

# Annual Outcomes Assessment

## Macquarie Group Super Plan

Financial year ending 30 June 2024

The information is published in accordance with the requirements of s52(9) of the Superannuation Industry (Supervision) Act 1993 ('legislation').

Product	Trustee	Super Fund	Category
Macquarie Group Super Plan (the <b>Product</b> )	Mercer Superannuation (Australia) Limited ( <b>MSAL</b> or <b>Trustee</b> )	Mercer Super Trust ( <b>MST</b> )	MySuper and Choice

### Purpose

As required by legislation, this document contains:

- the Trustee's determination as to whether the financial interests of the beneficiaries holding the Product are being promoted by the Trustee having regard to the assessments and comparisons prescribed by legislation; and
- a summary of the assessments and comparisons upon which the Trustee's determination is based. The Trustee's determination is as of 27 February 2025 and is based on information for the year ended 30 June 2024, as well as changes to the Product made after that date.

### Overall Determination

The Trustee has determined that the financial interests of the beneficiaries holding the Product are **being promoted**.

This is based on the assessments and comparisons summarised below. In doing so, the Trustee compared the Product against MySuper products and other Choice investment options offered by regulated superannuation funds.

### Summary of the Trustee's assessment

When carrying out the assessment, the Trustee considered a number of factors including, fees and costs, investment performance and options, insurance fees and options, and the overall size and scale of the Mercer Super Trust.

The assessment consists of two sections. The table below provides a summary of the factors considered for each Section.

Factor	Rating
Section One	
Fees and costs	
Investment returns	N/A <sup>1</sup>
Investment risk	
Section Two	
Options, benefits and facilities	
Investment strategy	
Insurance strategy	
Insurance fees	
Scale	
Operating costs	
Basis for setting fees	

Determination	Colour Rating
Members' financial interests are promoted	
Members' financial interests are mostly promoted	
Members' financial interests are not promoted	

<sup>1</sup> There is insufficient performance history to assess the Macquarie Balanced Growth option return over the 3- and 5- year period to 30 June 2024. No rating has therefore been applied.

# Section One: Summary of our performance assessment

## Guide to reading this section

### Comparison Table Key

Quartile	Colour Rating
Bottom 25% of Products (Bottom Quartile) (Q4)	
Bottom 50% to 25% of Products (Below Median) (Q3)	
Top 50% to 75% of Products (Above Median) (Q2)	
Top 25% of Products (Top Quartile) (Q1)	

For Fees and costs, Above Median refers to the fees being less expensive than the median. Below Median refers to the fees being more expensive than the median.

For Investment returns, Above Median refers to the returns being higher than the median. Below Median refers to the returns being lower than the median.

This section provides the outcome of the Trustee's assessment of Fees and costs, Investment returns and Investment risk compared to peers and benchmarks.

### 1. Fees and costs

Determination	Assessment
<b>Members' financial interests are promoted</b>	MySuper - Macquarie Balanced Growth achieved a Q3 ranking relative to all MySuper products for the year to 30 June 2024 based on an assessment of fees and costs.
	Choice - The Choice fees and costs are mid-market or better for most options. The \$50,000 and \$100,000 balance comparisons have two options ranked at Q2 with the rest being Q1.

The Trustee remains committed to delivering products and investment options that promote member outcomes and foster growth to enable benefits of increased scale to continue to be passed onto members.

## MySuper

Table 1 – Macquarie Balanced Growth MySuper annual fees and costs comparison compared to the APRA MySuper median<sup>2</sup>

Product	MySuper annual fees and costs
Macquarie Balanced Growth	\$370.00
MySuper median	\$415.00

## Choice

Table 2 – Choice fees and costs competitor rankings for \$50,000 balance

		For \$50,000 balance			
Fee category	Investment option	Administration fees and costs	Total fees and costs	Rank	Quartile
High Growth	Mercer High Growth	0.12%	0.87%	9 / 59	Q1
Growth	Mercer Growth	0.12%	0.74%	5 / 67	Q1
Balanced	Mercer Moderate Growth	0.12%	0.84%	13 / 56	Q1
Conservative	Mercer Conservative Growth	0.12%	0.72%	11 / 67	Q1

Table 3 – Choice fees and costs competitor rankings for \$100,000 balance

		For \$100,000 balance			
Fee category	Investment option	Administration fees and costs	Total fees and costs	Rank	Quartile
High Growth	Mercer High Growth	0.12%	0.87%	14 / 59	Q1
Growth	Mercer Growth	0.12%	0.74%	9 / 67	Q1
Balanced	Mercer Moderate Growth	0.12%	0.84%	18 / 56	Q2
Conservative	Mercer Conservative Growth	0.12%	0.72%	17 / 67	Q2

## 2. Investment returns

Determination	Assessment
N/A	<p>MySuper - Macquarie Balanced Growth achieved a Q4 ranking based on quartile ranking against peers over 1 year to 30 June 2024 (net of fees and taxes). However, there is insufficient Mercer performance history to assess the Macquarie Balanced Growth option return over the 3- and 5- year period to 30 June 2024. No rating has therefore been applied.</p> <p>Choice - All Choice options are rated mid-market or better (Q1 or Q2) over the 1-year period to 30 June 2024. However, there is insufficient Mercer performance history to assess the performance of the Macquarie Choice options over the 3 and 5-year period to 30 June 2024.</p>

<sup>2</sup> Source: APRA Quarterly MySuper Statistics Tables 2a SRF 700.0 – Item 4 (30 June 2024) and based on a balance of \$50k.

## MySuper

Macquarie Balanced Growth return figures have been 'stitched' to allow for the change in the Macquarie Balanced Growth investment option from December 2022. Macquarie Balanced Growth and most Choice investment options that are assessed are performing well in relation to the Annual Superannuation Performance Test benchmark, as indicated by monthly monitoring. Changes approved by the Trustee in 2024 will be implemented in 2025 to ensure the Macquarie Balanced Growth option is positioned to support members best financial interests and ensure it remains appropriate.

Under the Government's Your Future, Your Super reforms, which came into effect on 1 July 2021, APRA is required to conduct an Annual Performance Assessment (APA) for MySuper products. At Mercer Super, there is only 1-year performance history to 30 June 2024. However, as performance stitching has been applied for the purposes of the APA, the Macquarie Balanced Growth option has sufficient performance history to be assessed in APRA's 30 June 2024 APA, which it **passed**.

Table 4 – Macquarie Balanced Growth net investment returns for a representative member (account balance of \$50,000) as at 30 June 2024<sup>3</sup>

Investment option	1 yr. net return (p.a) <sup>4</sup>	3 yr. annualised net return (p.a)	5 yr. annualised net return (p.a)
Macquarie Balanced Growth	8.34%	N/A	N/A

With an inception date in December 2022, there is insufficient data to review performance history for the 3 and 5 year periods to 30 June 2024 so no rating has been applied.

## Choice

APRA introduced the APA for Trustee-directed Products from 1 July 2023. All MST Choice options surveyed within the 2023-24 APA **passed**.

## 3. Investment risk

Determination	Assessment
Members' financial interests are promoted	MySuper -The Macquarie Balanced Growth option is positioned in Q2 relative to all other MySuper products with the same growth asset band and risk label.
	Choice - The Trustee ensures that it has a range of options available for members to choose from, with different risk characteristics and investment objectives. During the last review in 2024 the Trustee confirmed that it was comfortable with the level of investment risk in each choice investment option.

<sup>3</sup> Quartile rankings are based on risk bands to provide a more accurate assessment compared to ranking against all MySuper funds

<sup>4</sup> Values only provided for options funded as at 30 June 2023

## MySuper

The level of investment risk for MySuper products has been measured using the methodology set out in *APRA Reporting Standard SRS 700.0 Product Dashboard*.

Table 4 – Macquarie Balanced Growth ranking against other MySuper products with the same growth asset band and risk label

Investment option	Estimated number of negative net investment returns over a 20-year period	Rank amongst all products with the same growth asset band and SRM <sup>5</sup>
Macquarie Balanced Growth	4.20	5

## Choice

There is no publicly available information which provides a breakdown of the level of investment risk for each Choice product and therefore it is difficult to make reasonable comparisons against the industry. However, the net returns assessment implicitly takes into account a comparison of investment risk.

The Trustee performs an annual review of each Choice investment option to understand the level of investment risk inherent in each option and whether that would be in line with the expectations of the members who are invested in that option. During the last review in 2024 the Trustee confirmed that it was comfortable with the level of investment risk in each Choice investment option.

<sup>5</sup> The APRA Quarterly MySuper Statistics included 27 single diversified MySuper options as at 30 June 2024. There are 17 options with the same risk label as the Macquarie Balanced Growth option.

# Section Two: Summary of the assessment factors

The Trustee's assessment of the Product as at 30 June 2024 is based on the following criteria specified by the legislation.

Factor	Determination
<b>Options, benefits and facilities</b>	<p><b>Members' financial interests are promoted</b></p> <p>The options, benefits and facilities are appropriate for members of the Product having regard to the financial interests of beneficiaries in this product.</p> <p>The MST offers access to a broad range of investment options from lifecycle to choice and direct investing options. Insurance coverage is across ~82% of the membership with the highest ratings across all offerings by external ratings houses such as Chant West and SuperRatings. The Trustee is focused on continuing to uplift the member and digital member experience, as well as enhancing the advice offering that supports our members' journey into and in retirement.</p>
<b>Investment strategy</b>	<p><b>Members' financial interests are promoted</b></p> <p>The last annual investment strategy review was completed for the Macquarie Balanced Growth and Choice options in November 2024. Changes to asset allocation and the investment objective have been approved to ensure the investment strategy for Macquarie Balanced Growth remains appropriate.</p> <p>The review identified that the investment strategy for the choice options remains appropriate.</p>
<b>Insurance strategy</b>	<p><b>Members' financial interests are promoted</b></p> <p>The last comprehensive independent review of the Insurance Management Framework (IMF) occurred in September 2023, with the next independent review due to occur in 2026. The outcomes of the review concluded that the IMF (and Insurance strategy) are operating effectively in members' best financial interests.</p> <p>The IMF also undergoes an annual review to ensure that changes to MSAL's business operations are appropriately reflected in the IMF. The IMF was last updated in September 2024.</p> <p>The Trustee's insurance strategy underpins a strong insurance offer, making a range of insurance benefits available to members. The nature of the insurance offer reflects the differing needs of members. In cases where default cover is provided on an automatic basis, members can adjust or cancel their cover at any time to ensure that the cover they hold is appropriate and affordable for their circumstances.</p> <p>For insured members, there is a continuing focus to reduce frictions in the member servicing model and improving claims admittance rates and claims durations.</p>

<b>Insurance fees</b>	<p><b>Members' financial interests are promoted</b></p> <p>Ensuring that insurance fees charged in relation to a product are affordable and do not inappropriately erode the retirement income of beneficiaries is a key objective of the Trustee's insurance strategy.</p> <p>The approach applied by the Trustee to meet this objective is that the cost of default cover provided to members on an automatic basis should not generally exceed 1% of a member's estimated salary. For the Product the cost of insurance provided to members on an automatic basis does not generally exceed 1% of an estimated salary.</p> <p>Insurance fees for members insured are highly competitive at Q1 relative to the market for Death and Total &amp; Permanent Disablement (TPD) cover. This evaluation supports MSAL's determination that the insurance fees for Macquarie Group Super members are suitably aligned with the financial interests and needs of its beneficiaries.</p>
<b>Scale</b>	<p><b>Members' financial interests are promoted</b></p> <p>Scale has grown for the Product and the overall MST over the year. The number of member accounts across MST increased by ~148,000 and FUM increased by \$1.2billion.</p> <p>Macquarie Group Super Plan and MST both have sufficient scale to be sustainable. Although this Annual Outcomes Assessment is for Macquarie Group Super Plan specifically, the product benefits from the full scale of the Trustee's operations. The Trustee remains committed to offering and managing products and investment options that enhance member outcomes and foster growth, allowing the advantages of scale to be shared with members.</p>
<b>Operating costs</b>	<p><b>Members' financial interests are promoted</b></p> <p>The Trustee incurs operating costs in ensuring the efficient and effective operation of the MST, including Macquarie Group Super Plan. Both current and projected operating costs per member are reasonable with the net operating income per account remaining stable and sustainable.</p>
<b>Basis for setting fees</b>	<p><b>Members' financial interests are mostly promoted</b></p> <p>One of the Trustee's strategic objectives is to deliver competitive products and services. The Trustee recognises that the manner in which fees are charged to MST members is a material consideration in assessing the promotion of members' financial interests.</p> <p>The Trustee annually assesses the appropriateness of the fees charged to Macquarie Group Super Plan beneficiaries. The basis for setting fees continues to be suitable for the Product, recognising that the Trustee is continuing to enhance and improve its policies and procedures.</p>

Issued by Mercer Superannuation (Australia) Limited (MSAL) ABN 79 004 717 533, Australian Financial Services Licence 235906, the trustee of the Mercer Super Trust ABN 19 905 422 981 ('Mercer Super').

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Past performance is not a reliable indicator of future performance. The value of an investment in Mercer Super may rise and fall from time to time. The investment performance, earnings or return of capital invested are not guaranteed.

Ratings are likely to change and are only one factor to be taken into account when deciding to invest in a product.

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