



## MERCER SUPER TRUST – ALLOCATED PENSION DIVISION – SUMMARY OF SIGNIFICANT EVENTS AND MATERIAL CHANGES

May 2017

The following is a summary of Significant Events and Material Change Notices that have been provided to members of the Allocated Pension Division of the Mercer Super Trust during the last two years. Copies of each Notice can be obtained by logging in to your account and selecting 'Documents' from the Menu in the top right corner of your homepage or by calling the Helpline on 1800 671 369.

Notice Date	Nature of Event or Change	Impact of the change
August 2015	Investment Changes	<ul style="list-style-type: none"> <li>Various investment options closed to new investors from 1 September 2015. Members' balances invested in these investment options were transferred to a corresponding investment option during October 2015.</li> <li>Some new investment options were introduced from 1 October 2015. The Mercer Direct investment option was introduced in July 2014. The Mercer LifetimePlus investment option was introduced during 2015.</li> <li>To reflect more uniform reporting standards across the industry since the introduction of MySuper, from 1 October 2015, the growth/defensive/enhanced asset classification method changed to a simpler two-part growth/defensive classification.</li> </ul> <p>In addition, from 1 October 2015, some investment options had changes to some or all of their:</p> <ul style="list-style-type: none"> <li>- Objectives</li> <li>- Standard risk measures</li> <li>- Minimum suggested timeframe</li> <li>- Asset allocations including asset classes.</li> </ul> <ul style="list-style-type: none"> <li>From 1 October 2015, some investment options were renamed.</li> </ul>
	Fee Changes	<ul style="list-style-type: none"> <li>Any performance fees that apply to an investment option are now included in the Indirect Cost Ratio (ICR), rather than in the investment fee. This reclassification did not result in any increase in the total fees payable. As a result of this reclassification of performance fees, the investment fee decreased and the ICR increased.</li> <li>In addition, the expected range of the ICR for some investment options has changed.</li> </ul>





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August 2015	Change of Eligible Rollover Fund	<ul style="list-style-type: none"><li>From 1 October 2015, the eligible rollover fund for the Mercer Super Trust changed from the AMP Eligible Rollover Fund to the SuperTrace Eligible Rollover Fund.</li></ul>
May 2017	Federal Budget Changes	<ul style="list-style-type: none"><li>The Federal Government has passed legislation to implement budgetary superannuation changes. The majority of these take effect from 1 July 2017. Effective 1 July 2017, the most significant are:<ul style="list-style-type: none"><li>Earnings on the assets supporting a Transition to Retirement Allocated Pension (TRAP) will be taxed at 15%.</li><li>A cap of \$1.6 million will apply to the amount that can be transferred to and held in an investment tax exempt pension account. Allocated pensions that commence prior to 1 July 2017 count towards the cap.</li></ul></li></ul>
	Investment changes	<ul style="list-style-type: none"><li>From 1 July 2017, for the Mercer SmartPath<sup>®</sup> investment option, the percentage of growth assets applicable to some of the underlying 'Paths' will change.</li><li>From 1 July 2017, the investment objective for the Non-Mercer Balanced Value Style investment option will change.</li><li>From 1 July 2017, TRAP accounts will be moved to new taxed investment options.</li><li>From 1 July 2017, the Mercer LifetimePlus investment option will be removed.</li></ul>
	Fee changes	<ul style="list-style-type: none"><li>As a result of new legislation, the disclosure of fees and costs in Product Disclosure Statements is changing. As a result, how the Indirect Cost Ratio (ICR) is calculated and what elements are included in the calculation of the ICR has changed.</li><li>From 1 July 2016, the Trustee no longer charges an Operational Risk Financial Requirement levy.</li></ul>

This document has been prepared 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.

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