

Annual Outcomes Assessment

Santos Superannuation Plan

Financial year ending 30 June 2025

Overall Determination

Mercer Superannuation (Australia) Limited (the **Trustee**) has determined that the Santos Superannuation 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	The MySuper SmartPath 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 ranked mid-market or better for a \$50,000 balance.
Investment returns	MySuper SmartPath achieved predominantly above median ranking over 1, 3 and 5 years (net of fees and taxes). Most Choice investment options are mid-market or better, being Quartile 1 or Quartile 2 over the different periods.
Investment risk	The investment risk in our investment options is appropriate. Most of the MySuper SmartPath options have a lower level of risk than comparable MySuper products.

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 - Mercer SmartPath for the Santos Superannuation Plan achieved a Quartile 2 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 all options ranked at Quartile 1 or Quartile 2.

MySuper

Table 1 - Mercer SmartPath MySuper annual fees and costs comparison compared to the APRA MySuper median¹ as at 30 June 2025 only.

Product	MySuper annual fees and costs
Mercer SmartPath – Santos Superannuation Plan MySuper	\$441.00
MySuper median	\$401.00

Choice

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

Fee category	Investment option	For \$50,000 balance			
		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%	11 / 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.

Fee category	Investment option	For \$100,000 balance			
		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 mostly promoted	MySuper - Mercer SmartPath achieved predominantly an above median ranking against peers over 1, 3, and 5 years to 30 June 2025 (net of fees and taxes).
	Choice - Most options are rated mid-market or better over the different periods. For 1-year results, three of the four rated options are ranked Quartile 1 or Quartile 2. For 3-year results, three of the four rated options are ranked Quartile 1 or Quartile 2 and for 5-year results, three of the four rated options are ranked 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.

Instances of below Quartile 2 performance for in-glide and post-glide cohorts can largely be attributed to lower growth asset allocation compared to peers within the same risk label or the whole MySuper cohort. The instances of below median performance over the 5-year period, are likely because, prior to 1 June 2022, the Santos MySuper product used Mercer Growth, and its past performance was combined with that option. This will result in different performance outcomes to the standard SmartPath product which is above median over the 5-year period.

Table 4 - Mercer SmartPath net investment returns for a representative member (account balance of \$50,000) as at 30 June 2025².

Lifecycle Stage	1 yr. net return (% p.a) ³	3 yr. annualised net return (% p.a)	5 yr. annualised net return (% p.a)	Stage of glidepath ⁴
Born 1929 to 1933	N/A	N/A	N/A	Post glide
Born 1934 to 1938	N/A	N/A	N/A	Post glide
Born 1939 to 1943	N/A	N/A	N/A	Post glide
Born 1944 to 1948	N/A	N/A	N/A	Post glide
Born 1949 to 1953	9.72%	8.51%	7.39%	Post glide
Born 1954 to 1958	9.76%	8.77%	7.52%	In glide
Born 1959 to 1963	10.52%	9.87%	7.92%	In glide
Born 1964 to 1968	11.54%	11.10%	8.44%	In glide
Born 1969 to 1973	12.38%	12.07%	8.87%	Pre glide
Born 1974 to 1978	12.43%	12.11%	8.90%	Pre glide
Born 1979 to 1983	12.42%	12.11%	8.89%	Pre glide
Born 1984 to 1988	12.39%	12.12%	8.89%	Pre glide
Born 1989 to 1993	12.34%	12.13%	8.87%	Pre glide
Born 1994 to 1998	12.35%	12.05%	8.83%	Pre glide
Born 1999 to 2003	12.33%	11.93%	8.77%	Pre glide
Born 2004 to 2008	12.61%	11.90%	8.75%	Pre glide
Born 2009 to 2013	N/A	N/A	N/A	Pre glide
Born 2014 to 2018	N/A	N/A	N/A	Pre glide

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 are influenced by the asset class or level of risk associated with each Choice investment option. Whilst Mercer Cash is the only option not delivering above median returns, it is delivering returns appropriate to its PDS stated objectives. There was also a wide range of peer investment option returns for Cash as at 30 June 2025.

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 2025

⁴ Mercer SmartPath cohorts sit on a glidepath. Younger cohorts (with members aged under ~55 years of age) will be classified as pre-glide as their growth assets haven't begun to decrease. While older cohorts could be classified as in-glide or post-glide depending on whether their growth allocation for their age cohort has reached the terminal growth asset allocation, of roughly 60%.

Table 5 – Choice investment return rankings against comparable investment options⁵.

Investment option		1 Year		3 Years		5 Years	
	Peer group	Rank	Quartile	Rank	Quartile	Rank	Quartile
Mercer High Growth	Growth	54 / 134	Q2	36 / 110	Q2	36 / 104	Q2
Mercer Australian Shares	Australian Shares	27 / 67	Q2	10 / 64	Q1	22 / 58	Q2
Mercer International Shares	International Shares	11 / 65	Q1	22 / 62	Q2	22 / 56	Q2
Mercer Cash	Cash	51 / 59	Q4	46 / 57	Q4	46 / 57	Q4

3. Investment risk

Determination	Assessment
Members' financial interests are promoted	MySuper - The majority of the Mercer SmartPath options' level of investment risk is lower than comparable MySuper products. All options were ranked Quartile 1 except for the 1964 to 1968 cohort which is ranked Quartile 2.
	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*.

All of the Mercer SmartPath cohorts ranked in Quartile 1 for taking the least amount of risk within its growth asset band and designated Standard Risk Measure (**SRM**) label.

⁵ 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.

Table 6 – Mercer SmartPath rankings against other MySuper products with the same risk label.

Lifecycle Stage	Estimated number of negative net investment returns over a 20-year period	Rank amongst products with the same SRM	Stage of glidepath
Born 1929 to 1933	3.00	N/A	Post glide
Born 1934 to 1938	3.00	N/A	Post glide
Born 1939 to 1943	3.00	N/A	Post glide
Born 1944 to 1948	3.00	N/A	Post glide
Born 1949 to 1953	3.00	1	Post glide
Born 1954 to 1958	3.00	1	In glide
Born 1959 to 1963	3.40	5	In glide
Born 1964 to 1968	3.70	12	In glide
Born 1969 to 1973	4.00	5	Pre glide
Born 1974 to 1978	4.00	5	Pre glide
Born 1979 to 1983	4.00	5	Pre glide
Born 1984 to 1988	4.00	5	Pre glide
Born 1989 to 1993	4.00	5	Pre glide
Born 1994 to 1998	4.00	5	Pre glide
Born 1999 to 2003	4.00	5	Pre glide
Born 2004 to 2008	4.00	5	Pre glide
Born 2009 to 2013	4.0	N/A	Pre glide
Born 2014 to 2018	4.00	N/A	Pre glide

The benefit of the lifecycle strategy is that it is designed with a whole of life approach in mind. The level of investment risk will adjust accordingly for each cohort, with pre-glide and in-glide cohorts taking on more levels of investment risk, while post-glide cohorts taking on lower levels of investment risk but better downside protection.

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.

Factor	Determination
Options, benefits and facilities	Members' financial interests are promoted The options, benefits and facilities are appropriate for Mercer SmartPath 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.
Investment strategy	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 Mercer SmartPath cohorts 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 for each SmartPath cohort the probability of achieving the relevant stated investment objective remains satisfactory. Changes to CPI+ objectives, the Standard Risk Measure (SRM) and to the asset allocation ranges have been approved in line with the Mercer SmartPath glidepath. 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.

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 mostly 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 SmartPath and Choice members the cost of insurance provided to members on an automatic basis does not generally exceed 1% of an estimated salary. There is a risk of exceeding this threshold for some cohorts of members, for example, members who have moved to the Retained division with high default levels of cover. 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. On balance, insurance fees for members are broadly aligned with the financial interests and needs of beneficiaries. Insurance fees for most members insured through the Corporate Umbrella arrangement are competitive and within Quartile 1 and 2 compared to competitors. The Trustee continues to focus on ensuring affordability of insurance premiums and that these do not unduly erode member retirement balances. Premiums are consistently reviewed to ensure they remain fair and reasonable for members.
Scale	Members' financial interests are promoted Santos Superannuation Plan options have sufficient scale to be sustainable. MST and the Product 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.

Factor	Determination
Operating costs	Members' financial interests are promoted The Trustee incurs operating costs in ensuring the efficient and effective operation of the MST, including Mercer SmartPath and Choice. Both current and projected operating costs per member are reasonable with the net operating income per account remaining stable and sustainable.
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.

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

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Ratings are likely to change and are only one factor to be taken into account when deciding to invest in a product.

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