

MERCER SUPER TRUST
ABN 19 905 422 981

ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

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DIRECTORS' REPORT TO THE MEMBERS OF THE MERCER SUPER TRUST FOR THE YEAR ENDED 30 JUNE 2026

DIRECTORS' REPORT

The directors of Mercer Superannuation (Australia) Limited ("MSAL") A.B.N. 79 004 717 533 ("the Trustee"), as the trustee for the Mercer Super Trust ("the Trust"), submit herewith the annual report of the Trust for the financial year ended 30 June 2026 in accordance with the *Corporations Act 2001*.

Principal activities

Mercer Super Trust ("MST") is a regulated trust constituted by a Trust Deed dated 28 June 1995 (as amended), to manage and provide superannuation benefits for its members. There were no significant changes in the nature of the Trust's activities during the financial year.

Review of operations and results

The Trust's performance and financial positions are summarised as follows:

	30-Jun-26	30-Jun-25
	\$'000	\$'000
Net assets available to pay benefits	86,509,847	79,847,181
Total member liabilities	85,792,473	79,077,508
Net benefits allocated to members' account	6,766,968	7,800,380
Net change in defined benefit members accrued benefits	314,967	188,536

Net assets available for member benefits at 30 June 2026 grew from \$79.85 billion to \$86.51 billion during the year. The Trust's membership was over 1,018,000 members (30 June 2025: 1,062,000).

Investment performance

Despite market volatility, geopolitical headwinds and global economic uncertainty, the Trust achieved double-digit growth for the fourth year in a row for the majority of members invested in the Trust's default investment option, Mercer SmartPath¹.

Financial year to 30 June 2026

Mercer SmartPath members aged between 18 and 52	10.0% and 10.6% ²
Mercer SmartPath members aged 52 or over	6.8% and 10.1% ²
Mercer SmartPath allocated pension members	7.7% and 9.6% ³
Taxed Mercer SmartPath - Transition to Retirement members	7.4% and 8.3% ⁴

In addition to Mercer SmartPath, all other Ready-made and Select-your own investment options delivered returns of between -2.1% and 23.2% to members.⁵

¹ Mercer Super Trust's analysis of Mercer SmartPath investment performance in the Corporate Superannuation Division (after investment fees and taxes) for the 2022/23, 2023/24, 2024/25 and 2025/26 financial years. Mercer SmartPath default investment options achieved returns of between 10.0% and 12.6% for members aged between 18 and 52 years old across the 2022/23, 2023/24, 2024/25 and 2025/26 financial years. For members aged 52 or over, Mercer SmartPath default investment options achieved returns between 6.8% and 12.4% across the 2022/23, 2023/24, 2024/25 and 2025/26 financial years. Based on membership data as at 31 March 2026 for the Corporate Superannuation Division of Mercer Super for members invested in Mercer SmartPath for the entire period. Approximately 80% of Mercer SmartPath members within the Corporate Superannuation Division benefited from double-digit returns across the four financial years.

² Based on membership data for the Corporate Superannuation Division of Mercer Super for members invested for the entire 2025/26 financial year. Mercer Super Trust's analysis of the Mercer SmartPath investment performance (after investment fees and taxes) for the 2025/26 financial year. Mercer SmartPath default investment options achieved returns of between 10.0% and 10.6% for members aged between 18 and 52 years old. For members aged 52 or over, Mercer SmartPath default investment options achieved returns between 6.8% and 10.1%.

³ Based on membership data for the Allocated Pension Division of Mercer Super for members invested for the entire 2025/26 financial year. Mercer Super Trust's analysis of the Mercer SmartPath investment performance (after investment fees and taxes) for the 2025/26 financial year. Mercer SmartPath default investment options achieved returns of between 7.7% and 9.6%.

⁴ Based on membership data for the Allocated Pension Division of Mercer Super for members invested for the entire 2025/26 financial year. Mercer Super Trust's analysis of the Taxed Mercer SmartPath investment performance (after investment fees and taxes) for the 2025/26 financial year. Taxed Mercer SmartPath default investment options achieved returns of between 7.4% and 8.3%.

⁵ The Trust's analysis of the Corporate Superannuation Division's Ready-made and Select-your-own investment performance (after investment fees and taxes) for the 2025/26 financial year. Returns for Ready-made and Select-your-own options in the Corporate Super Division ranged from -2.1% for Mercer Passive Australian Listed Property to 23.2% for Mercer International Shares - Hedged.

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Behind these results sits the same investment philosophy. The Trust's investment approach remained disciplined throughout the year and was not driven by short term market volatility. The focus remained on stability and identifying new opportunities to support long term growth and help build members' super.

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

During the year, a new investment allocation to private equity was introduced. This further diversified the portfolio and provided access to a broader range of opportunities. Changes were also made to the global and Australian listed share market investment strategies to capture opportunities in changing market conditions.

Over the next 12 to 18 months, conditions will continue to evolve and the Trustee will continue to monitor markets closely and make enhancements where needed.

Global investment capability

The Trustee is part of Mercer, a business of Marsh & McLennan Companies, Inc (NYSE: MRSH), a global leader in risk, strategy and people listed on the New York Stock Exchange with more than 95,000 employees globally.

As at 30 June 2026, Mercer has USD 846 billion in assets under management. Mercer's global investments business currently includes approximately 3,000 professionals working to improve investment outcomes for members both here in Australia and around the world.

Risk Management and Regulatory Compliance

The Trust operates in a complex regulatory environment and faces the risk of non-compliance with legal and regulatory obligations. The Trustee may, from time to time, undertake remediation programs as part of ongoing uplift of risk and compliance activities. These activities are designed to identify and address any weaknesses to enable the Trust to continue to meet its obligations and protect member interests. Where relevant, expert legal and regulatory advice is sought, and appropriate provisions or disclosures are made in response to such matters.

The Trustee is committed to maintaining robust risk management frameworks and full compliance with all applicable requirements. Policies are regularly reviewed and where required updated so that they enable financial, operational, compliance, and strategic risks to be appropriately identified and managed. The Trustee is also committed to transparency and accountability in managing risks and regulatory compliance to maintain the Trust's integrity and member confidence.

Changes in state of affairs

On 27 May 2024, the Australian Prudential Regulation Authority (APRA) imposed additional licence conditions on the Trustee to address risk and compliance management deficiencies. Under the terms of the additional licence conditions (updated on 4 June 2024), the Trustee must:

- develop and implement a remediation plan in conjunction with an independent expert that addresses the deficiencies identified by APRA; and
- following the completion of the remediation plan, appoint an independent third party to complete an operational effectiveness review of the Trustee's risk and compliance management frameworks

The Trustee has developed the remediation plan with the independent expert and it has been approved by APRA. The Trustee is in the process of delivering the plan in accordance with the APRA approved timeframes and plans to have largely completed the implementation phase by the end of 2026 calendar year and be moving into the embed phase in 2027.

On 14 August 2025, the Australian Securities and Investments Commission (ASIC) initiated proceedings against MSAL in the Federal Court. The proceedings relate to compliance with the reportable situations regime under the Corporations Act 2001 (Cth) (Act) and ASIC's regulatory guide 78. On 26 June 2026, the Federal Court made orders, in line with an agreement between the parties, for the Trustee to pay ASIC a civil penalty of \$10.3M and costs of \$1.2M. The penalties and costs were not paid from members' funds.

Subsequent events

Subsequent to the reporting date, Dennis Gentilin resigned as Chief Risk & Compliance Officer of Mercer Super. Kathryn Person has been appointed interim Chief Risk & Compliance Officer, effective 2 July 2026, and will replace Mr Gentilin. Claire Ross resigned as Chief Executive Officer of Mercer Super. Court Haas has been appointed interim Chief Executive Officer, effective 13 August 2026, and will replace Ms Ross. A recruitment process for both new Chief Risk & Compliance Officer and Chief Executive Officer roles is underway.

Except as disclosed above, no matter or circumstance has arisen since 30 June 2026 that has significantly affected the funds operations, results or state of affairs.

**DIRECTORS' REPORT TO THE MEMBERS OF
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Future developments

The Trust will continue to be managed in accordance with the provisions of the Trust Deed.

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Environmental regulations

On 20 September 2024, the Australian Accounting Standards Board, (AASB) passed the first Australian Sustainability Reporting Standards, AASB S2, supporting the implementation of the mandatory climate-related financial disclosures in Australia by providing the disclosure standards against which entities are to report.

Based on the new standard, the Trust expects to adopt the relevant disclosure requirements in its annual report from the financial year ending 30 June 2027, on the basis that the Trust is an asset owner with more than \$5 billion assets. The operations of the Trust is not otherwise subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Audit and non-audit services

During the year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu ("Deloitte") as the auditor of the Trust and by Deloitte's related network firms.

	30-Jun-26	30-Jun-25
	\$	\$
Auditors of the Trust and related network firms		
Audit of financial report	410,000	415,000
Other regulatory engagement services	75,675	50,000
Non-audit services		
Tax compliance services*	-	18,000
Total non-audit services	-	18,000
Total services provided	485,675	483,000

*Deloitte did not provide tax compliance services or any other non-audit services during the financial year.

The directors of the Trustee, in accordance with advice from the Audit Committee, elected to engage another firm not associated with the auditor to provide tax compliance services for the financial year.

The directors are of the opinion that the services as disclosed above do not compromise the external auditor's independence, for the following reasons:

- all non-assurance services have been approved by the Audit Committee as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional & Ethical Standards Board (APES 110); and
- all services comply with the general principles relating to auditor independence as set out in APES 110, including not assuming management responsibilities or reviewing or auditing the auditor's own work, and ensuring threats to independence are either eliminated or reduced to an acceptable level.

The above directors' statements are in accordance with the advice received from the Audit Committee.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

Rounding of amounts

The Trust is an entity of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2026/183* and in accordance with that Corporations Instrument, amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

**DIRECTORS' REPORT TO THE MEMBERS OF
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Remuneration report

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of the key management personnel of the Trust for the financial year ended 30 June 2026. The term 'key management personnel' ("KMP") refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Trust directly or indirectly, including any director (whether executive or otherwise) of the Trustee of the Trust. The prescribed details for each person covered by this report include:

- Key management personnel;
- Remuneration of key management personnel; and
- Key terms of employment contracts.

Key management personnel

The Trust employs key management personnel through its related entities. As at the date of this report, the directors of the Trustee and other key management personnel were:

(a) Directors of the Trustee

Name	Position
Jennifer Fagg	Non-Executive Director
Anthony Johnson	Non-Executive Director
James Miller (ceased 30 June 2026)	Non-Executive Director
James Minto	Non-Executive Director
Damon Rees (appointed 13 March 2026)	Non-Executive Director
Pauline Vamos	Non-Executive Director
Darren Wickham (ceased 31 March 2026)	Non-Executive Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

(b) Other key management personnel

Name	Position
Claire Ross (ceased 12 August 2026)	Chief Executive Officer
Kylie Dunphy-Brown	Chief Operating Officer
Dennis Gentilin (ceased 1 July 2026)	Chief Risk & Compliance Officer
Graeme Miller	Chief Investment Officer
Kendall Vine (ceased Chief Financial Officer role 1 March 2026)	Chief Financial & Strategy Officer
William Langley (appointed 2 March 2026)	Chief Financial Officer

William Langley was appointed as Mercer Super Chief Financial Officer effective from 2 March 2026 following Kendall Vine's transition from Chief Financial and Strategy Officer to Chief Strategy Officer. Subsequently, Kendall Vine ceased to hold a position as key management personnel post the role transition.

Kathryn Person was appointed as Mercer Super interim Chief Risk & Compliance Officer effective from 2 July 2026 following Dennis Gentilin's resignation.

Court Haas was appointed as Mercer Super interim Chief Executive Officer effective from 13 August 2026 following Claire Ross's resignation.

Remuneration of key management personnel

(a) Remuneration expenses

Directors of the Trustee	Total salary and fees
Non-Executive Directors	\$
Jennifer Fagg	164,500
Anthony Johnson	165,250
James Miller	174,500
James Minto	230,000
Damon Rees	44,467
Pauline Vamos	206,750
Darren Wickham	117,375
Total Remuneration - Non-Executive Directors	1,102,842

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Remuneration of key management personnel (continued)

(a) Remuneration expenses (continued)

Other key management personnel	Short-term employee benefits				Post-employment benefits	Long-term employee benefits		Share-based payments		Total
	Cash salary, fees and short-term compensated absences	Cash profit-sharing and other bonuses	Non-monetary	Other	Pension & superannuation	Deferred cash bonus	Long service leave	Equity-settled shares and units	Equity-settled options and rights	
Executives	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Kylie Dunphy-Brown	370,387	133,299	-	-	30,000	21,928	-	23,607	-	579,221
Dennis Gentilin	333,403	102,740	-	-	30,000	-	-	-	-	466,143
William Langley	118,690	-	5,828	-	12,149	-	-	-	-	136,667
Graeme Miller ¹	723,364	686,660	-	-	30,000	119,671	-	-	-	1,559,695
Claire Ross ³	494,998	426,360	-	420,129 ²	30,000	-	-	15,327	3,587	1,390,401
Kendall Vine	231,286	151,500	-	-	22,500	17,177	-	-	-	422,463
Total Remuneration - Executives	2,272,128	1,500,559	5,828	420,129	154,649	158,776	0	38,934	3,587	4,554,590

Total remuneration has been applied for KMPs based on tenure period in their position as key management personnel for the period ended 30 June 2026. The disclosed variable remuneration covering cash profit-sharing and other bonuses, deferred cash bonus and share-based payments reflects the remuneration awarded for the prior calendar year service period.

All the benefits disclosed above have been recognised on an accrual basis.

Mercer Australia provides Salary Continuance Insurance (SCI) cover to all permanent employees and fixed term contractors who meet the eligibility criteria. This benefit is not reflected in the table above.

Performance based variable remuneration is awarded under Mercer's global discretionary incentive program based on business performance and the executive's individual performance for the prior calendar year measured against the agreed performance goals. These goals mandatorily included a mix of financial and non-financial measures covering Clients, Financials and People, as well as Risk Management. The relevant performance based variable remuneration has been included as part of cash profit-sharing and other bonuses, including the Success Bonus Plan for Graeme Miller, as well as deferred cash bonus and share-based payments.

Deferred cash bonus represents variable remuneration subject to mandatory deferrals under CPS511. Further details are disclosed on page 9.

Except for Graeme Miller (see footnotes), no other key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

¹ A retention payment was included as part of the variable compensation for Graeme Miller's role as Chief Investment Officer. Two instalments of the retention payment were paid in November 2025 and February 2026 respectively, disclosed under the 'Cash profit-sharing and other bonuses'. A further 6 instalments are scheduled from November 2026 to November 2032, subject to any adjustments, for which the expense for the financial year is disclosed under the 'Deferred cash bonus'.

² This includes a fixed annual Chief Executive Officer (CEO) allowance and rental assistance benefit. The CEO allowance is a discretionary cash-based allowance made in addition to base salary and is separate from variable remuneration.

³ Claire Ross's deferred cash bonus of \$939,974 and unvested share-based payments of \$97,553, awarded in the financial years up to 30 June 2026, were forfeited following her resignation on 12 August 2026. Accordingly, the relevant deferred and unvested variable remuneration have been removed from the above table.

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Remuneration of key management personnel (continued)

(b) Remuneration arrangement

Directors remuneration

All non-executive directors enter into a service arrangement with the Trustee in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director. Non-executive directors receive a board fee and fees for chairing or participating on board committees. They do not receive performance-based pay or retirement allowance.

<i>Base fees</i>	\$
Chair	230,000
Other non-executive directors	123,000
<i>Additional fees</i>	
Committee - chair	20,000 - 31,000
Committee - member	10,000 - 21,000

Note: All fees are stated on per annum basis, and are pro-rated where an appointment or resignation occurs part way through the year. Different committees attract different fee rates within the range as stated above. The base fee for the Chair is inclusive of all committee responsibilities.

Other key management personnel remuneration arrangement

In accordance with the Mercer Australia Remuneration Policy, each executive is entitled to fixed remuneration such as cash-based salary including salary sacrificed items. Base remuneration is reviewed annually which takes into account any changes in the scope of the key management personnel's role, the principles of the Remuneration Policy, individual performance, internal pay equity and market competitiveness.

Superannuation and annual leave are included in the fixed remuneration for all executives. Certain allowances may also be provided based on roles and career levels as required by competitive practice in the market and to comply with local legislation.

In addition to fixed remuneration, executives are eligible for variable remuneration which is designed to reward and incentivise stand out performance.

Awards are granted during the annual remuneration review in January of each year. Mercer Australia employees are only considered in the annual review and eligible for grants if they have been employed prior to October 1st of the previous year, provided that the key management personnel has met the minimum performance criteria.

In addition, the MSAL People & Culture Committee may assess at any time whether a key management personnel's variable remuneration should be subject to adjustment in accordance with Mercer Australia's Consequence Management Framework. The Board of MSAL, on recommendation from the MSAL People & Culture Committee, has the discretion to adjust downward all forms of variable remuneration (including cash profit-sharing and other bonuses or share-based payments) in cases of adverse risk issues or misconduct, including those that may emerge several years after the event.

Mercer Australia retains the right to delay payment and / or vesting of variable remuneration where an investigation is underway and / or where remuneration consequences are being considered but have not yet been finalised. The size of adjustments to variable remuneration will be guided by a number of factors specified in Mercer Australia's Consequence Management Framework, including the impact of the adverse risk and conduct trigger event, and will be proportionate to the severity of the trigger event. Mercer Australia may also adjust, remove or clawback paid or deferred variable remuneration where it is deemed appropriate.

The executives' remuneration was paid directly by Mercer (Australia) Pty Ltd, which is the Trustee's related entity, from the Trust's expense allowance and administration fees.

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Remuneration of key management personnel (continued)

(b) Remuneration arrangement (continued)

Other key management personnel remuneration arrangement (continued)

Performance based variable remuneration vested for the year is as follows:

(i) *Cash bonus*

<i>Cash bonus</i>	Grant Date	Target opportunity	Awarded	Forfeited	Vested in prior financial years	Vested during the current financial year	Yet to Vest	Financial year
		(\$)	(\$)	(%)	(\$)	(\$)	(\$)	
Kylie Dunphy-Brown	28/02/2026	122,949	233,984	0%	-	132,940	-	2026
					-	-	50,522	2029
					-	-	50,522	2030
Dennis Gentilin	28/02/2026	107,807	102,740	0%	-	102,740	-	2026
Graeme Miller	28/02/2026	301,346	308,304	0%	-	247,860	-	2026
					-	-	30,222	2029
					-	-	30,222	2030
	28/02/2026	-	104,793 ¹	0%	-	-	52,397	2029
					-	-	52,397	2030
Claire Ross	21/02/2025	311,837	582,613	39%	353,978	-	-	2025
	28/02/2026	320,286	1,120,159	64%	-	408,820	-	2026
Kendall Vine	28/02/2026	155,736	266,044	0%	-	151,500	-	2026
					-	-	57,272	2029
					-	-	57,272	2030

Short-term award targets are usually expressed as a percentage of the KMP's annual fixed compensation. Individual percentage targets are determined based on KMP's career or grade level, with higher levels having higher proportion of variable pay. These targets provide guidance for bonus awards. Factors that may be considered in assessing individual performance include, but are not limited to, customer satisfaction, financial growth, leadership and talent development, as well as risk management and compliance considerations. The actual award granted are adjusted upward or downward based on Mercer's overall performance, the performance of the specific business unit, individual achievements, and other relevant factors as determined by the management team.

With effect from 1 July 2024, in accordance with the requirements of the APRA Prudential Standard CPS511 Remuneration, executives who are Specified Roles will have their variable remuneration (covering cash bonuses and long-term equity-linked awards) deferred as follows:

- (i) Chief Executive Officer - at least 60% of the total variable remuneration will be deferred over a minimum deferral period of 6 years, vesting no faster than on a pro-rata basis and only after 4 years.
- (ii) Senior Manager and Executive Directors (other than CEO) - at least 40% of the total variable remuneration will be deferred over a minimum deferral period of 5 years, vesting no faster than on a pro-rata basis and only after 4 years.
- (iii) Highly-Paid Material Risk Taker who is not a Senior Manager - at least 40% of the total variable remuneration will be deferred over a minimum deferral period of 4 years, vesting no faster than on a pro-rata basis and only after 2 years.

For relevant executives, the deferrals for variable remuneration have taken effect from the grant date, February 2026, relating to the performance period of 1 January 2025 to 31 December 2025.

Claire Ross's variable remuneration is subject to a 60% mandatory deferral, which is deferred over a period of 6 years and vested on a pro-rata basis only after 4 years. The variable remuneration of Kylie Dunphy-Brown, Graeme Miller and Kendall Vine is subject to a 40% mandatory deferral, deferred over at least 5 years, with vesting on a pro-rata basis only after 4 years. Dennis Gentilin does not require any mandatory deferral arrangements under CPS511 for his short-term incentive. William Langley does not qualify to receive a short-term incentive due to his tenure; as there was no variable remuneration awarded, mandatory deferral does not apply.

Claire Ross's unvested deferred variable remuneration, comprising cash bonuses and unvested share-based payments, was forfeited following her resignation. Accordingly, no deferred remuneration has been disclosed as unvested.

For the financial year, to recognise the time value of money (TVM), additional discretionary variable remuneration has been granted and will be paid in equal portions in line with the deferred payments.

¹ Graeme Miller is eligible to participate in the Success Bonus Plan, in addition to cash bonus, in lieu of equity-based long-term incentive. Therefore, two separate payments are disclosed.

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Remuneration of key management personnel (continued)

(b) Remuneration arrangement (continued)

Other key management personnel remuneration arrangement (continued)

(i) *Cash bonus (continued)*

To be eligible for the Success Bonus Plan, an individual must hold an Investment-type role including Chief Investment Officer. The individual must be employed as a full-time employee at the time of payment.

The Success Bonus Plan consists of two elements: cash and a mandatory deferral. The Success Bonus Plan is awarded based on certain performance criteria, such as profitability, net revenue, and investment performance compared to benchmarks and peers, and is awarded annually. The mandatory deferral component vests over a period of three years.

No other KMP participated in the Success Bonus Plan.

No other cash bonuses were granted during the financial year.

(ii) *Equity-settled shares and units*

Performance Stock Units	Grant Date	Grant	Awarded	Forfeited	Vested in prior financial years	Vested during the current financial year	Yet to Vest	Financial year
		(\$)	(%)	(%)	(\$)	(\$)	(\$)	(\$)
Claire Ross	23-Feb-23	35,947	100%	0%	-	35,947	-	2026
	22-Feb-24	40,850	100%	100%	-	-	-	2027

Performance Stock Units (PSUs) provide the right to receive Marsh & McLennan Companies, Inc (NYSE: MRSH) common stock once vesting and performance requirements are met. PSUs vest 100% on February 28 following the three-year anniversary of the grant date, and are earned based on the level of achievement of pre-established performance goals, between 0% and 200%.

To be eligible, the condition of grant is based on non-financial measures:

- individual performance of the key management personnel, and
- their seniority of their role to have strategic influence on the future of the organisation.

In addition, PSUs have vesting conditions.

PSUs vest on the performance of the Total Shareholder return and MRSH's three-year Earnings Per Share (EPS) growth, which serves as an indicator of the company's profitability.

Specific vesting conditions apply based on the manner in which a KMP departs. In the event of termination, the KMP may fully or partially forfeit their variable remuneration.

Restricted Stock Units	Grant Date	Grant	Awarded	Forfeited	Vested in prior financial years	Vested during the current financial year	Yet to Vest	Financial year
		(\$)	(%)	(%)	(\$)	(\$)	(\$)	(\$)
Claire Ross	23-Feb-23	69,497	100%	0%	22,766	-	-	2024
					22,766		-	2025
					-	23,965	-	2026
	22-Feb-24	80,338	100%	33%	25,872	-	-	2025
					-	27,233	-	2026
					-	-	-	2027
Kylie Dunphy-Brown	18-Feb-25	60,083	100%	0%	-	20,028	-	2026
					-	-	20,028	2027
					-	-	20,027	2028

The KMPs have entitlements (including cash bonuses and share-based payments) that were granted during their tenure as KMPs for Mercer Portfolio Service Superannuation Plan (MPSSP) that remained unvested as at 27 June 2025, when MPSSP was wound up ("unvested entitlements"). As the wind up of MPSSP did not affect the KMP's entitlement to these awards, the relevant components in the above tables have been adjusted to include these unvested entitlements.

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Remuneration of key management personnel (continued)

(b) Remuneration arrangement (continued)

Other key management personnel remuneration arrangement (continued)

(ii) *Equity-settled shares and units (continued)*

Restricted Stock Units (RSUs) provide the right to receive MRSH common stock. Participation is based on their performance and potential to make future contributions to the company, and is always at the discretion of the organisation.

RSUs have time-based vesting conditions. Once these have vested and the MRSH stock are distributed, KMPs are free to hold the shares, transfer the shares to their personal brokerage account or sell them. Once granted, RSUs vest in three instalments (33.33%) on February 28 each year for three consecutive years after the grant date. Accordingly, the above amounts represent the grant value, including the unvested portion.

Specific vesting conditions apply based on the manner in which a KMP departs. In the event of termination, the KMP may forfeit fully or partially their variable remuneration, depending on the reason for termination.

Stock Options	Grant Date	Units Granted	Grant Price	Expiry Date	Units Vested	Units Forfeited	Units Exercised	Exercise Price	Amounts Paid	Amounts Payable
			\$					\$	\$	\$
Claire Ross	23-Feb-23	566	61.79	11-Oct-26	410	156	-	241.92	-	-
	22-Feb-24	532	75.85	11-Oct-26	259	273	-	305.38	-	-

A stock option provides the right to buy MRSH common stock during a fixed period of time at a set price determined on the grant date. Participation is based on their performance and potential to make future contributions to the company, and is always at the discretion of the organisation.

To be eligible, the condition of grant is based on non-financial measures:

- individual performance of the key management personnel, and
- their seniority of their role to have strategic influence on the future of the organisation.

In addition, stock options have vesting conditions.

Stock options vest in four instalments (25% per year on the anniversary of the grant date) and will expire 10 years from the grant date. Upon vesting, the owner can exercise their vested options to buy MRSH common stock at a fixed exercise price. If the market price falls below or stays the same as the exercise price, the option has no current value and cannot be exercised. Black-Scholes value is used to determine the fair market value/grant price of the stock option.

Mercer may withdraw, reduce or claw back any long term-incentive equity-settled shares and units awarded, to the extent permitted by any applicable law, stock exchange rules, currency controls, or any applicable company policy or arrangement.

There has been no alteration to terms and conditions of the equity settled units and options since the grant date.

**DIRECTORS' REPORT TO THE MEMBERS OF
THE MERCER SUPER TRUST
FOR THE YEAR ENDED 30 JUNE 2026**

Remuneration of key management personnel (continued)

Key terms of contracts

Contracts of service for the other KMPs are with Mercer (Australia) Pty Ltd which is a related entity of the Trust.

New contracts of service were entered into during the financial year with the new key management personnel as listed on page 6.

- (a) Compensation is considered based on market rates, experience, responsibilities & accountabilities of the role.
- (b) All future payments are subject to the standard eligibility & performance framework and applicable regulatory requirements.

This directors' report is signed in accordance with a resolution of directors of the Trustee made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors of the Trustee:



Director Jim Minto
Date: 23 September 2026



Director Tony Johnson
Date: 23 September 2026

23 September 2026

The Board of Directors
Mercer Superannuation (Australia) Limited (the Trustee)
Mercer Super Fund
Collins Square, 727 Collins Street
DOCKLANDS VIC 3008

Dear Board Members

Auditor's Independence Declaration to the Trustee of the Mercer Super Trust

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Mercer Superannuation (Australia) Limited as the Trustee of the Mercer Super Trust.

As lead audit partner for the audit of the financial report of the Mercer Super Trust for the financial year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Fiona O'Keefe
Partner
Chartered Accountants

**DIRECTORS' DECLARATION TO THE MEMBERS OF
THE MERCER SUPER TRUST
FOR THE YEAR ENDED 30 JUNE 2026**

DIRECTORS' DECLARATION

The directors of Mercer Superannuation (Australia) Limited A.B.N. 79 004 717 533 (the Trustee), as trustee of the Mercer Super Trust (the Trust), declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes set out on pages 15 to 43 are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards and giving a true and fair view of the financial position and the financial performance of the Trust.

Signed in accordance with a resolution of the directors of the Trustee made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors of the Trustee:



Director Jim Minto



Director Tony Johnson

Dated at Melbourne this 23rd day of September 2026

MERCER SUPER TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Note	2026 \$'000	2025 \$'000
Assets			
Cash and cash equivalents	3 (b)	706,777	1,027,210
Investments	4	83,843,357	76,964,307
Derivative assets		35,937	61,353
Receivables			
Interest receivable		2,142	2,036
Sundry debtors		9,814	13,014
Unsettled trades receivable		464,386	2,003
Investment income receivable		3,099,440	3,135,189
Other assets			
Deferred tax assets	11	11,674	11,510
Total assets		88,173,527	81,216,622
Liabilities			
Payables		156,974	129,889
Unsettled trades payable		107,687	56,719
Current tax liabilities	12	428,813	419,966
Derivative liabilities		223,005	26,568
Deferred tax liabilities	11	747,201	736,299
Total liabilities (excluding member liabilities)		1,663,680	1,369,441
Net assets available to pay benefits		86,509,847	79,847,181
Member benefits			
Defined contribution member liabilities		81,865,620	75,144,593
Defined benefit member liabilities		3,926,853	3,932,915
Total member liabilities	13	85,792,473	79,077,508
Total net assets		717,374	769,673
Equity			
Operational risk reserve		62,469	58,167
Insurance reserve	3 (j)	48,611	-
Member reserve		19,511	35,558
Unallocated surplus / (deficit)	13 (a)	(265,062)	(130,712)
Employer reserve	3 (j)	851,845	806,660
Total equity		717,374	769,673

This statement is to be read in conjunction with the notes to the financial statements set out on pages 20 to 43.

MERCER SUPER TRUST

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 \$'000	2025 \$'000
Investment Revenue			
Distributions and dividends		3,961,990	3,992,163
Interest		41,954	48,433
Movement in fair value of investments	5	3,891,975	4,897,144
Investment management fee rebates		4,131	4,971
Other revenue			
Other revenue		61,488	33,167
Total revenue		7,961,538	8,975,878
Expenses			
Asset, administration and trustee expenses	7, 14(e)	312,905	242,153
Other expenses		42,657	21,290
Total expenses		355,562	263,443
Profit / (loss) from operating activities before income tax expense		7,605,976	8,712,435
Less: Income tax expense	10(a)	570,689	648,452
Profit / (loss) from operating activities after income tax expense		7,035,287	8,063,983
Less: net benefits allocated to defined contribution members' accounts		6,766,968	7,800,380
Less: net change in defined benefit member accrued benefits		314,967	188,536
Profit / (loss) after income tax		(46,648)	75,067

This statement is to be read in conjunction with the notes to the financial statements set out on pages 20 to 43.

MERCER SUPER TRUST

STATEMENT OF CHANGES IN MEMBER BENEFITS FOR THE YEAR ENDED 30 JUNE 2026

For the year ended 30 June 2026	Defined contribution (DC) \$'000	Defined benefit (DB) \$'000	Total \$'000
Opening balance of member benefits	75,144,593	3,932,915	79,077,508
Employer contributions	4,605,037	74,825	4,679,862
Member contributions	827,173	2,285	829,458
Transfers from other funds	1,533,270	303	1,533,573
Successor funds transfer in	-	-	-
Income tax on contributions	(597,211)	(10,553)	(607,764)
Net after tax contributions	81,512,862	3,999,775	85,512,637
Benefits to members	(6,082,926)	(253,018)	(6,335,944)
Transfers of members from DB to DC	131,464	(131,464)	-
Insurance premiums charged to members	(953,480)	(4,470)	(957,950)
Death / disability benefits credited	485,081	1,063	486,144
Reserve transfers to / (from) members	5,651	-	5,651
Benefits allocated to members' accounts, comprising:			
Net investment income (less administration fees)	6,829,594	-	6,829,594
Net administration fees	(62,626)	-	(62,626)
Net change in defined benefit member accrued benefits	-	314,967	314,967
Closing balance of member benefits	81,865,620	3,926,853	85,792,473

For the year ended 30 June 2025	Defined contribution (DC) \$'000	Defined benefit (DB) \$'000	Total \$'000
Opening balance of member benefits	66,735,444	3,868,243	70,603,687
Employer contributions	4,255,944	113,310	4,369,254
Member contributions	676,992	753	677,745
Transfers from other funds	1,629,733	155	1,629,888
Successor Fund Transfers In	725,515	-	725,515
Income tax on contributions	(523,274)	(16,229)	(539,503)
Net after tax contributions	73,500,354	3,966,232	77,466,586
Benefits to members	(5,620,195)	(196,258)	(5,816,453)
Transfers of members from DB to DC	20,739	(20,739)	-
Insurance premiums charged to members	(963,886)	(5,118)	(969,004)
Death / disability benefits credited	472,162	262	472,424
Reserve transfers to / (from) members	(64,961)	-	(64,961)
Benefits allocated to members' accounts, comprising:			
Net investment income (less administration fees)	7,847,262	-	7,847,262
Net administration fees	(46,882)	-	(46,882)
Net change in defined benefit member accrued benefits	-	188,536	188,536
Closing balance of member benefits	75,144,593	3,932,915	79,077,508

This statement is to be read in conjunction with the notes to the financial statements set out on pages 20 to 43.

MERCER SUPER TRUST

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2026

For the year ended 30 June 2026	Operational risk reserve \$'000	Insurance reserve \$'000	Employer reserve ¹ \$'000	Member reserve \$'000	Unallocated surplus / (deficit) \$'000	Total \$'000
Opening balance	58,167	-	806,660	35,558	(130,712)	769,673
Net transfers (to) / from defined contribution member accounts	(82)	(5,569)	-	-	-	(5,651)
Net transfers (to) / from defined benefit member accrued benefits	-	-	-	-	-	-
Net transfers to / (from) reserves	-	21,324	-	(21,324)	-	-
Operating result	4,384	32,856	45,185	5,277	(134,350)	(46,648)
Closing balance	62,469	48,611	851,845	19,511	(265,062)	717,374

For the year ended 30 June 2025	Operational risk reserve \$'000	Insurance reserve \$'000	Employer reserve ¹ \$'000	Member reserve \$'000	Unallocated surplus / (deficit) \$'000	Total \$'000
Opening balance	52,762	835	635,047	24,498	(83,497)	629,645
Net transfers (to) / from defined contribution member accounts	-	-	64,961	-	-	64,961
Net transfers (to) / from defined benefit member accrued benefits	-	-	-	-	-	-
Net transfers to / (from) reserves	-	(835)	835	-	-	-
Operating result	5,405	-	105,817	11,060	(47,215)	75,067
Closing balance	58,167	-	806,660	35,558	(130,712)	769,673

¹ This reserve holds self-insurance reserves in relation to two plans. Refer Note 3 (j) (iv) for additional information.

This statement is to be read in conjunction with the notes to the financial statements set out on pages 20 to 43.

MERCER SUPER TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 \$'000	2025 \$'000
Cash flows from operating activities			
Interest received		41,848	47,855
Distributions and dividends received		181,891	139,156
Investment management fee rebates		4,131	4,971
Death / disability benefits received		488,847	475,342
Insurance premiums paid		(962,062)	(967,593)
Asset, administration and trustee expenses		(305,649)	(242,855)
Other revenue		65,842	26,216
Other expenses		(27,576)	(17,051)
Income tax paid		(480,832)	(269,001)
Net cash flows from operating activities	9	(993,560)	(802,960)
Cash flows from investing activities			
Proceeds from sale of investments		30,898,653	15,249,620
Payments for purchase of investments		(30,259,440)	(15,237,999)
Net cash flows from investing activities		639,213	11,621
Cash flows from financing activities			
Employer contributions received		4,687,659	4,374,487
Member contributions received		829,458	677,745
Transfers from other funds		1,533,660	2,355,403
Benefits paid to members		(6,338,826)	(5,813,011)
Income tax paid on contributions received		(678,037)	(639,525)
Net cash flows from financing activities		33,914	955,099
Net (decrease) / increase in cash and cash equivalents		(320,433)	163,760
Cash at the beginning of the period		1,027,210	863,450
Cash at the end of the period		706,777	1,027,210

This statement is to be read in conjunction with the notes to the financial statements set out on pages 20 to 43.

MERCER SUPER TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

1. REPORTING ENTITY

The Mercer Super Trust (“the Trust”) consists of both defined contribution and defined benefit plans. The Trust consists of three divisions: the Corporate Superannuation Division, the Retail Division and the Allocated Pension Division. Under the Corporate Superannuation Division a separate plan is generally established for each participating employer sponsor. Members who join the Trust individually, rather than via their employer are able to join either the Retail Division, or the Mercer SmartSuper Plan, which is a plan in the Corporate Superannuation Division of the Trust. The Retail Division also includes risk only superannuation offering to members.

The Trust is domiciled in Australia. The address of the Trust’s registered office is Collins Square, Level 15, 727 Collins Street, Docklands, VIC, 3008.

The Trustee has elected for the Trust to become a regulated trust in accordance with the *Superannuation Industry (Supervision) Act 1993* with effect from 1 July 1995. The Trust has received certification from the Australian Prudential Regulation Authority (“APRA”) confirming the Trust’s complying status and this has not since been revoked.

The Trust is constituted by a Trust Deed dated 28 June 1995 (as amended), to provide superannuation benefits for members.

The Trustee of the Trust is Mercer Superannuation (Australia) Limited (“MSAL”) (RSE No: L0000819).

2. BASIS OF PREPARATION

(a) Statement of Compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the *Corporations Act 2001 and Corporations Regulations 2001* and the provisions of the Trust Deed. The financial statements are presented in Australian currency and are for the period from 1 July 2025 to 30 June 2026 (the reporting period).

The financial statements were approved by the Board of Directors of the Trustee, MSAL, on 23 September 2026.

(b) Uses of estimates and judgements

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial investments and member liabilities.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The Trust makes estimates and assumptions in relation to the valuation of certain investments (for example unquoted securities) and of defined benefit member liabilities, details of which are set out in Note 3 (a) and Note 13 (c) respectively.

(c) New accounting standard

(i) New accounting standards adopted

The Trust has adopted new accounting standards and interpretations that are mandatory, however, the adoption of these standards did not have a material effect on the annual report.

(ii) New accounting standards not yet effective

At the date of this report, the Trust has not early adopted any accounting standards or pronouncements that were issued but not yet effective as at the reporting date. None of these are expected to have a material effect on the financial statements of the Trust.

MERCER SUPER TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

2. BASIS OF PREPARATION (continued)

(c) New accounting standard (continued)

(ii) New accounting standards not yet effective (continued)

The AASB has issued AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024 to improve presentation and disclosures in financial statements. In November 2025, the AASB has further issued Exposure Draft 338 *Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation* (ED 338). Management expects to adopt AASB 18 for the first time in its financial report for the financial period ending 30 June 2029 and will be finalising its impact assessment once the proposed amendments to the relevant accounting standards (as per ED 338) is finalised.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Investments

Investments held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the investment. Transaction costs on investments at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all investments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Income Statement.

Fair value in an active market

The fair value of investments traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The last traded price is used to value investments.

An investment is regarded as quoted within an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Trust's investments that are valued based on active markets generally include listed investments, ranging from listed equities, listed property trusts (titled "equities" in Note 4) and / or debt securities to listed derivatives, where applicable.

Fair value in an inactive or unquoted market

The Trust's investments that are valued based on inactive or unquoted markets generally include unlisted instruments ranging from investments in unlisted unit trusts, partnerships, unlisted equity and/or debt securities to over the counter derivatives, where applicable.

The fair value of investments not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is the market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. There may be a difference between the fair value at initial recognition and amounts determined using a valuation technique at the end of the reporting period. If such a difference exists, the Trust recognises the difference in the Income Statement to reflect a change in factors, including time, that market participants would consider in setting a price.

Investments in unlisted unit trusts are recorded at the redemption price per unit as reported by the managers of such trusts. This is in line with the Trustee's view of fair value.

MERCER SUPER TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(a) Investments (continued)

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Unit values denominated in foreign currency are translated to Australian dollars at the current exchange rates.

(b) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) Revenue recognition

Interest revenue

Interest revenue is recognised in the Income Statement on an accruals basis. Interest revenue not received at reporting date is reflected in the Statement of Financial Position as Interest receivable.

Distributions

Distribution income is recognised as at the date the unit value is quoted ex-distribution and, if not received at reporting date, is reflected in the Statement of Financial Position as Investment income receivable.

Dividend revenue

Revenue from dividends is recognised on the date the shares are quoted ex-dividend and, if not received at reporting date, is reflected in the Statement of Financial Position as Investment income receivable.

Movement in fair value of investments

Changes in the fair value of investments are recognised as income and are determined as the difference between the fair value at reporting date or consideration received (if sold during the reporting period) and the fair value as at the end of the prior reporting period or cost (if the investment was acquired during the reporting period).

Other revenue

Non-investment revenue that the trust receives as a result of its operations is recognised as other revenue.

(d) Expenses

All expenses, including investment management fees, are recognised in the Income Statement on an accruals basis.

(e) Contributions received and transfers from other superannuation funds including successor fund transfer

Contributions and transfers from other funds are recognised in the period in which they are received by the Trust. Therefore, no receivable has been recorded for contributions at 30 June 2026 (2025: nil).

(f) Income tax

Income tax expense for the reporting period comprises current and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in members' funds in which case it is recognised in the Statement of Changes in Member Benefits.

Current tax is the expected tax payable on the taxable income for the reporting period using tax rates enacted or substantially enacted at the balance date and any adjustment to tax payable in respect of previous reporting periods.

Deferred tax is accounted for using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary difference arising from the initial recognition of assets and liabilities that affect neither accounting nor taxable profit is not provided for.

MERCER SUPER TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(f) Income tax (continued)

The amount of deferred tax provided is based on the expected manner of realisation of the asset or settlement of the liability, using tax rates enacted or substantively enacted at reporting date.

A deferred tax asset (DTA) is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The Trustee applies a DTA cap in line with its current DTA capping policy, whereby the DTA is capped at 1.75% of the Trust's total taxable assets (2025: 1.75%). The DTA asset cap is reviewed annually by the Trustee.

Income tax expense / (benefit) has been provided for in the current reporting period at the rate of 15% (2025: 15%) as it is the expectation of the Trustee that the Trust will be treated as a complying superannuation fund. If the Trust is subsequently deemed to be a non-complying superannuation fund for the current reporting period, then income tax would be payable at a rate of 45% (2025: 45%) on the Trust's taxable income.

The expense / (benefit), and any corresponding liability / asset, is brought to account in the period in which the assessments are received by the Trustee and are payable by the Trust.

(g) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as an asset or liability in the Statement of Financial Position.

The GST incurred on the costs of various services provided to the Trust by third parties such as custodial services and investment management fees have been passed onto the Trust. The Trust qualifies for Reduced Input Tax Credits (RITC) at a rate of 75% or 55%; hence investment management fees, custodial fees and other expenses have been recognised in the Income Statement net of the amount of GST recoverable from the ATO.

(h) Receivables

Receivables include accrued investment income, interest receivable, sundry debtors, unsettled trade receivables and employer sponsor receivables.

Trades are recorded on trade date and normally settle within three business days. Sales of trading securities and investments that are unsettled at reporting date are included in unsettled trades receivables.

Receivables are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Trust measures the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Trust shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The amount of the impairment loss is recognised in Income Statement within other expenses. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Income Statement.

An employer sponsor receivable represents a contractual arrangement in place with an employer-sponsor to meet the shortfall / underfunding of a defined benefit plan of the Trust. One contractual agreement exists between the Trustee and an employer sponsor in respect of funding the defined benefit liabilities for that particular plan. As at 30 June 2026 and 30 June 2025, this plan was overfunded and therefore an employer-sponsor receivable has not been recognised in the Statement of Financial Position.

MERCER SUPER TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(i) Payables

Payables include liabilities, members' benefits payable, unallocated contributions and accrued expenses owing by the Trust which are unpaid as at reporting date. Payables are initially stated at their fair value then subsequently measured at amortised cost using the effective interest method.

Trades are recorded on trade date and normally settle within three business days. Purchases of trading securities and investments that are unsettled at reporting date are included in unsettled trades payables.

(j) Reserves

The Trustee maintains the following reserves:

(i) *Operational risk reserve*

The purpose of the Operational Risk Financial Requirement (ORFR) is to protect its members from losses due to operational risks that relate to the Fund in accordance with MSAL's ORFR Strategy. The Trustee has assessed an ORFR of 0.25% of net assets and risk only premiums as appropriate for the Trust and holds the ORFR in the form of an operational risk reserve in the Trust, supplemented by capital held outside the Trust.

(ii) *Insurance reserve*

The purpose of the Insurance Reserve is to fund initiatives that will improve the outcomes of insured members of the Trust. The insurance reserve is funded by external insurers in accordance with the terms of a funding agreement between MSAL and the insurer.

(iii) *Member reserve*

The purpose of the Member Reserve is to facilitate the prudent utilisation of non-member unallocated monies in the MST. These monies fund costs that promote member outcomes or the sound and prudent management and sustainability of MSAL's business operations.

(iv) *Employer reserve*

This represents the employers' assets surplus to their liability to members. The reserve includes the surplus for defined benefits and accumulation members. The reserve also holds self-insurance reserves in relation to two plans, which are held to support the self-insurance benefits of defined benefit members. As at 30 June 2026, the value of the self-insurance reserve is \$527,500.

(k) Reclassification of financial information

Where necessary, comparative information has been reclassified to achieve consistency with current period disclosures.

(l) Rounding

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated.

MERCER SUPER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

4. INVESTMENTS

	2026 \$'000	2025 \$'000
Term deposits	78,130	164,281
Listed equities	144,310	108,505
Unlisted unit trusts	82,956,119	76,426,770
Unlisted partnerships	650,139	248,414
Annuity	14,659	16,337
Total	83,843,357	76,964,307

5. MOVEMENT IN FAIR VALUE OF INVESTMENTS

	2026 \$'000	2025 \$'000
Unrealised gains / (losses)	1,885,905	4,249,156
Realised gains / (losses)	2,006,070	647,988
Total	3,891,975	4,897,144

6. AUDITOR'S REMUNERATION

During the reporting period, the following fees were paid or payable to the auditor of the Trust, Deloitte Touche Tohmatsu ("Deloitte"). Audit fees for the Trust are paid from the Expense Allowance which is charged to the Trust assets (refer Note 14(e)).

	2026 \$	2025 \$
Audit services		
Audit of financial statements	410,000	415,000
Other regulatory engagement services	75,675	50,000
Non-audit services		
Taxation compliance services*	-	18,000
Total non-audit services	-	18,000
Total services provided	485,675	483,000

*Deloitte did not provide tax compliance services or any other non-audit services during the financial year.

7. ADMINISTRATION EXPENSES

The Trust's administrative expenses include actuarial fees of \$5,387,383 (2025: \$4,333,212) and expenses for promotion, marketing, and sponsorship totalling \$9,118,195 (2025: \$7,623,745).

8. INSURANCE ARRANGEMENTS

The Trust provides death, disability and income protection benefits to its members. The Trustee has group policies in place with a number of third party insurance companies to insure these death and disability benefits for the members of the Trust.

The Trust collects premiums from members on behalf of the insurance companies. Insurance claim amounts are recognised where the insurer has agreed to pay the claim. Therefore insurance premiums are not revenues or expenses of the superannuation entity and do not give rise to insurance contract liabilities or reinsurance assets. Insurance premiums charged to members' accounts are recognised in Statement of Changes in Member Benefits.

The Trustee has determined that the Trust is not exposed to material insurance risk in relation to the plans with self-insurance arrangements. Refer to Note 3 (j) (iv).

MERCER SUPER TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026**

9. RECONCILIATION OF PROFIT / (LOSS) AFTER INCOME TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2026 \$'000	2025 \$'000
Profit / (loss) after income tax	(46,648)	75,067
Adjustments for:		
(Increase) / decrease in assets measured at fair value	(3,891,976)	(4,897,144)
(Increase) / decrease in receivables	1,875	(8,259)
(Increase) / decrease in deferred tax assets	(164)	(2,840)
Increase / (decrease) payables	24,713	4,267
Increase / (decrease) in income tax payable	79,119	(70,994)
Increase / (decrease) in deferred tax liabilities	10,902	453,285
Distributions reinvested	(3,780,100)	(3,853,007)
Insurance premiums paid	(962,063)	(967,593)
Death / disability benefits received	488,847	475,342
Allocated to members' accounts	7,081,935	7,988,916
Net cash flows from operating activities	(993,560)	(802,960)

10. INCOME TAX EXPENSE

(a) Recognised in the Income Statement

	2026 \$'000	2025 \$'000
<i>Current tax expense</i>		
Current year	564,658	209,813
Adjustment for prior year	(4,707)	(11,806)
<i>Deferred tax expense</i>		
Movement in deferred tax asset	(164)	(2,840)
Movement in deferred tax liabilities	10,902	453,285
Income tax expense / (benefit)	570,689	648,452

(b) Numerical reconciliation between tax expense and net income as a result of operations before income tax

	2026 \$'000	2025 \$'000
Profit / (loss) from operating activities before income tax	7,605,976	8,712,435
Prima facie income tax thereon at 15%	1,140,896	1,306,865
Decrease in income tax expense due to:		
Pension exemption	(56,633)	(31,135)
Non assessable investment income	(192,813)	(323,374)
Imputation and foreign tax credits claimed	(316,054)	(292,098)
Adjustment for prior year	(4,707)	(11,806)
Income tax expense / (benefit)	570,689	648,452

In addition to the above, \$607,763,787 (2025: \$539,503,110) is recognised in the Statement of Changes in Member Benefits relating to tax on contributions deducted from members' accounts.

MERCER SUPER TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

11. DEFERRED TAX ASSETS AND LIABILITIES

The balance comprises temporary differences attributable to:

	Assets		Liabilities		Total	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Payables	7,424	9,249	-	-	7,424	9,249
Unrealised (gains) / losses in financial assets held at fair value through profit or loss	-	-	(747,201)	(736,299)	(747,201)	(736,299)
Carry forward realised (gains) / losses	-	-	-	-	-	-
Capital expenditure s40-880	4,250	2,261	-	-	4,250	2,261
Net tax assets / (liabilities)	11,674	11,510	(747,201)	(736,299)	(735,527)	(724,789)

Movements in temporary differences during the reporting period:

	2026			2025		
	Opening Balance	Recognised in income	Closing Balance	Opening Balance	Recognised in income	Closing Balance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Payables	9,249	(1,825)	7,424	8,669	580	9,249
Interest receivable	-	-	-	-	-	-
Unrealised (gains) / losses in financial assets held at fair value through profit or loss	(736,299)	(10,902)	(747,201)	(283,014)	(453,285)	(736,299)
Carry forward realised (gains) / losses	-	-	-	-	-	-
Capital expenditure s40-880	2,261	1,989	4,250	-	2,261	2,261
Net tax assets / (liabilities)	(724,789)	(10,738)	(735,527)	(274,345)	(450,444)	(724,789)

12. CURRENT TAX ASSETS AND LIABILITIES

The current tax liability for the Trust of \$428,812,981 (2025: \$419,966,292) represents the amount of income tax payable in respect of current and prior reporting periods.

MERCER SUPER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

13. MEMBER LIABILITIES

(a) Recognition and measurement of member liabilities

The entitlements of members to benefit payments are recognised as liabilities. They are measured as the amount of the accrued benefits as at the reporting date, being the present value of the benefits that the Trust is obliged to transfer to members or their beneficiaries in the future as a result of their membership up to the end of the reporting period.

Unallocated surplus/(deficit) is a combination of timing related balances such as operating cash, tax provision, payables and hard close investment valuation differences. These amounts will generally be cleared or allocated to members in the subsequent period. At 30 June 2026 the amount was in deficit of \$265,062,148 (2025: deficit of \$130,712,250).

(b) Defined contribution member liabilities

Defined contribution member liabilities are measured as the amount of member account balances as at the reporting date.

Defined contribution members bear the investment risk relating to the underlying assets of the Trust. Unit prices are updated on a daily basis for movements in investment markets. Refer to Note 15 for the Trust's management of market, credit and liquidity risk.

(c) Defined benefit member liabilities

Defined benefit member liabilities are measured as the amount of a portfolio of investments that would be needed as at the reporting date to yield future net cash inflows that would be sufficient to meet accrued benefits as at the date they are expected to fall due.

The Trust engages qualified actuaries on an annual basis to measure the defined benefit member liabilities in each of its defined benefit employer plans. The actuarial valuation of member liabilities reflects the actuarial assessment of the benefits accrued up to the reporting date and payable to members on retirement, resignation, death or disability. The plans' assets, which may also include assets to support defined contribution member liabilities, are quarantined from the other assets of the Trust. In the event that a plan were to wind up, where the assets of the particular plan are not adequate to provide for members' liabilities and the employer does not contribute to make up the shortfall, the member liabilities are limited to the assets of the particular plan.

Key economic assumptions used to determine member liabilities for the plans include the future rate of investment earnings and future rate of salary increases. The assumed future rate of investment earnings for each plan has been determined by reference to the investment returns expected on the investment portfolio of that plan. The assumed salary increase rate for each plan has been based on long term economic forecasts for future increases in average weekly earnings (AWOTE) and discussions with the participating employer.

The following movements in the main assumptions used to determine member liabilities are reasonably possible for the reporting period.

MERCER SUPER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

13. MEMBER LIABILITIES (continued)

(c) Defined benefit member liabilities (continued)

The rates assumed by the actuary will vary from plan to plan as a result of their specific characteristics and therefore a range has been disclosed:

As at 30 June 2026

Assumption	Rate assumed at reporting date	Reasonably possible change	Amount of increase in member liabilities \$'000	Amount of decrease in member liabilities \$'000
	%	%		
Investment earning rate	3.25% - 8.10%	+1% - 1%	339,902	283,687
Salary increase rate	2.00% - 4.00%	+1% - 1%	18,541	17,436

As at 30 June 2025

Assumption	Rate assumed at reporting date	Reasonably possible change	Amount of increase in member liabilities \$'000	Amount of decrease in member liabilities \$'000
	%	%		
Investment earning rate	3.25% - 7.9%	+1% - 1%	323,255	266,174
Salary increase rate	0.0% - 4.5%	+1% - 1%	24,959	21,171

The amount of vested benefits attributable to defined benefit members as at 30 June 2026 is \$3,939,885,263 (2025: \$3,945,829,071).

(d) Defined benefit plans that are over or (under) funded

As at 30 June 2026 the Trust's defined benefit plans on an aggregate level were over funded by \$761,508,998 (2025: \$720,835,388).

The financial status of defined benefit plans can vary from year to year according to investment performance, membership movements, salary increases, changes in actuarial assumptions and other factors. As a result of their specific experiences, the net assets of a number of defined benefit plans of the Trust were less than the defined benefit member liabilities at 30 June 2026. The Trust had 58 defined benefit plans as at 30 June 2026 (2025: 61), with coverage of defined benefit member liabilities by plan assets above 100% for approximately 100% (2025: 98%) of plans. The remaining plans were below 100% coverage of defined benefit member liabilities by plan assets. The defined benefit plans are closed to new entrants.

Individual plan specific results are reported to members in the plan's supplementary annual report. Refer to Note 15 for the Trust's management of market, credit and liquidity risk.

(e) Funding arrangements

The participating employers of each defined benefit plan contribute at a rate agreed with the Trustee, on the advice of the plan actuary. Based on contributions received for the period to 31 March 2026, the participating employers of 100% (2025: 98%) of plans have contributed in line with the contributions recommended by the plans' actuaries. Those employers where contributions are expected but not yet paid are actively pursued by the Trustee.

MERCER SUPER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

13. MEMBER LIABILITIES (continued)

(e) Funding arrangements (continued)

As referred to in Note 13(d), certain defined benefit plans of the Trust were underfunded against the measure of member liabilities as at 30 June 2026. The financial status of each defined benefit plan is assessed by the plan's actuary at an actuarial valuation at least once every three years.

The financial position of plans in an unsatisfactory financial position (where vested benefits exceed the value of assets) is monitored on a quarterly basis by plan actuaries, as required by the Trustee. Further, the Trustee requires that the relevant plan actuary review the current company contribution program and recommend a revised program if considered appropriate. Where appropriate, on advice of the plan's actuary the Trustee will seek the employer sponsor's agreement to make additional contributions, which are intended to return the plan to a satisfactory financial position within a reasonable period of time. The Trustee continues to monitor the financial position of all defined benefit plans on a quarterly basis, including testing coverage against each plan's shortfall limit, in accordance with APRA Prudential Standard SPS 160 Defined Benefit Matters. The net assets attributable to defined contribution members are not available to meet any underfunded defined benefit member liabilities.

(f) Guaranteed benefits

No guarantees have been made with respect to the liability for accrued benefits.

14. RELATED PARTIES

(a) Trustee

Mercer Superannuation (Australia) Limited A.B.N. 79 004 717 533 (RSE No. L0000819) ("MSAL") was appointed as trustee on 28 May 2002. MSAL is a wholly owned subsidiary of Mercer (Australia) Pty Ltd ("Mercer"), whose ultimate Australian parent entity is MMC Holdings (Australia) Pty Ltd. The ultimate parent entity is Marsh & McLennan Companies, Inc. which is listed on the New York and Chicago stock exchanges.

(b) Key management personnel

The Trust does not employ personnel in its own right. However, it is required to have a Trustee to manage the activities of the Trust. The directors of the Trustee and certain Mercer executives are considered the key management personnel.

(c) Administrator

The administrator of the Trust is Mercer Outsourcing (Australia) Pty Ltd, which is a related party of MSAL and provides holistic operational services including general fund administration, annual fund reviews, specialised administration, project management, helpline services, online services, member communication, and financial operational services.

(d) Key management personnel's remuneration

During the year, the following amounts were paid to the directors and other key management personnel. The directors' fees were paid from the Trust's expense allowance. The remuneration for other key management personnel was paid directly by Mercer (Australia) Pty Ltd, which is the Trustee's related entity, from the Trust's expense allowance and administration fees.

	2026 \$'000	2025 \$'000
Short-term employee benefits	5,301	3,827
Post-employment benefits	154	91
Long-term benefits	159	149
Share-based payments	43	203
Total key management personnel's remuneration	<u>5,657</u>	<u>4,270</u>

In accordance with the Trust rules, some key management personnel are members of the Trust and contribute their superannuation to the Trust. The terms and benefits of membership which apply to key management personnel are the same as for other members of the Trust. There were no other transactions between the Trustee, its key management personnel in their capacity as key management personnel and the Trust for the reporting period.

MERCER SUPER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

14. RELATED PARTIES (continued)

(e) Trustee's remuneration

MSAL received remuneration as a consequence of its position as the Trustee of the Trust as disclosed in the Income Statement. The Trustee's remuneration is calculated in accordance with the Trust Deed and represents a designated portion of the fees collected from members' accounts, with the balance of fees paid to the Trustee's appointed service providers for operating the Trust. The Trustee has adopted an expense recovery policy which provides for an allowance, representing the Trustee's direct expenses including legal and other professional services, audit and tax fees, and annual APRA levies, to be charged to the Trust's assets. The costs associated with implementation of legislative, regulatory and product changes also form part of the Trustee's direct expenses. The expense allowance was 0.05% p.a. of assets for the reporting period to 31 December 2025 & 0.08% p.a. of assets for the reporting period 01 January 2026 to 30 June 2026 (2025: 0.05% p.a.).

The transactions during the reporting period between the Trust and the Trustee are as follows:

	2026 \$'000	2025 \$'000
Asset management fees	251,296	199,296
Administration fees	35,510	30,610
Expense allowance	54,167	37,561
	<u>340,973</u>	<u>267,467</u>
Fee discount to employer plans	(28,068)	(25,314)
Total asset, administration and trustee expenses	<u>312,905</u>	<u>242,153</u>

Fee discounts in relation to administration management fees are received by the Trust, in the form of a rebate from the Trust's administrator, and are accounted for on an accruals basis. Fee discounts not received at reporting date are offset against unpaid asset management fees and reflected in the Statement of Financial Position as a payable.

The amount payable at 30 June 2026 to the Trustee was \$35,529,965 (2025: \$24,183,476).

Included in the fees recovered by the Trustee as disclosed in the above table are for fee payments to related parties of MSAL for services as specified in Note 14 (h)-(k).

(f) Related party transactions

All related party transactions are conducted on arm's length terms and conditions.

(g) Employer sponsors

There have been no transactions between the employer sponsors and the Trust, other than employer contributions disclosed in the Statement of Changes in Member Benefits.

(h) Financial advisors

Mercer Financial Advice (Australia) Pty Ltd, which is a related party of MSAL, provides services comprising general and personal advice and other advisor services to members of the Trust. It provides distribution services in relation to the Trust.

(i) Corporate resources

Mercer (Australia) Pty Ltd, which is a related party of MSAL, provides services comprising of company secretarial services, information technology services, corporate accounting and tax services, finance and treasury services, human resource services, marketing and communication services, legal services, compliance and risk management services, property management services and general corporate administration services.

(j) Actuarial and Claims Advisory Services

Mercer Consulting (Australia) Pty Ltd, which is a related party of MSAL, provides actuarial services in respect of defined benefit plans and consulting services.

MERCER SUPER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

14. RELATED PARTIES (continued)

(k) Investments

Mercer Investments (Australia) Limited ("MIAL"), which is a related party of MSAL, provides implemented investment consulting and investment management services to the Trustee.

The Trust held investments in the Mercer Funds ("MF"s). MIAL is the Responsible Entity/Trustee for the MFs.

The Trust also held the following investments which are part of the Marsh group of companies:

- Mercer Private Investment Partners III (Offshore) LP, the general partner of which is Mercer Private Investment Partners III GP, LLC.
- Mercer Private Investment Partners IV SICAV-SIF LP, the general partner of which is Mercer Private Investment Partners IV GP, S.A R.L.
- Mercer Private Investment Partners VI SICAV-SIF, the general partner of which is Mercer Private Investment Partners VI GP, S.A R.L.
- Mercer Private Investment Partners VII SICAV-SIF, the general partner of which is Mercer Private Investment Partners VII GP, S.A R.L.
- MGI Funds Plc Mercer Passive Global High Yield.
- MST Private Equity Fund SCA SICAV-RAIF

Investments held by the Trust in the MFs and other Marsh group investments are outlined in the table below and over the page. In applying the *ASIC Corporations Instrument 2026/183*, (the Instrument), the Trust has disclosed its related parties transactions to the nearest dollar, except for this table. This is done on the basis that these transactions are conducted on an arm's length basis and that the instrument would otherwise allow rounding of the related parties transactions to the nearest thousand dollars.

	Fair value of investment		Interest held		Distributions received / receivable	
	\$'000	\$'000	%	%	\$'000	\$'000
	2026	2025	2026	2025	2026	2025
Advance Australian Fixed Interest Multi-Blend Fund - Wholesale	678,432	410,645	77.73	55.25	18,618	74,453
Advance Australian Shares Multi-Blend Fund - Wholesale	-	330,491	-	24.91	5,274	26,019
Advance Balanced Multi-Blend Fund - Wholesale	-	151,665	-	11.72	285	11,755
Advance Cash Multi-Blend Fund	-	197,831	-	21.90	3,559	25,443
Advance Defensive Multi-Blend Fund - Wholesale	-	9,138	-	3.44	27	442
Advance Defensive Yield Multi-Blend Fund	-	74,268	-	19.40	262	1,298
Advance Global Unlisted Property Fund - Wholesale Units	356,621	368,030	100.00	91.64	30,567	3,400
Advance Growth Multi-Blend Fund - Wholesale	-	120,657	-	9.92	190	9,943
Advance High Growth Multi-Blend Fund - Wholesale	-	79,416	-	13.02	89	6,870
Advance International Fixed Interest Multi-Blend Fund	360,920	327,663	67.09	48.53	34,851	-
Advance International Shares Multi-Blend Fund - Wholesale	-	360,274	-	33.22	41	57,241
Advance Private Debt Fund	650,222	834,782	100.00	85.85	187,723	72,837
Advance Property Securities Multi-Blend Fund - Wholesale	98,351	209,917	67.32	49.60	9,969	-
Advance Unlisted Infrastructure Fund	998,710	818,003	100.00	87.40	87,376	54,885
AP #1 Trust	2,301,994	2,024,129	55.54	56.88	82,683	71,856
Mercer AP #2 Trust	326,293	97,433	100.00	100.00	23,711	2,749
Mercer Australian Inflation Plus Fund	514,398	471,445	57.70	52.99	-	-
Mercer Australian Shares Fund	-	85,894	-	10.97	802	4,228
Mercer Australian Shares Fund for Tax Exempt Investors	346,085	293,135	28.66	28.31	9,830	8,685
Mercer Australian Small Companies Fund	45,872	643,962	47.18	82.64	13,285	40,663
Mercer Australian Sovereign Bond Fund	1,198,301	1,078,326	44.74	38.36	9,852	11,405
Mercer Cash Fund	4,052,799	4,348,861	76.10	74.22	195,119	190,830
Mercer Conservative Growth Overlay Fund	90,291	23,507	87.26	86.22	-	-
Mercer DG (ex p) Trust	10,367,039	3,904,206	100.00	86.04	167,158	244,498
Mercer Diversified Growth Fund	-	197,662	-	93.55	795	13,274
Mercer Emerging Markets Debt Fund	1,118,555	950,305	74.28	74.72	111,247	122,717
Mercer Emerging Markets Shares Fund	1,333,281	1,747,213	76.62	74.18	282,378	69,275

MERCER SUPER TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026**

14. RELATED PARTIES (continued)

(k) Investments (continued)

	Fair value of investment		Interest held		Distributions received / receivable	
	\$'000 2026	\$'000 2025	% 2026	% 2025	\$'000 2026	\$'000 2025
Mercer Global Absolute Return Bond Fund	985	437,658	22.04	69.21	-	-
Mercer Global Credit Fund	719,605	202,663	49.33	18.66	35,412	3,172
Mercer Global Enhanced Low Volatility Shares Fund	-	1,167,456	-	94.51	-	156,397
Mercer Global High Yield Bond Fund	1,318,870	1,126,805	89.38	89.64	-	-
Mercer Global Listed Property Fund	31,587	42,954	70.44	37.41	2,996	-
Mercer Global Private Debt Fund	2,154,756	1,658,290	81.49	82.96	145,736	107,113
Mercer Global Small Companies Shares Fund	900,760	1,081,753	79.42	83.88	157,866	119,945
Mercer Global Sovereign Bond Fund	1,256,769	967,299	49.55	42.43	85,828	-
Mercer Global Unlisted Property Fund (MST)	1,449,813	1,224,366	100.00	100.00	132,739	741
Mercer Growth Overlay Fund	276,544	185,533	96.49	96.36	-	-
Mercer Hedged International Shares Fund	-	100,085	-	33.02	-	-
Mercer High Growth Overlay Fund	602,453	340,706	99.55	99.96	-	-
Mercer Indexed Australian Listed Property Fund	92,533	127,502	20.87	24.40	15,716	21,984
Mercer Indexed Australian Shares Fund	-	2,077,664	-	50.49	41,758	66,363
Mercer Indexed International Shares Fund	6,370,057	5,223,898	78.51	69.91	211,558	192,921
Mercer Indexed Moderate Fund	-	39	-	0.01	-	6
Mercer Investment Funds Australian Shares Plus Trust	1,973,086	1,791,701	100.00	85.61	63,463	52,024
Mercer Investment Funds Overseas Shares Trust	-	150,129	-	99.42	-	38,260
Mercer Moderate Growth Overlay Fund	75,201	32,766	86.62	76.05	-	-
Mercer OSS Trust	-	2,416,376	-	76.52	33,821	276,044
Mercer Passive Australian Listed Property Fund	146,346	141,138	34.33	49.47	3,271	4,090
Mercer Passive Australian Shares Fund	5,006,515	5,422,050	73.89	76.28	173,355	162,927
Mercer Passive Emerging Markets Shares Fund	860,153	758,594	92.25	91.49	34,119	17,258
Mercer Passive Global Listed Infrastructure Fund	504,206	296,860	51.95	45.09	53,937	20,097
Mercer Passive Global Listed Property Fund	392,238	412,607	49.08	41.72	71,613	8,665
Mercer Passive Hedged International Shares Fund	1,529,227	841,046	71.89	63.42	122,456	-
Mercer Passive International Shares Fund	4,793,718	4,451,497	54.03	61.40	57,729	56,644
Mercer Passive Sustainable International Share funds	-	479,600	-	85.20	4,826	23,294
Mercer Private Investment Partners III (Offshore) LP	10,755	7,873	1.70	1.70	-	-
Mercer Private Investment Partners IV SICAV-SIF	7,990	8,502	1.51	1.51	-	-
Mercer Private Investment Partners VI SICAV-SIF	101,945	94,267	1.43	1.43	-	-
Mercer Private Investment Partners VII SICAV Gbl Impact	27,089	22,029	7.06	7.06	-	-
Mercer Private Investment Partners VII SICAV SIF SF PE	121,172	104,494	3.20	3.20	-	-
Mercer Socially Responsible Australian Shares Fund	-	565,600	-	48.38	6,115	14,095
Mercer Socially Responsible Global Shares Fund	-	407,107	-	42.56	59,582	9,136
Mercer Sustainable Plus Global CR	41,578	48,739	13.07	13.20	6,146	256
Mercer Tailored #1 Trust	4,106,546	3,764,513	83.87	81.25	301,382	53,094
MGI Funds Plc Mercer Passive Global High Yield	113,637	124,616	0.91	0.91	-	-
MST Private Equity Fund SCA SICAV-RAIF	368,634	-	100.00	-	-	-
Multi-manager Balanced Fund	-	1,818,135	-	94.38	2,654	112,598
Multi-manager Conservative Fund	-	135,510	-	84.28	386	7,378
Multi-manager Growth Fund	-	864,002	-	90.87	1,075	48,103
Multi-manager High Growth Fund	-	240,959	-	88.94	121	16,003
OSSH #1 Trust	-	2,492,231	-	86.52	-	113,302
Sustainable GS 1 Trust - Hedged Units	304,843	275,089	100.00	100.00	35,475	-
Sustainable GS 1 Trust - Unhedged Units	258,127	286,360	100.00	100.00	9,505	4,283
TAL #2 Trust	438,985	458,485	96.33	96.33	-	-
WSSP Australian Equities Trust	7,361,404	6,573,182	100.00	90.08	379,761	434,037
WSSP International Equities Trust	13,510,567	3,050,573	100.00	86.99	357,061	562,908
WSSP International Property (Global REITS) Trust	1,419	111,793	100.00	100.00	12	266
	<u>82,068,277</u>	<u>74,771,952</u>			<u>3,883,165</u>	<u>3,828,170</u>

MERCER SUPER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

15. FINANCIAL RISK MANAGEMENT

Overview

The Trust's investments principally consist of financial instruments which comprises of equities, interest bearing securities and unlisted unit trusts. The Trustee has determined that these types of investments, including derivative financial instruments are appropriate for the Trust. The Trustee offers a direct investment option in which members can choose individual assets which align with their risk profile and objectives. All other portfolios are constructed by the Trustee appointed investment consultants to align with Trustee determined objectives, and the allocation of Trust assets is managed to achieve pre-defined investment objectives. Divergence from target asset allocations and the composition of these portfolios is monitored by the Trustee on at least a quarterly basis and by management of the underlying investment funds on a daily basis.

All of the underlying investments of the Trust are invested at arm's length and are separately identifiable.

The below pertains to the constructed portfolios.

The Trust's investment activities expose it to the following risks:

- market risk (including price risk, currency risk and interest rate risk);
- credit risk; and
- liquidity risk.

The above investment risks have been considered in constructing the asset portfolios of the Trust and aims to manage those risks primarily through diversification, including using some or all of the following (as applicable):

- investing across different asset classes (to reduce market risk and liquidity risk);
- investing predominantly in unlisted unit trusts which, in turn, invest with a number of different investment managers (to reduce credit risk);
- investing across different countries (to reduce market risk); and
- investing in a number of individual securities within each asset class (to reduce credit risk).

Professional investment managers are appointed to manage the assets of the Trust via a mandate, investment funds or vehicles. Investment managers who are appointed external to the Marsh group of companies as well as investment managers appointed for the various investment funds or vehicles in which the Trust invests, may utilise derivatives in managing investment portfolios and in managing pooled investment vehicles. The use of derivatives is restricted to improving the efficiency of investments and in managing risk (for example, to hedge part of a foreign currency exposure). The investment managers may use derivatives and other instruments, including share price and bond futures, interest rate swaps and forward currency contracts, to manage exposures resulting from changes in interest rates, foreign currencies, equity price risks and exposures from forecast transactions.

The Trustee monitors investment risk through consideration of comprehensive reports from the Trustee's implemented consultants at least on a quarterly basis.

The Trustee's implemented consultants perform monitoring activities including but not limited to the following:

- compliance with the investment strategy and objectives;
- portfolio construction by asset class, by country, and between underlying investment managers;
- liquidity monitoring; and
- assessment of underlying investment managers.

The Trustee's existing risk management framework continues to operate through monitoring the Trust's investment risk exposure to assess the potential financial impacts on the Trust's operations, as well as the impact on investment outcomes.

The current geopolitical and economic environment has caused great uncertainty for the global economy, with aggressive monetary and fiscal actions taken around the globe. This has fed through to investment markets with increased volatility. The Trustee's existing risk management framework continues to operate through monitoring the Trust's investment risk exposure to assess the potential financial impacts on the Trust's operations, as well as the impact on investment outcomes and increased volatility in investment performance.

MERCER SUPER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

15. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market conditions. Market risk comprises of three types of risks: price risk, currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk is minimised by the Trustee through ensuring that all investment activities are undertaken in accordance with established investment strategies and any restrictions imposed by the Trustee in the investment agreements made with each investment manager, and the implemented consulting agreements with the implemented consultants.

The market risk disclosures are prepared on the basis of the Trust's immediate holding and not on a look-through basis.

The sensitivity of the Trust's net assets attributable to members (and profit/(loss) attributable to members) to asset price risk, currency risk and interest rate risk is measured by the projected standard deviation in equity, interest rate and foreign exchange markets across multiple economic regimes over a long term horizon. Standard deviation is measured through proprietary projected stochastic simulations of the Trust's portfolio at a +/- 1 standard deviation confidence level. This captures movements in asset values for the majority of possible market outcomes, and is used as the risk measure for the purpose of this financial report.

The use of standard deviation or any other statistical technique has its limitations, and at times may underestimate extreme market movements. Actual market movements may therefore be greater or less than modelled. Results shown in this financial report are not intended to predict or project specific present or future values of actual investments or holdings.

For further information about market price risk and other risk factors, please refer to the Trust's Product Disclosure Statements.

The Trust's investments are managed based on management's consideration of the various risk variables. This excludes the investment holdings via the direct investment option as it is not practicable for the management to monitor individual members' market risk exposure under the direct investment option arrangement (2026: \$94.8m; 2025: \$108.8m). In addition, the Trust's investment holdings via an annuity is not exposed to market risk (2026: \$14.6m; 2025: \$16.3m).

The Trust's uses derivatives predominantly via instruments such as foreign-exchange forwards and equity futures to manage its market risk exposures through its investment portfolios. The fair value of these derivatives can vary widely with individual contract terms, underlying volatility and liquidity, market conditions, counterparty and settlement conventions and therefore movement in the market value of derivatives cannot be reasonably reported.

Management discloses the Trust's sensitivity to the various risk variables on an asset class basis with a single sensitivity rate, covering three types of risks: price risk, currency risk and interest rate risk, as this is how risk is being measured and monitored by the Trustee. Management consider the reasonably possible movement in net assets attributable to members (and profit/(loss) attributable to members) is approximately:

2026	Change in variable	Carrying amount \$'000	(Decrease) \$'000	Increase \$'000
Unit Trusts and Partnerships - Asset classes				
Cash	+/- 1.2%	5,187,534	62,109	(62,109)
Equity - Domestic	+/- 16.1%	23,860,243	3,846,953	(3,846,953)
Equity - International	+/- 15.7%	31,240,896	4,901,786	(4,901,786)
Fixed income - Domestic	+/- 3.5%	3,685,295	127,540	(127,540)
International	+/- 6.5%	7,341,550	476,335	(476,335)
Infrastructure	+/- 9.6%	5,463,381	524,829	(524,829)
Property	+/- 13.7%	6,322,448	865,077	(865,077)
Equity	+/- 10.1%	504,911	51,025	(51,025)

MERCER SUPER TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026**

15. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

2025	Change in variable	Carrying amount \$'000	(Decrease) \$'000	Increase \$'000
Unit Trusts and Partnerships - Asset classes				
Cash	+/- 1.2%	8,011,222	95,917	(95,917)
Equity - Domestic	+/- 16.1%	22,141,187	3,572,792	(3,572,792)
Equity - International	+/- 15.7%	25,275,294	3,979,246	(3,979,246)
Fixed income - Domestic	+/- 3.6%	3,063,581	110,793	(110,793)
International	+/- 6.5%	6,399,297	414,277	(414,277)
Infrastructure	+/- 9.7%	5,075,025	492,846	(492,846)
Property	+/- 14.8%	6,165,747	912,543	(912,543)
Equity	+/- 9.6%	543,831	52,422	(52,422)

(i) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As the majority of the Trust's financial instruments are carried at fair value, all changes in market conditions will directly affect investment returns, recognised in the Income Statement. Market price risk is mitigated by constructing a diversified portfolio of instruments traded in various markets. In addition, market price risk may be hedged using derivative financial instruments such as options or futures.

(ii) Currency risk

Certain underlying investment funds hold assets denominated in currencies other than the Australian dollar, the functional currency. Such entities are therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The strategy for managing of currency risk is driven by an underlying fund's investment objectives. The Trustee has been advised by the investment manager of the relevant funds that currency risk is managed on a daily basis in accordance with investment guidelines as outlined in the funds' Product Disclosure Statements.

The Trust's exposure to currency risk at the reporting date was as follows:

2026

Assets	US Dollars A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other Currencies A\$'000	Total A\$'000
Cash and cash equivalents	4,754	7,166	5,301	3,967	21,187
Investments	644,741	-	-	-	644,741
Derivative assets	1,480	2,092	371	1,602	5,546
Receivables	198	-	-	-	198
	651,174	9,258	5,672	5,569	671,673
Liabilities					
Derivative Liabilities	(165,207)	(12,023)	(4,544)	(8,240)	(190,013)
Other Liabilities	-	-	-	-	-
Member Liabilities	-	-	-	-	-
	(165,207)	(12,023)	(4,544)	(8,240)	(190,013)
Net Assets	485,968	(2,765)	1,129	(2,671)	481,660

MERCER SUPER TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026**

15. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

2025

Assets	US Dollars	Euro	Japanese Yen	Other Currencies	Total
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Cash and cash equivalents	5,931	348	550	236	7,065
Investments	243,152	-	-	-	243,152
Derivative assets	5,510	1,246	319	490	7,566
Receivables	1,196	17	53	14	1,279
	<u>255,789</u>	<u>1,612</u>	<u>922</u>	<u>739</u>	<u>259,062</u>
Liabilities					
Derivative Liabilities	(3,467)	(4,989)	(99)	(1,582)	(10,137)
Other Liabilities	-	-	-	(20)	(20)
Member Liabilities	-	-	-	-	-
	<u>(3,467)</u>	<u>(4,989)</u>	<u>(99)</u>	<u>(1,602)</u>	<u>(10,157)</u>
Net Assets	<u>252,322</u>	<u>(3,377)</u>	<u>823</u>	<u>(863)</u>	<u>248,905</u>

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Trust's interest bearing financial assets and financial liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates. The Trust has established limits on investments in interest bearing assets, which are monitored on a daily basis in accordance with the investment guidelines for investment managers. The Trust may use derivatives to hedge against unexpected increases in interest rates.

The Trust is exposed to interest rate risk through the following:

- Any excess cash and cash equivalents of the Trust is invested in short-term Treasury securities, bank bills, commercial paper or reverse repurchase agreements with the term of maturity of up to twelve months.
- Investments in fixed interest securities may include indexed bonds and are referenced to an index such as the Consumer Price Index (CPI) or Bank Bill Swap Rate.

At the reporting date, the interest rate profile of the Trust's interest bearing financial instruments was:

Financial Instrument	Type of interest rate	2026 \$'000	2025 \$'000
Cash and cash equivalents	Floating interest rate	706,777	1,027,210
Term deposits	Fixed interest rate	78,130	164,281
		<u>784,907</u>	<u>1,191,491</u>

MERCER SUPER TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

15. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. With respect to credit risk from the financial assets, the Trust's exposure arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the Statement of Financial Position, including cash and cash equivalents, interest bearing securities, equities, unlisted unit trusts, and derivatives.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values.

This does not represent the maximum risk exposure that could arise in the future, as future values may change, but best represents the current maximum exposure at the reporting date, as outlined below:

	2026	2025
	\$'000	\$'000
Cash and cash equivalents	706,777	1,027,210
Term deposits	78,130	164,281
Listed equities	144,310	108,505
Unlisted unit trusts	82,956,119	76,426,770
Unlisted partnerships	650,139	248,414
Annuity	14,659	16,337
Derivative assets	35,937	61,353
Investment income receivable	3,099,440	3,135,189
Unsettled trades receivable	464,386	2,003

All investments of the Trust are made on an arm's length basis through appointed professional investment managers. Accordingly, the Trustee looks through to the credit risk policies of its appointed managers.

The portfolio manager for the majority of the Trust assets, MIAL, has a Counterparty Risk Management Policy which has also been adopted by the Trustee. The Policy sets out the principles that will be applied in managing counterparty risk, the timing (quarterly) and how counterparty risk will be monitored.

Key principles include:

- Identifying exposure to counterparty risk;
- Identifying risk controls to influence and manage these risks; and
- Ongoing monitoring and reporting of counterparty exposures and risks.

All contracts with counterparties are included in the underlying funds investment manager's approved counterparties list.

The Trust determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 30 June 2026 and 30 June 2025, all receivables, amounts due from brokers, cash and short term deposits are generally settled within 30 days. Management consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Trust.

The Trust holds no collateral as security or any other credit enhancements. There are no financial assets that are past due.

MERCER SUPER TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026**

15. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The approach to managing liquidity is to ensure, as far as possible, that there will always be sufficient liquidity to meet liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation.

The Trust may, through its underlying investment funds, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Trust may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events, such as deterioration in the creditworthiness of any particular issuer.

As required under *Superannuation Prudential Standard 530 Investment Governance*, the portfolio manager for the majority of the Trust assets, MIAL, undertakes an annual liquidity stress test which is presented to the Trustee Board.

The Trust's liquidity risk is managed on a daily basis and in accordance with the investment objectives. The following are the maturities of financial liabilities, excluding the impact of netting agreements:

At 30 June 2026	Less than 1 month \$'000	1-3 months \$'000	3-12 months \$'000	1-5 years \$'000	Over 5 years \$'000	Total \$'000
Derivative liabilities	216,778	4,276	1,951	-	-	223,005
Unsettled trades payable	107,687	-	-	-	-	107,687
Payables	156,974	-	-	-	-	156,974
Member liabilities	85,792,473	-	-	-	-	85,792,473
Total financial liabilities (excluding gross settled derivatives)	86,273,912	4,276	1,951	-	-	86,280,139

Gross settled derivatives

Gross cash inflow	3,806	21,929	10,202	-	-	35,937
Gross cash outflow	(216,778)	(4,276)	(1,951)	-	-	(223,005)

At 30 June 2025	Less than 1 month \$'000	1-3 months \$'000	3-12 months \$'000	1-5 years \$'000	Over 5 years \$'000	Total \$'000
Derivative liabilities	20,954	5,614	-	-	-	26,568
Unsettled trades payable	56,719	-	-	-	-	56,719
Payables	129,889	-	-	-	-	129,889
Member liabilities	79,077,508	-	-	-	-	79,077,508
Total financial liabilities (excluding gross settled derivatives)	79,285,070	5,614	-	-	-	79,290,684

Gross settled derivatives

Gross cash inflow	35,473	23,120	2,760	-	-	61,353
Gross cash outflow	(20,954)	(5,614)	-	-	-	(26,568)

MERCER SUPER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

15. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

Member Liabilities (refer Note 13) have been included in the less than one month column as this is the earliest timeframe on which the Trust can be required to pay Member Liabilities, noting that members may not necessarily withdraw during this time.

(d) Estimation of fair values

The Trust's financial assets and liabilities included in the Statement of Financial Position are carried at fair value. The key methods and assumptions used in estimating the fair values of financial instruments were disclosed in Note 3(a).

(e) Fair value hierarchy

The Trust is required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as published prices being the redemption prices established by the underlying fund manager) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering the factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Trustee. The Trustee considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below analyses the Trust's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at the reporting date.

30 June 2026	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Term deposits	78,130	-	-	78,130
Listed equities	144,310	-	-	144,310
Unlisted unit trusts	-	82,431,072	525,047	82,956,119
Unlisted partnerships	-	-	650,139	650,139
Annuity	-	-	14,659	14,659
Derivative assets	-	35,937	-	35,937
	222,440	82,467,009	1,189,845	83,879,294
Liabilities				
Derivative liabilities	-	(223,005)	-	(223,005)

MERCER SUPER TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026**

15. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value hierarchy (continued)

30 June 2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Term deposits	164,281	-	-	164,281
Listed equities	108,505	-	-	108,505
Unlisted unit trusts	-	76,078,712	348,058	76,426,770
Unlisted partnerships	-	-	248,414	248,414
Annuity	-	-	16,337	16,337
Derivative assets	-	61,353	-	61,353
	272,786	76,140,065	612,809	77,025,660
Liabilities				
Derivative liabilities	-	(26,568)	-	(26,568)

The pricing for the majority of the Trust's investments is generally sourced from independent pricing sources, the relevant investment managers or reliable brokers' quotes. Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. The observable inputs include prices and/or those derived from prices.

The Level 2 instruments include unlisted unit trusts, which may also consist of interest-bearing securities, and derivative financial instruments. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The Level 3 instruments include investment in annuity products, unlisted unit trusts and partnerships where the underlying investment is in private equity funds. The annuity was valued using an actuarial assessment. Key economic assumptions used include the life expectancy of relevant members and/or their beneficiaries. The unlisted unit trusts were valued at the last available price obtained from the relevant investment manager. The partnership private equity funds were valued by the investment manager using the net asset value of the underlying private equity fund. These underlying investments are generally held in inactive or illiquid markets, and the valuation inputs are unobservable and proprietary.

The following table presents the movement in level 3 instruments for the reporting period by class of financial instrument.

	Annuity		Unlisted unit trusts	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Opening balance	16,337	18,174	348,058	363,012
Applications (Purchases)	-	-	241,902	87,685
Redemptions (Sales)	-	-	(66,750)	(109,584)
Gains and (losses) recognised in Income	(1,678)	(1,837)	1,837	6,945
Closing balance	14,659	16,337	525,047	348,058

	Partnerships	
	2026 \$'000	2025 \$'000
Opening balance	248,414	186,746
Applications (Purchases)	382,424	42,421
Redemptions (Sales)	(7,539)	(3,477)
Gains and (losses) recognised in Income	26,840	22,724
Closing balance	650,139	248,414

MERCER SUPER TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026**

15. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value hierarchy (continued)

The Trust generally values its interest in these unlisted unit trusts using the valuation provided by the external fund managers. As these investments are not actively traded in a public market, the valuation provided by the external fund manager is considered unobservable.

Description	Fair value at 30 June 2026	Unobservable inputs	Range of inputs (probability- weighted average)	Relationship of unobservable inputs to fair value
	\$'000			\$'000
Unlisted unit trusts - Debts & Bonds	6,057	Net asset value which determines the unit price	Diverse	Increased/(decreased) unit price (+/- 7.4%) would (decrease)/increase fair values by \$448
Unlisted unit trusts - Infrastructure	55,451	Net asset value which determines the unit price	Diverse	Increased/(decreased) unit price (+/- 9.33%) would (decrease)/increase fair values by \$5,174
Unlisted unit trusts - Property	463,539	Net asset value which determines the unit price	Diverse	Increased/(decreased) unit price (+/- 12.2%) would (decrease)/increase fair values by \$56,552
Partnerships - Infrastructure	11,440	Net asset value which determines the unit price	Diverse	Increased/(decreased) unit price (+/- 9.33%) would (decrease)/increase fair values by \$1,067
Partnerships - Private Equity	637,586	Net asset value which determines the unit price	Diverse	Increased/(decreased) unit price (+/- 19.08%) would (decrease)/increase fair values by \$121,651
Partnerships - Property	1,113	Net asset value which determines the unit price	Diverse	Increased/(decreased) unit price (+/- 12.2%) would (decrease)/increase fair values by \$136
Annuity	14,659	External actuarial valuation	Diverse	Actuarial valuation determines the final value
Total Level 3	<u>1,189,845</u>			

No transfers between levels have occurred in the reporting period ended 30 June 2026 (2025: Nil).

16. STRUCTURED ENTITIES

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Depending on the Trust's power over the activities of the entity and their exposure to and ability to influence their own returns, they may control the entity. In other cases they may have exposure to such an entity but not control it. However, the Trust applies the Investment Entity Exemption available under *AASB 10 Consolidated Financial Statements* and therefore does not consolidate its controlled entities.

An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Trust. Such interests include holdings of units in unlisted trusts. The nature and extent of the Trust's interests in structured entities are titled "unlisted unit trusts" and are summarised in Note 3(a) and Note 4.

The Trust has exposures to unconsolidated structured entities through its trading activities. The Trust typically has no other involvement with the structured entity other than the securities it holds as part of trading activities and its maximum exposure to loss is restricted to the carrying value of the asset.

Exposure to trading assets is managed in accordance with financial risk management practices as set out in Note 15.

Financial support provided or to be provided to unconsolidated structured entities

The Trust has not provided any non-contractual financial support during the period and does not anticipate providing non-contractual financial support to unconsolidated structured entities in the future.

MERCER SUPER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

17. COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

As of the reporting date, the Trust had the following commitments for investment contracts that have not yet been recognised in the financial statements:

	2026	2025	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	USD	USD	GBP	GBP	EUR	EUR	AUD	AUD
Armitage Associates Private Equity Fund	-	-	-	-	-	-	1,504	2,457
Mercer AP #2 Trust	-	-	-	-	-	-	176,437	165,367
Mercer Global Unlisted Property Fund (MST)	121,112	22,664	54,545	-	12,168	-	299,392	34,583
Mercer Private Investment Partners III (Offshore) LP	-	3,355	-	-	-	-	-	5,119
Mercer Private Investment Partners IV SICAV-SIF	-	784	-	-	-	-	-	1,196
Mercer Private Investment Partners VI SICAV-SIF	14,428	19,353	-	-	-	-	20,825	29,531
Mercer Private Investment Partners VII SICAV-SIF	30,007	34,509	-	-	-	-	43,313	52,657
Mercer Private Investment Partners VII Global Impact	13,201	15,266	-	-	-	-	19,055	23,295
MST Private Equity Fund SCA SICAV-RAIF	1,144,500	-	-	-	-	-	1,651,992	-
Stonepeak Unlisted Infrastructure Fund	4,396	5,033	-	-	-	-	6,345	7,680
							2,218,863	321,885

Future funding requirements are dependent on acquisitions made by the underlying funds, which may give rise to capital calls. These capital calls are funded from within the Trust, typically through the disposal of other fund holdings. There are no other commitments, contingent assets or liabilities as at 30 June 2026 (2025: nil).

18. SUBSEQUENT EVENTS

Subsequent to the reporting date, Dennis Gentilin resigned as Chief Risk & Compliance Officer of Mercer Super. Kathryn Person has been appointed interim Chief Risk & Compliance Officer, effective 2 July 2026, and will replace Mr Gentilin. Claire Ross resigned as Chief Executive Officer of Mercer Super. Court Haas has been appointed interim Chief Executive Officer, effective 13 August 2026, and will replace Ms Ross. A recruitment process for both new Chief Risk & Compliance Officer and Chief Executive Officer roles is underway.

Except as disclosed above, no matter or circumstance has arisen since 30 June 2026 that has significantly affected the funds operations, results or state of affairs.

Independent Auditor's Report to the Members of Mercer Super Trust

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mercer Super Trust (the "RSE"), which comprises the statement of financial position as at 30 June 2026, the income statement, the statement of changes in member benefits, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Mercer Super Trust is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of Mercer Super Trust's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the RSE in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the RSE Licensee ("the directors"), would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in Mercer Super Trust's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work

we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the RSE to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the RSE or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RSE's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the RSE's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the RSE to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 12 of the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Mercer Super Trust, for the year ended 30 June 2026, complies with section 300C of the *Corporations Act 2001*.

Responsibilities

The directors are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300C of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



DELOITTE TOUCHE TOHMATSU



Fiona O'Keefe
Partner
Chartered Accountants

Melbourne, 23 September 2026