

FINANCIAL SERVICES GUIDE

JANUARY 2012



This Financial Services Guide (FSG) is designed to help you understand the financial services the Mercer entities listed below are able to offer you and to assist you in deciding whether to use the services and products we provide. It contains information about:

- Who we are and how we can be contacted;
- The services and products we are authorised to provide;
- Remuneration that may be paid to us and other relevant persons in relation to the services and products offered; and
- Who to contact should you have a complaint.

We are required to provide you with the information contained in this document if we are likely to deal on your behalf or provide you with financial product advice. Our employees may provide you with factual information and in some circumstances may provide general financial product advice. General financial product advice is a recommendation or an opinion given orally or in writing that can influence you to make a decision about financial products but does not take into account your particular objectives, financial situation or needs.

OTHER DOCUMENTS YOU MAY RECEIVE FROM US

If we provide you with personal financial product advice and you are a retail client then you will also receive a Statement of Advice or other document that will contain the advice, basis for the advice and information about fees, commissions, and any associations that we have that may influence our advice.

If you consider investing in one of our products, we may also provide you with a Product Disclosure Statement (PDS). A PDS includes information about a particular product and will assist you to make a decision about that product.

This FSG does not relate to financial planning services – such services have their own FSG.

WHO ARE WE?

'MERCER' is a registered trademark of Mercer (Australia) Pty Ltd. Mercer provides superannuation products via Mercer Superannuation (Australia) Limited and managed investment products via Mercer Investments (Australia) Limited. We also provide a range of other services such as superannuation administration, investment management and consulting services via the following Mercer entities:

- Mercer Consulting (Australia) Pty Ltd
- Mercer Investments (Australia) Limited
- Mercer Outsourcing (Australia) Pty Ltd

In this FSG the financial services and products offered by us are described in the "The services we provide" section over.

THE SERVICES WE PROVIDE

We and our authorised employees can provide the following licensable services and products:

Legal Entity	Authorised services we can provide under our licences	Products which relate to our authorised services
Mercer Consulting (Australia) Pty Ltd ABN 55 153 168 140 AFSL 411770	<ul style="list-style-type: none"> Financial Product Advice Deal in a Financial Product 	<ul style="list-style-type: none"> Basic Deposit Products* Non-cash Payment Facility*¹ Government Debentures, Stocks or Bonds* General Insurance Products Life Risk Insurance*^{#1} Life Investment Insurance*[#] Derivatives Foreign Exchange Products Superannuation*[#] Retirement Savings Accounts Securities* Managed Investment Scheme Including IDPS* Non-basic Deposit Products*
Mercer Investments (Australia) Limited ABN 66 008 612 397 AFSL 244385		
Mercer Superannuation (Australia) Limited ABN 79 004 717 533 AFSL 235906		
Mercer Outsourcing (Australia) Pty Ltd ABN 83 068 908 912 AFSL 411980		

* Mercer Outsourcing (Australia) Pty Ltd is restricted to these products and services

Mercer Superannuation (Australia) Limited is restricted to these products and services

¹ Mercer Investments (Australia) Limited does not offer these products and services

RELATIONSHIPS AND ASSOCIATIONS

The Mercer entities provide financial services and products to each other and receive fees under these arrangements.

Mercer is a member of Marsh & McLennan Companies, a public company listed on the New York Stock Exchange. Marsh Pty Ltd, Guy Carpenter & Company LLC, and Oliver Wyman, Inc are also members of Marsh & McLennan Companies.

HOW YOU CAN PROVIDE INSTRUCTIONS TO US

You can give us instructions by using the contact details set out on the back cover of this FSG.

Some products in relation to which we provide financial services have their own rules about how to provide instructions or carry out certain transactions. Please refer to the PDS of the relevant product for these details.



WHAT WE ARE PAID

Fees for financial services we provide are paid to the Mercer entity that provides the services. The fees payable in respect of financial services we provide are set out in the Fees Table below.

Type of service provided by us	How are fees paid	Amount of fees
<p>Consulting and Advisory Services</p> <ul style="list-style-type: none"> • Actuarial • Communication • Custody • Insurance • Investment • Remuneration • Research • Superannuation 	<p>Consulting services other than Trusts and members</p> <p>The type and amount of fees for the services we can provide will depend on the nature and complexity of the services provided. The fees can take any one or more of the following forms:</p> <ul style="list-style-type: none"> • Retainer fee • Fee agreed at the commencement of a project • Time cost based on an hourly rate of \$150 – \$765 (inclusive of GST); and • Performance fees and asset based fees <p>We will agree the fee methodology with you in advance of provision of the service.</p> <p>For Trusts</p> <p>We will not charge any fee for preparing the tender documentation and any related advisory services. However, if the fund transfers to the Mercer Super Trust (MST) then fees will apply. These fees are based on the fee scale set out in the Product Disclosure Statement for the MST as negotiated on a client by client basis. These fees will be disclosed in the tender document which may be in a form of, or attached to, a Statement of Advice.</p> <p>For members</p> <p>You will not pay us for these services directly. Instead these fees will be paid to us by the person who has arranged for us to provide these services (Your Service Provider). Typically Your Service Provider may be your adviser, your employer, a trustee of a superannuation fund or an operator or responsible entity of a managed investment scheme.</p> <p>These fees will generally be passed on to you in a manner and form determined by Your Service Provider and will generally be disclosed in the FSG of Your Service Provider and the PDS relevant to the particular financial product.</p>	<p>Fees will depend on the nature and complexity of the services to be provided and will be negotiated individually with you or Your Service Provider (whichever is applicable) at the time we are engaged to perform the particular service.</p>
<p>Administration Services</p> <ul style="list-style-type: none"> • Insurance • Investment • Superannuation 	<p>Commission on Group Insurance</p> <p>Where we put in place group insurance for Your Service Provider, we may receive commission based on the annual premiums paid by the Service Provider to the insurer. These fees may be passed on to you in a manner and form determined by Your Service Provider.</p>	<p>Commission on Group Insurance</p> <p>The commission is a percentage of the insurer's premium and ranges between 0% – 20% of the annual premium (inclusive of GST).</p>
<p>Web services Helpline services Seminars</p>	<p>Commission for administration of Continuation Options</p> <p>We may be engaged by Your Service Provider to administer continuation options under insurance arrangements that Your Service Provider makes available to you.</p> <p>Where this applies, we may also be paid commissions by the insurer in relation to an individual policy that we put in place for you under that continuation option. Fees will depend on the nature and complexity of the services to be provided and will be negotiated individually with Your Service Provider at the time we are engaged to perform the particular service.</p>	<p>Commission for administration of Continuation Options</p> <p>The commission payment may be between 0% and 140% (inclusive of GST) of the first year's premium and an ongoing commission between 0% and 40% (inclusive of GST) of each subsequent year's premium for as long as you hold the policy. Please note that the ranges of commission outlined above may vary from time to time.</p> <p>You will be advised of the rate or rates of commission applicable to you prior to you exercising your continuation option.</p> <p>These payments are included in the premium you pay to the insurer.</p>

WHAT IS PAID TO OUR EMPLOYEES FOR PROVIDING FINANCIAL SERVICES TO YOU?

Our directors and employees who provide the financial services described in this FSG receive a salary. Employees may also be rewarded by monetary and non-monetary benefits.

Additional monetary benefits are provided through an incentive program where employees may receive an annual bonus payment related to their contribution to Mercer's performance which is measured against pre-determined objectives including a combination of:

- Client satisfaction
- Efficient and productive business processes
- Personal initiatives
- Contribution towards financial growth and profitability.

Non-monetary benefits may include shares, conferences and functions (both in Australia and overseas), study support and gifts such as movie and theatre tickets.

It is not possible to determine in advance what (if any) additional benefits any employee will receive as these benefits are not generally attributed to any particular product (that the employee recommends or advises on) or service they provide.

FEES PAID TO OTHERS FOR REFERRING CUSTOMERS TO US

We may pay a fee to external advisers who recommend our products. These fees are disclosed in the PDS for the relevant product.

We may pay fees or commissions to persons (which may include related companies) who refer customers to us in connection with financial services. You will be informed if there are any arrangements in place for the services you receive.

OTHER BENEFITS

Some of the products we recommend or distribute are offered by Mercer entities. If you invest in a product offered by a Mercer entity, then that entity will receive remuneration which will ultimately benefit us and other members of Marsh & McLennan Companies. The details of the remuneration payable to a Mercer entity in respect of products issued by that entity will be described in the PDS for the particular product.

FURTHER INFORMATION

You may request details of the fees and benefits (including any commissions) that may be payable, however any request must be made within a reasonable time after you are given this FSG and before the financial services identified in this FSG are provided to you.

YOUR PRIVACY

We take your privacy seriously because we know you do. All personal information is dealt with in accordance with the Mercer Privacy Policy. The Mercer Privacy Policy details how we comply with the Privacy Act in the handling of your personal information. You can view the Mercer Privacy Policy via our website at mercer.com.au. It is important to ensure that the personal information we retain about you is accurate, complete and up-to-date. Accordingly, if you have any concerns about the completeness or accuracy of the information we have about you or would like to access or amend your information, simply call us on **1300 136 202**.

MAKING A COMPLAINT

If you have any complaint about the service or product provided to you, you should take the following steps:

1. Contact the person who provided you with the particular service or product and tell them about your complaint.
2. The person has two working days in which to resolve your complaint. If the person cannot resolve your complaint or if you are not satisfied with the way your complaint is resolved please contact the Complaints Officer:

Complaints Officer – Financial Services

Mercer (Australia) Pty Ltd

GPO Box 9946

Melbourne Vic 3001

Telephone 03 9623 5555

The Complaints Officer will properly consider and try to deal with your complaint quickly.

3. If the complaint is not resolved within 45 days or to your satisfaction by the Complaints Officer, you have the right to complain to:

NON-SUPERANNUATION INVESTMENT PRODUCTS

The Financial Ombudsman Service (FOS). This service is provided to you free of charge.

Mail GPO Box 3
Melbourne Vic 3001

Telephone 1300 780 808

Facsimile 03 9613 6399

Email info@fos.org.au

Internet www.fos.org.au

SUPERANNUATION PRODUCTS

Superannuation Complaints Tribunal (SCT)

Mail Locked Bag 3060
Melbourne VIC 3001

Telephone 1300 884 114

Facsimile 03 8635 5588

Email info@sct.gov.au

Internet www.sct.gov.au

COMPENSATION ARRANGEMENTS

All Mercer entities have Professional Indemnity Insurance in place that satisfies the Corporations Act and covers the financial services detailed in this FSG where they are provided by our authorised employees (authorised acts). These authorised acts are covered even where subsequently the authorised employee ceases to be authorised to act on behalf of a Mercer entity.

For further information, please contact your local Mercer office or visit our website at:
www.mercer.com.au

Adelaide

108 North Tce
Adelaide 5000
Tel 08 8110 3400
Fax 08 8127 9581

Perth

2 The Esplanade
Perth 6000
Tel 08 9289 3700
Fax 08 9289 3701

Parramatta

87 Marsden St
Parramatta 2150
Tel 02 8864 6000
Fax 02 8915 1524

Sydney

Darling Park Tower 3
201 Sussex St
Sydney 2000
Tel 02 8864 6800
Fax 02 8915 1526

Melbourne

33 Exhibition St
Melbourne 3000
Tel 03 9623 5555
Fax 03 8640 0800

Brisbane

123 Eagle St
Brisbane 4000
Tel 07 3234 4900
Fax 07 3503 9259

Wheelers Hill

Suite 9, Level 1
2 Brandon Park Drive
Wheelers Hill VIC 3150
Tel 03 8888 4300
Fax 03 9445 9217

