction of member investment profiles, ages, and locations in the supplementary employer plan report.

- Individual members of a superannuation plan may choose to join or leave for a variety of reasons. Recent changes to superannuation laws, where employees remain 'stapled' to their previous default super fund when joining a new employer, have also contributed to changing membership profiles for many superannuation funds over the last few years.
- Mercer Super, together with the relevant participating employer plan, continue to provide information about the features and benefits of the plan to eligible employees and there are member engagement plans in place to target new member growth.

- The sustainability of any plan is monitored with the participating employer and any changes would be communicated to members if and when appropriate. We note your feedback on the content of the Supplementary Annual Report, thank you.

3.2.6. If my wife changed her super fund to Mercer, is it possible that her fund be managed same way as mine? Given that I am an employee of Wesfarmers and she is not?

- Wesfarmers employees are eligible to join the Mercer Tailored Super plan in the MST. Spouses of Wesfarmers employees may also be eligible to join the Mercer Tailored Super plan. Some features of the Spouse section of this Plan may be different. Please refer to the [Product Disclosure Statement for Mercer Tailored Super – Retained Benefits and Spouse section](#) for more information about the Spouse section, including whether your spouse is eligible and how they can join this plan.

3.2.7. Can you create a method of sending notification when member's super goes down? The limit can be set by the member. This would be similar to notifications sent by email providers when you login to your email account from a different device. I lost about 40k during Covid-19 pandemic. A simple notification like this could reduce my losses.

- While we offer the ability for members to monitor their account balance through Mercer Online or the Mercer App, we don't currently send automatic notifications of balance changes.
- Market volatility can be a natural part of the investment cycle and some investment options will be more greatly affected by certain market downturns than others, depending on what types of assets they invest in. Markets will often recover in time, so we encourage members to take a longer-term view of their super and choose investment options that are consistent with their overall objectives, financial situation or needs. It's important to consider your time frame to retirement along with the level of risk you are comfortable taking.

3.2.8. When and how does Mercer share new members' IDs / issues checking employee's fund detail via Mercer portal?

3.2.9. The app of yours requires lot of upgrades to happen. Its outdated and fails to open and I keep attempting a zillion times to open. Can you pls do something about this? Even the website is pretty unreliable as it shows blank balance causing panic if someone has hacked into your system. The daily statement should start showing the increase/decrease in balance and return % of the investments.

3.2.10. When can members expect to see investment earnings since last annual review date when they log into their online account? Currently, they are unavailable. When will members be able to see their combined asset allocation e.g. if

someone has assets in Growth and assets in Conservative they can't see what their super asset allocation if they want to undertake asset rebalancing for their desired asset allocation.

3.2.11. I have been a member since only October 2022 (transferred from another fund after 20+ years) and while I have found all my numerous emails and telephone calls to Mercer Support, to be answer politely and helpfully, my web Member login unfortunately shows very inaccurate data, with only half of my accumulated funds being displayed. It seems that the Mercer Super Operations are having difficulties. Unfortunately, this is stopping me view the day-to-day performance of the fund. Is this a common complaint or am I a one-off. How do I escalate the problems?

- Accessing your super online is important and we apologise for any member frustrations in accessing your superannuation balance and performance information. We also value and appreciate your feedback.
- The Mercer Super mobile app is designed to enhance the member experience when interacting with us online and our team is committed to further enhancement over the course of this year.
- Please contact the Member Helpline team regarding any queries regarding your online account. Where your queries have not been satisfactorily addressed and you wish to escalate the matter you may log a complaint with the Helpline or by emailing MSALCustomer.Complaints@mercer.com.

3.2.12. What's the process to combine super accounts?

3.2.13. I would like to transfer my Australian superannuation account to Mercer. Your team has not been able to help.

- If you are already a super member in the MST, you can combine super from other funds into your account in the following ways:
 - Login into Member Online at mercersuper.com.au using your personal login details. Go to the 'Find my Super' page - if you have not used this feature of your account before, you will need to authenticate your identity online by providing two forms of identification.
 - Call the Helpline and we will be able to find any super you may have, including lost super, and consolidate it across to your MST account.
- If you're not a member of the Mercer Super Trust, once you have joined and your account is active, you can complete the steps above.

3.2.14. When checking my super account after LLL Super merged with Mercer Super, how would I know if my account details were correct or not? Not being a financial whiz, I have no idea how I would even go about checking my details.

- When an employer's superannuation plan is transferred into Mercer Super, members receive an exit statement from the trustee of the previous super fund outlining their closing account balance or super benefits at the date of exit from the previous fund.
- When your new account was set up in the MST, we sent you a welcome letter outlining your opening account balance or super benefits, which would match the details on your exit statement.

3.2.15. Just about my investment. Am I right in saying my fund balance went backwards in the last FY?

- As outlined in the investments update from Ms Willment, the financial year 2021-22 was a down year for investment markets across both growth and defensive asset classes.
- The negative year to 30 June 2022 came after an extended period of strength in markets and reminds us that we need to take a long term view to investing.

3.2.16. Why can I not combine my Kiwisaver with Mercer?

- Accepting rollovers from a Kiwisaver account is not a service we currently offer within the MST.

3.2.17. My fund balance and/or status is not showing up in ATO website anymore. I used to see it before. The question is why?

- This may occur if there is a mismatch between the personal information we hold about your account and the information that the ATO holds.
- You can contact our Helpline to verify that the information we have is correct. Alternatively, you can contact the ATO to confirm they have the most up-to-date information for you.

3.2.18. Does the annual payment increase from income stream benefit automatically be supplied to Centrelink?

- Information about your pension payments from the Mercer Super Trust, including any annual increase of indexation, will be automatically provided to Centrelink via our electronic reporting.

3.2.19. I would like to understand the reason why the initial results reported for 1, 5 and 10 year results were incorrect and find out how Mercer compared to other similar funds for the same period?

- Please refer to the Investment performance section for information on peer performance.

3.2.20. How much of my return is lost to fees and costs?

- The fees and costs that apply depend on which Plan you are a member of in the MST.
- As an example, a member of an employer plan in the Corporate Superannuation Division invested in the default Mercer Mercer SmartPath® investment option could expect their annual fees and costs on a balance of \$50,000 to be \$640. This includes administration fees and costs, investment fees and costs, and transaction costs. Additional fees may apply (such as insurance premiums if applicable).
- Please refer to the Product Disclosure Statement for your Plan (and any applicable Your Plan Guide) for more on the fees and costs that apply.
- One number to check in relation to your super is your account's net benefit which is the investment return you get after administration fees, investment fees, insurance premiums and taxes are removed.
- This is often the figure that goes towards the account balance that you see.
- When assessing your superannuation fund performance, you should make sure you're comparing like for like funds in order to make a fair judgment. That means comparing super funds of the same type, as well as those that have a similar risk profile.

3.2.21. If buying stocks turn out to be wrong do you have a mechanism to correct the position or you just maintained?

- Our global team of over 1,300 investment professionals strive to seek out the best investment opportunities in Australia and around the world to help grow and protect members' super balances.
- Mercer's significant scale in researching investment managers globally provides us with access to some of the best ideas from more than 7,700 investment managers around the world.
- Mercer Investments leverages a global research network to seek to establish a combination of specialist managers for each asset class, selecting managers for their strength in idea generation, portfolio construction, implementation and business management.
- These skilled investment managers look after your super with a continuous focus on managing risks, while proactively looking for opportunities within the changing landscape, to help deliver strong investment returns – ensuring that your money is given the best opportunity to grow.
- Your superannuation investment with Mercer Super is diversified and is intentionally invested across a range of asset classes and individual assets to smooth out different return and risk drivers of investing across sectors.
- While this investment can sometimes yield negative returns in the short-term, you can have confidence that our investment strategy is working hard to ensure your super is well positioned for long-term growth.

3.2.22. I need help to set up my super fund so that I receive \$200 each week. Want to know how much is left? I want to know if \$200 will affect my age pension or not.

- With an allocated pension account in the MST, you can select the amount that you receive in pension payments, subject to a minimum annual amount set by the government, which is based on your age and your pension account balance.
- The MST offers pension payments on a monthly, quarterly or annual payment frequency.
- You can monitor your account balance using Member Online (login with your personal login details).

3.2.23. We currently don't have a specific advisor so may we access the Care & Living service without charges?

- Care and Living with Mercer, offers guidance and advice to help you navigate the ageing care journey at no additional cost where you are a member of the MST. It supports families Australia-wide through the full spectrum of care. This includes help with everyday living and personal care, health care, equipment and home modification needs, and suitable accommodation if living at home is no longer the best option.
- Access this service through:
 - Our web portal mercersuper.com.au/login or link provided by your employer.
 - Advice from our Care Consultants - book a meeting at a time for when it suits you, call us or schedule a call back with our Care Consultants. Call us on 1300 222 566 or book a time to chat.

3.2.24. Why does it take 2 days or more to change our investment options?

- If you change investment options, the switch transaction will be processed using the unit price determined for the day we receive a valid and complete request.
- Processing timeframes of 2 business days is normal practise across the industry due to the time required to value assets and strike the unit price at which your switch will be processed. Information on unit pricing and transaction processing timeframes are in the Product Disclosure Documents.

3.2.25. I am a BT member and so far, I have not had a great experience with Mercer during the changeover. Whenever I have called, I have found your customer service are not able to answer questions. Why has my colleague been able to get a meeting for advice and when I asked, I was informed I could not receive any advice from Mercer until I was a member and my funds had been

transferred. I am already a member in preparation for the transfer so why can I not receive advice?

3.2.26. I am with BT. A Mercer account has been opened already, do I still have to wait until the 18th April 2023 for my account to be active?

- A Mercer Super account has not been set up for any members whose accounts will be transferred from BT Super as part of the merger. These accounts will be activated once the transfer occurs. The Mercer Super Helpline and other services related to a Mercer Super account (such as advice) will not be available until your account is set up following the transfer date, including the limited services period.
- When the BT Super MySuper Lifestage options failed the government's annual performance assessment for the second consecutive year in 2022, certain employer plans in BT Super could no longer accept new members. Some employers set up new default super arrangements in Mercer Business Super and any employees joining after August 2022 became Mercer Super members and have access to some Mercer Super services prior to the BT Super merger in April 2023.
- For more information in the interim period please visit [our dedicated webpage](#) or contact the BT Super help centre on 132 135 available to BT Super members up until Friday 31 March 2023.

3.2.27. When I rolled over my super in 2019 I did not use my full allowance of 1.6 million, can I put more into my pension fund if I get extra funds.

- You can generally transfer additional funds into a retirement phase pension where you have not reached your personal transfer balance cap. You can view your personal transfer balance cap in the [ATO's online services, through MyGov](#).
- Depending on your circumstances, your personal transfer balance cap will be equal to the general transfer balance cap that applied when you started your first retirement phase income stream. As the general cap was indexed from \$1.6 million to \$1.7 million on 1 July 2021, and is scheduled to increase to \$1.9 million from 1 July 2023, your personal cap amount may be increased by proportional indexation depending on the highest ever balance you have held in retirement phase.

3.3. Advice

3.3.1. What assistance can Mercer provide for retirement planning without paying a substantial amount for financial advice?

3.3.2. What changes would you make in providing more information and support by way of financial advice, without going into a contract with the member (to provide a plan at the cost of 7K) to plan for their retirement?

- As a member of the Mercer Super Trust, you have access to a range of advice options, including:
 - Quick and easy advice on how to invest, which you can access by logging into Mercer Online and using our simple and easy e-Advice tool (available under 'Advice Tools').
 - Access to powerful calculators, such as our [Retirement Income Simulator](#), that can help you understand your options.
 - Regular seminars on retirement planning, investments and Centrelink – [find out more or register on our website](#).
 - Phone-based advisers who can provide intrafund or limited financial advice (if applicable to your Plan) related to your Mercer Super account is at no additional cost and is a benefit of membership with Mercer Super.
 - Fees that you negotiate with a Mercer financial adviser*, or any other financial adviser, for advice about your Mercer Super account can be deducted from your account balance (subject to certain conditions).
- Call the Helpline if you wish to find out more about financial advice services or speak to a Mercer financial adviser.

*As an authorised representative of Mercer Financial Advice (Australia) Pty Ltd (MFAAPL) ABN 76 153 168 293 AFSL 411766.

3.3.3. How can I maximize my funds, and what is the maximum allowable amount that I can deposit in addition to the regular deposits?

Please also refer to member question responses at the beginning of the Education section.

- For contributions to super in the 2022-23 financial year:
 - a cap of \$27,500 applies to concessional contributions (employer contributions, salary sacrifice and personal contributions for which you claim a tax deduction).
 - a cap of \$110,000 applies to non-concessional contributions (personal after tax (except those for which you claim a tax deduction), spouse contributions, any concessional contributions over the concessional contributions cap).

- You may need to pay extra tax on amounts in excess of these caps.
- For more information on contributions and caps, refer to our [Contributions fact sheet](#). You can also call our Helpline to access our phone-based advisers to get advice on how much you can contribute to your Mercer Super account – this is at no additional cost and is a benefit of membership of membership with Mercer Super.

3.3.4. Do we have an opportunity to meet with Mercer representatives in Newcastle to discuss and structure personal situations more effectively?

- Yes, members have the opportunity to meet with an adviser in Newcastle. Please contact the Helpline so we can help direct you to the right advice service for your needs.

3.3.5. Can I book a short session with your representative to discuss my super?

- Yes. Please call the Helpline for your Plan to arrange to speak with an adviser – our contact details are provided at the beginning of this Q&A section.

3.3.6. Does Mercer have an option to add special shares to a policy portfolio? I have employee shares in a private company, the employee share company is registered with the ASX, so could I add those shares to my portfolio? Is it possible to add foreign monies (inheritance) to my portfolio using tax efficient means (QROPS)?

- Shares or investments that are held outside of the superannuation system cannot be added or linked to your superannuation account.
- Mercer Super does not accept QROPS transfers or transfers from other foreign retirement or pension schemes.

3.3.7. From what I understand, starting from age 58 you can withdraw a limited amount, same as age 59 and so on. What is the amount we can withdraw without tax for each age above? For retirement ages 65, how much taxes (approx) we have to pay. Do you have a tax bracket to share for different amount? Please share the info after event, as I am overseas and the time not suitable for us to attend.

- If you've reached your preservation age (which is between ages 55 and 60 depending on your date of birth) but have not permanently retired, you can begin accessing any preserved portion of your super through a Transition to Retirement (TTR) allocated pension. The maximum amount you can withdraw each year is 10% of your TTR account balance. For more information on our TTR allocated pension, refer to the [Product Disclosure Statement for the Allocated Pension Division](#).
- You can't withdraw your preserved super as a cash lump sum unless you've reached your preservation age and permanently retired, or you've met another condition of release allowed by law.

You can read more about preservation age and conditions of release in our [Accessing your super fact sheet](#).

- Tax applies to any super you receive before age 60, whether it's paid as a pension or a lump sum. Super paid from an accumulation account or allocated pension at or after age 60 is tax-free. You can read more in our [Tax on lump sum super payouts fact sheet](#). Tax on pension payments is described in the Product Disclosure Statement above.

3.3.8. How much notice should I give for a consultation to finalise my super arrangements before I retire? How many months does the Super take to finalise once you retire and your allocated pension commences?

- The timeframes and process at retirement depend on what (if anything) you intend to do with your super. Your super does not automatically convert to a pension upon your retirement, nor are there any other automatic changes to your super account, until you let us know your wishes.
- You can choose to invest some or all of your super to open an allocated pension account. For more information on our allocated pension, including an application form, refer to the [Product Disclosure Statement for the Allocated Pension Division](#).
- Alternatively, you can log into to Mercer Online and search for the 'Super to Pension' journey, which will help move your super into a pension account in under 10 minutes.
- If you've met a condition of release and want to withdraw some or all of your super in cash, please contact our Helpline for further assistance.
- Please keep in mind that you can also keep your existing super account open – you are not required to close or move money out of this account when you retire.
- We recommend you seek professional advice tailored to your personal circumstances from a licensed or appropriately authorised financial adviser to consider if a pension is appropriate to your objectives, financial situation and needs.

3.3.9. If I take an option of taking lumpsum do I pay tax? How do I inform you to take super monthly or a lumpsum? Do I need to write a letter to you?

- The amount of tax that applies on a lump sum depends on your age when the benefit is paid to you. We will generally deduct tax from your super payout if you are under age 60 (except terminal illness payouts). If you are aged 60 or over, your super payout will be tax-free. Refer to our [Tax on lump sum super payouts fact sheet](#) for more information.
- If you wish to invest some or all of your super to open an allocated pension account, you will need to complete an application form available in the [Product Disclosure Statement for the Allocated Pension Division](#). Alternatively, you can log into to Mercer Online and search for the 'Super to Pension' journey, which will help move your super into a pension account in under 10 minutes.

- If you've met a condition of release and want to withdraw some or all of your super as a cash lump sum, please contact our Helpline for further assistance.

3.3.10. I have 2 options when I retire, what are the pluses and minuses of both options. 1.Take a 10% of my super total per annum. 2.Take a % lump sum from the total first and then take the 10% per annum.

- The impact of different types of benefits will depend on a range of factors and may be different for individual members. We recommend you seek advice tailored to your personal circumstances.

3.3.11. I would like to know more about the investment options and improving my returns.

- You can find out more about Mercer Super's range of investment options in the [Product Disclosure Statement and Investment booklet for your Plan](#). You may also wish to [watch our 'Super investment options' webinar](#).
- It is important to consider your time frame to retirement along with the level of risk you are comfortable taking. You can get quick easy advice on how to invest by logging into Member Online (using your personal login details) and using our simple and easy e-Advice tool. You will find it under 'Advice Tools'.
- You can also call our Helpline to access our phone-based advisers to get advice on investments in your Mercer Super account – this advice is at no extra cost to you; it is a benefit of membership.

3.3.12. Is a balanced portfolio still a good strategy, given the global impact of inflation, unrest etc on share and bond results?

3.3.13. I am very uncertain and worried about my fund after losing around 60K. Currently it is locked in cash, hence not growing.

- It is always important to assess your super to make sure you continue to be in the right investment option for your circumstances. It is important to consider your time frame to retirement along with the level of risk you are comfortable taking. You can get quick easy advice on how to invest by logging into Member Online (using your personal login details) and using our simple and easy e-Advice tool. You will find it under 'Advice Tools'.
- We recommend members exercise caution in trying to time movement in and out of investment options based on where you think markets are at. Switching options at the wrong time after a market downturn may mean you end up locking in losses and you may miss out on any potential recovery.

3.3.14. Does anyone monitor the super investment plan as the clients approach their retirement age bracket?

- Mercer SmartPath® is generally our default investment option. Designed for those members who'd prefer to 'set and forget' their investment strategy. When you join the Mercer Super Trust you will generally be automatically placed into our investment default investment option, Mercer SmartPath®, unless you tell us otherwise.
- Mercer SmartPath® is an award-winning investment option that has been designed to automatically adjust the level of risk as you get closer to retirement age. For example, younger Mercer Super Trust members invested in Mercer SmartPath® will have a higher allocation of growth assets, compared to an older member whose allocation will gradually lean towards a more defensive asset allocation.
- As members get closer to retirement ages, we may provide further general information, education or communication about topics that are relevant. However, monitoring more specific features of an account, such as which investment option you're invested in, whether your insurance cover remains adequate, whether your balance is adequate for your needs, or when and how you may wish to access your superannuation when you retire, requires a detailed understanding of your personal circumstances. This is best placed to occur in consultation with a qualified financial adviser who will consider your individual objectives, financial situation and needs.

3.3.15. What is the investment strategy for retirees (or close to retirement) and how does it differ to the normal investment strategy?

- It is difficult to describe or define a single investment strategy or approach for retirees or those approaching retirements, as each person's objectives, financial situation and needs will be different.
- Factors to consider are if you're looking for growth or stability for your super, and how comfortable you are the risk of volatile or negative returns, what other assets or investments you have outside of superannuation, and what your income and other goals are for retirement.
- As a general guide, people with a shorter investment timeframe, such as those who are nearing the time they need to access their super, may prefer to have a more conservative investment mix for their super, with a larger allocation to defensive assets (such as cash and fixed interest) and smaller allocation to growth assets (such as shares and real estate). This means you may not experience the same degree of rises and falls in the value of your account balance over the short term. However, over the longer term, defensive assets may be more impacted by inflation and the potential loss of purchasing power over time. In general, conservative assets are unlikely to grow at the same pace as other investments such as shares and real estate, which have the potential to offer higher returns over the long term.
- For more information, please also refer to questions other members asked about planning for retirement and the best way for their super to be invested.

3.3.16. How do you react to sudden changes in the share market or so-called recession which many are predicting (and if it happens).

- Mercer invests your super in a wide range of asset classes and management styles as diversification is one of our key investment beliefs that can help mitigate the risk involved in investing to target a specific investment objective. In addition, we have a dynamic asset allocation process that we can utilise to tilt the portfolios to asset classes where we find opportunity, and conversely tilt away to manage risk and shift between a growth or defensive orientation to help navigate the ever-changing investment landscape.
- There are many tools and strategies we have in managing risk, including regular analysis of the investment options to ensure they have a reasonable probability of meeting its investment objective.
- Our global team of 1,300 investment experts continue to seek out the best possible investment opportunities in Australia and around the world to help grow your super.
- We monitor investment markets on a daily basis, continuously working behind the scenes to help you stay on track for your retirement.

3.3.17. As I near retirement, do you foresee any changes to the current tax rate on contributions, or maximum contribution amounts, by the current Labor Government.

- In recent years, the government has introduced changes to a number of contribution rules, including:
 - Lowering the eligibility age for downsizer contributions from age 60 to age 55 from 1 January 2023
 - Removing work test requirements to allow all types of contributions to be accepted for those aged 75 and under from 1 July 2022.
- At this time, there are no scheduled changes to the concessional contributions cap (\$27,500) or the non-concessional contributions cap (\$110,000) for the 2023-24 financial year. However, the transfer balance cap is scheduled to increase from \$1.7 million to \$1.9 million due to indexation from 1 July 2023. The Superannuation Guarantee (SG) rate for compulsory employer contributions will increase to 11% on 1 July 2023 (and will increase by 0.5% on 1 July each year thereafter until the annual rate reaches 12% effective from 1 July 2025).
- The government has announced a proposal to increase the tax rate on superannuation accounts over \$3 million from 15% to 30%. Please keep in mind that this change has not been legislated.

3.3.18. Any possible recovery for Super balance lost during Covid-19?

3.3.19. I would like, to see how this, in my experience. And with it should be a whole new Strategy change will be exciting. How long on average you will correct my Super In full?

- For members who remained invested in the same investment option through the market downturn during Covid-19, we would expect to see the majority of account balance have now recovered or are close to pre-Covid-19 balances. However, members who switched money between investment options during (or since) periods of market volatility (for example moving from a growth option to a conservative or cash option) may have missed some of the market recovery when it started to come through and may have locked in some losses.
- Please refer to the additional information and response to member questions on Mercer Super's Investment Performance section.
- Mercer remains confident in its abilities to deliver strong retirement outcomes for members over the long term.

3.3.20. What is return rate for my current plan?

- Investment returns for each Mercer investment option are provided through the [Quarterly Report](#) on our website.

3.3.21. How and what percentage did my super perform and what are the better benefits suit my money to advance the overall?

- Investment returns for each Mercer investment option are provided through the [Quarterly Report](#) on our website.

3.3.22. I have a second Super fund which means that I should probably roll one into the other: But which? The question really asks how do Mercer's fee-structure & overall performance compare with the rest of the industry generally speaking?

- Consolidating your super into one account is easy and may benefit you financially, but there are also some factors to consider:
 - Do your homework – to ensure that you're consolidating your super into a fund that meets your performance and fee expectations, we recommend you assess the reputation and historical performance of a prospective new fund, as well as review its fees before leaving your existing fund.
 - Check your super fund type – there are two general types of superannuation funds: accumulation or defined benefit funds. Seek advice before leaving a defined benefit fund as you could risk losing some inbuilt advantages (such as a lifetime pension option) that may not be available with an accumulation fund.

- Don't forget your insurance cover – you may have death, income protection or total and permanent disablement (TPD) insurance tied to your existing super account. If you change funds, you may not have access to the same cover, especially if you have pre-existing medical conditions.
- Verify your employer contributions – changing funds may affect how much super your employer contributes as some employers may pay more to one fund than another.
- Consider tax implications – there may be tax implications when you consolidate your super. For example, if you want to claim a tax deduction for super contributions, you should lodge a notice of intent to claim a tax deduction with your original fund before moving money into another fund.
- We refer you to the Fund and Investment Updates in the meeting, which outlined Mercer Super's competitive fees and costs structures and performance track record with over 84% of Mercer SmartPath® members in default options that outperformed median over 3, 5, and 7 years to 30 June 2022.

3.3.23. What are the fees that apply if using a Mercer financial advisor?

- As a member of the MST, you have access to phone-based advisers who can provide intrafund or limited financial advice related to your Mercer Super account – this is at no additional cost and is a benefit of membership with Mercer Super.
- If you receive advice outside the scope of intrafund or limited advice, fees will generally be negotiated and agreed directly between you and your adviser. Any fees that you negotiate with a Mercer financial adviser (as an authorised representative of Mercer Financial Advice (Australia) Pty Ltd ABN 76 153 168 293 AFSL 411766) or another adviser for advice about your Mercer Super account can be deducted from your account balance (subject to certain conditions).
- Call the Helpline if you wish to find out more about financial advice services or speak to a Mercer financial adviser.

4. Product

4.1. Accessing my Benefits

4.1.1. How do I access my super?

4.1.2. Am I able to access my Super for dental care?

- Super is intended for you to use in retirement so, by law, there are restrictions on when you can access it.
- If you have any unrestricted non-preserved portion of your super, you can withdraw it in cash at any time. However, most of your super will generally be preserved, which means you must meet a

'condition of release' to be able to withdraw it in cash. Your benefit statement will show you the amount of super you have in each category.

- Please read the [Accessing your super fact sheet](#). Where you wish to withdraw super from your account and you have met a condition of release, please contact our Helpline for assistance.
- If you have reached your preservation age but are not permanently retired, you can only access any preserved portion of your super through a Transition to Retirement (TTR) allocated pension. There are limits on the amount you can receive in pension payments each year with a TTR account as outlined in the [Product Disclosure Statement for the Allocated Pension Division](#).
- Where you wish to move some or all of your super to open an allocated pension account, also refer to our [Product Disclosure Statement for the Allocated Pension Division](#).
- To continue to contribute to your super account, please refer to the [Product Disclosure Statement](#).

4.1.3. What documents do I need when I reach my retirement year? How much Super can I access, get now, if I apply for early retirement, is it possible? I am already back in my home country how can I make monthly contributions? I would like to add more to my contributions on my mercersuper account.

- Super is intended for you to use in retirement so, by law, there are restrictions on when you can access it.
- If you have any unrestricted non-preserved portion of your super, you can withdraw it in cash at any time. However, most of your super will generally be preserved, which means you must meet a 'condition of release' to be able to withdraw it in cash. Your benefit statement will show you the amount of super you have in each category. Please read the [Accessing your super fact sheet](#). Where you wish to withdraw super from your account and you have met a condition of release, please contact our Helpline for assistance.
- If you have reached your preservation age but are not permanently retired, you can only access any preserved portion of your super through a Transition to Retirement (TTR) allocated pension. There are limits on the amount you can receive in pension payments each year with a TTR account as outlined in the [Product Disclosure Statement for the Allocated Pension Division](#). Where you wish to move some or all of your super to open an allocated pension account, also refer to our [Product Disclosure Statement for the Allocated Pension Division](#).
- Depending on your Plan, you may be eligible to still contribute to your account – we would generally need to receive the contributions Australia dollars. Please refer to the [Product Disclosure Statement for your Plan](#) or contact our Helpline for assistance.

4.2. Fees

4.2.1. How Mercer is planning to keep the operating costs on lower side considering negative performance of stocks?

4.2.2. How much increase will it be for managing our super this year?

4.2.3. What is the plan to achieve better performance? What are you doing to reduce the fees for members?

- As outlined in the AMM presentation, following the merger of BT Super into Mercer Super in April 2023, in aggregate and ongoing, the majority of our over 850,000 members will benefit from meaningful fee reductions, more investment choice, and ultimately better retirement outcomes.
- Members are advised to refer to the Significant Event Notice they received to find out more about fee changes that apply in their circumstances from 1 April 2023 following the BT Super merger into the MST. Updated Product Disclosure Statements will be available on our website including new fees and costs in effect from 1 April 2023.
- The fees that currently apply to your Plan in the MST are detailed in your Plan's Product Disclosure Statement, and any applicable Your Plan Guide for members of an Employer Super Plan (available by logging into Mercer Online).

4.2.4. I was previously a member of Lutheran Super so am interested in an outline of how my now 'Lutheran Super Plan' fits within the Mercer suite of 'plans'. Also interested in the level of fees and how Mercer's fees compare with other super providers.

- The Mercer Super Trust is a registered superannuation fund made up of a Corporate Superannuation Division (CSD), a Retail Division and an Allocated Pension Division. In late 2022, Lutheran Super was merged into the Mercer Super Trust via a successor fund transfer. The Lutheran Super Plan is now a plan in the Mercer Super Trust CSD. Following the BT Super merger, Mercer Super will offer one of the most competitive fees in Superannuation.

4.2.5. Any more changes planned on fee structures, especially for high balance accounts? i.e. reductions. Any newer index investment options in the premix categories? i.e more variety?

- Please refer to our earlier responses on the changes to fees and costs effective from April 2023.
- We regularly review our Mercer Super offerings. However, there are no plans to introduce additional index options to the investment menu at this time.

4.3. General

We received many questions from members asking about the benefits of being a member of the MST.

As a MST member you benefit from the following:

- membership of one of the largest superannuation master trusts in Australia,
- diverse range of investment options, including responsible and sustainable investment choices, in Australia and abroad,
- the choice to manage your investments, or simply to 'set and forget',
- limited financial advice over the phone and answers to many of your super questions via the Helpline,
- 24/7 access to your super account (including beneficiaries, investments and any insurance, plus account monitoring) via the Mercer Super app or online account,
- financial planning tools including our Retirement Income Simulator, and
- member communications and investment updates.

We have a wealth of local superannuation expertise and are committed to delivering strong retirement outcomes for Australians. Our global team of approximately 1,300 investment professionals strive to seek out the best investment opportunities in Australia and around the world to help grow and protect members' super balances.

Upon completion of the merger of BT Super into the Mercer Super Trust, we will be one of Australia's most competitive super funds in the market, providing considerable benefits to more than 850,000 members. This merger is an important step in advancing our purpose in delivering a leading super product that will help members thrive in retirement and set the benchmark in innovation and services for superannuation in Australia.

The greater scale and efficiencies achieved through this merger will provide many benefits for our members including:

- lower fees,
- strong performing, award-winning fund,
- flexible investment choice,
- insurance protection, and
- enhanced member services.

4.3.1. Basic charges applicable and benefits of being with Mercer Super compared with others organisation.

- The greater scale and efficiencies achieved through this merger will provide many benefits for our members as outlined above. Please refer to your SEN sent to you in March 2023 outlining the applicable fees, charges and benefits specific to your fund in the MST.

4.3.2. Is the Mercer group still connected with Lutheran Super?

- Yes. In late 2022, Lutheran Super was merged into the Mercer Super Trust via a successor fund transfer. The Lutheran Super Plan is now a plan in the Corporate Superannuation Division (CSD).

4.3.3. What are the fields of investments you are participating in? Is there an option to choose from the investment fields and avoid others for my super?

- Depending on your investment option(s), your super can be invested in various asset classes, including:
 - Australian and international shares.
 - Real assets such as property, infrastructure and natural resources.
 - Alternative assets such as hedge funds, private equity, mezzanine debt and insurance linked strategies.
 - Growth fixed interest such as private debt, non-investment grade corporate bonds, or sovereign bonds.
 - Defensive fixed interest predominantly highly rated sovereign bonds in developed markets or investment grade corporate bonds.
 - Cash, short-term interest bearing investments and fixed term interest bearing investments.
- Within most Mercer investment options, the asset allocation and types of assets are determined by the investment manager.
- The Mercer Direct investment option allows you to take greater control of your investments and use an online trading platform to choose from a range of shares, exchange traded funds (ETFs) listed on the Australian Stock Exchange and term deposits.
- Refer to the [Investments booklet applicable to your Plan](#) for more details on asset classes, each investment option's allocation across asset classes and the Mercer Direct option.

4.3.4. Firstly, a thank you to your team for the improvements we've seen to Mercer Dashboard and implementation of Mercer Direct. Are there plans to expand

Mercer Direct to include companies listed in overseas stock markets, in particular US?

- Thank you for your feedback. We regularly review our Mercer Super offerings. Currently, there are no plans to introduce additional changes to the Mercer Direct.

4.3.5. Do you have any offerings to move savings into Silver and Gold / physical precious metals like Perth Mint offer etc?

4.3.6. If I have a CASH component - can this be allocated to GOLD / SILVER investments?

- Mercer's Ready-made and Select-your-own investment options that have an allocation to cash assets include short-term interest bearing investments and fixed term interest bearing investments. You cannot directly select how these assets are invested.
- The Mercer Direct investment option allows members to invest directly in shares listed on the ASX 300 Index. While this is not a direct investment in precious metals, it provides members with access to companies that are linked to these types of commodities. Members can also invest in exchange traded funds (ETFs) through Mercer Direct, and there is an ETF available that focuses on gold.

4.3.7. May we have some additional ETF options in Mercer direct? Eg vanguard diversified conservative (vdco)?

- We regularly review our Mercer Super offerings. Currently, there are no plans to introduce additional changes to the Mercer Direct option.

4.3.8. Do you have any knowledge of the Federal Government revisiting Imputation credits?

- In early March 2023, the government introduced a new Bill relating to franking (imputation) credits. The provisions include aligning the tax treatment of off-market and on-market share buy-backs, as well as preventing certain distributions funded by capital raisings from being frankable. The reforms have since been referred to a Senate committee for further scrutiny.

4.3.9. Will the 50% rule on income from allocated pensions stay or go in the next budget

- As part of its response to the Covid-19 pandemic, the government reduced the minimum annual drawdown rates for certain superannuation income streams, such as allocated pensions (including Transition to Retirement allocated pensions) by 50%.
- This was a temporary measure introduced for the 2019-20 and it has been extended to include subsequent years.

- The government has not announced any intention to extend this measure any further. The reduction will therefore end on 30 June 2023 and annual pension drawdown rates will revert to the standard rates from 1 July 2023.

4.3.10. Why are there high fees for Mercer Direct investments in Term Deposits.

- Mercer Direct is an investment option in which members of certain plans in Mercer Super may choose to invest their account balance. When investing in listed securities and term deposits through Mercer Direct, the MST's fees and costs apply for this investment option. These fees are different to when you may be investing in shares, exchange traded funds (ETFs) or term deposits directly (in your own name). Please refer to the [Product Disclosure Statement for your Plan](#) (including any Your Plan Guide for employer super plans).

4.3.11. Why is there such a high spending of our funds? Can this be reduced?

- The MST has two main types of fees and costs it incurs which affect fees charged to members, being investment fees and operational expenses.
- The Trustee outsources its investment management to Mercer Investments, which in turn negotiates fees with each underlying investment manager, who manage the investment assets on our behalf. Given the scale of Mercer globally, they are often able to negotiate reductions on standard manager fee rates.
- In regard to operational expenses, there are limited opportunities to reduce a number of them. Mercer Super sets and agrees an annual strategy including a Trustee approved operational budget for activities that deliver enhancements and efficiencies to the MST on behalf of members.
- Each year the Trustee reviews the annual operational budget and reviews this against members' best financial interests for major projects.
- Please refer to the Fund update on the meaningful reductions in fees and charges being passed onto MST members from April 2023.

4.3.12. I am age 83 and have all my super in Select Growth. I have considered transferring into Smart Path. The only advantage may be reduced fees. Will fees be significantly less with Smart Path compared with Select Growth?

- The total amount of investment fees and estimated investment and transaction costs for the Mercer SmartPath® – Born prior to 1949 path are currently lower than the Mercer Select Growth investment option.
- However, fees are just one factor when considering a change in investment options. It is important to consider other factors and potential differences as well. For example, the Mercer SmartPath® – Born prior to 1949 path has a lower investment objective and a lower allocation to growth assets. This may mean the potential investment return may also be lower.

- You will need to consider if lower fees outweigh any potentially lower investment returns. You should seek advice tailored to your personal circumstances if you are unsure.

4.3.13. How good are the tools used by Mercer to predict upward and downward trends in the markets?

- Predicting market movements and cycles is inherently difficult for a range of reasons. This has been particularly evident with the unexpected and unprecedented levels of change we have seen in recent years.
- One of the best defences against uncertainty is our focus on diversification. We invest in a broad and deep set of asset classes across both public and private markets, we use underlying investment managers across a range of styles, and we have strong geographical and sector diversification.
- There will be components of the portfolio that should do well in different market environments, but we also need to stay vigilant because market conditions can change quickly which can both increase risk as well as opportunity. While diversification can sometimes yield negative returns in the short-term, you can have confidence that our investment strategy is working hard to ensure your super is well positioned for long-term growth.

4.4. Pensions

4.4.1. Why cannot the pension be paid fortnightly instead of monthly?

- Pension payments from the Allocated Pension Division in the Mercer Super Trust are currently only offered on a monthly, quarterly or annually basis.

4.4.2. Please explain when or how often CPI is adjusted into the pension payment. Is there an annual review timing for CPI adjustment in pension payments?

- The Allocated Pension Division in the Mercer Super Trust does not currently offer the option for an allocated pension to be automatically indexed or increased each year. Your pension payments will remain at your nominated amount each year, providing it continues to meet the minimum annual pension amount (and maximum amount if you have a transition to retirement allocated pension) set by the government. Your minimum (and maximum, if applicable) annual pension amounts are calculated based on your age and account balance at 1 July each year. Other than any change to meet your minimum or maximum pension requirements, there is no change to your pension amount unless requested by you.
- If you are receiving a pension from a defined benefit plan, your pension may be indexed or increased. The type of indexation that applies and when it's processed will depend on the rules for your Plan. You should refer to the product Disclosure Statement or Member Booklet for your Plan or call our Helpline.

4.4.3. Specific questions have been separately directed to Mercer's regarding issues relating to pension payments and CPI adjustments not been in accordance with specific documentation previous trustees had provided to members. It appears there has not been a full disclosure between previous trustees and Mercers in the transfer to the Master FMIC fund

- This question relates specifically to the Factory Mutual Insurance Company Australia Superannuation Plan (FMIC Plan) and does not impact other membership sections of the MST. For the FMIC Plan, MSAL has administered pension payments, including pension indexation in accordance with the FMIC Plan rules.
- Mercer Super is not able to comment on actions of the former Trustee.

4.5. Insurance

4.5.1. Would like it clarified if my existing super insurance can be stopped as because now, I have TAL employee insurance plan started from 26th Sep 2022?

- Members can cancel their insurance cover at any time. Please contact our Helpline for assistance.

4.5.2. What assurances can Mercer give that it is commitment to and abides by the insurance in superannuation code of practice?

- The trustee of the MST has previously stated its intent to adopt the Insurance in Superannuation Voluntary Code of Practice (the Code). The Code had been scheduled to come into effect on 1 January 2022.
- Since its introduction, large parts of the Code have been overtaken by legislative and regulatory reforms. As a result, in June 2021 the Code owners* announced that the voluntary code would be replaced with [guidance on issues not covered by legislation](#).
- The guidance focuses on improving outcomes in claims handling and servicing of vulnerable members. Further information in relation to the guidance can be found [here](#)
- Although now repealed, the trustee is compliant with large parts of the Code and remains committed to upholding the high standards as originally intended. The trustee will consider the guidance in its interactions with MST members.

*The Code owners are the Association of Superannuation Funds of Australia (ASFA), the Australian Institute of Superannuation Trustees (AIST) and the Financial Services Council (FSC).

4.5.3. In ref to Virgin Money Super regarding my risk attitude quiz which was slightly cautious (which I prefer) and why it doesn't match my contribution strategy that you have me as slightly confident? This question can be asked and answered generically. Also, in regard to Virgin Money Super regarding the action to not

lose insurance cover - If you have not been working for over 2 years due to redundancy when COVID-19 started and are still are not working, what can be done to keep the insurance cover so it does not lapse. I rolled over my super in Feb 2022 to Virgin Money Super and haven't made any contributions since due to not working. If I am not working and what happens if I have an accident and die/or become TPD if I don't have cover? Do I actually need this cover?

- The result of your Risk Attitude Quiz gives an indication of what type of investor you might be, based on your personal responses to a series of questions in the quiz.
- The risk profile of your current holdings and/or future contributions is an indication of the type of investor that we think would typically be suited to the investment option(s) that currently apply for your account. This is based on factors such as an investment option's investment objective, minimum suggested investment timeframe, level of risk and asset allocation.
- The quiz is intended as an educational tool and is not financial advice. It does not automatically adjust or switch how your account balance or future contributions are invested if there's a difference between your personal Risk Attitude and the risk profile of your investment options.
- You can get quick easy advice on how to invest by logging onto Member Online (using your personal login details) and using our simple and easy e-Advice tool. You will find it under 'Advice Tools'.
- If you wish to switch investment options, you can request this under the 'Investments' section of your account.
- In accordance with Protecting Your Super laws, any insurance cover you have will be cancelled if we have not received any contributions and/or rollovers to your super account for a continuous period of 16 months and you have not elected to maintain your insurance cover. Where this occurs the cost of all insurance cover will stop being deducted from your super account balance. The cancellation of insurance cover is aimed at reducing the erosion of super account balances by insurance premiums for unwanted cover. If you wish to elect to maintain your insurance cover, call the Customer Care team on 1300 652 770 (Virgin Money Super members only) to request the relevant form.
- Whether you are employed or not will not generally affect your entitlement to a death or TPD benefit* in Mercer Super providing your insurance cover is in place at the time the event occurs. For some Plans, a different definition of 'TPD' may apply if you are not employed. Please refer to the Insurance booklet applicable for your Plan or call the Customer Care team on 1300 652 770 (Virgin Money Super members only) for assistance.
- When it comes to how much cover you need, there is no 'one-size fits all' figure. Determining the amount of cover that's appropriate for you requires you to take into consideration personal circumstances such as, but not limited to, annual income, dependent children, as well as any mortgages and other debts.

- To help you determine how much cover you may need we've made available [a calculator from one of our insurers, AIA Australia](#), which can take into account your circumstances to provide you with an idea of the level of cover you may need.

*The rules for other types of cover, such as income protection, may be different.

5. Other

5.1. Defined Benefits

5.1.1. In regard to Defined benefit super can we still receive payments if still working?

- The rules around when a defined benefit super payment can be made are different for each defined benefit plan. Typically, a benefit is paid when you leave your employer's plan, for example when you retire, resign or are retrenched, or due to disablement or death.
- Some defined benefit plans may offer the opportunity to access your benefits even if you have not left your employer.
- You should refer to the Product Disclosure Statement or Member Booklet for your Plan's defined benefit section or contact our Helpline.

5.1.2. Tax over superannuation payout (\$1M, \$2M, \$3M examples). Defined benefit calculations: how to improve my super on a defined benefit?

- Our [Tax on lump sum super payouts fact sheet](#) provides a general summary of the way that super benefits are taxed when paid as a lump sum. You can also refer to the [ATO website](#).
- A defined benefit is calculated based on a formula, using factors such as how long you've been employed with your employer or a member of the defined benefit plan, your salary or the contributions you've made to the defined benefit plan. This means that growth in a defined benefit depends mainly on growth or changes in these factors.
- The way that a defined benefit payout is calculated is different for each defined benefit plan. You should refer to the Product Disclosure Statement or Member Booklet for your Plan's defined benefit section or contact our Helpline.

5.1.3. Can we talk about defined benefit please or happy for a personal call to go into some depth about my defined benefit.

- Members should call our Helpline for assistance with their defined benefit account.

5.1.4. If I take a lump sum from my defined benefit and then take the rest as a 10% pension what negatives and positives will this have on me.

- The impact of different types of benefits will depend on a range of factors and may be different for individual members. We recommend you seek advice tailored to your personal circumstances.

5.1.5. Defined benefit membership advantages, what are they?

- The amount of a defined benefit payout is calculated based on a formula, using factors such as how long you've been employed with your employer or a member of the defined benefit plan, your salary or the contributions you've made to the Plan. The features and benefits may vary significantly for each defined benefit plan therefore the advantages for a member of a defined benefit plan will also vary depending on the features and benefits of the defined benefit plan.

5.1.6. If a defined benefit fund is closed to new members does that precipitate a significant event notice?

- A significant event notice is normally required where there are material changes or significant events that affect the existing members of a Plan or fund. Depending on the nature of the change and its impact to members, a significant event may be notified directly to a member or be provided on our website, and it may be provided before, or in some cases after, the change occurs.
- If a Plan is being closed to new members but there are no changes to benefits or other features or options for existing members, it may be notified for general information but would not generally require a significant event notice to existing members.

5.2. General questions

- 5.2.1. A question relating to the ethics of Mercer: If the Mercer Super Trustee Board and Leadership team were made aware of an individual employee having been incorrectly enrolled into their employer's default Mercer superannuation fund, despite that person having correctly nominated an alternative superannuation fund of their own choosing, would Mercer willingly return that person's incorrectly received superannuation contributions and make a full refund to them of all fees and insurance payments that were charged by Mercer to that person as a result of that person having been improperly enrolled in a Mercer superannuation fund? If such a situation was brought to the attention of Mercer Trustee Board and Leadership team, would they agree it was fair and reasonable to return that person's improperly received contributions, as well as reasonable compensation for the lost growth in the value of those contributions for the period from when they were made to the point at which they were**

returned instead of refusing to make any refund as it was deemed the employer's error and not Mercer's?

5.2.2. Does Mercer agree that the payment of commissions to employers provide them with an incentive to incorrectly enrol new employees as members of a default employer Mercer fund against the employee's stated directions and wishes? Mercer Super is unaware of any circumstances where employers are paid commissions as an incentive to join members to the MST when they have chosen another superannuation fund. Are all bonuses based on performance dividends / returns?

- Contributions made by an employer on behalf of a member that were not in accordance with a member's wishes can be refunded to the employer. This is in line with APRA Prudential Practice Guide SPG 270 Contribution and Benefit Accrual Standards. To correct this error and refund the contributions to the employer, the Mercer Super Trust requires confirmation from both the employer and the member that an error had occurred. The Mercer Super Trust then returns the total contributions to the employer without the deduction of any expenses (fees or insurance premiums) or the crediting of interest which could be negative or positive. If the member wishes to make a claim for interest, they would need to approach their employer.
- In supporting the development of our colleagues to drive business and client successes our employees are regularly assessed throughout the year, and rated based on individual performance, behavioural and technical competencies for variable rewards which is discretionary and linked to individual and business performance paid by the Company and not from member funds. The award structure is designed to encourage retention of key talent, medium or long-term business value creation.

5.2.3. The issue raised at the 2021 meeting about ASIC investigation of Mercer was only selectively answered in respect of MSAL. However, MSAL uses other Mercer entities too in their trusteeship of our fund. Please update the status of ASIC investigations including fees-for-no-service, in respect of all Mercer entities providing superannuation services.

- In 2019 by Mercer Financial Advice (MFA) found instances where some clients may have been charged financial advice fees where all aspects of the financial advice services may not have been provided. Some of these clients were members of the MST, for which MSAL is the trustee. MFA promptly undertook a remediation program where it refunded fees to its financial advice clients who did not receive all aspects of those services. The remediation program concluded in 2021.
- On 29 June 2022, following an investigation into the matter, ASIC commenced a civil penalty proceeding against MFA in the Federal Court of Australia. No other Mercer entity, including MSAL, is a party to that proceeding. A penalty hearing was held in December 2022, and a final determination is yet to be made by the Court.

5.2.4. How many complaints were not answered within the target timeframe?

- A new definition of complaints applied from October 2021 in accordance with ASIC Regulatory Guide RG271. This introduced a more inclusive definition of complaints. For the period between October 2021 and June 2022 for complaints in relation to the MST:
- 2,541 complaints resolved of which 64 were resolved outside of the 45-day response period (2.52%)

5.2.5. Will you be distributing any of the slides in the presentation to your members via email?

- The presentation materials and a recording of the full AMM is available on our website.

5.2.6. Has Mercer Australia or any divisions within had penalties applied by ASIC or APRA since 2010?

- MSAL reports on any penalties levied against it in the [Mercer Super Trust Annual Report](#) each year. Please refer to the relevant Annual Reports for this information.

5.2.7. How many members have referred a complaint to AFCA?

- Complaints numbers with the Australian Financial Complaints Authority (AFCA)* for the year ended 30 June 2022:
 - 92 complaints received; of which 36 complaints resolved at time of registration;
 - 60 complaints progressed with AFCA.

*Source: Australian Financial Complaints Authority

5.2.8. Please explain Downsizer limit of \$300

- If you're aged 65 or over you can make an after-tax contribution to your super up to a maximum of \$300,000 (for each spouse) using the proceeds from the sale of your main residence. The total contribution amount can't be greater than the total proceeds from the same of your home. You must also meet all of the following conditions:
 - you owned the home for at least 10 years
 - the proceeds from sale are exempt or partially exempt from capital gains tax (CGT)
 - you provide your super fund with the downsizing contribution form, either before or at the time of making your downsizing contribution
 - you make your downsizing contribution within 90 days of receiving the proceeds of sale
 - you have not previously made a downsizing contribution to your super from the sale of another home.

- A downsizing contribution is not counted against your non-concessional contribution cap
- Please refer to the [ATO website for more information about these rules](#), including how the contribution works between spouses.

5.2.9. Other than ESG methodology do you assess any criteria for the compliance with the Uniting Church's policies re the beneficiary Fund?

- There is no specific criteria or constraints specified in the current Participation Agreement. Please refer to the [Product Disclosure Statement and Investment booklet](#) applicable to this Plan.

5.3. Cyber Security

- 5.3.1. How is Mercer securing our private information based on the failed security hacking that occurred with Optus and Medibank recently?**
- 5.3.2. Given the recent data security breaches incurred by Optus and Medibank, what is Mercer doing to upgrade its digital security and protect its customers from unauthorised access to their data? Are there any plans for Mercer to remove any unnecessary customer data from its customer records?**
- 5.3.3. With all the recent cybersecurity events how are you ensuring our security & the security of our funds?**
- 5.3.4. With the devastating cyber attacks on Optus and Medibank in 2022, what steps are Mercer taking to protect members data and assets from any future attacks? In 2022 I experienced some frustration dealing with the slow speed and inefficiencies of Mercer's internal administration. What steps are Mercer taking to improve internal systems in order to maximise customer satisfaction?**
- Cyber risk and data security is a top priority for Mercer, part of the global Marsh McLennan, as well as in Australia. This global support and expertise helps manage this risk for our members with over 120 cyber security specialists protecting the organisation's customers and its data amongst other things. This covers 80% of the controlled environment that applies to the Mercer Super Trust here in Australia.
 - Across all of Mercer, our cyber security framework meets one of the highest maturity levels within the Australian government's cyber security framework. In addition to our cyber risk and data security practices, we would encourage all our members to be aware of potential risky behaviours or red flags read more here mercersuper.com.au/security-tips-for-your-super/, more specifically:
 - Do not share your Mercer Online login or password with any unauthorised users and contact us immediately if you think your details may have been compromised or account activity appears suspicious.

- Make sure your contact details are up to date with us, so we have the right details to get in touch with you if we spot anything suspicious.
- Our Mercer Helpline or Advice teams may need to call you from time to time. They may ask security questions to make sure they are talking to the correct person (such as your full name, address or date of birth) but they will never ask you to reveal your online password. If you are not sure if a call is legitimate, please hang up and call us directly to verify.

5.3.5. Can you clarify whether the current multifactor authentication process is activated each time you log into your account? Or is this a once-off security step when you register your account online for the first time?

- Currently, a multifactor authentication process and request to re-authenticate occurs if you access your account from a new device or if your browser settings have been cleared from an existing device. The multifactor authentication and request to re-authenticate also occurs if you haven't accessed your member online account for an extended period of time.