

2023 SUPPLEMENTARY ANNUAL REPORT – PART 3

Mercer Super Trust

Westpac Group Plan – Defined Benefit (your plan)

Issued December 2023.

Your Mercer Super Trust 2023 Annual Report consists of three parts:

Part one – The Mercer Super Trust 2023 Annual Report - which contains a general update on the Mercer Super Trust and tells you about the changes that have been made to the Mercer Super Trust during the year to 30 June 2023. These changes may have an impact on your super now and in the future so it's important that you carefully read the section entitled 'Changes to the Mercer Super Trust' to see how this applies to you.

Part two – The Investment Options Details booklet - which contains information relating to the investment options available in the Corporate Superannuation Division and Allocated Pension Division. This includes investment performance, asset allocation, investment costs and transaction costs for these investment options for the year ended 30 June 2023.

Part three – Your 2023 Supplementary Annual Report - which contains additional information specific to your plan for the year ended 30 June 2023.

All parts should be read in conjunction and kept together for future reference. A reference to this Annual Report means parts one, two and three collectively unless the context requires otherwise.

ABOUT YOUR PLAN

Membership numbers	
At 30 June 2023	3,383
Plan assets	
As at 30 June 2023 [^]	\$2,189,060,959

[^] This figure is prepared on a cash basis. This means that it does not allow for any accruals such as outstanding contributions or benefits due as at 30 June 2023.

YOUR PLAN STYLE

Your plan provides members with defined benefit style super where generally some or all of your super relates to salary and years of membership/service.

EMPLOYER SUPERANNUATION GUARANTEE CONTRIBUTIONS

By law, your employer is generally required to provide a minimum level of super for its employees - the Superannuation Guarantee (SG). There may be some circumstances where your employer is not required to meet the SG. The SG is the amount the employer must provide for each employee, not a minimum amount to be contributed to each fund. Your employer may provide the SG through more than one fund. The SG rates are set out below:

Period	SG - % of Ordinary Time Earnings (OTE*)
1 July 2022 to 30 June 2023	10.50%
1 July 2023 to 30 June 2024	11.00%

* OTE is generally remuneration including your regular salary or wages, salary sacrifice superannuation contributions, any over-award payments, shift allowances, bonuses and commissions. It generally does not include overtime payments or benefits subject to fringe benefits tax.

An employer is only required to provide SG on OTE up to the maximum contribution base, which is \$60,220 per quarter for the year ending 30 June 2023 (\$62,270 per quarter for the year ending 30 June 2024) and is indexed on 1 July each year.

For employee members, the benefits paid by the plan must be equal to or greater than a minimum level specified by your plan's actuary. This amount is deemed to be equivalent to an employer contribution equal to the SG amount.

If you are a defined benefit member, concessional contributions also include notional taxed contributions, which are determined based on the notional taxed contribution rate that applies to you. Please note, this rate may be affected by changes in the Superannuation Guarantee. You can find details of your notional taxed contributions and your notional taxed contribution rate by using your personal login at mercersuper.com.au/westpacgroupplan.

FINANCIAL POSITION OF THE PLAN

For members with defined benefit style super, the amount your employer contributes varies depending on the advice of an actuary. At least every three years, the plan's actuary prepares an investigation report that states how much your employer needs to contribute so that plan assets are expected (on the actuary's assumptions) to be sufficient to meet any super payouts now and in the future. For members with only accumulation style super, your employer will generally be required to make super contributions at least equal to the SG amount.

As at 30 June 2023, the value of the plan's assets was 106% of (i.e. greater than) the sum of all members' super payouts assuming all employed members ceased employment at that date and other members were paid their Accrued Benefit amount. This means, the plan was in a satisfactory financial position at that date, as defined by superannuation legislation.

Since the last actuarial investigation, 01/04/2023, your employer has contributed in line with the contributions recommended by the plan's actuary.

In the event of your plan being wound up while the value of the plan's assets is lower than the sum of all members' super payouts assuming all employed members ceased employment at that date, your actual super payout may be less than your leaving service payout i.e. your leaving service payout may be reduced. Benefit entitlements of lifetime pensioners and former employees with retained benefits may also be reduced. However, your employer may choose to make an additional contribution at that time to make up the difference.

Note that the trustee has not been advised of any intention to wind up the plan at the date of this report - the above is provided for information purposes only.

*Note: a reference to members in the above section includes defined benefit members, accumulation members and lifetime pensioners of the plan.

ACCRUED BENEFITS CALCULATION

As at 30 June 2023, the value of the plan's assets was 109.5% of (i.e. greater than) the plan's accrued benefits. As at 30 June 2023, the plan's accrued benefits amounted to \$1,923,300,000.

The plan's accrued benefits are:

- For accumulation members, the sum of their super payout assuming they ceased employment at that date, plus
- For defined benefit members the actuarial present value at the valuation date of the amount required to meet the proportion of future benefit payments attributed to membership completed at the valuation date.
- For pensioners, the present value of their future pension payments.

The main assumptions used to determine the value of accrued benefits for defined benefit members and pensioners are shown below.

The plan's actuary considers the following movements in the assumptions used to calculate the accrued benefits are reasonably possible for the reporting period:

Assumption	Rate used at 30 June 2023	Reasonably possible change	Amount of increase in accrued benefits	Amount of decrease in accrued benefits
Discount Rate (or Investment earning rate)	6.70%	+1%		\$166,144,807
		-1%	\$208,710,869	
Salary adjustment rate	3.75%	+1%	\$6,091,259	
		-1%		\$3,807,037
Pension indexation rate (if applicable)	2.75%	+0.5%	\$61,330,793	
		-0.5%		\$55,907,270

POLICY COMMITTEE

Your plan has a policy committee made up of 4 member and 4 employer representatives. This policy committee has been set up with members' interests in mind.

As at 30 June 2023 your representatives were:

Member elected	<ul style="list-style-type: none">• Adam Palmer• Joshua Burnell• Julia Da Silva• Julie Roughley
Employer-appointed	<ul style="list-style-type: none">• Gavin Cliff• Max Bulloch• Mark Bateup• Tim Oner

Appointment and removal of policy committee members

Member representatives are elected by the members. Employer representatives are appointed by your employer.

Member representatives generally serve for a term of three years. The term of office for the current member representatives expires in May 2024. A new election will be held shortly before this date. You're entitled to see a copy of the election rules for the Mercer Super Trust. Call the Helpline on **1800 682 525** for more details.

Member representatives will cease to hold office sooner if they:

- cease to be a member of the plan;
- become ineligible under the law;
- resign as a member representative; or
- are removed by a notice in writing to the trustee signed by a majority of members.

Filling casual vacancies

If there is a casual vacancy for a member representative the remaining member representatives on the policy committee may be asked to assist the trustee in determining how the vacancy will be filled in accordance with the election rules.

INVESTMENT PERFORMANCE RATE (CREDITING RATE)

The net investment return of the Westpac Group Plan –Defined Benefit Plan each year, less administration costs, is used to calculate the investment performance rate that is applied to your accounts at 30 June each year (excluding your SuperSave account).

The investment performance rate is the rate of return (positive or negative) applied at 30 June each year to:

- all of your sub-accounts with the exception of your SuperSave account as at the previous 30 June; and
- contributions received to these accounts during the year.

The investment performance rate does not apply to your SuperSave account as it has member investment choice.

INTERIM INVESTMENT PERFORMANCE RATE (INTERIM CREDITING RATE)

If your benefit becomes payable during the year before an investment performance rate is available for that year, investment performance is applied at the interim investment performance rate.

This interim rate applies to:

- all of your sub-accounts with the exception of your SuperSave account; and
- contributions received during the year into these accounts.

The interim investment performance rate is currently calculated as the expected net rate of investment return (positive or negative) of the Westpac Group Plan – Defined Benefit over the whole year, and is revised regularly to take account of actual investment returns.

If the interim investment performance rate is revised, the new rate usually applies from 1 July of that year until it is next revised or until the investment performance rate is available.

INTEREST ON BENEFITS PAYABLE

From the date you leave the Westpac Group to the date your super is paid, interest will be applied to your super benefit at a rate based on the return of the cash investment option (excludes SuperSave account). The value of your SuperSave account on the day your super is paid will be based on the unit price of the investment option that applies on that day.

CHANGE IN NET ASSETS IN YOUR PLAN TO 30 JUNE 2023

Net assets at 1 July 2022	\$0
Plus	
Net investment revenue	\$10,779,242
Employer contributions*	\$49,196,594
Member contributions	\$616,618
Government co-contributions	\$2,670
Transfers from other funds	\$2,165,321,756
Insurance proceeds	\$0
Total revenue	\$2,225,916,880
Less	
Benefits paid	\$30,735,581
Administration fees	\$0
Group insurance premiums	\$0
Contributions and surcharge tax	\$6,120,340
Total expenses	\$36,855,921
Equals	
Net assets# at 30 June 2023	\$2,189,060,959

* The amounts shown as employer contributions include any pre-tax or salary sacrifice member contributions.

This may include unallocated assets, which may be used to pay plan expenses, insurance premiums and for any other purpose approved by the trustee. This information has been prepared on a cash basis.

The financial information contained in this Supplementary Annual Report for your plan has not been audited. This information does form part of the full financial accounts for the Mercer Super Trust in which your plan participates. You can request a copy of the Mercer Super Trust full audited accounts and the auditor's report by contacting the Helpline.

This supplementary annual report has been 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 is a registered trademark of Mercer (Australia) Pty Ltd (Mercer) ABN 32 005 315 917.

The information contained in this Supplementary Annual Report includes general product advice which has been prepared without taking into account the personal objectives, financial situation or needs of individual members. Before making any decisions about your super, you should consider the information in light of your own objectives, financial situation and needs and read and consider the current Product Disclosure Statement (PDS) and/or other member materials specific to your plan. Copies of these documents are available at mercersuper.com.au or by calling the Helpline.

It is also recommended that you obtain advice from a licensed, or appropriately authorised, financial adviser.

You should be aware that the value of an investment in the Mercer Super Trust may rise and fall. Neither MSAL, Mercer nor any of the investment managers guarantees the investment performance, earnings or return of capital invested in the Mercer Super Trust. © 2023, Mercer LLC. All rights reserved.

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STATEMENT OF FINANCIAL POSITION OF YOUR PLAN AT 30 JUNE 2023

Assets (investment options)

Ready-made investment options	
Mercer SmartPath	\$0
Mercer Diversified Shares	\$0
Mercer High Growth	\$10,081,626
Mercer Select Growth	\$0
Mercer Growth	\$60,519,309
Mercer Moderate Growth	\$0
Mercer Conservative Growth	\$2,263,325
Select-your-own investment options	
Mercer Sustainable Plus Australian Shares	\$0
Mercer Sustainable Plus Global Shares	\$0
Mercer Sustainable Plus High Growth	\$0
Mercer Sustainable Plus Growth	\$430,474
Mercer Sustainable Plus Moderate Growth	\$0
Mercer Sustainable Plus Conservative Growth	\$0
Mercer Australian Shares	\$0
Mercer International Shares	\$3,168,220
Mercer International Shares - Hedged	\$0
Mercer Property	\$0
Mercer Fixed Interest	\$715,873
Mercer Cash	\$2,431,020
Mercer Global Listed Property	\$0
Mercer Passive Australian Shares	\$0
Mercer Passive International Shares	\$0
Mercer Passive Australian Listed Property	\$0
Mercer Enhanced Passive Growth	\$0
Mercer Enhanced Passive Conservative Growth	\$0
Mercer Heritage Australian Shares	\$3,501,201
Westpac Group Plan – DB Pension	\$1,059,811,846
Westpac Group Plan – DB Active	\$1,046,138,064
Mercer Direct	\$0
Total	\$2,189,060,958

MERCER HERITAGE AUSTRALIAN SHARES INVESTMENT OPTION

The Mercer Heritage Australian Shares investment option is only available to members of this plan and who are currently invested in this option. As it is not available to other members of the Mercer Super Trust, it is appropriate that we provide you with the following details regarding the Mercer Heritage Australian Shares investment option in this supplementary annual report. Details regarding all of the other investment options available through your plan are set out in Part one of the 2023 Annual Report.

Objectives

The Fund aims to exceed the benchmark, before management cost, over the medium to long term.

Standard risk measure

High

Asset allocation at 30 June

Asset Class	2023	2022
Australian Shares	99.5%	na
International Shares	0%	na
Property & Infrastructure	0%	na
Alternative Assets	0%	na
Higher Yielding Fixed Interest	0%	na
Defensive Fixed Interest & Cash	.5%	na

Investment performance

Single year returns to 30 June 2023

Year	Single year return %
2023	na
2022	na
2021	na
2020	na
2019	na

Compound return to 30 June 2022

Compound return % per annum	1 Year	5 Year	10 Year
Heritage Shares	na	na	na

Single year and compound returns are calculated assuming that \$1.00 is invested at the start of the relevant period and that no further amounts are invested over the period. Returns are based on exit prices and allow for the deduction of tax and investment fees (but not administration fees or other fees).