MERCER
A MARSH BUSINESS

August 2026
For Financial Advisers

Mercer CoreSeries Active Portfolios Portfolio Update

Mercer Investments (Australia) Limited (MIAL, we) in its capacity as investment manager of the Mercer CoreSeries Active Portfolios (Portfolios), and Westpac Financial Services Limited (WFSL), in its capacity as responsible entity, have made recent changes to the Portfolios that have had an impact on the fee disclosures for the Portfolios.

These changes impact both investment management fees and costs and indirect costs and this note outlines all changes to provide a summary of total cost outcomes for the Portfolios.

Portfolio	APIR
Mercer CoreSeries Active High Growth Portfolio	WFS4680AU
Mercer CoreSeries Active Growth Portfolio	WFS3363AU
Mercer CoreSeries Active Balanced Portfolio	WFS8074AU
Mercer CoreSeries Active Moderate Portfolio	WFS9084AU
Mercer CoreSeries Active Defensive Portfolio	WFS7916AU
Mercer CoreSeries Active Income Portfolio	WFS4217AU

What has changed?

1. Investment management fee (IM fee)

WFSL will increase the IM fee for all the Portfolios, effective from 1 September 2026.

2. Indirect / underlying investment costs

As a result of recent implemented portfolio and manager changes we have made across Australian equities and International equities, indirect costs (i.e., underlying investment costs) have changed. These changes have reduced costs in several Portfolios, partially or fully offsetting the IM fee increase, depending on the Portfolio. A copy of the portfolio updates detailing the changes in both Australian equities and International equities can be located here.

The overall total management fee and costs outcome will change - this will differ for each Portfolio when taking the indirect/underlying investment costs into account.

What is the overall fee impact (net outcome)?

- The more growth-oriented portfolios show a net reduction, as underlying cost reductions more than offset the IM fee increase.
- The more defensive portfolios show a modest net increase due to their lower weighting in Australian equities and International equities.

Based on the fee comparison analysis, the estimated change to total management fees and costs (pre vs post) is:

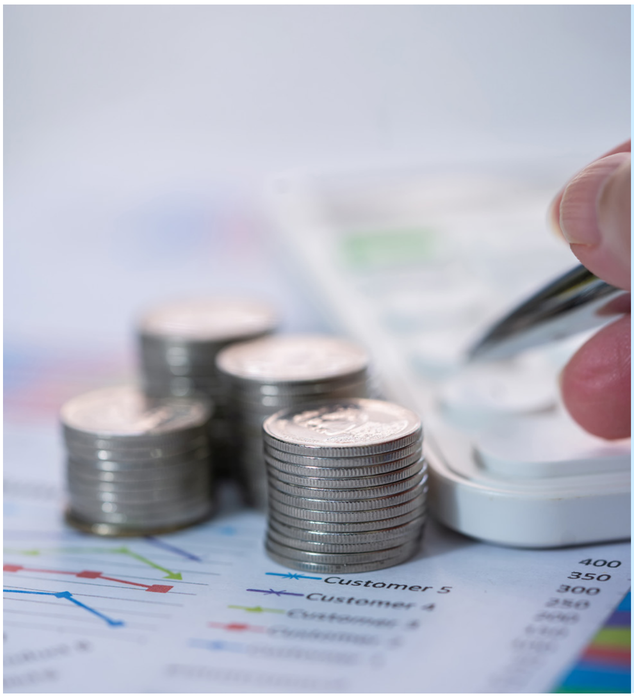
Portfolio	APIR	Pre 1 Sep 2026 (p.a.)	Post 1 Sep 2026 (p.a.)	Change (% p.a.)
High Growth	WFS4680AU	0.7722%	0.5547%	-0.2175%
Growth	WFS3363AU	0.7522%	0.5947%	-0.1575%
Balanced	WFS8074AU	0.7122%	0.6147%	-0.0975%
Moderate	WFS9084AU	0.6322%	0.6147%	-0.0175%
Defensive	WFS7916AU	0.5822%	0.6447%	+0.0625%
Income	WFS4217AU	0.5422%	0.5747%	+0.0325%

Cost in dollars example (based on a $50,000 investment)

Below is an indicative annualised example for a **$50,000 holding**, assuming the portfolio value remains constant over one year:

Portfolio	APIR	Change (% p.a.)	Change ($ p.a.)
High Growth	WFS4680AU	-0.2175%	-$108.75
Growth	WFS3363AU	-0.1575%	-$78.75
Balanced	WFS8074AU	-0.0975%	-$48.75
Moderate	WFS9084AU	-0.0175%	-$8.75
Defensive	WFS7916AU	+0.0625%	+$31.25
Income	WFS4217AU	+0.0325%	+$16.25

(These figures are indicative only and are based on the fee comparison information provided. They are not a projection of returns and do not reflect changes in portfolio value.)



Why were the changes made?

- **Improved fee disclosure:**
  The IM fee is more clearly and separately disclosed, rather than being captured within broader cost categories.
- **Portfolio and manager changes:**
  Mercer has been implementing manager/ holding changes as part of a comprehensive review program that reduced underlying investment costs in a number of portfolios.

Q and A

Q1

I saw a BT Portfolio Services Ltd. notice that shows an increase in the Investment Management Fees and Costs - does that mean end clients are paying more overall?

Not necessarily. The recent BT Portfolio Services Ltd. notice to financial advisers relates to the investment management fee component of the cost only. When indirect / underlying investment costs are also considered, the net outcome varies by portfolio. Several portfolios show a net reduction in total costs.

Q2

Why don't the indirect / underlying investment cost reductions perfectly offset the IM fee increase in every portfolio?

Underlying cost changes reflect the portfolio's specific holdings, asset mix, and timing of manager/ vehicle transitions. Because these changes occur across multiple underlying investments (and not all at once), the net result isn't uniform across portfolios.

Q3

Why are defensive portfolios seeing a modest increase ?

For the more defensive portfolios, cost reductions implemented so far have not fully offset the IM fee increase as underlying investment costs have been reduced in Australian Equities and International Equities holdings. Defensive portfolios typically hold lower weightings in these asset classes than more growth oriented portfolios. Additional asset class changes are expected to be made across property and fixed interest, which may further reduce underlying costs.

Q4

Do clients or advisers need to do anything?

No action is required. The portfolios continue to be managed in line with their investment objectives. This update is intended to provide clearer context for adviser and client conversations in respect of total portfolio costs.

Q5

Can I explain this in dollars rather than basis points?

Yes. For a $50,000 holding, the indicative net annual impact ranges from approximately +$31.25 p.a. (Defensive) to approximately -$108.75 p.a. (High Growth), based on the current fee comparison.

Q6

Why haven't all portfolios reduced by the same amount?

These changes occur across each portfolio's specific holdings, asset mix, and timing of manager/ vehicle transitions, so they don't translate to a simple "10 bps in / 10 bps out" for every portfolio.

Q7

Can we expect further changes to fees?

Property and fixed interest-related changes are expected as a result of further asset class reviews taking place which may further reduce fees and costs particularly relevant to portfolios with higher fixed interest allocations.

Important notices

This content is prepared by Mercer Investments (Australia) Limited ABN 66 008 612 397 AFSL 244385 (MIAL) as the provider of model portfolios used in constructing the portfolios referred to in this document (Portfolio(s)). MIAL is a wholly owned subsidiary of Mercer (Australia) Pty Ltd ABN 32 005 315 917 (Mercer Australia).

'MERCER' and 'CoreSeries' are Australian registered trademarks of Mercer Australia. References to 'Mercer' mean MIAL and, where relevant, any other members of the Marsh Group of companies.

This content:

- contains proprietary information of Mercer;
- is intended for the exclusive use of the person or entity to who it is provided;
- should not be modified, sold or otherwise provided, in whole or in part, to any other person or entity, without Mercer's prior written permission;
- is subject to change, deletion or replacement without notice;
- may have been contributed or obtained by third parties which is believed to be accurate as at the date of compilation and is provided in good faith without independent verification; and
- is general in nature only so does not constitute advice, an offer of financial products or services, or an offer or representation on behalf of Mercer or the product issuer(s). It does not take into account the objectives, financial situation or needs of any person or entity; who should consider whether the information is suitable for their circumstances and seek professional legal, taxation or financial advice; and note that past performance does not guarantee future results.

Although reasonable care has been taken, Mercer makes no representation or warranty as to the accuracy or completion of the content presented and takes no responsibility or liability (including for indirect, consequential or incidental damages), for any error, omission or inaccuracy or for content that may be modified, reproduced or sold without permission.

The relevant offer documents (including product disclosure statements and target market determinations) are available from the product issuer(s). MIAL's financial services guide is available at multimanager.mercer.com.au.

© 2026 Marsh. All rights reserved. 26248040-PAC

We are here to help

Please contact your Mercer State Manager if you have any questions:

NSW, ACT - Staten Janes
Senior Sales Leader,
Wealth Management
0481 006 742
staten.janes@mercer.com

NSW - Matt Young
Senior Sales Leader,
Wealth Management
0414 856 270
matthew.a.young@mercer.com

VIC, TAS, SA - Eric Vassiliadis
Senior Sales Leader,
Wealth Management
0434 428 055
eric.vassiliadis@mercer.com

QLD, WA - Travis Grant
Senior Sales Leader,
Wealth Management
0411 107 391
travis.grant@mercer.com

Alternatively, you can email MercerAdviserSolutions@mercer.com