Annual Outcomes Assessment

Lutheran Super Plan

Financial year ending 30 June 2025

Overall Determination

Mercer Superannuation (Australia) Limited (the **Trustee**) has determined that the Lutheran Super Plan (the **Product**) is **promoting the financial interests of our members**. This is based on the assessments and comparisons summarised below.

Section one – performance assessment

Fees and costs	Lutheran Balanced Growth total fees and costs across the financial year to 30 June 2025 ranked above median, based on a $50,000 account balance. The assessed Choice investment options are Quartile 1 or Quartile 2 for a $50,000 balance.
Investment returns	Lutheran Balanced Growth achieved an above median ranking over 1 year. There is insufficient performance history to assess 3 and 5 year periods. Most Choice investment options are ranked mid-market or better, being Quartile 1 or Quartile 2 over the different periods.
Investment risk	Lutheran Balanced Growth is positioned in Quartile 3 relative to all other MySuper products with the same risk label and growth asset band. The level of investment risk in our Choice investment options is appropriate.

Section two – assessment factors

Options, benefits and facilities	The Trustee is committed to enhancing member experience and engagement, and our analysis shows we offer appropriate options, benefits and facilities for our members.
Investment strategy	The investment strategy, including the asset allocation and level of risk is appropriate for MySuper and Choice investment options.
Insurance strategy & fees	The Trustee recognises the importance of insurance. The insurance strategy is appropriate for our members, and performing as intended. Insurance fees continue to be reviewed and remain appropriate, and most insurance fees are Quartile 1 or Quartile 2. The insurance fees are also appropriate given the claims' history.
Basis for setting fees	The basis for setting fees is suitable for our Mercer Super products.
Scale & operating costs	Operating costs are reasonable, with Mercer Super continuing to grow in 2025.

Section One: Summary of the performance assessment

This section provides the outcome of the Trustee's assessment of Fees and costs, Investment returns and Investment risk compared to peers and benchmarks.

1. Fees and costs

Determination	Assessment
Members' financial interests are promoted	**MySuper -** Lutheran Balanced Growth achieved a Quartile 1 ranking relative to all MySuper products for a $50,000 balance for the year to 30 June 2025 based on an assessment of fees and costs.
	Choice - The fees and costs are mid-market or better (Quartile 1 or Quartile 2) for all assessed options. The $50,000 and $100,000 balance comparisons have one option ranked at Quartile 2 with the rest being Quartile 1.

MySuper

Table 1 – Lutheran Balanced Growth annual fees and costs compared to the APRA MySuper median[1] as at 30 June 2025 only.

Product	MySuper annual fees and costs
Lutheran Balanced Growth	$366.00
MySuper median	$450.00

Choice

Table 2 – Choice fees and costs competitor rankings for $50,000 balance.

		For $50,000 balance			
Fee category	**Investment option**	**Administration fees and costs**	**Total fees and costs**	**Rank**	**Quartile**
High Growth	Mercer High Growth	0.05%	0.85%	10 / 57	Q1
Growth	Mercer Growth	0.05%	0.82%	8 / 63	Q1
Balanced	Mercer Moderate Growth	0.05%	0.74%	7 / 53	Q1
Conservative	Mercer Conservative Growth	0.05%	0.68%	1 / 62	Q1

[1] Source: APRA Quarterly MySuper Statistics Table 8a SRF 700.0 – Item 4 (30 June 2025).

Table 3 – Choice fees and costs competitor rankings for $100,000 balance.

		For $100,000 balance			
Fee category	**Investment option**	**Administration fees and costs**	**Total fees and costs**	**Rank**	**Quartile**
High Growth	Mercer High Growth	0.05%	0.85%	13 / 57	Q1
Growth	Mercer Growth	0.05%	0.82%	17 / 63	Q2
Balanced	Mercer Moderate Growth	0.05%	0.74%	11 / 53	Q1
Conservative	Mercer Conservative Growth	0.05%	0.68%	12 / 62	Q1

The Trustee remains committed to delivering products and investment options that promote member outcomes and foster growth to enable the benefits of scale to be passed onto members by way of competitive administration fees.

2. Investment returns

Determination	Assessment
Members' financial interests are promoted	**MySuper -** Lutheran Balanced Growth achieved an above median ranking over 1 year. There is insufficient performance history to assess 3 and 5 year periods.
	Choice - Most options are rated mid-market or better (Quartile 1 or Quartile 2) over the different periods. For 1-year results, all four rated options are ranked Quartile 1 or Quartile 2. For 3-year results, all four rated options are ranked Quartile 1 or Quartile 2. For 5-year results, three of the four rated options are ranked Quartile 1 or Quartile 2.

MySuper

Under the Government's Your Future, Your Super reforms, which came into effect on 1 July 2021, APRA is required to conduct an Annual Performance Assessment (**APA**) for MySuper products. The APA assesses investment performance over a ten-year time horizon. Based on the APA results released by APRA on 29 August 2025, the Product **passed** the APA.

Table 4 – Lutheran Balanced Growth net investment returns for a representative member (account balance of $50,000) as at 30 June 2025[2].

Investment option	1 yr. net return (% p.a)[3]	3 yr. annualised net return (% p.a)	5 yr. annualised net return (% p.a)
Lutheran Balanced Growth MySuper	11.05%	N/A	N/A

[2] Quartile rankings are based on risk bands to provide a more accurate assessment compared to ranking against all MySuper funds

[3] Values only provided for options funded as at 30 June 2024

Choice

APRA introduced the APA for Trustee-Directed Products from 1 July 2023 onwards. The test assesses the investment performance of a product over a ten-year time horizon. All Mercer Super Trust (**MST**) Choice options surveyed within the 2024-25 APA, **passed** the APA.

Investment returns will vary according to the asset class or level of risk associated with each Choice investment option.

Table 5 – Choice investment return rankings against comparable investment options[4].

Investment option		1 Year		3 Years		5 Years	
	Peer group	**Rank**	**Quartile**	**Rank**	**Quartile**	**Rank**	**Quartile**
Mercer Passive Australian Shares	Australian Shares	24 / 67	Q2	24 / 64	Q2	36 / 58	Q3
Mercer Passive International Shares	International Shares	14 / 65	Q1	5 / 62	Q1	8 / 56	Q1
Mercer Enhanced Passive Growth	Balanced	32 / 167	Q1	17 / 145	Q1	24 / 137	Q1
Mercer Conservative Growth	Capital Stable	24 / 72	Q2	21 / 67	Q2	21 / 62	Q2

3. Investment risk

Determination	Assessment
Members' financial interests are promoted	**MySuper** - Lutheran Balanced Growth is positioned in Q3 relative to all other MySuper products with the same growth asset band and risk label.
	Choice - The Trustee ensures that it has a range of options available for members to choose from, with different risk characteristics and investment objectives. During the last review in 2025 the Trustee confirmed that it was comfortable with the level of investment risk in each Choice investment option.

MySuper

The level of investment risk for MySuper products has been measured using the methodology set out in APRA *Reporting Standard SRS 700.0 Product Dashboard.*

Table 6 – Lutheran Balanced Growth against other MySuper products with the same risk label.

Investment option	Estimated number of negative net investment returns over a 20-year period	Rank amongst all products with the same growth asset band and SRM[5]
Lutheran Balanced Growth MySuper	3.80	9

[4] The options surveyed include the four largest options by number of members and three tailored investment options. The rankings are sourced from the SuperRatings FCRS Survey as at 30 June 2025.

[5] The APRA Quarterly MySuper Statistics included 28 single diversified MySuper options as at 30 June 2025. There are 13 options with the same growth asset band and risk label as the Lutheran Balanced Growth option.

The Lutheran Balanced Growth MySuper option is ranked ninth among the other 13 single strategy MySuper options with the same growth asset band and risk label in the APRA MySuper universe, positioning it in Q3 relative to its peers. The Lutheran Balanced Growth option is classified with a Medium to High Standard Risk Measure (**SRM**) label and is assessed against other options that are expected to have between 3 and 4 estimated number of negative annual returns over any 20-year period with a growth asset allocation of 60% to 75%. The Lutheran Balanced Growth option is estimated to have 3.80 years of negative annual returns over any 20-year period, indicating that it is taking a higher level of risk compared to other single strategy MySuper products with the same SRM.

Choice

The Trustee performs an annual review of each Choice investment option to understand the level of investment risk inherent in each option and whether that would be in line with the expectations of the members who are invested in that option. During the last review in 2025, the Trustee confirmed that it was comfortable with the level of investment risk in each Choice investment option.

Section Two: Summary of the assessment factors

The Trustee's assessment of the Product as at 30 June 2025 is based on the following factors specified by the legislation.

<table>
<tr><th>Factor</th><th>Determination</th></tr>
<tr><td>Options, benefits and facilities</td><td>Members' financial interests are promoted

The options, benefits and facilities are appropriate for MySuper and Choice members having regard to the financial interests of beneficiaries in this Product.

The MST offers members access to options, benefits, and facilities that Management considers appropriate to meet the needs of the broad target market and member demographics. These include:
A diverse investment menu,
Comprehensive and flexible insurance arrangements,
Member experiences and employer servicing that is highly regarded by industry peers with intuitive and proactive digitally enabled services and interactions,
A comprehensive super, retirement and financial wellness education offering,
A pathway for members in the accumulation phase to seamlessly transition to retirement phase products.
The Trustee is focused on improving member experience and engagement, including advancements in Digital Experience, Service Transformation and Product Simplification, as well as enhancing the advice offering that supports our members' journey into and in retirement.</td></tr>
<tr><td>Investment strategy</td><td>Members' financial interests are promoted

The last annual investment strategy review was completed in August 2025. This review assessed the appropriateness of investment objectives and strategies for the MySuper and Choice investment options given a forward-looking return environment, incorporation of Net Zero considerations in portfolio construction and Investment Governance regulatory requirements.

The review identified that the updates to the investment strategy for the Lutheran Balanced Growth option, including changes to the investment time horizon and Strategic Asset Allocations, are appropriate.

The review identified that the investment strategy for the MST Choice options remains appropriate, with minor changes to the Mercer Enhanced Passive options and changes to the SRM for a number of options.</td></tr>
</table>

Factor	Determination
Insurance strategy	**Members' financial interests are promoted** The most recent triennial review of the Insurance Management Framework (**IMF**) conducted in November 2023 determined that the IMF and insurance strategy are operating effectively in members' best financial interests. In addition, an annual review was completed in September 2024. The Trustee's insurance strategy underpins a strong insurance offer, making a range of insurance benefits available to members. The insurance offer reflects the differing needs of members. Where default cover is provided on an automatic basis, most members can adjust or cancel their cover at any time to ensure that the cover they hold is appropriate and affordable for their circumstances. For insured members, there is a continuing focus to enhance member services and improve claims admittance rates and claims durations. This includes uplift to the digital claims and digital underwriting capabilities. In the Chant West Super Funding Ratings, the MST insurance offerings are considered to be 5 out of 5 (Highest Quality Funds) in 2025.
Insurance fees	**Members' financial interests are promoted** Ensuring that insurance fees charged in relation to a product are affordable and do not inappropriately erode the retirement income of beneficiaries is a key objective of the Trustee's insurance strategy. The approach applied by the Trustee to meet this objective is that the cost of default cover provided to members on an automatic basis should not generally exceed 1% of a member's estimated salary. For Lutheran Super Plan members, the cost of insurance provided to members on an automatic basis does not generally exceed 1% of an estimated salary. There are some scenarios where this cost may exceed the threshold, such as members employed in high-risk occupations or Individual/Retained members who were provided with high levels of cover before leaving the employer. To help mitigate potential risks of this affordability threshold being exceeded, the Trustee regularly encourages members through various communications to ensure that the types and amounts of cover they hold are appropriate and affordable for their circumstances. Members are encouraged to seek financial advice if they are unsure as to what insurance coverage is needed to meet their needs. Insurance fees for members insured through the MST Umbrella arrangement are highly competitive at Quartile 1 or Quartile 2 for all ages compared.
Scale	**Members' financial interests are promoted** MySuper and Mercer Choice options have sufficient scale to be sustainable. MST and the Product's scale has grown over the year, with the number of member accounts across MST increasing by approximately 22,000 and an increase in Funds Under Management of $8.5 billion. The Trustee remains committed to offering and managing products and investment options that enhance member outcomes and foster growth, allowing the advantages of scale to be shared with members.
Operating costs	**Members' financial interests are promoted** The Trustee incurs operating costs in ensuring the efficient and effective operation of the MST, including MySuper and Choice. Both current and projected operating costs per member are reasonable with the net operating income per account remaining stable and sustainable.

Factor	Determination
Basis for setting fees	**Members' financial interests are promoted** The Trustee recognises that the manner in which fees are charged to MST members is a material consideration in assessing the promotion of members' financial interests. Analysis of the fund's fee structure and levels show they are appropriate, given the allocation of costs between products, options, and members. The Trustee annually assesses the appropriateness of the fees charged to beneficiaries. The basis for setting fees continues to be suitable for the Product, recognising that the Trustee has a Fees and Costs Policy.