Target Market Determination

Mercer Super Trust

Mercer SmartRetirement Income

26 November 2025

Legal disclaimer

A Target Market Determination (**TMD**) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). This TMD describes the class of consumers that comprises the target market for the financial product and matters relevant to the product's distribution and review (specifically, distribution conditions, review triggers and periods, and reporting requirements). Distributors must take reasonable steps that will, or are reasonably likely to, result in distribution of the product being consistent with the most recent TMD (unless the distribution is excluded conduct). It forms part of the Mercer Superannuation (Australia) Limited (MSAL) design and distribution framework for the product.

This document is **not** a Product Disclosure Statement (**PDS**) and is not a complete summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Customers interested in acquiring this product should carefully read the PDS for Mercer SmartRetirement Income before making a decision whether to acquire this product.

Important terms used in this TMD are defined at the end of the document. Capitalised terms have the meaning given to them in the product's PDS, unless otherwise defined. The PDS can be obtained from **mercersuper.com.au/pds**.

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'). 'MERCER' is an Australian registered trademark of Mercer (Australia) Pty Ltd ABN 32 005 315 917.

1. Product summary

Product and issuer identifiers

1.1	**Name of product**	Mercer SmartRetirement Income
	Issuer name	Mercer Superannuation (Australia) Limited (**MSAL**)
	Issuer ABN	79 004 717 533
	Issuer AFSL	235906
	Fund ABN	19 905 422 981
	USI code	19 905 422 981 710
1.2	**TMD issue date**	26 November 2025
	TMD version	5
	Distribution status of product	Open

Product description and Key attributes

1.3	**Product description**	This is a superannuation product for individuals who have met a condition of release wanting to hold wealth and provide income during retirement. The product is for individuals wanting a Transition to Retirement (TTR) Allocated Pension or Allocated Pension.
1.4	**Key product attributes**	• This is a pension product. Customers can choose the amount, frequency and drawdown strategy of their regular income payments (subject to legislated minimum and maximum amounts). • The customer can choose what investment option they are invested in from an extensive investment menu. • This product is subject to drawdown rules – Allocated Pension customers can take out extra money (lump sum minimum withdrawal amount of $500) subject to regulations. • Customers opening a Mercer SmartRetirement Income account may be eligible to earn a tax-free Retirement Bonus (subject to eligibility criteria). • Online access. Allows customers to manage their accounts online, including but not limited to: - Check account balance, account activity and download account statements. - Switch investment options. - Check beneficiaries.

Description of Target Market

The Target Market is the class of customers who meet the needs and objectives set out below and are in the financial situation set out below.

2. Needs and Objectives of Customer

2.1 TMD indicator key

The Customer Attributes for which the product is likely to be appropriate have been assessed using a red/amber/green rating methodology with appropriate colour coding:

In target market
See issuer instructions
Not considered in target market

Instructions

In the tables below, Column 1 indicates a description of the likely objectives, financial situation and needs of the class of customers that are considering this product. Column 2 indicates whether a customer meeting the attribute in column 1 is likely to be in the target market for this product.

2.2 Customer needs and objectives

For an individual customer, Mercer SmartRetirement Income is likely to be consistent with **any one or more** of the following short-term and long-term objectives:

- to accumulate capital/wealth for retirement
- to provide a source of income during retirement
- to hold capital/wealth during retirement
- to provide an environment for concessional taxation of savings if customer is still working and transitioning to retirement.

This product is **not** designed for individuals who:

- Have not met a condition of release.
- Want access to insurance through superannuation.
- Want to receive and contribute employer or personal contributions.

2.3 Level of decision making

Customer's intended level of decision making	Product consistency with target market
Fully self-managed, including fund administration (SMSF)	Not considered in target market
Investment options chosen by customer from extensive investment menu	In target market
Investment options chosen by customer from limited investment menu	In target market
Default investment options applied where no investments selected	In target market
Customers transferring in from a Mercer Corporate Superannuation Division (CSD) account who are not choosing investment options have their accumulation options mapped to the most appropriate option in the Mercer SmartRetirement Income product	In target market
Customers requiring a range of death and disability insurance arrangements	Not considered in target market

2.4 Product investment menu

Looking to invest in one, or a combination of, investment options that sit within the following categories of investment:

Customer's desired type of strategy on investment menu	Product consistency with target market	
	Allocated Pension customers (tax free)	Transition to Retirement customers (taxed)
Diversified actively managed multi sector options	In target market	In target market
Options that incorporate sustainability criteria^	In target market	In target market
Sector options	In target market	In target market
Passive options	In target market	In target market
Mercer Direct investment options	In target market	Not considered in target market

^Read the Sustainable Investment Information booklet before making an investment decision.

2.5 Number of investment holdings

Customer's intended holding of multiple investment options/ strategies	Product consistency with target market
Low – customer intends to hold no more than 6 investment options	In target market
Medium – customer intends to hold between 7 and 10 investment options	In target market
High – customer intends to hold more than 10 investment options	Not considered in target market

2.6 Financial Advice

Customer's desired availability of financial advice	Product consistency with target market
Customer wishes to have the option to receive comprehensive personal financial advice paid by them through the fund.	In target market
Customer wishes to have the option to receive limited personal financial advice through the fund relating to the customer's interest in the fund (intra-fund advice).	In target market
Customer does not wish to have the option to receive advice through the fund.	In target market
Customer wishes to have the option to authorise an external financial adviser to assist in managing the customer's interest in the fund.	In target market

3. Financial situation of customer

3.1 Life stage of customer

Life stage of customer	Product consistency with target market
Satisfied at least one statutory condition of release and wishes to commence a retirement income stream	In target market
Not satisfied a statutory condition of release	Not considered in target market
Customer does not wish to commence a retirement income stream	Not considered in target market

3.2 Intended size of investment

Customer's intended account balance	Product consistency with target market
Below $10,000	**Not considered in target market**
Over $10,000	**In target market**

3.3 Customer selected investment options

This section of the TMD is relevant to customers who choose one or more investment options when entering the product (that is, customers who do not rely on the default investment option).

The investment menu is designed to provide a range of choices across the risk/return spectrum and with a corresponding suggested minimum time for holding the investment option. It is therefore encouraged that customers utilise the Risk Attitude Quiz through Member Online by using your personal login at **mercersuper.com.au** (available after joining the product), and/or the limited financial advice service available through the Helpline at no additional cost or seek their own financial advice.

Each of the sections in the table below should be taken into account individually.

<table>
<tr><th>Customer's intended type of strategy on investment menu</th><th>Diversified actively managed multi sector options</th><th>Sustainable investment options</th><th>Sector options</th><th>Passive options</th><th>Direct investment options</th></tr>
<tr><td colspan="6">Customer's Risk (ability to bear loss) and Return profile</td></tr>
<tr><td>Extremely high</td><td></td><td></td><td></td><td></td><td rowspan="5">Multiple options available to members with a Low to Extremely high risk appetite.</td></tr>
<tr><td>Very high</td><td rowspan="3">Multiple options available to members with a Medium, High or Very high risk appetite.</td><td rowspan="3">Multiple options available to members with a Medium, High or Very high risk appetite.</td><td rowspan="4">Multiple options available to members with a Low, Medium, High or Very high risk appetite</td><td rowspan="3">Multiple options available to members with a Medium, High or Very high risk appetite.</td></tr>
<tr><td>High</td></tr>
<tr><td>Medium</td></tr>
<tr><td>Low</td><td></td><td></td><td></td></tr>
<tr><td colspan="6">Customer's investment timeframe</td></tr>
<tr><td>Short (<3 years)</td><td></td><td></td><td rowspan="3">Multiple options available to members with an investment timeframe of 1 year or more.</td><td></td><td rowspan="3">Multiple options available to members with an investment timeframe of 1 year or more.</td></tr>
<tr><td>Medium (3 ≤ 7 years)</td><td rowspan="2">Multiple options available to members with an investment timeframe of 5 years or more.</td><td rowspan="2">Multiple options available to members with an investment timeframe of 5 years or more.</td><td rowspan="2">Multiple options available to members with an investment timeframe of 5 years or more.</td></tr>
<tr><td>Long (> 7 years)</td></tr>
</table>

4. Other elements of TMD

4.1 Appropriateness requirements

Explanation of consistency of key attributes with TMD
MSAL has reviewed the manner in which existing customers are using the product as at the date of this TMD. This review of customer data and behaviour confirms that the key product attributes (as listed in section 1) are consistent with customer needs and objectives.

4.2 Distribution conditions/restrictions

Distribution channel	Permitted channel?	Distribution conditions/restrictions
Direct retail, where permitted	Yes	The product should only be distributed to customers in target market.
Personal advice	Yes	An adviser can only recommend the product not establish an account on behalf of the customer.
Through an Authorised Representative of an Australian Financial Services Licence holder	Yes	The product should only be distributed to customers in target market.
Robo advice	Yes	The product should only be distributed to customers in target market.

The distribution conditions and restrictions set for this product are designed to ensure that consumers who acquire it are likely to belong within the product's target market.

4.3 Review triggers

1. Where MSAL has determined that any of the following has occurred, including but not limited to:
   a) ASIC reportable significant dealing outside of TMD.
   b) Material or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) regarding product design, product availability or any distribution condition where MSAL considers this reasonably suggests that this TMD is no longer appropriate.
   c) Material change to key product attributes, terms and/or conditions where MSAL considers this reasonably suggests that this TMD is no longer appropriate.
   d) The use of Product Intervention Powers, regulator orders or directions in relation to the distribution of this product where MSAL considers this reasonably suggests that this TMD is no longer appropriate
   e) A significant breach event relating to the design or distribution of this product where MSAL considers this would reasonably suggest that (i) this product is unsuitable for a particular cohort of customers and (ii) the TMD may no longer be appropriate.

   f) External events such as adverse media coverage or regulatory attention in relation to product attributes or the distribution of a Product.

   g) The issuer's monitoring of investment performance under SPS 530 which reasonably suggests the TMD is no longer appropriate.

2. The trustee of this product (MSAL) makes a determination for purposes of section 52(9) of Superannuation Industry (Supervision) Act 1993 that the financial interests of the customers who hold this product are not being promoted.

4.4 Mandatory review periods

Review periods	Maximum period for review
Initial review	NA – initial review has already occurred
Subsequent review	3 years and 3 months

4.5 Distributor Information Reporting Requirements

Regulated person(s)	Requirement	Reporting deadline
All distributors	Complaints (as defined in section 994A(1) of the Act) relating to the product. The distributor should provide all the content of the complaint, having regard to privacy law.	Quarterly *
All distributors	Significant dealing outside of target market under s994F(6) of the Act.	As soon as practicable but no later than 10 business days after the distributor becomes aware of the significant dealing.

* Quarterly reporting is due as soon as practicable after the end of the March, June, September and December quarters, but no later than 10 business days after the end of the relevant quarter.

Distributors must report to MSAL.

4.6 Important terms within this TMD Document

Term	Definition
Extensive Investment Menu	More than 10 investment options.
Limited Investment Menu	Less than 10 investment options.
Material Change	A material change is a change to the product attributes, fees, charges, terms and conditions or the manner of distribution which may cause the TMD to no longer be appropriate.

Term	Definition
Product Disclosure Statement	The Product Disclosure Statement (PDS) is a summary of the features of Mercer SmartRetirement Income. It includes references to important information contained in a series of booklets that are part of this PDS. These booklets are the Investments booklet and the Sustainable Investment Information booklet.
Robo Advice	A self-guided online wealth management service that provides automated investment advice at low costs and low account minimums, employing portfolio management algorithms. Also known as Digital Advice.
Significant breach	Any significant breach of core obligations as defined in section 912D(3) of the Act which is reportable to ASIC.
Significant dealings	Section 994F(6) of the Act requires distributors to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the product's TMD, within 10 business days after becoming aware. Neither the Act nor ASIC defines when a dealing is 'significant' and distributors have discretion to apply its ordinary meaning. The issuer will rely on notifications of significant dealings to monitor and review the product, this TMD, and its distribution strategy to assist it in meeting its obligation to report significant dealings to ASIC. Dealings outside this TMD may be significant because: • they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or • they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the customer (or class of customer). In each case, the distributor should have regard to: • the nature and risk profile of the product (which may be indicated by the product's risk rating or withdrawal timeframes), • the actual or potential harm to a customer (which may be indicated by the value of the customer's investment, their intended product use or their ability to bear loss), and the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red or amber ratings attributed to the customer).
Superannuation investment	The total value of the customer's superannuation investment holdings.
Portfolio diversification	
Very low	The option provides exposure to a single asset (for example, a commercial property) or a niche asset class (for example, minor commodities or collectibles).
Low	The option provides exposure to a small number of holdings (for example, fewer than 25 securities) or a narrow asset class, sector or geographic market

Term	Definition
	(for example, a single major commodity (e.g. gold) or equities from a single emerging market economy).
Medium	The option provides exposure to a moderate number of holdings (for example, up to 50 securities) in at least one broad asset class, sector or geographic market (for example, Australian fixed income securities or global natural resources).
High	The option provides exposure to a large number of holdings (for example, over 50 securities) in multiple broad asset classes, sectors or geographic markets (for example, global equities).
Very high	The option provides exposure to a large number of holdings across a broad range of asset classes, sectors and geographic markets with limited correlation to each other.
Customer's intended investment timeframe	
Minimum	The minimum suggested timeframe for holding the option. Typically, this is the rolling period over which the investment objective of the option is likely to be achieved.
Customer's Risk (ability to bear loss) and Return profile	
This TMD uses the Standard Risk Measure (SRM) to estimate the likely number of negative annual returns for an option over a 20-year period. However, SRM is not a complete assessment of risk and potential loss. For example, it does not detail important issues such as the potential size of a negative return (including under conditions of market stress) or that a positive return could still be less than a customer requires to meet their investment needs or objectives. The SRM methodology may be supplemented by other risk factors. For example, some options may use leverage, derivatives or short selling; may have liquidity or withdrawal limitations; may have underlying investments with valuation risks or risks of capital loss; or otherwise may have a complex structure or increased investment risks, which should be documented together with the SRM to substantiate the product risk rating. A customer's desired product return profile would generally take into account the impact of fees, costs and taxes.	
Extremely high	For the relevant part of the customer's portfolio, the customer: • has an extremely high risk appetite, • can accept significant volatility and losses, and • seeks to obtain accelerated returns (potentially in a short timeframe). The customer seeks extremely high risk, speculative or complex options which may have features such as significant use of derivatives, leverage or short positions or may be in emerging or niche asset classes (for example collectibles).
Very high	For the relevant part of the customer's portfolio, the customer: • has a very high risk appetite,

Term	Definition
	• can accept very high volatility and potential losses (e.g. has the ability to bear 6 to 7 negative returns over a 20 year period (SRM 6 or 7)), and • seeks to maximise returns (typically over a medium or long timeframe). The customer typically prefers high growth assets (such as high conviction portfolios, hedge funds, and alternative investments).
High	For the relevant part of the customer's portfolio, the customer: • has a high risk appetite, • can accept high volatility and potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 5 or 6)), and • seeks high returns (typically over a medium or long timeframe). The customer typically prefers growth assets (for example, shares and property).
Medium	For the relevant part of the customer's portfolio, the customer: • has a moderate or medium risk appetite, • seeks low volatility and potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)), and • is comfortable with a moderate target return profile. The customer typically prefers defensive assets (for example, fixed income).
Low	For the relevant part of the customer's portfolio, the customer: • has a conservative or low risk appetite, • seeks to minimise volatility and potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)), and • is comfortable with a low target return profile. The customer typically prefers stable, defensive assets (such as cash).