



Mercer Super Trust

2020

Mercer Easy - Newcastle
Supplementary Annual Report

Part three

Prepared December 2020



welcome to brighter

Important information

Your Mercer Super Trust 2020 Annual Report consists of three parts :

Part one – Your Mercer Super Trust 2020 Annual Report - 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 2020. 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 - contains information relating to the investment options available in the Corporate Superannuation Division and Allocated Pension Division. This includes investment performance, asset allocation and Indirect Cost Ratios for these investment options for the year ended 30 June 2020. Information for Mercer Easy – Newcastle is found in Part three.

Part three – This 2020 Supplementary Annual Report – contains information relating to the investment options available in Mercer Easy – Newcastle. This includes investment performance, asset allocation and Indirect Cost Ratios for these investment options for the year ended 30 June 2020.

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.

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Welcome to the 2020 Mercer Easy - Newcastle Supplementary Annual Report

Your 2020 Annual Report and 2020 Mercer Easy - Newcastle Supplementary Annual Report are issued by the trustee, Mercer Superannuation (Australia) Limited (MSAL).

Mercer Easy - Newcastle key metrics

Mercer Easy – Newcastle Key Metrics	
Membership numbers as at 30 June 2020	1,395
Assets as at 30 June 2020 [*]	\$71,473,011

^{*}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 2020.



Important information about your super and pension

Binding death nominations

The trustee encourages members to review any nominations they have in place on a regular basis.

If you have made a valid Binding Death Benefit Nomination, note that it will expire after 3 years. If your Binding Death Benefit Nomination has lapsed the benefit will be paid to your Legal Personal Representative to become part of your Estate. If your Legal Personal Representative cannot be found, the benefit will be paid to one or more of your Dependants in the proportions determined by the trustee. If the trustee cannot find your Legal Personal Representative or your Dependants it will pay the benefit to other people chosen by the trustee.

Consolidating your super has never been so easy

We can help bring all your accounts together over the phone; with no paperwork, no hassle.

Call our Helpline on **1800 931 040** or, you can do it online at **[mercersuper.com](https://www.mercersuper.com)**.

Investment information

Your investment options in detail

You can choose from a range of investment options in Mercer Easy - Newcastle, which have different investment styles and asset classes.

The menu of investment options available is specific to Mercer Easy - Newcastle, and whether you prefer to leave the hard work to us or if you prefer to have some control over your investments, we have you covered.

You can create your own investment mix by choosing a combination from our range of investment options giving you the option to get more involved with how your funds are invested.

See the following pages for information on each investment option, as follows:

- Super - Ready-made options (pages 4 to 5)
- Super - Select-your-own investment options (pages 6 to 8)
- Pension - Ready-made options (pages 9 to 10)
- Pension - Select-your-own investment options (pages 11 to 13).

Investment Managers

The investment manager for the Newcastle Cash investment option is Newcastle Permanent Building Society ABN 96 087 651 992 AFSL 238273. Please refer to Part 1 of the Mercer Super Trust 2020 Annual Report for a list of the investment managers that apply to the other Mercer Easy - Newcastle investment options.

Notes to the investment option tables on pages 5 to 14

Investment Performance

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

The investment returns shown in this Supplementary Annual Report do not take into account the unique characteristics that apply to each member (such as timing of cashflows). As a result, the actual returns applying to a particular member may vary from the investment returns shown.

Past performance should not be relied upon as an indicator of future performance.

The performance information contained in this report is up to date at the time of its preparation. You can obtain updated investment performance information by calling our Helpline. We can send you a copy of the updated information, free of charge, on request.

Indirect Cost Ratio

The Indirect Cost Ratios (ICR), are for the year ending 30 June 2020. They are based on the actual information available and/or reasonable estimates for the period as at the date of this Supplementary Annual Report. The ICRs may vary from year to year. The ICR consists of indirect costs (including but not limited to, performance related fees, any expense allowance charged by external investment trusts or managers, the net explicit transactional and operational costs and Over the Counter Derivative costs used for either hedging and non-hedging purposes) incurred by the underlying investment vehicles of the Mercer Super Trust.

N/A means the investment option does not have any investment in it.

Asset Allocation

N/A means that either the investment option was not open for investment or there were no monies invested in it as at 30 June of the relevant year.

Expense allowance

For each of the investment options listed in the following pages, the expense allowance charged for the period of 1 July 2019 to 30 June 2020 was 0.05% per annum.

Mercer Easy - Newcastle Super

Ready-made Investment options

Mercer Growth

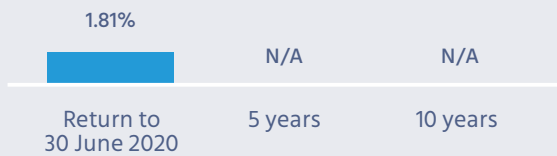
★ Investment Objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.5% per annum over rolling five year periods.

Indirect Cost Ratio

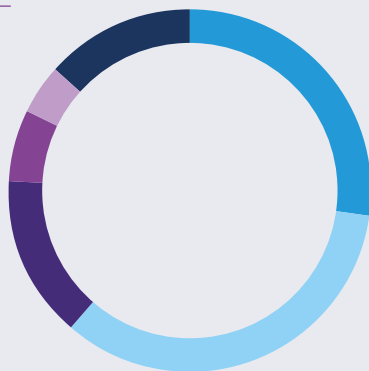
0.40%

Performance



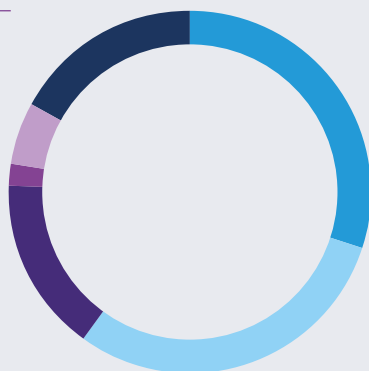
Asset Allocation at 30 June 2019

- Australian Shares 27.4%
- International Shares 34.0%
- Real Assets 14.7%
- Alternative Assets 6.2%
- Growth Fixed Interest 4.6%
- Defensive Fixed Interest & Cash 13.1%



2020

- Australian Shares 30.2%
- International Shares 30.0%
- Real Assets 15.4%
- Alternative Assets 2.0%
- Growth Fixed Interest 5.5%
- Defensive Fixed Interest & Cash 16.9%



Mercer High Growth

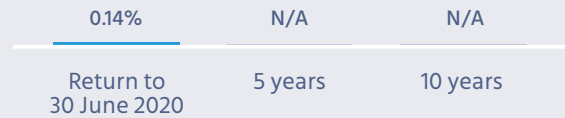
★ Investment Objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4% per annum over rolling seven year periods.

Indirect Cost Ratio

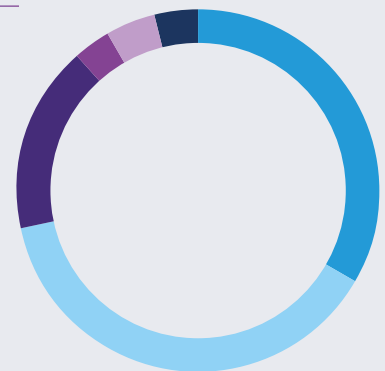
0.40%

Performance



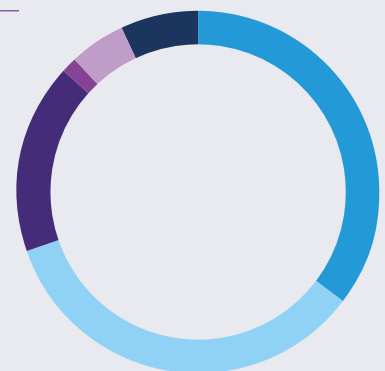
Asset Allocation at 30 June 2019

- Australian Shares 33.5%
- International Shares 38.2%
- Real Assets 16.9%
- Alternative Assets 3.1%
- Growth Fixed Interest 4.6%
- Defensive Fixed Interest & Cash 3.7%



2020

- Australian Shares 35.5%
- International Shares 34.3%
- Real Assets 17.0%
- Alternative Assets 1.3%
- Growth Fixed Interest 5.2%
- Defensive Fixed Interest & Cash 6.7%



Mercer Easy - Newcastle Super

Ready-made Investment options

Mercer Conservative Growth

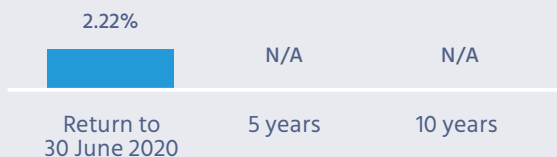
★ Investment Objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 1.5% per annum over rolling three year periods.

Indirect Cost Ratio

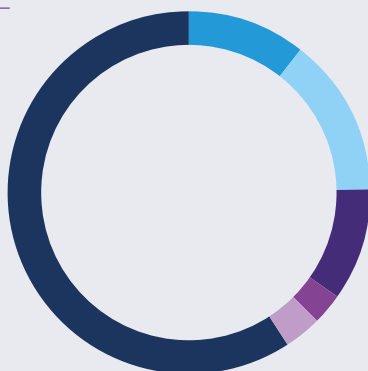
0.26%

Performance



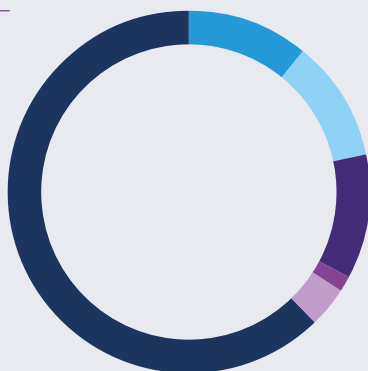
Asset Allocation at 30 June 2019

- Australian Shares 10.6%
- International Shares 14.2%
- Real Assets 10.1%
- Alternative Assets 2.8%
- Growth Fixed Interest 3.3%
- Defensive Fixed Interest & Cash 59.1%



2020

- Australian Shares 11.0%
- International Shares 10.9%
- Real Assets 11.0%
- Alternative Assets 1.3%
- Growth Fixed Interest 3.6%
- Defensive Fixed Interest & Cash 62.2%



Mercer Easy - Newcastle Super

Select-Your-Own Investment options

Indexed Diversified Shares

★ Investment Objectives

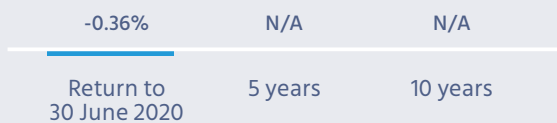
To meet the benchmark return over the medium to long term.

* Currently the benchmark for this option is a composite of the S&P/ASX 300 Accumulation Index, MSCI World ex Australia (with net dividends reinvested) in Australian dollars Index and the MSCI World ex Australia (with net dividends reinvested).

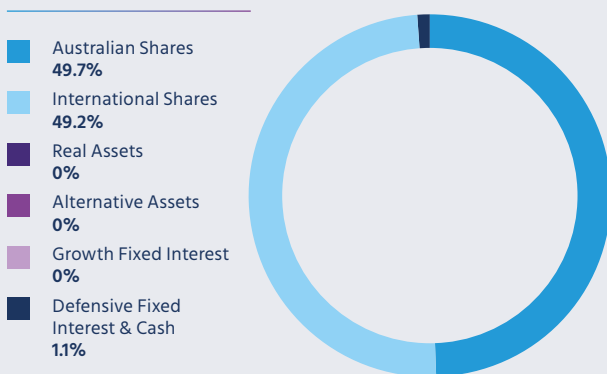
Indirect Cost Ratio

0.07%

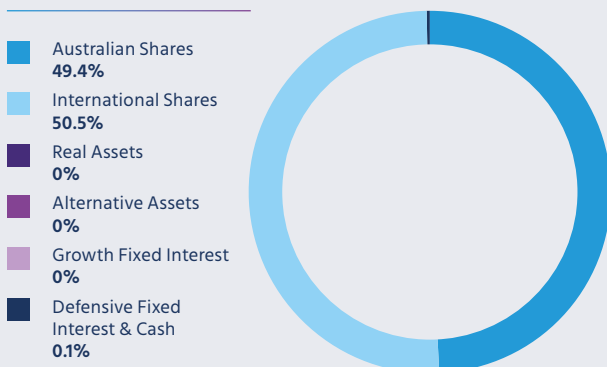
Performance



Asset Allocation at 30 June 2019



2020



Enhanced Indexed Conservative Growth

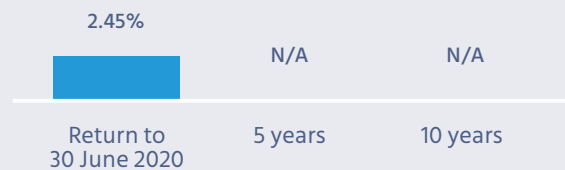
★ Investment Objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 1.5% per annum over rolling three year periods.

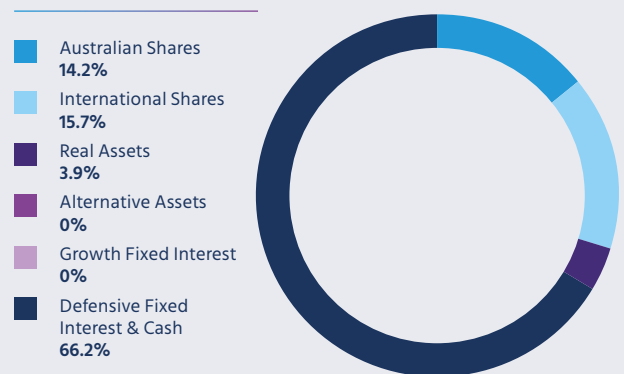
Indirect Cost Ratio

0.11%

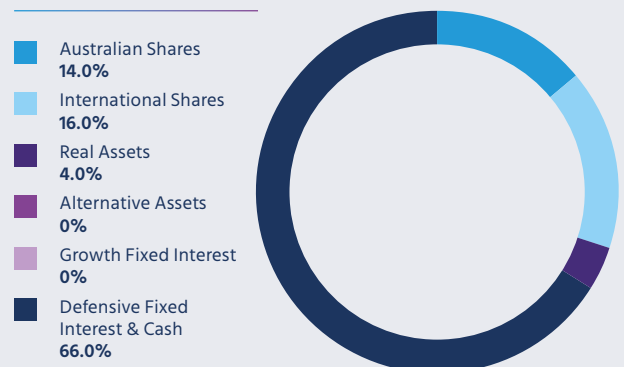
Performance



Asset Allocation at 30 June 2019



2020



Mercer Easy - Newcastle Super

Select-Your-Own Investment options

Enhanced Indexed Growth

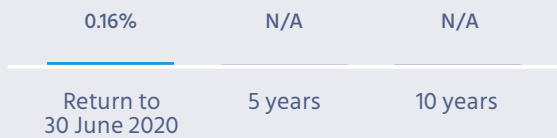
★ Investment Objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3% per annum over rolling five year periods.

Indirect Cost Ratio

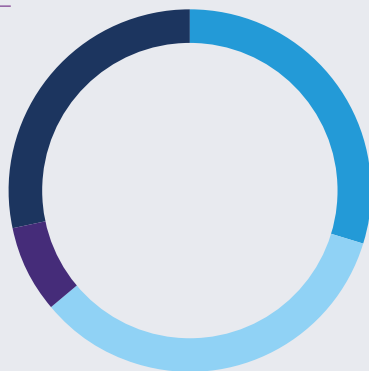
0.10%

Performance



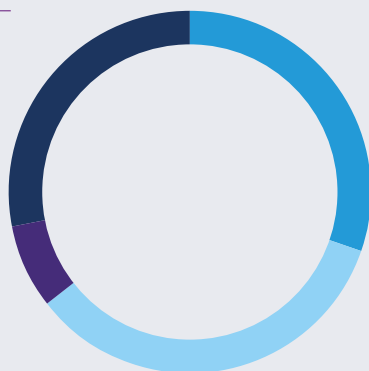
Asset Allocation at 30 June 2019

- Australian Shares 29.9%
- International Shares 34.0%
- Real Assets 7.8%
- Alternative Assets 0%
- Growth Fixed Interest 0%
- Defensive Fixed Interest & Cash 28.3%



2020

- Australian Shares 30.3%
- International Shares 34.3%
- Real Assets 7.5%
- Alternative Assets 0%
- Growth Fixed Interest 0%
- Defensive Fixed Interest & Cash 27.9%



Mercer Cash

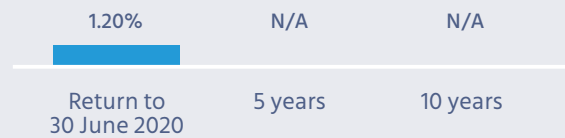
★ Investment Objectives

To maintain the invested capital and to achieve a return above that available on bank bill as measured by the Bloomberg AusBond Bank Bill Index on an annual basis.

Indirect Cost Ratio

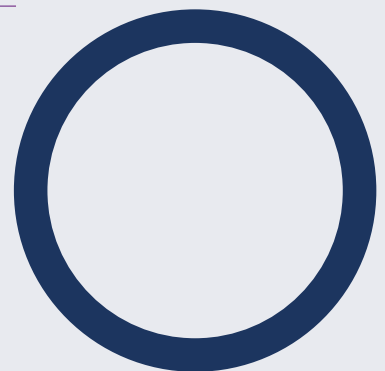
0.03%

Performance



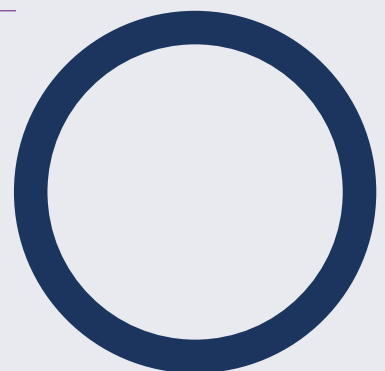
Asset Allocation at 30 June 2019

- Australian Shares 0%
- International Shares 0%
- Real Assets 0%
- Alternative Assets 0%
- Growth Fixed Interest 0%
- Defensive Fixed Interest & Cash 100.0%



2020

- Australian Shares 0%
- International Shares 0%
- Real Assets 0%
- Alternative Assets 0%
- Growth Fixed Interest 0%
- Defensive Fixed Interest & Cash 100.0%



Mercer Easy - Newcastle Super

Select-Your-Own Investment options

Newcastle Cash

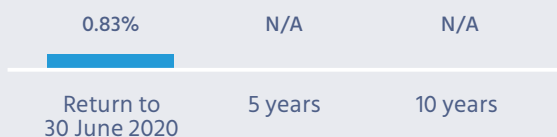
Investment Objectives

To achieve an annual return (after tax and investment management fees) of at least the Reserve Bank of Australia (RBA) cash rate less an adjustment for tax.

Indirect Cost Ratio

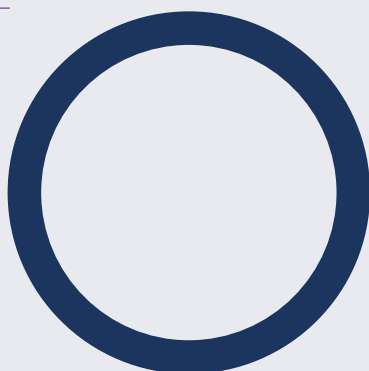
0.00%

Performance



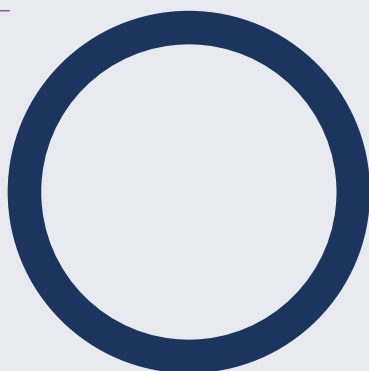
Asset Allocation at 30 June 2019

- Australian Shares 0%
- International Shares 0%
- Real Assets 0%
- Alternative Assets 0%
- Growth Fixed Interest 0%
- Defensive Fixed Interest & Cash 100.0%



2020

- Australian Shares 0%
- International Shares 0%
- Real Assets 0%
- Alternative Assets 0%
- Growth Fixed Interest 0%
- Defensive Fixed Interest & Cash 100.0%



Mercer Easy - Newcastle Pension

Ready-made Investment options

Mercer Growth - Pension

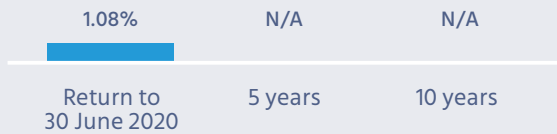
★ Investment Objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4% per annum over rolling five year periods.

Indirect Cost Ratio

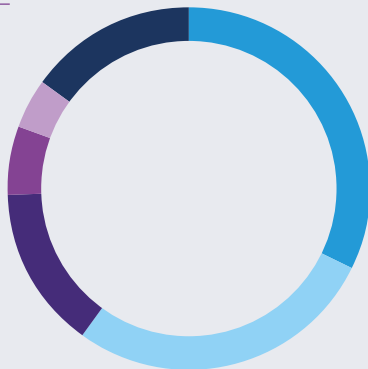
0.43%

Performance



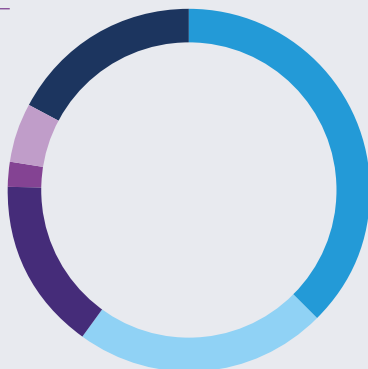
Asset Allocation at 30 June 2019

- Australian Shares 32.3%
- International Shares 27.9%
- Real Assets 14.4%
- Alternative Assets 6.1%
- Growth Fixed Interest 4.5%
- Defensive Fixed Interest & Cash 14.8%



2020

- Australian Shares 37.5%
- International Shares 22.5%
- Real Assets 15.5%
- Alternative Assets 2.0%
- Growth Fixed Interest 5.5%
- Defensive Fixed Interest & Cash 17.0%



Mercer High Growth - Pension

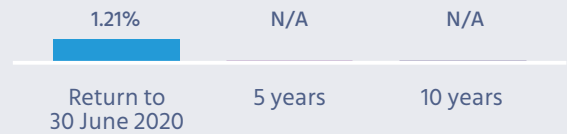
★ Investment Objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 4.5% per annum over rolling seven year periods.

Indirect Cost Ratio

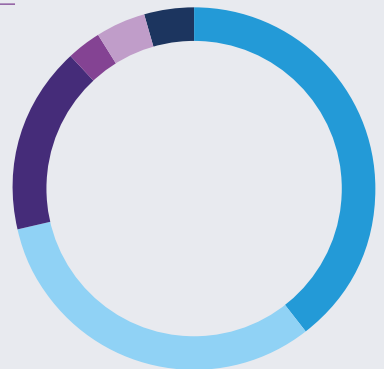
0.43%

Performance



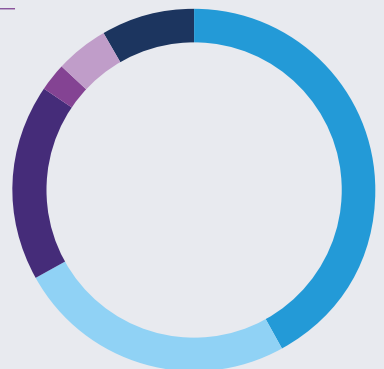
Asset Allocation at 30 June 2019

- Australian Shares 39.5%
- International Shares 32.0%
- Real Assets 16.6%
- Alternative Assets 3.1%
- Growth Fixed Interest 4.6%
- Defensive Fixed Interest & Cash 4.2%



2020

- Australian Shares 42.1%
- International Shares 25.1%
- Real Assets 17.4%
- Alternative Assets 2.5%
- Growth Fixed Interest 4.6%
- Defensive Fixed Interest & Cash 8.3%



Mercer Easy - Newcastle Pension

Ready-made Investment options

Mercer Conservative Growth - Pension

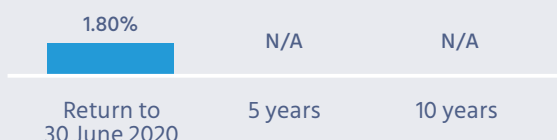
★ Investment Objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 1.75% per annum over rolling three year periods.

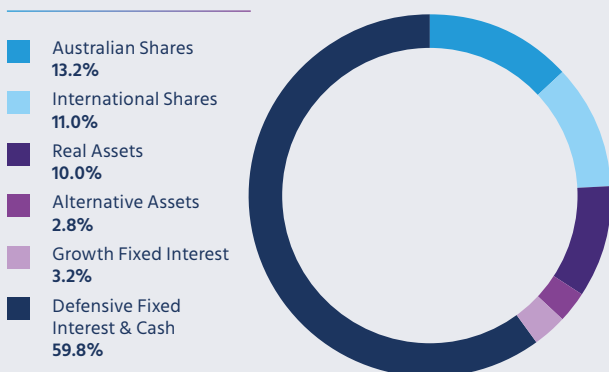
Indirect Cost Ratio

0.27%

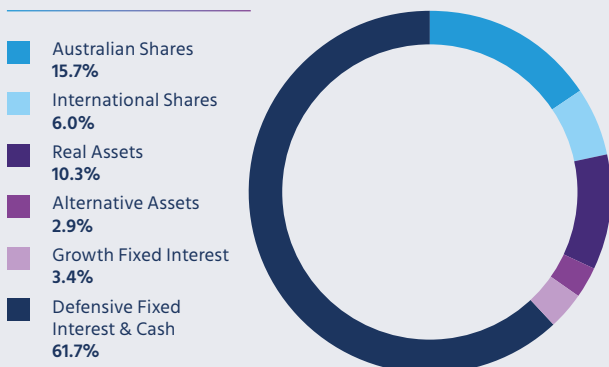
Performance



Asset Allocation at 30 June 2019



2020



Mercer Easy - Newcastle Pension

Select-Your-Own Investment options

Indexed Diversified Shares - Pension

★ Investment Objectives

To meet the benchmark return over rolling three year periods.

Indirect Cost Ratio

N/A. The investment option did not have any investment at 30 June 2020.

Performance

The investment option did not have any investment at 30 June 2020.

Asset Allocation at 30 June 2019

The investment option did not have any investment at 30 June 2019.

■ Australian Shares	N/A
■ International Shares	N/A
■ Real Assets	N/A
■ Alternative Assets	N/A
■ Growth Fixed Interest	N/A
■ Defensive Fixed Interest & Cash	N/A

2020

The investment option did not have any investment at 30 June 2020.

■ Australian Shares	N/A
■ International Shares	N/A
■ Real Assets	N/A
■ Alternative Assets	N/A
■ Growth Fixed Interest	N/A
■ Defensive Fixed Interest & Cash	N/A

Enhanced Indexed Conservative Growth - Pension

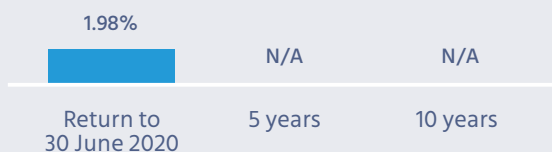
★ Investment Objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 1.0% per annum over rolling three year periods.

Indirect Cost Ratio

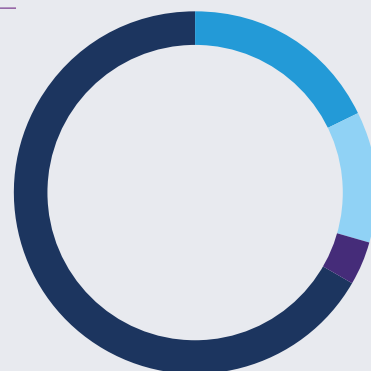
0.11%

Performance



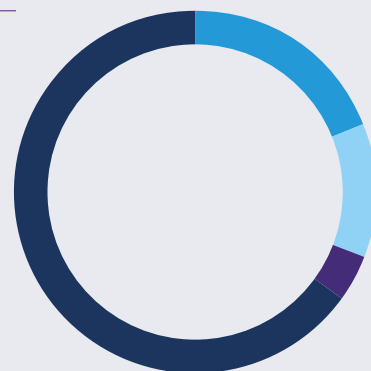
Asset Allocation at 30 June 2019

■ Australian Shares	17.8%
■ International Shares	11.8%
■ Real Assets	4.0%
■ Alternative Assets	0%
■ Growth Fixed Interest	0%
■ Defensive Fixed Interest & Cash	66.4%



2020

■ Australian Shares	19.1%
■ International Shares	12.0%
■ Real Assets	4.1%
■ Alternative Assets	0%
■ Growth Fixed Interest	0%
■ Defensive Fixed Interest & Cash	64.8%



Mercer Easy - Newcastle Pension

Select-Your-Own Investment options

Enhanced Indexed Growth - Pension

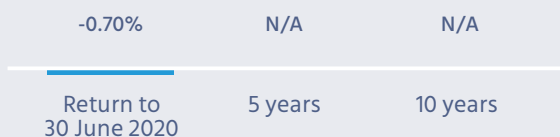
★ Investment Objectives

To achieve a return (after tax and investment fees) that exceeds CPI increases by at least 3.5% per annum over rolling five year periods.

Indirect Cost Ratio

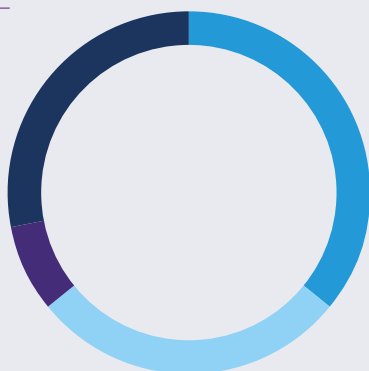
0.10%

Performance



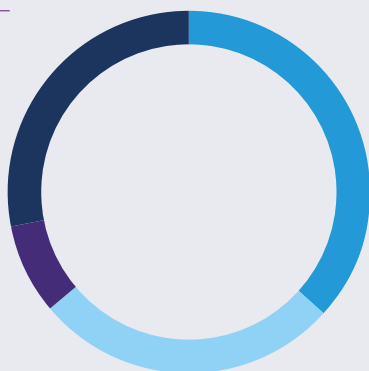
Asset Allocation at 30 June 2019

- Australian Shares 36.0%
- International Shares 28.2%
- Real Assets 7.9%
- Alternative Assets 0%
- Growth Fixed Interest 0%
- Defensive Fixed Interest & Cash 27.9%



2020

- Australian Shares 36.8%
- International Shares 27.3%
- Real Assets 7.9%
- Alternative Assets 0%
- Growth Fixed Interest 0%
- Defensive Fixed Interest & Cash 28.0%



Mercer Cash - Pension

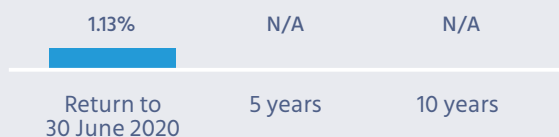
★ Investment Objectives

To maintain the invested capital and to achieve a return above that available on bank bill as measured by the Bloomberg AusBond Bank Bill Index on an annual basis.

Indirect Cost Ratio

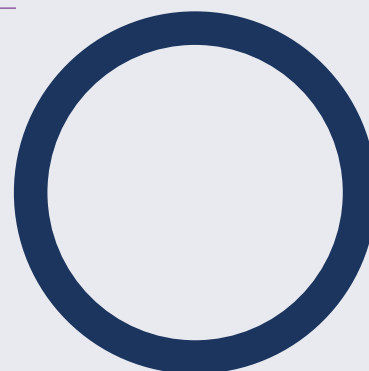
0.03%

Performance



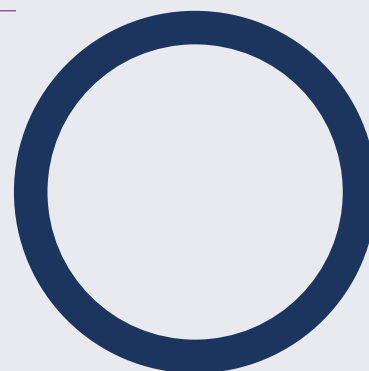
Asset Allocation at 30 June 2019

- Australian Shares 0%
- International Shares 0%
- Real Assets 0%
- Alternative Assets 0%
- Growth Fixed Interest 0%
- Defensive Fixed Interest & Cash 100.0%



2020

- Australian Shares 0%
- International Shares 0%
- Real Assets 0%
- Alternative Assets 0%
- Growth Fixed Interest 0%
- Defensive Fixed Interest & Cash 100.0%



Mercer Easy - Newcastle Pension

Select-Your-Own Investment options

Newcastle Cash - Pension

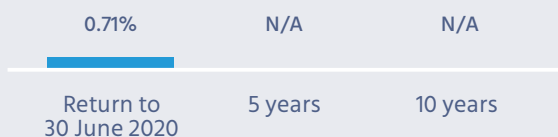
Investment Objectives

To achieve an annual return (after tax and investment management fees) of at least the Reserve Bank of Australia (RBA) cash rate less an adjustment for tax.

Indirect Cost Ratio

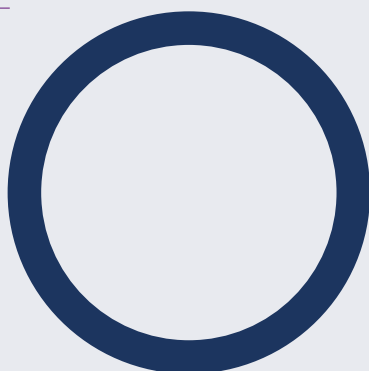
0.00%

Performance



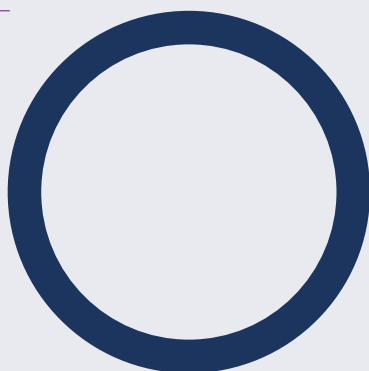
Asset Allocation at 30 June 2019

- Australian Shares 0%
- International Shares 0%
- Real Assets 0%
- Alternative Assets 0%
- Growth Fixed Interest 0%
- Defensive Fixed Interest & Cash 100.0%



2020

- Australian Shares 0%
- International Shares 0%
- Real Assets 0%
- Alternative Assets 0%
- Growth Fixed Interest 0%
- Defensive Fixed Interest & Cash 100.0%



Mercer Easy - Newcastle Super Financials

Statement of financial position at 30 June 2020

Net assets at 1 July 2019	\$56,161,607
PLUS	
Net investment revenue	\$ 469,152
Employer contributions*	\$ 1,043,944
Member contributions	\$ 241,127
Government co-contributions	\$ 28,518
Transfers from other fund	\$ 592,822
Insurance proceeds	\$ 44,100
Total revenue	\$ 2,419,663
LESS	
Benefits paid	\$ 10,602,693
Administration fees	\$ 173,714
Group insurance premiums	\$ 34,874
Contributions tax	\$ 114,354
Total expenses	\$ 10,925,635
EQUALS	
Net assets at 30 June 2020	\$ 47,655,635

* Please note that the amounts shown in the table above as employer contributions include any pre-tax or salary sacrifice member contributions.

This information has been prepared on a cash basis.

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

Change in net assets to 30 June 2020

Investment options	
Indexed Diversified Shares	\$331,523
Enhanced Indexed Growth	\$1,120,210
Enhanced Indexed Conservative Growth	\$1,642,932
Newcastle Cash	\$35,029,723
Mercer Cash	\$774,482
Mercer High Growth	\$2,873,728
Mercer Growth	\$2,959,884
Mercer Conservative Growth	\$2,923,153
Total	\$47,655,635

Mercer Easy - Newcastle Pension Financials

Statement of financial position at 30 June 2020

Net assets at 1 July 2019	\$29,353,963
PLUS Net investment revenue	\$ 66,300
Transfers from previous fund	\$ 360,125
Total revenue	\$ 426,425
LESS Benefits paid	\$ 5,867,438
Administration fees	\$95,574
Total expenses	\$ 5,963,012
EQUALS	
Net assets at 30 June 2020	\$ 23,817,376

This information has been prepared on a cash basis.

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Change in net assets to 30 June 2020

Investment options	
Indexed Diversified Shares - Pension	\$0
Mercer Cash - Pension	\$601,020
Mercer High Growth - Pension	\$20,420
Mercer Growth - Pension	\$2,243,608
Mercer Conservative Growth - Pension	\$2,895,594
Enhanced Indexed Growth - Pension	\$290,369
Enhanced Indexed Conservative Growth - Pension	\$1,206,263
Newcastle Cash - Pension	\$16,560,102
Total	\$23,817,376

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

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