

# FY2024 Annual Members' Meeting

**Mercer Superannuation (Australia) Limited ABN 79 004 717 533 AFS Licence 235906**  
as trustee for

**Mercer Super Trust ABN 19 905 422 981**

## Minutes of the Annual Members' Meeting

Held via Webinar, Wednesday 13 March 2025 1:00 PM AEDT

**Video Recording:** <https://mmc.qumucloud.com/view/WXljSma5m3OJwt4ibdNeXm>

<b>Apologies</b>	Mr Tony Johnson - Director; Mr Guy Holley – RSE Actuary – Mercer Consulting.
<b>Present:</b>	Mr Jim Minto – Director/Chair
	Mr Jim Miller - Director
	Ms Sue O'Connor – Director
	Ms Pauline Vamos - Director
	Mr Darren Wickham - Director
	Ms Pauline Vamos - Director
<b>In Attendance:</b>	<b>Management:</b> Ms Claire Ross – Chief Executive Officer Mercer Super; Mr Brent Tulk - Trustee Office Leader Mercer Super; Ms Kylie Dunphy-Brown – Chief Operating Officer Mercer Super; Ms Emma Chand – Head of Product Mercer Super; Ms Shannon Burdeu – Company Secretary (Superannuation); Ms Nicole Mathias-Browne – Chief Customer Officer Mercer Super; Ms Kylie Willment – Chief Investment Officer Mercer Pacific; Ms Kelly Shay – Head of Partnerships Mercer Super; Ms Carmen Lunderstedt – Company Secretary; Mr Brad Tallents – Chief Distribution Officer Mercer Super; Ms Kendall Vine – Chief Finance and Strategy Officer Mercer Super; Mr Mark Seymour – Head of Investment and Fund Services Wealth Pacific; Ms Petra Fawcett – Transformation and Change Leader Mercer Super.
	<b>Actuaries:</b> Mr Mark Nelson – RSE Actuary – Mercer Consulting; Mr Richard Codron – RSE Actuary Mercer Consulting; Mr Tim Jenkins – RSE Actuary – Mercer Consulting; Mr Mark Samuels – RSE Actuary – Mercer Consulting; Mr Julian Hotz – RSE Actuary – Mercer Consulting; Ms Angela Hartl – RSE Actuary – Mercer Consulting; Ms Nerida Secombe – RSE Actuary – Heron Partners; Mr Andrew West – RSE Actuary – Towers Watson Australia Pty Ltd; Mr Chris Porter – RSE Actuary – Towers Watson Australia Pty Ltd; Mr Luke Carroll – RSE Actuary – Towers Watson Australia Pty Ltd; Ms Jackie Downham – RSE Actuary – Towers Watson Australia Pty Ltd; Ms Su Li Sin – RSE Actuary – AON; Mr David Lewis – RSE Actuary – PFS Consulting.
	<b>Auditors:</b> Mr George Sagonas - PwC; Ms Fiona O'Keefe - Deloitte

## **Important Note**

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

Any advice provided is of a general nature and does not take into account your objectives, financial situation or needs. Before acting on any advice we recommend you obtain your own financial advice and consider the Product Disclosure Statement available at [mercersuper.com.au](https://mercersuper.com.au). The product's Target Market Determination setting out the class of people for whom the product may be suitable can be found at [mercersuper.com.au/tmd](https://mercersuper.com.au/tmd).

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

## Introduction and Welcome

Ms Nicole Mathias-Browne, Chief Customer Officer of Mercer Super, welcomed all members of Mercer Super, including members of Virgin Money Super, TAL Super and AIA Super to the Annual Members' Meeting (**AMM**) for the Mercer Super Trust (**MST**).

Ms Mathias-Browne welcomed Ms Tennille Parks, an indigenous colleague, to deliver the Acknowledgement of Country.

Ms Mathias-Browne made a special call out to the first responders and disaster and emergency services personnel, members and customers in South-East Queensland and Northern NSW who are facing the challenging task of cleaning up and dealing with the aftermath of Cyclone Alfred.

For members, partners and colleagues living in impacted areas who are facing financial hardship and need access to their super early, they can contact their adviser or call the Mercer Super contact centre.

Ms Mathias-Browne acknowledged the feedback from last year's AMM where many asked for less speeches and more Q&A time. The agenda for today is as follows:

The Chair's Address from Mr Jim Minto, Chair of the Trustee Board. The Chair to discuss the importance of super, our commitment to delivering better outcomes to members and how we are working to strengthen members' retirement experience.

Ms Claire Ross, CEO of Mercer Super. Ms Ross to share some of the plans and initiatives we are implementing to help make members' super and retirement count.

A Q&A panel where the Chair, Ms Ross and Ms Mathias-Browne will be joined by Ms Pauline Vamos – Director, Ms Kylie Willment - Chief Investment Officer Mercer Pacific and Ms Kelly Shay – Head of Partnerships, Mercer Super.

Ms Mathias-Browne spoke to the following matters:

Thanked members who submitted questions at registration and advised that more than 550 questions were received.

Noted that members could submit questions live during the meeting using the Q&A box on the screen.

Advised that it would not be possible to answer all questions during the meeting, and responses to all questions received will be published on the website and a recording of the meeting in mid-April 2025.

Reminded members that the items discussed in today's meeting are of a general nature only and doesn't consider the personal needs and circumstances of an individual.

Members should consider contacting a financial adviser before making any decisions based on the information received at this meeting.

Advised that questions relating to a member's personal circumstances could not be covered in this session due to privacy and encouraged members to contact the Helpline for assistance.

Ms Mathias-Browne introduced the Chair. The Chair alongside other members of the Trustee Board oversees the running of members' super and pensions, specifically in line with members' best financial interests. Mr Minto joined the Board in April 2021 and took on the role of Chair in July 2024 with 45 years of experience in financial services including 26 years in CEO roles.

## **Chair's Address**

The Chair welcomed and thanked everyone for attending. The Chair introduced his fellow Trustee Board directors: Pauline Vamos, Sue O'Connor, Darren Wickham, Jim Miller and Tony Johnson.

The Chair advised that the Trustee Board is dedicated to safeguarding members' retirement savings and in supporting them in building their confidence to thrive in retirement.

The Chair advised the three key areas that will be discussed:

- Why super is important.
- How Mercer Super is delivering better outcomes for members.
- How Mercer Super is strengthening its retirement offer.

The Chair advised that as guardians of members' retirement, the Trustee Board takes this duty very seriously. Super funds today are under more scrutiny than ever, and that is a good thing for members as they deserve transparency. Members have a right to know that their money is being effectively managed. Our goal is to be better at everything we do so we want to hear from members. That is why this meeting is so important.

The Chair spoke to the following matters:

Despite uncertainty in financial markets and ongoing inflation adding to the high cost of living our global network of over 3,000 investment experts have remained committed to delivering solid investment

performance for members.

For the financial year ending 30 June 2024, Mercer Super delivered double-digit returns for the second consecutive financial year for over 90% of members invested, for the full year, in Mercer SmartPath.<sup>1</sup>

Mercer's global size and commitment in managing US\$600 billion (as at 31 December 2024) globally gives Mercer a real edge in accessing valuable investment opportunities on behalf of members.<sup>2</sup>

The dedicated Australian investment team combine their local know-how with Mercer's global expertise to seek out investment opportunities in Australia and around the world.

Mercer Super is committed in delivering strong performance for members as well as striving to make members feel confident that their money is safe and well-managed.

Mercer Super is part of Marsh McLennan, a global lead in risk, strategy and people. This includes helping people with their retirement wealth and wellbeing. Marsh McLennan is listed on the New York Stock Exchange and has more than 90,000 colleagues advising clients in 130 countries across four businesses: Marsh, Guy Carpenter, Mercer and Oliver Wyman. This means with Marsh McLennan's backing, we have access to resources that enhance member services.

An example is the Mercer CFA Institute Global Pension Index (**the Index**), a report that has been providing valuable insights into retirement income systems worldwide for 16 years. In 2024, the Index revealed that Australia lost its position as the best retirement system in Asia Pacific region. This finding highlighted the urgent need for a greater focus on retirement income to support the long-term, well-being and financial security of retirees in Australia. These insights help guide our decisions to continue to invest in tools and support services, to help members achieve their retirement goals.

Mercer Super is also focusing on strengthening our retirement offer. In addition to delivering income for a dignified retirement and growing your super balance, super can also be used to support the kind of lifestyle you want in retirement.

The Mercer Smart Bundle is a new pension product feature designed to simplify the pension application and set up process. Mercer Smart Bundle combines our SmartPath lifecycle investment strategy with a pre-selected payment amount. Mercer Smart Bundle is designed to help members receive regular pension payments in retirement, while still benefiting from investment returns and protecting their

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<sup>1</sup> Based on Mercer SmartPath membership data as at 30 June 2023 and 30 June 2024 and for members invested for the entire corresponding time period. Mercer Super Trust's analysis of the Mercer SmartPath investment performance in the Corporate Super Division (after investment fees and taxes) for the 2022/23 and 2023/24 financial year. Past performance should not be relied upon as an indicator of future performance.

<sup>2</sup> Marsh McLennan announces US\$617 billion assets under delegated management (as of December 31, 2024 / end of 4Q 2024) for Mercer.

balance.<sup>3</sup>

Mercer Super is building a new mobile app, which will be available in the coming months. The new mobile app will make it easier for members to manage their super. For Virgin Money Super members, the existing portal will continue to provide essential access and support.

Mercer Super offers a wide range of advice, support, guidance and educational resources including 24/7 digital advice along with over the phone advice at no additional cost. In addition, one-off and comprehensive financial advice that considers members' entire financial situation is available.

An educational hub on the website is available where members can access a variety of webinars hosted by experienced professional and experts.

Mercer Super is delivering a significant program uplift in technology, risk management and governance practices to ensure that members' super and pensions are managed with the utmost care and diligence.

The Chair thanked members for placing their trust in Mercer Super and reiterated the Trustee Board's ongoing commitment to be stronger and responsive to members' needs and for trusting them with their savings.

Ms Mathias-Browne welcomed Ms Ross, the CEO of Mercer Super, noting that Ms Ross started her career answering calls for a UK pension company and is passionate about meeting members' needs. Ms Ross stepped into the CEO role in October 2024 but joined Mercer in 2007 and has held several senior leadership roles, bringing with her extensive expertise in super and pensions both here in Australia and around the world. Ms Mathias-Browne advised that Ms Ross cares deeply for members and makes it a point to regularly read out member feedback when we open meetings, ensuring member voices are heard and represented.

## CEO's Update

Ms Ross thanked everyone for joining the AMM and was delighted to be in attendance for the first time as CEO. Ms Ross noted that she is excited to be able to connect with members and is on a mission to ensure that each member feels confident in their super and future.

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<sup>3</sup> Mercer SmartRetirement Income is issued by Mercer Superannuation (Australia) Limited ABN 79 004 717 533, AFSL 235906. Before acting on this information please consider the Product Disclosure Statement available at [mercersuper.com.au](https://mercersuper.com.au). The Target Market Determination can be found at [mercersuper.com.au/tmd](https://mercersuper.com.au/tmd).

Ms Ross advised the three key areas that will be discussed:

- Delivering positive investment returns and low administration fees.
- Providing accessible guidance and making it easy for members to engage with their super and us when they need to.
- Delivering better tools and resources to enable members to grow their super and plan for retirement.

Ms Ross spoke to the following matters:

Members in Mercer SmartPath, [Corporate Super Division after investment fees and taxes], benefited from positive investment performance for the 2024 financial year with returns ranging from 7.2% to 11.7%, noting that Ms Kylie Willment, Chief Investment Officer will provide more detail in the investment update as part of the Q&A later in the meeting.<sup>4</sup>

It was noted that strong performance goes hand in hand with low administration fees. According to our analysis of ChantWest Data, a superannuation and research consultancy firm, Mercer SmartPath's standard administration fees are between 15% and 37% below the MySuper market average, depending on a member's account balance.<sup>5</sup>

The core belief is that members' voices are our motivation, and their feedback is at the core of everything we do. Mercer Super is committed to making members' experience better every day. Mercer Super provides:

- accessible guidance to make it easy for members to engage with their super and us by expanding our education offer with more webinars;
- the Your Path retirement guide;
- easier access to advice; the Helpline Advice team; and access to advisers for a fee<sup>6</sup>; and

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<sup>4</sup> Mercer Super Trust's analysis of the Mercer SmartPath investment performance in the Corporate Super Division (after investment fees and taxes) for the 2023/24 financial year for members invested for the full period. Past performance is not a reliable indicator of future performance.

<sup>5</sup> ChantWest MySuper Default Fee Tables December 2024 – for \$50,000 and \$100,000 account balances. Fees are for Mercer SmartSuper - SmartPath® (our MySuper product) as at 31 December 2024 for total administration fees and costs. Chant West uses our 1964-1968 investment option for purposes of comparison with other MySuper funds. You may pay less than this if you are in an employer plan with discounted fees. For more details on fees for each of our SmartPath options, or if you've chosen your own investment option/s, go to the 'How Your Super Works' guide online. Fees and costs can vary from year to year. Past fees and costs are not a reliable indicator of future fees and costs. Fees and comparisons may differ for other investment options and account balances.

<sup>6</sup> The trustee has appointed Mercer Financial Advice (Australia) Pty Ltd (MFAAPL) ABN 76 153 168 293, Australian Financial Services Licence 411766 to provide financial advice services for members of the Mercer Super Trust. Mercer Financial Advisers are authorised representatives of MFAAPL.

- clearer communication by simplifying our emails and letters by cutting out the jargon.

The goal is to assist members in making informed decisions that are right for them at the times that matter most.

Smart Bundle will assist members moving into retirement.

Mercer Super will:

- continuously deliver better tools and resources to enable members grow their super and plan for retirement.
- roll out a new and improved member portal and mobile app in the coming months. Virgin Money Super members can continue to access their portal for support.
- upgrade our technology to provide members with tools, education and digital resources to help them grow their super and prepare for and thrive in their retirement.
- enhance our insurance offer to better meet members' needs, providing members with peace of mind as they plan for their future.
- focus on our governance and risk management to ensure we keep members' money and the fund safe as members' trust is paramount to us and we are dedicated to earning it every single day.

We are committed to all our one million members and aim to deliver solid performance and better experiences so members can make their super count.

Ms Ross thanked members for being a part of Mercer Super and for trusting us with their retirement savings.

## Question & Answer Segment<sup>7</sup>

Ms Mathias-Browne opened the Q&A section of the meeting and welcomed back Ms Ross and the Chair and also welcomed Ms Vamos – Non-executive Director of Mercer Superannuation (Australia) Limited, Ms Willment – Chief Investment Officer, Mercer Pacific and Ms Shay – Retirement & Partnerships Leader, Mercer Super.

Ms Mathias-Browne reminded members how to ask questions during the meeting and advised that as many questions as possible will be addressed during the Q&A segment, noting the full responses to all questions will be published on the website by mid-April 2025.

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<sup>7</sup> The Minutes reflect a summary of the Question & Answer Segment. Full responses to each question can be viewed in the video recording.



Ms Mathias-Browne advised that pre submitted questions will be considered first with some members providing videos.

**Q1 I received my annual statement which showed me how much my super performed to 30 June, but could you give us an update on how the fund has performed since then please?**

Ms Willment thanked the member for their video question and responded:

Investment markets continued to be strong through the second half of the calendar year 2024. Overall, it was a very positive environment for investors with most Mercer SmartPath members enjoying double digit returns.<sup>8</sup> Depending on their age group, returns ranged from 10.2% to 14.9% making the second calendar year in a row that most SmartPath members have benefitted from double digit returns.<sup>9</sup> These returns also compared favourably with default options offered by other super funds. For example, SmartPath 1974-1978 was 14% for 2024, which was higher than the SuperRatings Default Option median.<sup>10</sup>

For members invested in a Ready-made choice option, all options presented in response to this question achieved positive returns in the 2024 calendar year, ranging between 7% for Mercer Conservative Growth and 16.6% for Mercer Diversified Shares.<sup>11</sup> These returns were also mostly competitive when compared to other super funds.

In addition, markets started strongly in the first quarter of 2025 however we are expecting softer returns by the end of the quarter.

**Q2 What's the economic outlook for the next 12 months?**

Ms Willment responded:

There is certainly a lot going on in markets and economies at the moment. We are expecting a soft-landing meaning that central banks have largely been able to get inflation heading towards target levels without higher interest rates stifling growth so much that economies are pushed into recession.

We have expected economic growth to be slower, but the markets can continue to generate positive

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<sup>8</sup> Based on Mercer SmartPath Corporate Super Division membership data as at 31 December 2023 and 31 December 2024, and for members invested for the entire corresponding time period. Mercer Super Trust's analysis of Mercer SmartPath performance (after investment fees and taxes) for the 2023 and 2024 calendar years. Past performance is not a reliable indicator of future performance.

<sup>9</sup> Based on Mercer SmartPath Corporate Super Division membership data as at 31 December 2024 and for members invested for the entire corresponding time period. Mercer Super Trust's analysis of Mercer SmartPath performance (after investment fees and taxes) for the 2024 calendar year.

<sup>10</sup> Mercer Super Trust's analysis of Mercer SmartPath (Born 1974-1978), compared to the median of default funds reported in SuperRatings Fund Crediting Rate Survey – Default Options as at 31 December 2024.

<sup>11</sup> Mercer Super Trust's analysis of Mercer Ready-made Investment Options in the Corporate Super Division, compared to its respective growth asset ratio fund survey's median as reported in SuperRatings Fund Crediting Rate Survey – as at 31 December 2024.

returns.

There is a lot of uncertainty, most notably due to the geopolitical developments from the re-election of President Trump in the US, new administration's policy agenda, tariffs, trade wars and any changes to the US as a partner. We are watching it very closely and have the ability to adjust portfolio positions with changing market conditions.

**Q3 How can I maximise my super to make up for lack of contributions during my break from work for my caring responsibilities?**

Ms Vamos acknowledged the member's question via video and responded:

That it was fantastic that they were thinking about how to fill the gap. The super gender gap is an issue that many women face.

I can't tailor my answer to your circumstances, but I can provide some important things for you to consider. Check how many super accounts you have. For every account you could be paying an account keeping fee.

You could also be paying for duplicate insurance. An example: if you have income protection insurance under every account you can only claim on one policy if you can't work. This means you are paying for cover that you may not be able to claim for.

By combining your super accounts, you can save fees, but it can also make it easier for you to manage. It is important to note that combining your super accounts can be a significant financial decision and you need to consider the impact to your existing insurance cover, superannuation contributions, tax arrangements and investment mix and any other benefits you may lose if you close one of your super accounts.<sup>12</sup>

Think about boosting your super with extra contributions. Superannuation can be a very tax effective structure. If you receive an inheritance or any extra money you could consider putting it into your super because once you turn 65 you can draw it down tax-free even if you haven't stopped working.

As a Mercer Super member, you have access to limited financial advice about your Mercer Super account at no additional cost.

**Q4 The Productivity Commission has found that not-for-profit industry funds have systematically outperformed retail funds on the whole, with some exceptions. Where is Mercer Super on that**

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<sup>12</sup> Combining your super can be a significant financial decision. If you decide to combine all or part of your other super account(s), carefully consider how this may have an impact on your existing insurance, contribution and tax arrangements, fees or charges, or any other benefits you may lose. We recommend you seek financial advice before deciding whether to combine your super accounts.

**spectrum in recent years? What advantages does Mercer Super offer members versus leading industry funds around lower fees, better returns, benefit programs? Please make the case.**

Ms Ross responded:

Our performance and fees compare very well to other funds including industry funds.

Mercer SmartPath (born 1974-1978) [one of the largest cohorts] has delivered an average return of 8.1% per annum over the 10 years to December 2024. This outperforms the 10-year [SuperRatings] median return of 7.2%.<sup>13</sup>

Virgin Money Super also delivered strong returns. For more details head to the Virgin Money Super website.

We believe performance and fees are just part of the equation. The services we provide to our members are equally important: our Australian based Helpline; educational webinars; personal financial advice at no extra cost on your Mercer Super account; and Care and Living with Mercer, which provides guidance on aged care support.

**Q5 If I want to boost my super what options are available for me?<sup>14</sup>**

Ms Shay responded:

That there are a few ways this can be achieved depending on the member's circumstances so the answer will be general in nature and that members should consider obtaining financial advice.

The options are: make extra contributions (pre-tax contributions or after-tax contributions); many employers offer salary sacrifice which allows you to add more of your pre-tax salary into your super and these contributions are subject to a lower tax rate of 15%. Every dollar of your pre-tax salary that goes into your super helps lower your taxable income.

You may be eligible to make contributions from your after-tax income for example spouse contributions.

Annual caps apply to pre-tax and after-tax contributions.

The Helpline or advice team are available to help.

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<sup>13</sup> Mercer Super Trust's analysis of Mercer SmartPath (born 1974-1978), one of the largest cohorts, compared to the median of default funds reported in SuperRatings Fund Crediting Rate Survey – Default Options as at 31 December 2024. Past performance is not a reliable indicator of future performance.

<sup>14</sup> We strongly recommend that you obtain advice from a licensed or appropriately authorised financial or tax adviser about how tax laws affect you, especially if you are considering making large contributions or retiring because the tax treatment of super is complex and may change at any time.

**Q6 How is member feedback being used to shape the fund's policies and practices? Please include examples in your answer.**

Ms Mathias-Browne responded:

Member feedback is very much at the core of what Mercer focuses on. We regularly review feedback, right from daily operations through to formal Board reports. Our goal is to understand member needs and importantly, how to make things better in our response.

We capture feedback in different ways. One of our favourite ways is working with members. We're working with a number of members to ensure the member App meets members' needs.

Last year we received nearly 12,000 survey responses and we read every single comment because they help us identify the moments that matter and where we should put our energy.

Examples include: adjusting the agenda for this meeting with more Q&A questions; using member feedback to improve the experience as members move into retirement (members advised that they did not know Mercer Super had a pension and for those that did, they said the application form was hard to find and complete).

We worked with members to improve the super to pension process and the form, with 64% of members who completed the form said they found it easy to understand compared to 0% on the old form, so there is more to do.

**Q7a How is Mercer Super performing relative to other Australian funds and international equivalents and what do you see as the areas of greatest investment risk in the near to mid-term and how is Mercer Super mitigating against these risks?**

Ms Willment responded:

We have already covered how we compare to other Australian super funds. We do monitor investments closely and deliver performance which aligns with the investment objectives, and we compete with other funds. We understand that members have choice of fund, and we hope members will continue to choose Mercer Super.

It is harder to make international comparisons as pension systems overseas are quite different to Australian systems. Defined benefit schemes are still very common and even where there are defined contribution schemes (like our super system), differences like currency and asset allocation make direct comparisons difficult.

As mentioned earlier, Mercer partners with the CFA Institute to produce the Index which compares 48 retirement income systems around the world. Australia is generally considered a very strong system ranking consistently in the Top 10.

The following risks are top of mind: geopolitical risk; US policy rollout and tariffs; high US equity valuations in the last two years; and inflation uncertainty. These can all lead to a market decline.

The risks are mitigated by: diversification, for example across asset classes and companies; strong Governance, making sure we make good investment decisions; and inflation protection.

**Q7b How confident are the management and the Board that your cybersecurity measures are adequate to protect members' privacy and funds and how is the team ensuring/building cybersecurity?**

The Chair responded:

We take cybersecurity seriously and am pleased to say that cyber risk and data cyber security are top priorities globally as well as in Australia.

The Trustee Board takes a very close interest in good cyber governance but also takes comfort in knowing that Marsh McLennan, the parent company for Mercer, invests significant resources to manage these risks effectively.

We need to consistently be aware and diligent in monitoring cybersecurity risk.

**Q8 Where are the best investment opportunities for 2025? Are equities overvalued and what is your view on bonds, both Australian and international?**

Ms Willment thanked the member for her video question and responded:

Super is a long-term investment so generally we are not trying to pick the winners over the next year.

We put together investment strategies with a high probability of success over the time horizons of the various options with a focus on diversification.

We do have dynamic processes which allow us to shift the portfolio with changing market conditions and take advantage of opportunities or market dislocations and pricing opportunities that may arise over a 1-3-year period.

US equities was covered earlier.

We have a favourable view on bonds with the current interest rates.

Other opportunities are: Japanese equities are coming out of a long period of low growth; private market asset classes; global unlisted property; and private equity.

**Q9 More about insurance cover and the pros and cons around holding insurance in super versus outside of super.<sup>15</sup>**

The Chair responded:

Super can give members valuable insurance options.

Most funds offer: life insurance; total and permanent disability insurance; automatic cover for some members; the ability to opt out; and optional additional cover.

Mercer Super offers: death cover including terminal illness cover; total and permanent disablement cover; and income protection cover.

The pros of insurance within super: it can be cost effective; premiums come out of members' super account; often available without medical checks; and premiums are tax deductible inside super whereas only income protection can be tax deductible outside of super.

The cons of insurance within super: the automatic insurance provided may not suit a member's needs.

It is important to make sure members have enough coverage for their situation and changing needs by regularly reviewing your insurance. Members can do this by using the online calculator and by seeking financial advice.

Having the right insurance to protect yourself and your loved ones is important.

**Q10 I would like to hear about the support and education being provided to members and hope that this will be delivered in terminology that the average person who is not an expert can understand.**

Ms Mathias-Browne responded:

Communication should be developed so that it is easy for members to understand the message. Most people do not have the time or inclination for complex information.

We focus on using simple language and imagery. Members, in their feedback have told us this is helping, and that the December webinar was highly informative, easy to follow and did not make them feel silly.

We are also working on operational letters to make them clearer.

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<sup>15</sup> Generally, to obtain automatic default insurance coverage, you must join the plan within 120 days of first becoming eligible to join. Full details on the insurance cover and eligibility offered within the Plan is in the PDS, Insurance booklet and the 'Your Plan Details' booklet for the plan. Income Protection cover may not be available for some Spouse or Retained section members. See the PDS for details.

**Q11 How are your international shares options invested – which countries, companies etc? How will you navigate the Trump presidency?**

Ms Willment responded:

There are three international shares options on the main Mercer Super investment menu: two are actively managed (one which hedges currency exposure and one which does not); and a passive option.

There are three points to highlight: geography (a significant portion of the investments are in North America); sectors (investments are made across a range of sectors including information technology, financial services and consumer discretionary; and individual companies (Apple, Amazon, Berkshire Hathaway and Mastercard).

I already made some comments around the Trump presidency so hope they have answered that part of your question.

Despite the uncertainty and difficulty in understanding where this will land, make sure you are in an investment strategy or option that is right for you and well diversified. Those are some of the keys to investing through uncertainty.

**Q12 At what age can I access my super and what are the conditions for withdrawing it?**

Ms Vamos responded:

There are two ages to focus on:

- Members under age 60 can withdraw some of their super due to some circumstance such as severe financial hardship and terminal illness.
- Members who have turned 60 and stopped working can get unrestricted access to their superannuation. Members who keep working between 60 and 65 can start a Transition to Retirement pension account (TTR) which will allow them access of up to 10% of the account balance.
- Members over age 65 can access their super with no restrictions.

If members start an allocated pension, withdrawals and investment returns are tax free.

**Q13 When is the right time to retire and how much super should I have?**

Ms Shay responded:

It is when it is right for the member.

Members should ask themselves: what does retirement look like; do I want to fully retire or work part time; do I want to have a career change; and how much will I need to live on.

The ages that Ms Vamos explained above are important as well as age 67 when members may be eligible for the Government age pension.

Mercer Super is here to help with retirement planning: the website; educational webinars; advice options; and the Mercer Super Retirement Income Simulator where members can enter their details to work out how much income they are on track to receive and how long it will last.

Retirement is unique to each member, so it is worth taking the time to plan for it.

**Q14 Are you going to review fees that you charge to the members and aim to reduce them? How are Mercer Super fees comparing to other funds of similar size?**

Ms Ross responded:

We are committed to providing value to our members which includes regularly reviewing our fee structure because fees can impact members' overall retirement savings. We monitor the fees against the market closely and benchmark our fees against other super funds to ensure members have more savings to rely on when they stop working.

We compare very well to other super funds including industry funds.

## **Closing Remarks**

Ms Mathias-Browne reminded everyone that the recording, minutes, questions and answers will be available on the website in mid-April.

Ms Mathias-Browne reminded members that the information provided in the meeting is general information only and not tailored to their individual circumstances and to speak to a Financial Adviser or the Helpline about their super. Ms Mathias-Browne advised members that they will receive a follow up email after the meeting with links to some of the resources online and encouraged members to provide feedback by completing the survey.

Ms Mathias-Browne thanked members for being a Mercer Super member and wished all a great rest of the day.

## **Meeting Close**

The meeting closed at: 2:12pm



**Important**

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