

## Investment Choice

### What is investment choice?

So, what exactly does investment choice mean? Perhaps looking at what it is **not**, is a good place to start. Investment choice is **not** about picking shares, or being an investment expert.

What investment choice **does** mean is that you can choose, from a range of options, an appropriate mix of different types of investments for your retirement savings.

It's important to understand that investment choice is not necessarily available to everyone – it depends on your particular super plan and category of membership. You should check your Product Disclosure Statement to determine if investment choice applies to you.

Let's look at investment choice in detail.

### Choosing your investment mix

One of the most important decisions to be made is how much, or what percentage, of your super you want invested in defensive investments, and what percentage in growth investments. This decision, known as your investment mix or asset allocation, is the one that will have the greatest influence over your long-term investment returns.

**Defensive** investments include cash and fixed interest. These are the types of investments used when trying to protect your investment from the chance of a negative return. They tend to produce lower long term, but more stable, returns than growth investments.

**Growth** investments include property and shares. These are the types of investments that are likely to experience volatility in performance from year to year, but have greater potential for long-term returns (over periods of 5 years plus).

No matter what investment mix you choose there is always some element of risk involved. By spreading your investments across the various asset classes, countries and investment managers, you can balance the level of risk associated with investing. This is called **diversification**.

There is no one 'right' mix, as everyone has different investment needs. That is why the trustee of the Mercer Super Trust offers different investment options.

### You have an important role to play in how your super is invested

To make investment choice easy, the trustee of the Mercer Super Trust offers a choice of six **Mercer Ready-made** options which correspond to commonly chosen investment strategies. With these options Mercer selects the investment managers and the mix of asset classes. You will need to decide the broad mix of defensive and growth assets that best suits your needs.

All the other available options make up the **Select-your-Own** options. They include 'Mercer Plus' investment options, specialist investment options invested in one particular asset class or one particular style within an asset class (referred to as 'Mercer Sector'), Mercer Target investment options, socially responsible investment options, indexed investment options and investment options referred to as 'Non-Mercer'.

The investment managers are responsible for the selection and monitoring of underlying investments – which is why you don't need to worry about picking shares or being an investment expert!

### Mercer Ready-made options

The Mercer Ready-made options reflect strategies that range from defensive strategies where holdings are mainly in fixed interest and cash, to growth strategies where there is a high level of exposure to property and shares.

You can choose any one or more of the investment options – either Mercer Ready-made, Select-your-Own or a mix of both – up to a maximum of 10 investment options. If you do not make a choice your super will be automatically invested in the default investment option. Your Product Disclosure Statement will provide full details on the default investment option for your super plan.

By having different mixes of growth and defensive investments in an investment option, the characteristics of that investment option change.

If an investment option has a high proportion of growth investments compared to defensive investments, you would generally expect higher long term returns with more short term volatility. In the opposite case of a low proportion of growth investments and a high proportion of defensive investments, you would generally expect lower but more stable returns

## The full range of Mercer Super Trust investment options

Appendix A provides a complete list of the investment options made available by the trustee of the Mercer Super Trust.

Please note that the full range of investment choices are not necessarily available to members of all plans within the Mercer Super Trust. You should refer to your Super Kit (which includes a Product Disclosure Statement) to find out which investment options are available to you. Your Product Disclosure Statement will also provide you with important information about each of the investment options.

## Factors you should consider

There are a number of factors that you need to take into account when you are making your investment choice decision.

These generally include consideration of:

- Your financial objectives,
- Your investment timeframe,
- Your attitude to risk/return, and
- Your partner's risk profile and your attitude to negative returns.

We strongly recommend that you speak to a licensed, or appropriately authorised, financial adviser to seek professional advice when considering your investment choice, or any other investment decision.

## Switching tools & flexibility

You have the ability to change your investment strategy at any time. This can be done online at [mercersupertrust.com](http://mercersupertrust.com), by calling the Helpline on **1800 682 525**, or by sending in the appropriate Change of Investment Option form. We recommend switches be made only where your goals or personal circumstances have changed.

There are no fees to switch between any of the Mercer Ready-made options. However if you have chosen to be in a Select-your-Own option, then there may be a cost to switching – this is commonly referred to as a buy/sell spread.

You should refer to the “getting to know your plan” section of your Product Disclosure Statement for full details on the fees that apply to your super.

You are encouraged to seek professional advice from a licensed, or appropriately authorised, financial planner before making any decisions concerning your super.

Use the support services available and seek advice if you are unsure!

You'll find all the information you need regarding your super plan in your Super Kit (which includes the Product Disclosure Statement). This Kit explains your super plan in language that is easy to understand.

Information and education is available through the member Helpline, the Mercer Super Trust website, and via regular communications including on site seminars and our newsletter, Your Wealth.

You also have access to limited financial advice from an appropriately authorised financial adviser via the Helpline. This service is free of charge, and is available to help you with enquiries such as:

- Which investment strategy should I consider?
- Should I make contributions before or after tax? OR
- Should I consolidate my different superannuation funds?

Face to face consultations with an appropriately authorised financial adviser can also be arranged by calling the Helpline on **1800 682 525**.

## Let's recap...

The decisions you make now will affect the long-term investment returns you receive from your super.

You should review your timeframe and your long-term objectives and if there is no change to them, then you should stick to your chosen long-term investment strategy.

It's important for you to take control of your super and that you understand the support services you have at your disposal to assist you.

And, remember **always** seek professional advice from licensed, or appropriately authorised, financial adviser when considering your investment choice, or any other investment decision.

Ready-made options	Select-your-Own Mercer options	Select-your-Own options
<ul style="list-style-type: none"> <li>■ Mercer Shares</li> <li>■ Mercer High Growth</li> <li>■ Mercer Growth</li> <li>■ Mercer Moderate Growth</li> <li>■ Mercer Conservative Growth</li> <li>■ Mercer Cash</li> </ul>	<ul style="list-style-type: none"> <li>■ Mercer Shares Plus</li> <li>■ Mercer High Growth Plus</li> <li>■ Mercer Growth Plus</li> <li>■ Mercer Australian Shares Plus</li> <li>■ Mercer Overseas Shares Plus (Unhedged)</li> <li>■ Mercer Income Plus</li> <li>■ Mercer Australian Shares</li> <li>■ Mercer Australian Core Shares</li> <li>■ Mercer Australian Growth Shares</li> <li>■ Mercer Australian Value Shares</li> <li>■ Mercer Australian Small Companies</li> <li>■ Mercer Overseas Shares (Unhedged)</li> <li>■ Mercer Hedged Overseas Shares</li> <li>■ Mercer Overseas Core Shares</li> <li>■ Mercer Overseas Growth Shares</li> <li>■ Mercer Overseas Value Shares</li> <li>■ Mercer Overseas Small Companies</li> <li>■ Mercer Emerging Markets</li> <li>■ Mercer Property</li> <li>■ Mercer Direct Property</li> <li>■ Mercer Australian Listed Property</li> <li>■ Mercer Overseas Listed Property</li> <li>■ Mercer Fixed Interest</li> <li>■ Mercer Australian Fixed Interest</li> <li>■ Mercer Overseas Fixed Interest</li> <li>■ Mercer Diversified Alternatives</li> <li>■ Mercer Socially Responsible Shares</li> <li>■ Mercer Socially Responsible Growth</li> <li>■ Mercer Target 2015*</li> <li>■ Mercer Target 2025*</li> <li>■ Mercer Target 2035*</li> <li>■ Mercer Target 2045*</li> </ul>	<ul style="list-style-type: none"> <li>■ Indexed; Shares, Australian Shares, Overseas Shares, Growth, Conservative Growth</li> <li>■ Non Mercer Growth – Multi-Manager Style</li> <li>■ Non Mercer Balanced – Multi-Manager Style</li> <li>■ Non Mercer Balanced – Core Style</li> <li>■ Non Mercer Balanced – Value Style</li> <li>■ Non Mercer Conservative</li> </ul>

\* The exposure to growth assets (and therefore the level of risk) reduces as these investment options approach their target year (eg 2015 for the Mercer Target 2015 investment option)

**To speak directly with a Mercer financial adviser call 1800 633 403.**  
**We have offices located all around Australia. To find a Mercer office,**  
**please visit our website at [mercerwealthsolutions.com.au](http://mercerwealthsolutions.com.au)**

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