

Changes to the Mercer Sustainable Plus investment options

19 April 2024

Product Disclosure Statement update

The information in this notice dated 19 April 2024 provides information in relation to your account in the Corporate Superannuation Division (CSD) and Mercer SmartRetirement Income (MSRI) account in the Allocated Pension Division (APD) in the Mercer Super Trust. This notice should be read in conjunction with the Product Disclosure Statement (PDS), any other important information booklets referred to in the PDS and any member materials you have received since joining the Mercer Super Trust.

Before making an investment decision, you should read the information in this notice and the PDS.

Changes to the Mercer Sustainable Plus investment options

As a result of a recent review, the Trustee has decided to make some changes to the Mercer Sustainable Plus investment options.

- Effective 19 April 2024, certain Mercer Sustainable Plus options will be closed.
- Effective 24 May 2024:
 - the **Mercer Sustainable Plus** investment options will be renamed **Mercer Sustainable** investment options
 - there will be changes to the Strategic Asset Allocation (SAA), SAA ranges and the Additional Exclusion Criteria; and
 - there will be a change to the Standard Risk Measure (SRM) for the Mercer Sustainable Plus Conservative Growth and Taxed Mercer Sustainable Plus Conservative Growth options.

Closure of Mercer Sustainable Plus investment options

The following Mercer Sustainable Plus options will be closed and removed from the CSD and MSRI investment menu, effective 19 April 2024:

- Mercer Sustainable Plus Australian Shares
- Mercer Sustainable Plus International Shares
- Mercer Sustainable Plus Growth
- Mercer Sustainable Plus Moderate Growth
- Mercer Sustainable Plus Shares
- Taxed Mercer Sustainable Plus Australian Shares
- Taxed Mercer Sustainable Plus International Shares
- Taxed Mercer Sustainable Plus Growth
- Taxed Mercer Sustainable Plus Moderate Growth

Effective 19 April 2024, this notice removes references to the closed investment options in the PDS and any other important information booklets referred to in the PDS.

Renaming of Mercer Sustainable Plus investment options

The following Mercer Sustainable Plus investment options will be renamed, effective 24 May 2024:

Current name	New name
Mercer Sustainable Plus High Growth	Mercer Sustainable High Growth
Mercer Sustainable Plus Conservative Growth	Mercer Sustainable Conservative Growth
Taxed Mercer Sustainable Plus High Growth	Taxed Mercer Sustainable High Growth
Taxed Mercer Sustainable Plus Conservative Growth	Taxed Mercer Sustainable Conservative Growth

Changes to the Strategic Asset Allocation (SAA) and SAA Ranges

Effective 24 May 2024, there will be a change to the SAA, Growth and Defensive asset allocation, and SAA ranges that will apply to the following Mercer Sustainable Plus investment options.

Option Name	Current		New		Current		New		
	Sustainable Plus High Growth		Sustainable High Growth		Sustainable Plus Conservative Growth		Sustainable Conservative Growth		
	SAA	Range	SAA	Range	SAA	Range	SAA	Range	
% Growth Assets	87%	65 - 100%	86%	65 - 100%	38%	20 - 60%	38%	20 - 60%	
% Defensive Assets	13%	0 - 35%	14%	0 - 35%	62%	40 - 80%	62%	40 - 80%	
Asset class	Australian Equities	34.0%	20 - 50%	0.0%	0 - 5%	10.0%	0 - 25%	0.0%	0 - 5%
	Global Equities	40.5%	25 - 55%	70.0%	55 - 85%	12.0%	0 - 25%	22.0%	0 - 40%
	Real Assets	13.5%	0 - 35%	15.0%	0 - 35%	17.5%	0 - 40%	18.0%	0 - 40%
	Alternatives	4.0%	0 - 15%	7.0%	0 - 20%	3.0%	0 - 15%	3.0%	0 - 20%
	Growth Fixed Interest	5.0%	0 - 15%	6.0%	0 - 15%	9.5%	0 - 20%	10.0%	0 - 20%
	Defensive Fixed Interest & Cash	3.0%	0 - 20%	2.0%	0 - 20%	48.0%	35 - 65%	47.0%	30 - 60%

Changes to Standard Risk Measures (SRM)

Effective 24 May 2024, there will be a change to the SRM that will apply to the following Mercer Sustainable Plus investment options.

Option	SRM - Current	SRM - From 24 May 2024
Mercer Sustainable Plus Conservative Growth	Medium	Low to Medium
Taxed Mercer Sustainable Plus Conservative Growth	Medium	Low to Medium

Updates to the Sustainable Investments Additional Exclusion Criteria

Certain exclusions (Exclusion Criteria) apply to Mercer Super Trust assets managed by Mercer Investments (Australia) Limited or Advance Asset Management Limited. Some additional exclusions (Additional Exclusion Criteria) are applied to investments made within the Mercer Sustainable Plus investment options.

The Mercer Sustainable Plus High Growth, Mercer Sustainable Plus Conservative Growth, Taxed Mercer Sustainable Plus High Growth and Taxed Mercer Sustainable Plus Conservative Growth options will apply an updated Additional Exclusion Criteria to the assets invested in the Global Shares and Global Credit asset classes of these options (as detailed below), on or around 24 May 2024.

Global Shares Additional Exclusion Criteria

Additional Exclusion	Additional Exclusion Criteria
Nuclear weapons	Companies with involvement* in the development and/or production of nuclear weapons.
Depleted uranium	Companies with involvement* in the development and/or production of depleted uranium ammunition/armour.
Adult entertainment	Companies with a material exposure to adult entertainment, alcohol, or gambling, where materiality is defined as greater than 5% of revenue [^] in the last financial year for producers and greater than 50% of revenue [^] for distribution, wholesale or retail, and services such as marketing or supplying products necessary for production.
Alcohol	
Gambling	
Live animal exports	Companies with involvement* in live animal exports for the purpose of selling live animals for slaughter, husbandry and breeding subjects, including specialised transportation services specifically designed to facilitate live exports.
Thermal coal mining	Companies that derive greater than 5% of revenue [^] from thermal coal mining.
Oil sands production	Companies that derive greater than 5% of revenue [^] from oil sands production.
Arctic drilling	Companies engaged in arctic drilling, for oil and gas, including production or exploration.
Hydraulic fracking	Companies that derive greater than 5% of revenue [^] from hydraulic fracking.
Uranium mining	Companies that derive greater than 5% of revenue [^] from uranium mining.
Thermal coal power generation expansion	Companies with involvement* in expansion of thermal coal power generation operations and plants.
Fossil fuels	<p>Companies that own proved or probable reserves in coal, oil or gas and derive greater than 5% of revenue[^] from exploration and/or extraction of coal, oil, or gas; or companies with a primary business activity in any of the excluded sub-sectors below:</p> <ul style="list-style-type: none"> • Oil and gas drilling • Oil and gas equipment and services • Integrated oil and gas • Oil and gas exploration and production • Thermal coal and consumable fossil fuels <p>Where referred to above, 'coal, oil or gas' includes fuels derived from conventional and unconventional sources such as tar sands or shale.</p>

* Involvement is determined by the third party ESG research provider, and is typically assessed based on revenue derived from defined activities (no revenue thresholds) or in the case of expansion metrics assessed based on capital expenditure.

[^] Gross revenue in the last full financial year or, where not available, net revenues based on available company filings.

Global Credit Additional Exclusion Criteria

Additional Exclusion	Additional Exclusion Criteria
Nuclear weapons	Companies with involvement* in the development and/or production of nuclear weapons.
Depleted uranium	Companies with involvement* in the development and/or production of depleted uranium ammunition/armour.
Cannabis	Companies that derive greater than 10% of revenue [^] from cannabis (medicinal or recreational) production, distribution or services.
Adult entertainment	Companies with a material exposure to adult entertainment, alcohol or gambling, where materiality is defined as greater than 10% of revenue [^] from production and/or distribution, wholesale or retail, and services such as marketing or supplying products necessary for production.
Alcohol	
Gambling	
Live animal exports	Companies that derive greater than 10% of revenue [^] from live animal export for the purpose of selling live animals for slaughter, husbandry and breeding subjects, including specialised transportation services specifically designed to facilitate live exports.
Animal fur production	Companies that derive greater than 5% of revenue [^] from fur production.
Saudi Arabia	Saudi Arabian securities, defined by country of incorporation or where the security has a primary listing in Saudi Arabia, including subsidiaries.
Thermal coal mining	Companies that derive greater than 5% of revenue [^] from thermal coal mining.
Oil sands production	Companies that derive greater than 5% of revenue [^] from oil sands production.
Fossil fuels	<p>Companies that own proved or probable reserves in coal, oil or gas and derive greater than 15% of revenue[^] from exploration and/or extraction of coal, oil, or gas; or companies with a primary business activity in any of the excluded sub-sectors below:</p> <ul style="list-style-type: none"> • Oil and gas drilling • Oil and gas equipment and services • Integrated oil and gas • Oil and gas exploration and production • Thermal coal and consumable fossil fuels <p>Where referred to above, 'coal, oil or gas' includes fuels derived from conventional and unconventional sources such as tar sands or shale.</p>

* Involvement is determined by the third party ESG research provider and is typically assessed based on revenue derived from defined activities (no revenue thresholds) or in the case of expansion metrics assessed based on capital expenditure.

[^] Gross revenue in the last full financial year or, where not available, net revenues based on available company filings.

The Additional Exclusion Criteria does not apply to all asset classes. This means that the Mercer Sustainable Plus options may still be invested in asset classes and companies that:

- have shareholdings in excluded companies or securities
- buy, sell or process products from excluded companies or securities
- provide products and services to excluded companies or securities
- may not meet the Additional Exclusion Criteria.

Additionally, there are other exceptions that may apply which mean that the Mercer Sustainable Plus options could have exposure to companies or securities that may meet the Exclusion Criteria or Additional Exclusion Criteria.

Please refer to the Sustainable Investment Information booklet, available at mercersuper.com.au/pds, for more details on Mercer Super's current Additional Exclusion Criteria and sustainable investment approach. This booklet will be updated on or around 24 May 2024 to capture the changes noted above.

If you need assistance

Please visit mercersuper.com.au or call the Helpline using the contact details below, from 8am to 7pm (AEST/AEDT) Monday to Friday.

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Overseas: **+61 3 8306 0900**

Allocated Pension Division (APD)

Helpline: **1800 671 369**

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