

MERCER

November 2010

Financial Services Guide

Provided by Mercer (Australia)
Pty Ltd ABN 32 005 315 917
as a corporate authorised
representative No. 260851 of
Mercer Investment Nominees
Limited ABN 79 004 717 533,
Australian Financial Services
License (AFSL) 235906.

Consulting. Outsourcing. Investments.

Financial Services Guide

This Financial Services Guide (FSG) is designed to help you decide whether to use the services we provide. It contains information about:

- who we are and how we can be contacted
- the services we are authorised to provide
- remuneration that may be paid to us and other relevant persons in relation to the services offered and
- who to contact should you have a complaint

We are required to provide you with information contained in this document if we are likely to deal on your behalf or provide you with 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.

You may also be provided with a Product Disclosure Statement (PDS). This document 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 or other types of personal financial product advice services that we or our authorised employees may provide – such services have their own FSG.

Personal financial product advice is a recommendation or an opinion that takes into account one or more of your objectives, financial situation and needs. 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.

'MERCER' is a registered trademark of Mercer (Australia) Pty Ltd ("Mercer", "we", "us", "our"). Mercer is a corporate authorised representative no. 260851 of Mercer Investment Nominees Limited (MINL). MINL is a wholly owned subsidiary of Mercer and holds an Australian Financial Services Licence No. 235906 (AFS Licence). MINL's contact details are the same as ours and are set out on the back cover of this FSG. MINL holds a Registrable Superannuation Entity Licence No. L0000819 (RSE Licence).

MINL has also approved for us to sub-authorise certain of our employees to provide licensable services. Employees who have been so authorised continue to be employed by us but act as authorised representatives of MINL.

MINL has authorised the distribution of this FSG.

The services we provide

We and our authorised employees can provide the following licensable services on MINL's behalf:

- Financial Product Advice
- Dealing on behalf of another person

Unless you are told otherwise, these services can be provided in relation to any one or more of the following financial products:

- Deposit Products (including Non-Cash Payment Facility)
- Derivatives
- Foreign Exchange Contracts
- General Insurance Products
- Government Debentures, Stocks or Bonds
- Life Products (both investment and risk)
- Managed investment schemes (including Investor Directed Portfolio Services)
- Retirement Savings Accounts
- Securities
- Superannuation

Who we act for when providing financial services

We carry out these services on behalf of MINL. MINL is responsible for the services provided on its behalf by us and our authorised employees.

MINL may itself be providing these services in relation to its own products or on behalf of others.

Relationships and associations

We are part of the global Marsh & McLennan Group of Companies (MMC) and are related to Marsh Pty Ltd. Marsh & McLennan Companies Inc., a public company listed on the New York Stock Exchange, is our ultimate parent company. Guy Carpenter & Company LLC and Oliver Wyman are related body corporates and are also part of MMC.

MINL, the AFS Licensee on whose behalf we act, is our wholly owned subsidiary. MINL also issues superannuation products, managed investment products and a non-cash payment facility.

Mercer is also the parent company of Mercer Benefit Services Pty Ltd ABN 83 068 908 912 (MBS) which is also a corporate authorised representative No. 287518 of MINL.

Mercer provides services to MBS for which it receives a fee.

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.

Financial Services Guide

What we are paid

Fees for financial services we provide are paid to MINL and not to us directly although we may collect such fees on MINL's behalf. The fees payable to MINL in respect of financial services we provide on its behalf are set out in the Fees Table below. Out of these fees MINL pays all expenses relating to its operation and we are paid a service fee of 95% of the balance.

Type of service provided by us on MINL's behalf	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>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 disclosure document 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 Your Service Provider 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 a 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</p> <p>Helpline</p> <p>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 from the insurance provider in relation to an individual policy that we put in place for you under that continuation option.</p>	<p>Commission for administration of Continuation Options</p> <p>The commission payment may be between 0% and 140% (inclusive of GST) of the initial (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 insurance provider.</p>

What is paid to our employees for providing financial services to you?

Our directors and authorised 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

MINL may pay a fee to external advisers who recommend MINL's own products. These fees are disclosed in the PDS for the relevant product of which MINL is a product issuer.

Mercer may pay fees or commissions to persons 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 MINL. If you invest in a product offered by MINL, then MINL will receive remuneration which will ultimately benefit us and other related companies in the MMC Group. The details of this remuneration payable to MINL in respect of products of which it is a product issuer 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 but 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

Mercer takes 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 www.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 **1800 682 525**.

Making a complaint

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

1. Contact the person who provided you with the particular service 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:

**MINL Complaints Officer – Financial Services
Mercer (Australia) Pty Ltd
GPO Box 9946
Melbourne Vic 3001
Telephone 03 9623 5555**

The Complaints Officer will try to resolve your complaint quickly and fairly.

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

For further information contact FOS:

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

Please note that the complaint procedures set out in this FSG do not apply to complaints you wish to lodge or make against the product issuer of the product in which you invest (such as trustees of superannuation funds, responsible entities of managed investment schemes or insurers). For details of how to make such complaints please refer to the PDS of the relevant product.

Compensation arrangements

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

MERCER

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

Melbourne

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

Sydney

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

Brisbane

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

Glen Waverley

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

Parramatta

87 Marsden St
Parramatta 2150
Tel 02 9689 6000
Fax 02 8915 1524

Perth

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

Newcastle

19 Darby St
Newcastle 2302
Tel 02 4940 4609
Fax 02 8915 1529