



Mercer Multi-Manager Funds

Quarterly report

to 30 September 2020

welcome to brighter

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Economy and markets

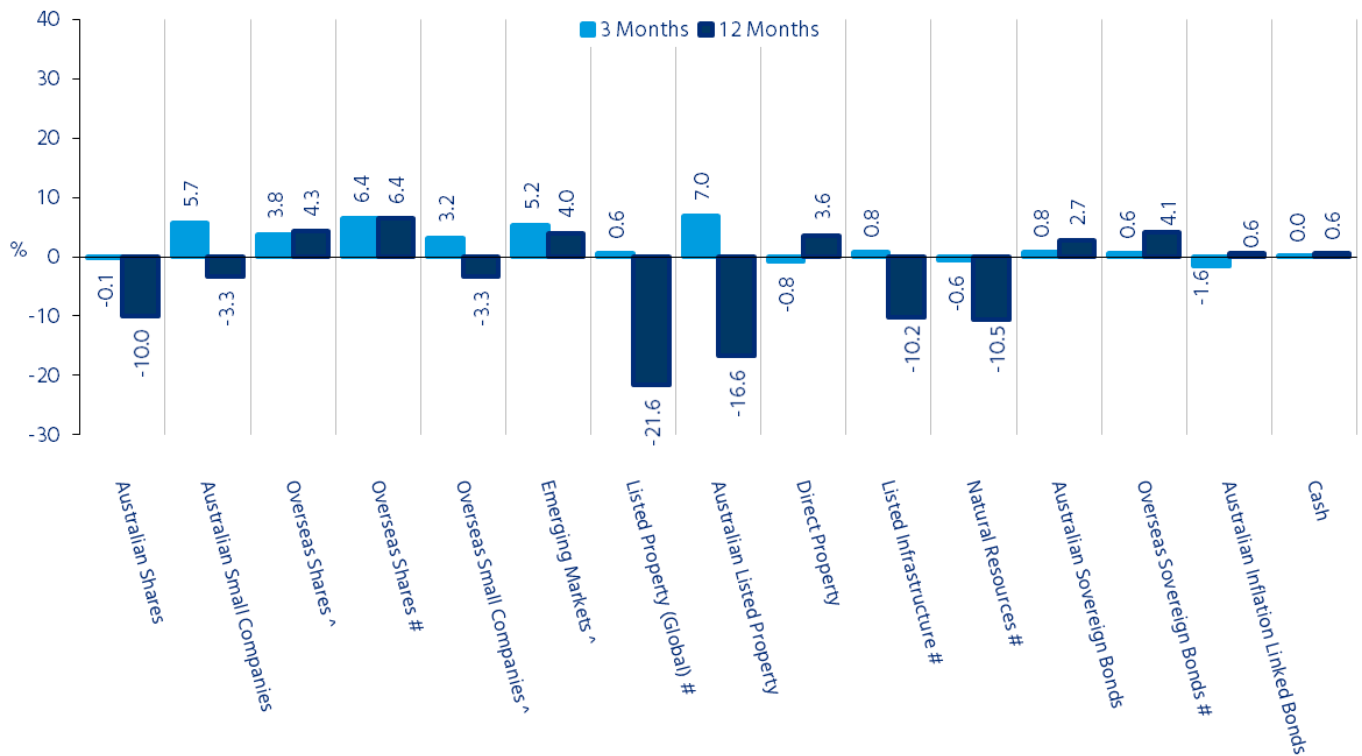
Markets have maintained a broadly positive run since the previous quarter. Investor sentiment was encouraged by the positive economic data that came through over the quarter, with a drop in sentiment towards the end of the quarter as fears of an economic slowdown crept back in. Coronavirus cases are now stable in the US, with strong improvements in Australia and other Asian nations. Whilst the UK, Eurozone and Canada have recently witnessed a resurgence in cases, fatality rates have stabilised to low single-digit levels. Hedged Developed Overseas Shares returned 6.4% for the quarter and Unhedged Developed Overseas Shares returned 3.8%, as the Australian dollar rose 4.1% against the US dollar and 1.2% against the trade-weighted index over the past three months. Over the quarter, Consumer Discretionary (+11.5%) and Materials (+7.7%) were the top performing sectors within developed overseas shares whilst Real Estate and Energy were the largest detractors, returning -2.3% and -19.4% respectively. Growth stocks continued to outperform value over the quarter.

Australian REITs experienced a particularly strong quarter, returning 7.4%, with majority of this return earned in August. Compared to hedged global REITs, the Australian REITs index is more heavily weighted towards retail property, which outperformed both office and industrial sectors over August. Although remaining negative at -16.6% over the 12 months to September 2020, the August rebound in AREITs helped claw back some of the significant negative performance since the onset of the pandemic.

Yields in fixed interest markets spent the third quarter of 2020 anchoring lower around the levels targeted by their respective Central Banks. Towards the end of the quarter, inflation expectations moved slightly lower as investors priced in a slowdown in the recovery and thus less upwards pressure on inflation in the near term. Following their large sell-off earlier in the year, Credit markets have continued to rally as yields lowered, returning 1.8% for the three months to September 2020. Returns from domestic and hedged global government bonds have been relatively similar, returning 0.8% and 0.7% respectively over the quarter.

The Australian share market underperformed its hedged overseas counterpart, as the S&P/ASX300 returned -0.1% over the quarter. The S&P/ASX Small Caps was the biggest contributor returning 5.7% over Q3, whilst S&P/ASX 50 was the greatest detractor, returning -1.9%. Information Technology (+13.0%) and Consumer Discretionary (+10.1%) were the strongest performing sectors over the quarter, as domestic investor appetite remains strong in technology and software. In comparison, Energy (-13.5%) and Utilities (-8.2%) were the weakest performing sectors over the quarter.

Financial market returns to 30 September 2020



NOTE:

Past performance is not a reliable indicator of future performance.

Performance shown only for asset classes that are applicable to sector MMFs benchmarked against a single index.

Fully hedged return.

^ Unhedged return.

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 38 – ‘Important notes about this report’ - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

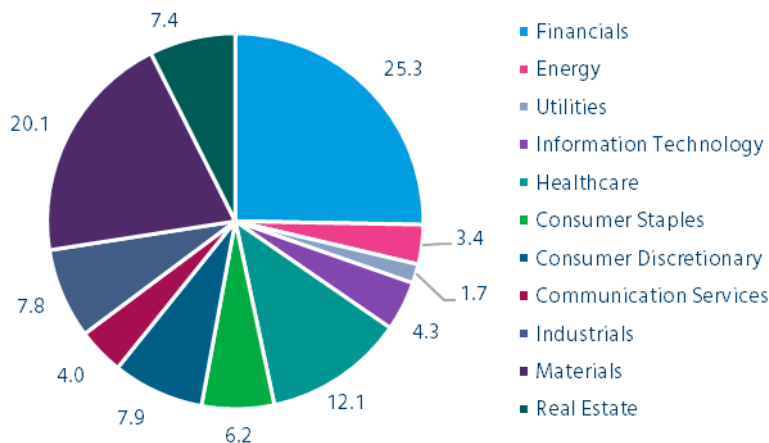
Shares

Australian shares

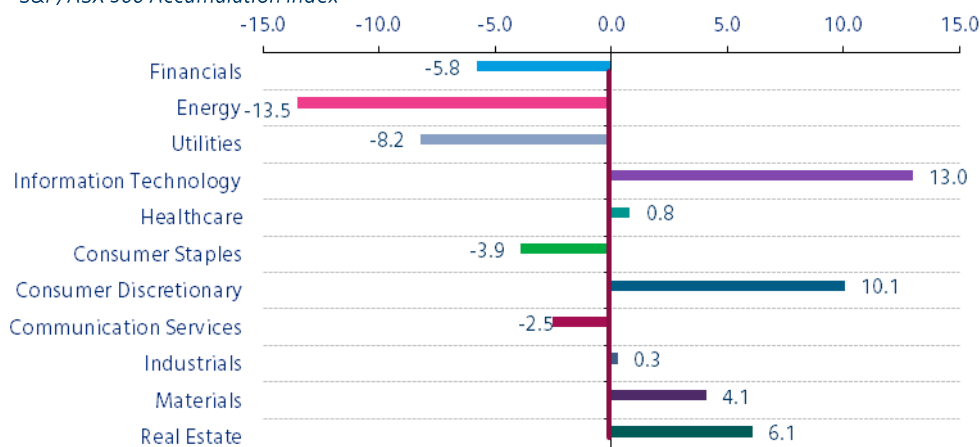
Australian shares were mixed over Q3 2020 as the S&P/ASX 300 Index returned -0.1% for the period. There was a positive movement in the small caps sector with the S&P/ASX Small Ords; returning 5.7% for the quarter, while the worst performer was the S&P/ASX 50; returning -1.9%. The best performing sectors were IT and Consumer Discretionary, while the weakest performing sectors were Energy and Utilities. The largest positive contributors to the return of the index were Goodman Group, Afterpay and Fortescue Metals Group. On the other hand, the most significant detractors from performance were CBA, Telstra and Westpac.

Australian Shares Funds**

Benchmark weight by sector (%)
S&P/ASX 300 Accumulation Index



Benchmark sector returns for the three months to 30 September 2020(%)
S&P/ASX 300 Accumulation Index



S&P/ASX 300 Accumulation Index: -0.1%

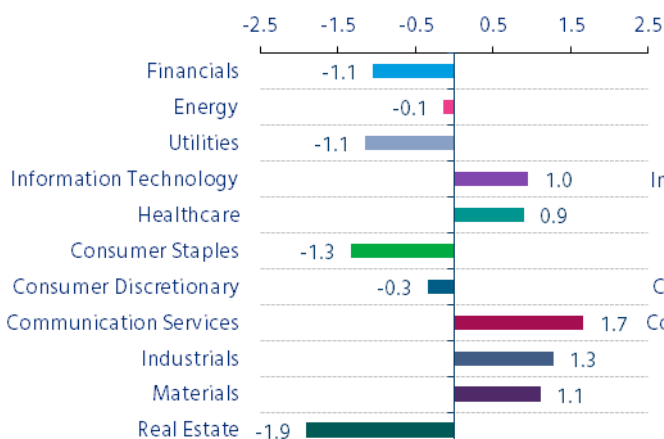
** In this Quarterly Report, ‘Australian Shares Funds’ refers to:

- Mercer Australian Shares Fund (the ‘Core Fund’)
- Mercer Australian Shares Plus Fund (the ‘Plus Fund’)

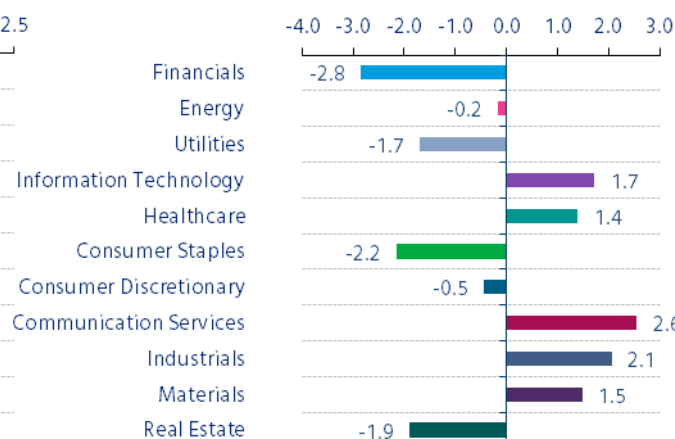
Only the sector exposure differs between the Funds. Benchmark weights etc. apply to both Funds.

Sector Exposure — Overweight/Underweight positions as at 30 September 2020 (%)

Mercer Australian Shares Fund



Mercer Australian Shares Plus Fund



NOTE: Past performance is not a reliable indicator of future performance.
Refer to page 38 – 'Important notes about this report' - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

Shares

Australian shares

Mercer Australian Shares Funds
Mercer Australian Shares Plus Fund

Top 10 holdings

| Mercer Australian Shares Fund | % of Fund | % of B'mark | Mercer Australian Shares Plus Fund | % of Fund | % of B'mark |
|-------------------------------|-----------|-------------|------------------------------------|-----------|-------------|
| CSL | 7.8 | 7.8 | CSL | 7.8 | 7.8 |
| BHP Group Ltd | 6.2 | 6.3 | BHP Group Ltd | 6.1 | 6.3 |
| Commonwealth Bank | 5.7 | 6.7 | Commonwealth Bank | 5.1 | 6.7 |
| National Australia Bank | 3.7 | 3.5 | National Australia Bank | 3.9 | 3.5 |
| ANZ Banking Group | 3.2 | 2.9 | ANZ Banking Group | 3.4 | 2.9 |
| Woolworths Group Ltd | 2.6 | 2.7 | Aristocrat Leisure Ltd | 2.9 | 1.1 |
| Telstra Corporation | 2.5 | 2.0 | Telstra Corporation | 2.8 | 2.0 |
| Westpac Banking Corporation | 2.4 | 3.6 | Woolworths Group Ltd | 2.3 | 2.7 |
| Aristocrat Leisure Ltd | 2.2 | 1.1 | Macquarie Group Ltd | 2.0 | 2.4 |
| Macquarie Group Ltd | 2.2 | 2.4 | Rio Tinto | 2.0 | 2.1 |

Investment performance

| Mercer Australian Shares Fund | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|------------------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | 0.6 | -9.2 | 5.1 | 7.7 |
| Benchmark return | -0.1 | -10.0 | 4.9 | 7.4 |
| Excess return — before fees | +0.7 | +0.8 | +0.2 | +0.3 |
| Mercer Australian Shares Plus Fund | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Total returns — before fees | 1.6 | -8.2 | 5.7 | 8.4 |
| Benchmark return | -0.1 | -10.0 | 4.9 | 7.4 |
| Excess return — before fees | +1.7 | +1.8 | +0.8 | +1.0 |
| Total returns (%) – after Fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Mercer Australian Shares Fund | 0.3 | -9.9 | 4.2 | 6.8 |
| Mercer Australian Shares Plus Fund | 1.3 | -9.0 | 4.7 | 7.3 |

Manager performance

During the quarter asset allocation and stock selection both contributed positively to relative performance. Financials (UW), IT (OW) and Utilities (UW) contributed while Real Estate (UW) and Consumer discretionary (UW) detracted. From a stock level perspective, overweight holdings in Aristocrat Leisure, Charter Hall and OZ Minerals were positive while overweight holdings in Telstra and Lend Lease detracted from quarterly performance.

| Proportion of assets managed at quarter end | | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|-----------|-----------|---|----------|--------|----------------|----------------|
| Managers | Core Fund | Plus Fund | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Plato Investment Management | 20.7 | 0.0 | Plato Investment Management | +0.5 | +1.8 | +0.9 | +0.3 |
| Greencape | 15.2 | 22.3 | Greencape | +0.8 | +6.1 | +2.3 | +2.1 |
| Transition manager | 14.3 | 0.0 | Transition manager | -0.7 | n/a | n/a | n/a |
| Vinva Investment Management | 12.6 | 18.4 | Vinva Investment Management | +0.6 | -2.0 | -2.2 | n/a |
| WaveStone Capital | 12.4 | 18.1 | WaveStone Capital | +1.0 | +0.5 | +2.1 | +1.7 |
| Ausbil Investment Management | 12.1 | 17.7 | Ausbil Investment Management | +2.3 | +1.5 | +1.3 | +1.1 |
| Firetrail | 6.8 | 10.0 | Firetrail | +0.7 | +1.4 | n/a | n/a |
| Fidelity | 5.9 | 8.7 | Fidelity | +1.0 | +6.7 | +10.0 | +7.1 |
| First Sentier Investors | 0.0 | 1.2 | First Sentier Investors | +2.7 | +13.9 | +9.7 | n/a |
| Longwave | 0.0 | 1.2 | Longwave | n/a | n/a | n/a | n/a |
| IFM Investors | 0.0 | 1.2 | IFM Investors | +5.7 | +13.1 | +4.6 | +1.7 |
| Perennial Value Management | 0.0 | 1.2 | Perennial Value Management | +8.0 | +5.0 | +6.9 | +4.9 |

Mercer Passive Australian Shares Fund

| Total returns (%) – after Fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|---------------------------------------|----------|--------|----------------|----------------|
| Mercer Passive Australian Shares Fund | -0.1 | -10.0 | 4.6 | 7.1 |

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 38 – ‘Important notes about this report’ - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

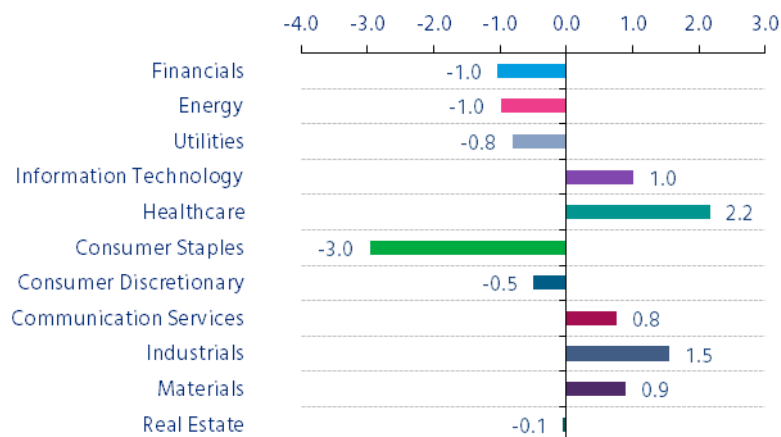
Shares

Australian shares – socially responsible

Australian shares were mixed over Q3 2020 as the S&P/ASX 300 Index returned -0.1% for the period. There was a positive movement in the small caps sector with the S&P/ASX Small Ords; returning 5.7% for the quarter, while the worst performer was the S&P/ASX 50; returning -1.9%. The fund has a relatively neutral style exposure but is tilted towards momentum, some growth factors and to some cash flow related value factors. From a sector perspective, the fund’s largest overweight was to industrials, information Technology, and communication services, whilst holding higher levels of cash during the quarter. Consumer staples, financials, and energy are the largest underweight sector exposures.

Mercer Socially Responsible Australian Shares Fund

Sector Exposure — Overweight/Underweight positions as at 30 September 2020(%)



Top 10 holdings

| Stock | % of Fund | % of Benchmark |
|----------------------------|-----------|----------------|
| CSL | 8.0 | 7.8 |
| BHP Group Ltd | 6.9 | 6.3 |
| Commonwealth Bank | 6.8 | 6.7 |
| National Australia Bank | 3.7 | 3.5 |
| Wesfarmers | 3.4 | 3.0 |
| ANZ Banking Group | 3.3 | 2.9 |
| Goodman Group Pty Ltd | 3.2 | 1.8 |
| Macquarie Group Ltd | 3.0 | 2.4 |
| Telstra Corporation | 2.5 | 2.0 |
| Fortescue Metals Group Ltd | 2.3 | 1.6 |

Investment performance

| Total & excess returns (%) | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|-----------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | 1.3 | -5.9 | 5.3 | 7.8 |
| Benchmark return | -0.1 | -10.0 | 4.9 | 7.4 |
| Excess return — before fees | +1.4 | +4.1 | +0.4 | +0.4 |

| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|--|----------|--------|----------------|----------------|
| Mercer Socially Responsible Australian Shares Fund | 1.1 | -6.8 | 4.3 | 6.7 |

Manager performance

Performance for the September quarter was positive. IT (OW), Energy (UW), and Consumer Staples (UW) were the key contributors from a sector allocation perspective while Consumer Discretionary (UW), Communication Services (OW), and Cash holding were the key detractors over the quarter.

In terms of individual securities, Fortescue (OW), James Hardie (OW) and Megaport (OW) were positive contributors, whereas a significant UW position in AfterPay was a key detractor as well as an OW position in New Energy Solar.

| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|------|---|----------|--------|----------------|----------------|
| Manager | % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Acadian Asset Management | 38.6 | Acadian Asset Management | +0.9 | +0.9 | +1.0 | +0.9 |
| Alphinity Investment Management | 32.9 | Alphinity Investment Management | +2.3 | +6.9 | n/a | n/a |
| Pendal Group Limited | 28.5 | Pendal Group Limited | +0.9 | +4.3 | +0.7 | +0.6 |

NOTE: Past performance is not a reliable indicator of future performance.
Refer to page 38 – 'Important notes about this report' - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

Shares

Australian shares – tax exempt investors

Australian equities were positive over Q3 2020 as the S&P/ASX 300 Accumulation Index Gross of Franking Credits returned 0.3% for the period.

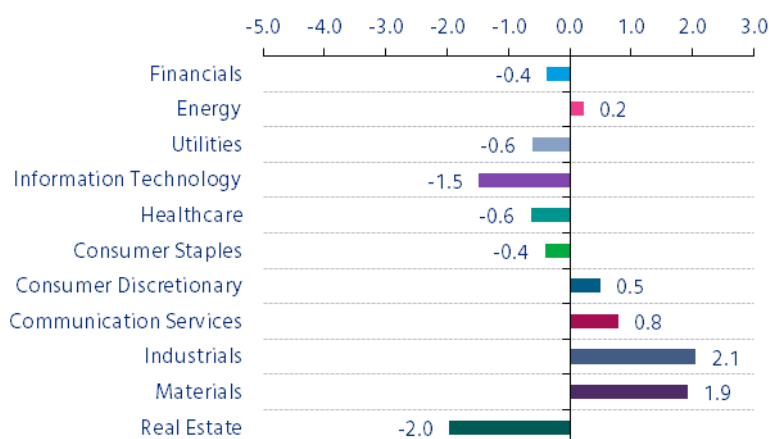
The best performing sectors were IT and Consumer Discretionary, while the weakest performing sectors were Energy and Utilities. The largest positive contributors to the return of the index were Goodman Group, Afterpay and Fortescue Metals Group. On the other hand, the most significant detractors from performance were CBA, Telstra and Westpac.

Top 10 holdings

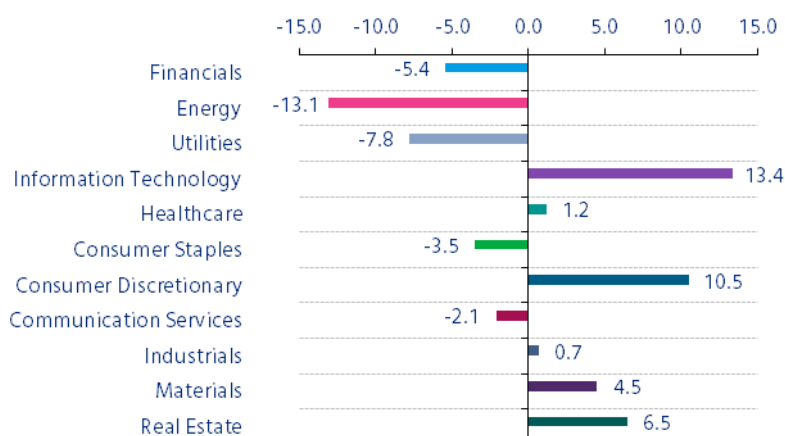
| Stock | % of Fund | % of B'mark |
|-----------------------------|-----------|-------------|
| CSL | 7.0 | 7.8 |
| BHP Group Ltd | 7.0 | 6.3 |
| Commonwealth Bank | 4.8 | 6.7 |
| ANZ Banking Group | 4.0 | 2.9 |
| Woolworths Group Ltd | 3.6 | 2.7 |
| Westpac Banking Corporation | 3.3 | 3.6 |
| National Australia Bank | 3.1 | 3.5 |
| Macquarie Group Ltd | 2.7 | 2.4 |
| Telstra Corporation | 2.7 | 2.0 |
| Wesfarmers | 2.5 | 3.0 |

Mercer Australian Shares Fund for Tax Exempt Investors

Sector Exposure — Overweight/Underweight positions as at 30 September 2020 (%)



Benchmark sector returns for the three months to 30 September 2020 (%)
S&P/ASX 300 Accumulation Index Gross of Franking Credits



Investment performance

| Total & excess returns (%) | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|-----------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | 1.1 | -6.8 | 7.7 | 10.0 |
| Benchmark return | 0.3 | -9.0 | 6.4 | 8.9 |
| Excess return — before fees | +0.8 | +2.2 | +1.3 | +1.1 |

| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|--|----------|--------|----------------|----------------|
| Mercer Australian Shares Fund for Tax Exempt Investors | 0.9 | -7.7 | 6.7 | 9.0 |

Manager performance

Over the quarter, asset allocation and stock selection contributed positively to performance. Consumer Discretionary (OW), Financials (UW) and Materials (OW) were all positive from an asset allocation perspective. Cash holding, IT (UW) and Real Estate (UW) detracted from performance. At a stock selection level positive contributions came from Charter Hall (OW), OZ Minerals (OW), A2 Milk (UW) and Westpac Banking Corp (UW) while AfterPay (UW) and Telstra Corp (OW) were the key detractors.

| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|------|---|----------|--------|----------------|----------------|
| Manager | % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Macquarie Investment management | 42.7 | Macquarie Investment management | +1.4 | +3.2 | +2.6 | +3.2 |
| Plato Investment Management | 28.0 | Plato Investment Management | 0.0 | +2.5 | +1.8 | +0.8 |
| Wavestone | 17.9 | Wavestone | +0.9 | +0.6 | n/a | n/a |
| Firetrail | 11.4 | Firetrail | +0.5 | +1.6 | n/a | n/a |

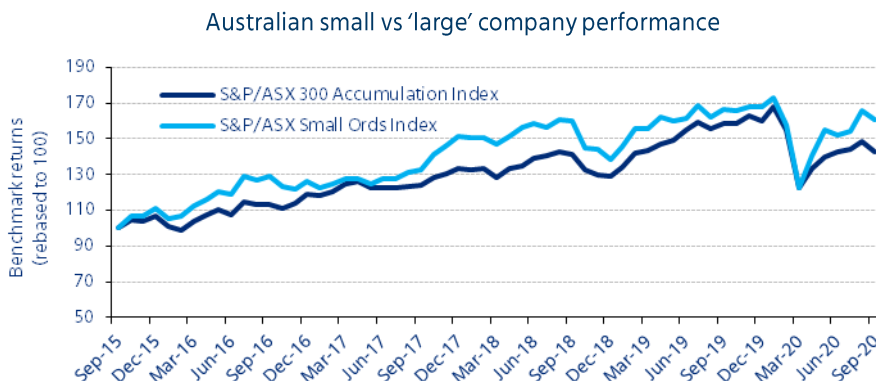
NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 38 – ‘Important notes about this report’ - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

Shares

Australian shares – small companies

Australian Small Companies performance was positive over the September quarter with the asset class returning 5.7% for the period. Australian Small Companies outperformed the broad capitalisation index over the quarter.



Mercer Australian Small Companies Fund

Investment performance

| Total & excess returns (%) | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|-----------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | 11.0 | 7.8 | 12.1 | 11.7 |
| Benchmark return | 5.7 | -3.3 | 6.5 | 10.0 |
| Excess return — before fees | +5.3 | +11.1 | +5.6 | +1.7 |

| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|--|----------|--------|----------------|----------------|
| Mercer Australian Small Companies Fund | 10.7 | 6.2 | 10.7 | 10.3 |

Manager performance

Performance has been pleasing over Q3 as markets continued to build on the recover from the lows of March. Both asset allocation and individual stock selection have been positive over the quarter, however, individual stock selection was the key catalyst of outperformance. The continued stabilisation of COVID-19 cases in Australia coupled with the gradual relaxation of government restrictions suited the funds cyclical focus, with Consumer Discretionary (OW), Consumer Staples (UW) and Financials (UW) being the key contributors to allocation performance. At the security level, overweight positions in Marley Spoon, NextDC, Corporate Travel Management and an underweight to Invocare were the largest positive contributors. An underweight exposure to Pointsbet, Mesoblast and Codan were key detractors.

| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|------|---|----------|--------|----------------|----------------|
| Manager | % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| First Sentier Investors | 25.3 | First Sentier Investors | +2.7 | +13.9 | +9.7 | n/a |
| Longwave | 25.1 | Longwave | n/a | n/a | n/a | n/a |
| IFM Investors | 25.0 | IFM Investors | +5.7 | +13.1 | +4.6 | +1.7 |
| Perennial Value Management | 24.6 | Perennial Value Management | +8.0 | +5.0 | +6.9 | +4.9 |

NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 38 – ‘Important notes about this report’ - for further information on the calculation of returns.
 Refer to page 39 for Asset class benchmarks.

Shares

International shares

The broad MSCI World ex Australia (NR) increased 6.4% in hedged terms and increased 3.8% in unhedged terms over the quarter, as the AUD appreciated against most major currencies over the period. The strongest performing sectors were Consumer Discretionary and Materials, while Energy and Real Estate were the worst performers.

Over the September quarter, the NASDAQ increased 11.0%, the S&P 500 Composite Index increased 8.9% and the Dow Jones Industrial Average increased 8.2%, all in USD terms. Most European markets experienced negative returns, with the FTSE 100 United Kingdom (UK) decreasing 4.0%, the CAC 40 (France) decreasing 2.0%, all in local currency terms. Whilst the DAX 30 (Germany) increased 3.7% over the quarter. Equity returns were positive across most of Asia as the Indian BSE 500 increased 10.5%, the SSE Composite (China) increased 7.8% and the Japanese TOPIX increased 5.2%, all in local currency terms. However, the Hang Seng decreased 2.6% from last quarter.

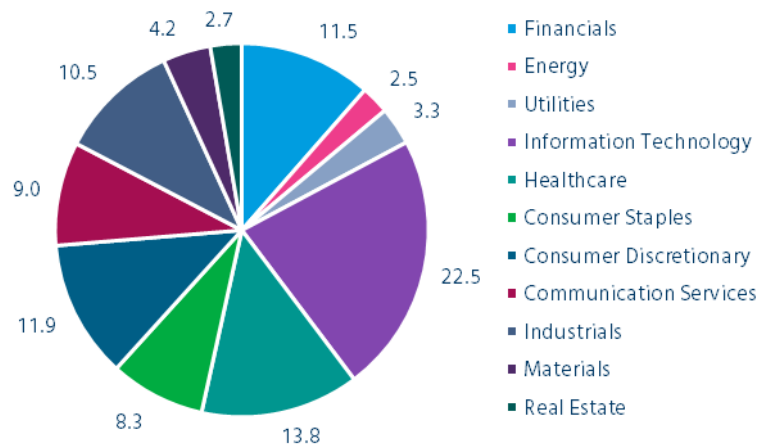
** In this Quarterly Report, ‘International shares funds’ refers to:

- Mercer International Shares Fund
- Mercer Hedged International Shares Fund

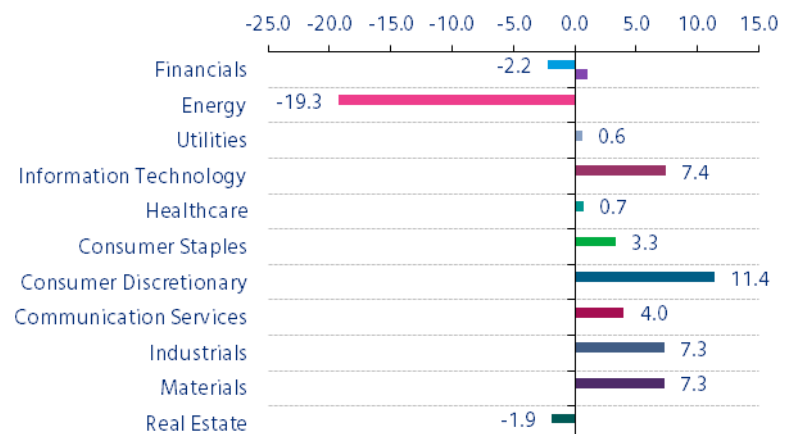
Benchmark weights etc. apply to all international shares funds.

International Shares Funds**

Benchmark weights by sector (%)
 MSCI World Index (ex Australia) - in A\$ with net dividends reinvested

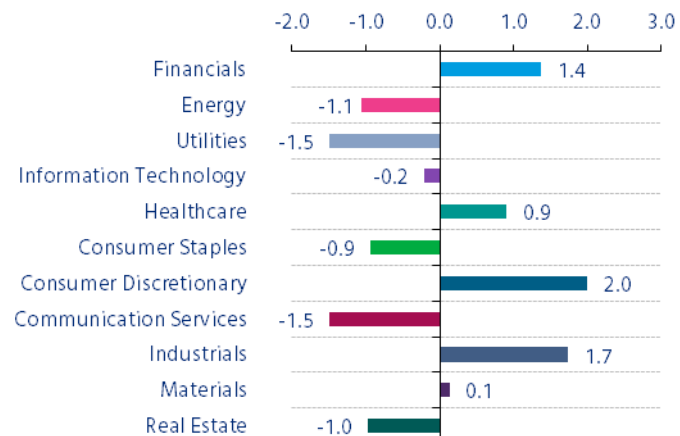


Benchmark sector returns for the three months to 30 September 2020 (%)
 MSCI World Index (ex Australia) - in A\$ with net dividends reinvested



Sector Exposure — Overweight/Underweight positions as at 30 September 2020 (%)

Mercer International Shares Fund
 Mercer Hedged International Shares Fund



NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 38 - 'Important notes about this report' - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

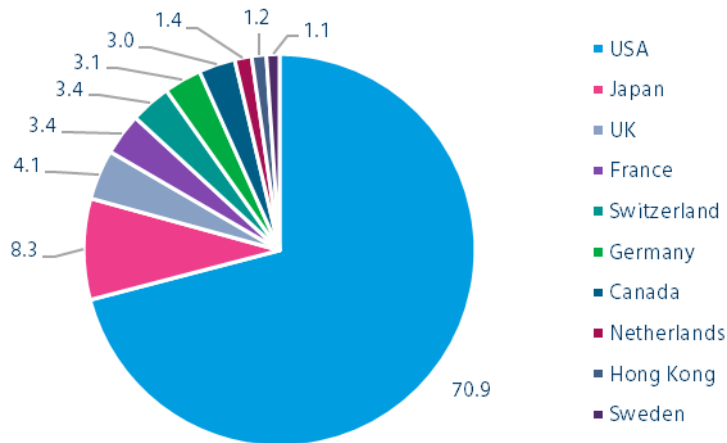
Shares

International shares

International Shares Funds**

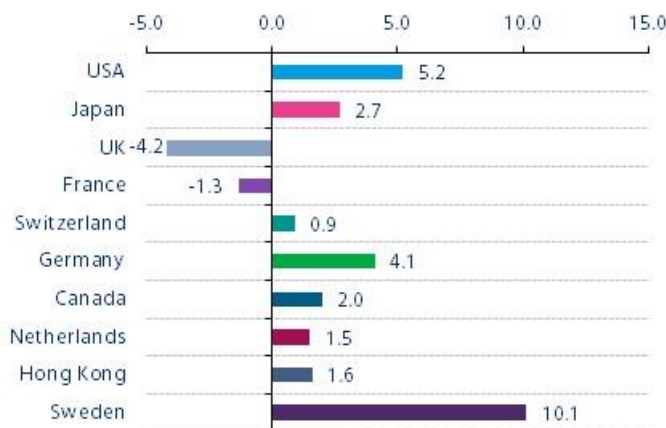
Benchmark weights – Top 10 countries (%)

MSCI World Index (ex Australia) - in A\$ with net dividends reinvested



Top 10 countries' benchmark returns for the three months to 30 September 2020 (%)

MSCI World Index (ex Australia) - in A\$ with net dividends reinvested



** In this Quarterly Report, 'International Shares Funds' refers to:

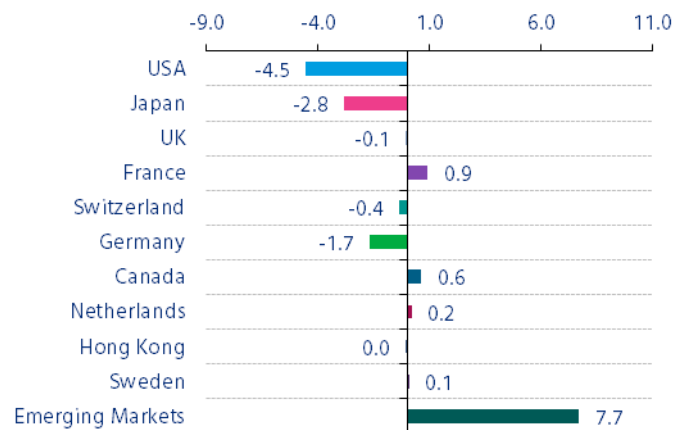
- Mercer International Shares Fund
- Mercer Hedged International Shares Fund

Benchmark weights etc. apply to all funds.

Exposure to top 10 countries - Overweight/Underweight positions as at 30 September 2020 (%)

Mercer International Shares Fund

Mercer Hedged International Shares Fund



NOTE: Past performance is not a reliable indicator of future performance.
Refer to page 38 – 'Important notes about this report' - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

Shares

International shares

Mercer International Shares Fund

Mercer Hedged International Shares Fund

Top 10 holdings

| Stock | % of Fund | % of Benchmark |
|------------------------|-----------|----------------|
| Microsoft Corp | 2.8 | 3.4 |
| Amazon | 2.7 | 3.0 |
| Apple | 1.9 | 4.6 |
| Alphabet Inc | 1.1 | 2.0 |
| Alibaba Group Holding | 1.1 | 0.0 |
| Novartis | 1.1 | 0.4 |
| Facebook Incorporation | 1.0 | 1.4 |
| Tesla Inc | 1.0 | 0.7 |
| Johnson & Johnson | 1.0 | 0.9 |
| Intact Financial Corp | 1.0 | 0.0 |

Investment performance

| Mercer International Shares Fund | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|---|----------|--------|----------------|----------------|
| Total returns — before fees | 3.9 | 4.6 | 11.6 | 10.8 |
| Benchmark return — before fees: | 3.8 | 4.3 | 11.2 | 10.1 |
| Excess return — before fee: | +0.1 | +0.3 | +0.4 | +0.7 |
| Mercer Hedged International Shares Fund | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Total returns — before fees | 6.4 | 6.3 | 7.1 | 10.9 |
| Benchmark return — before fees: | 6.4 | 6.4 | 7.0 | 10.4 |
| Excess return — before fees | 0.0 | -0.1 | +0.1 | +0.5 |
| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Mercer International Shares Fund | 3.6 | 3.6 | 10.3 | 9.7 |
| Mercer Hedged International Shares Fund | 6.1 | 5.2 | 6.0 | 9.9 |

Manager performance

The funds performed broadly in line with the benchmark over the quarter as a very strong contribution from the growth oriented Baillie Gifford was somewhat offset by LSV, Arrowstreet and Schroders which all have some value exposure. Underperformance from the US market underweight contrasted the positive contribution from the China overweight. From a sector perspective the underweight into Energy was the key contributor while stock selection within IT was a key detractor.

| Proportion of assets managed at quarter end | | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|------------|----------|---|----------|--------|----------------|----------------|
| Managers | Unhedged % | Hedged % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Schroder Investment Management | 35.2 | 35.2 | Schroder Investment Management | -1.3 | -2.6 | -1.9 | -1.5 |
| Arrowstreet | 18.7 | 18.7 | Arrowstreet | -0.9 | -2.2 | +2.5 | +2.6 |
| Wellington | 15.1 | 15.1 | Wellington | -1.0 | -8.3 | n/a | n/a |
| LSV Asset Management | 10.9 | 10.9 | LSV Asset Management | -4.5 | -16.7 | -11.8 | n/a |
| AllianceBernstein | 10.3 | 10.4 | AllianceBernstein | +2.3 | n/a | n/a | n/a |
| Baillie Gifford | 9.8 | 9.8 | Baillie Gifford | +13.4 | n/a | n/a | n/a |

Mercer Passive International Shares Fund

Mercer Passive Hedged International Shares Fund

| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|---|----------|--------|----------------|----------------|
| Mercer Passive International Shares Fund | 3.9 | 4.7 | 11.3 | 10.2 |
| Mercer Passive Hedged International Shares Fund | 6.4 | 6.5 | 7.0 | 10.3 |

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 38 - 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 39 for Asset class benchmarks.

Shares

Socially responsible global shares

Mercer Socially Responsible Global Shares Fund – Unhedged Units

Mercer Socially Responsible Global Shares Fund – Hedged Units

Top 10 holdings

| Stock | % of Fund | % of Benchmark |
|------------------------------|-----------|----------------|
| Danaher Corp | 2.3 | 0.3 |
| Microsoft Corp | 1.6 | 3.4 |
| Vestas Wind Systems A/S | 1.5 | 0.1 |
| Thermo Fisher Scientific Inc | 1.4 | 0.4 |
| Adobe Inc | 1.4 | 0.5 |
| Mastercard | 1.4 | 0.7 |
| Ecolab Inc | 1.3 | 0.1 |
| Novo Nordisk A/S | 1.3 | 0.3 |
| Orsted A/S | 1.3 | 0.1 |
| Ebay Inc | 1.2 | 0.1 |

Investment performance

| Mercer Socially Responsible Global Shares Fund – Unhedged Units | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|---|----------|--------|----------------|----------------|
| Total returns — before fees | 6.6 | 8.9 | 11.7 | n/a |
| Benchmark return — before fees: | 3.7 | 3.9 | 11.0 | n/a |
| Excess return — before fee: | +2.9 | +5.0 | +0.7 | n/a |
| Mercer Socially Responsible Global Shares Fund – Hedged Units | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Total returns — before fees | 9.3 | 11.9 | 8.6 | n/a |
| Benchmark return — before fees: | 6.3 | 5.9 | 6.9 | n/a |
| Excess return — before fees | +3.0 | +6.0 | +1.7 | n/a |
| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Mercer Socially Responsible Global Shares Fund – Unhedged Units | 6.3 | 7.9 | 10.9 | n/a |
| Mercer Socially Responsible Global Shares Fund – Hedged Units | 9.0 | 10.9 | 7.6 | n/a |

Manager performance

The fund outperformed the benchmark in the third quarter of 2020. Both stock selection sector allocation contributed positively to returns with the former being the key driver of performance. Stock selection was particularly strong within Industrials, Healthcare and Utilities, but was offset to some extent by negative stock selection within IT, Financials and Communication Services. Top contributors included Vestas Wind Systems, Suez and Taiwan Semiconductor, while underweight Apple and Tesla were amongst the top detractors.

From a sector allocation perspective, negative contributions from an underweight to Consumer Discretionary and an overweight to Healthcare was offset by positive allocation effect from no exposure to energy and an underweight to Financials. Holding cash also provide to be a drag on returns. Currency exposure was a marginal positive due mostly to an underweight to the USD.

| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|------------|---|--------|----------------|----------------|--|
| Managers | Unhedged % | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) | |
| Mercer Dublin | 100.0 | +2.9 | +4.4 | +0.7 | n/a | |

Manager allocation

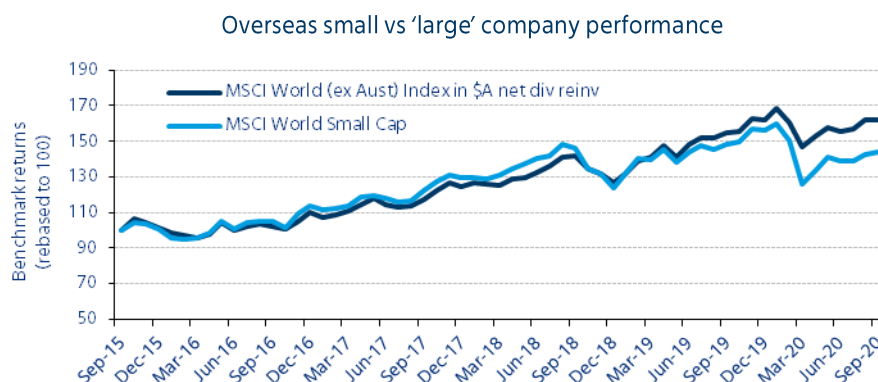
| Manager | % |
|------------|------|
| Impax | 15.0 |
| Mirova | 25.0 |
| SSGA | 20.0 |
| Stewart | 15.0 |
| Wellington | 15.0 |

NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 38 – ‘Important notes about this report’ - for further information on the calculation of returns.
 Refer to page 39 for Asset class benchmarks.

Shares

Global shares – small companies

In unhedged AUD terms, the Global Small Cap sector increased 3.3%, underperforming Global Large Cap stocks.



Mercer Global Small Companies Shares Fund

Investment performance

| Total & excess returns (%) | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|-----------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | 4.0 | -1.2 | 7.1 | 7.6 |
| Benchmark return | 3.2 | -3.3 | 5.4 | 7.5 |
| Excess return — before fees | +0.8 | +2.1 | +1.7 | +0.1 |

| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|---|----------|--------|----------------|----------------|
| Mercer Global Small Companies Shares Fund | 3.8 | -2.2 | 5.8 | 6.5 |

Manager performance

The funds outperformed versus its benchmark over the quarter. Both sector allocation and stock selection have been positive over the quarter, while country allocation detracted. Consumer discretionary (OW), Real Estate (UW), Health care (OW) and Utilities (UW) contributed to sector allocation performance. Tesla and Ocado Group were the most significant stock level contributors.

| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|------|---|----------|--------|----------------|----------------|
| Manager | % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Arrowstreet | 30.8 | Arrowstreet | +1.7 | +1.9 | +3.6 | +3.1 |
| Baillie Gifford | 20.2 | Baillie Gifford | +9.5 | +63.6 | n/a | n/a |
| Lazard Asset Management | 17.6 | Lazard Asset Management | -2.9 | -4.4 | n/a | n/a |
| LSV Asset Management | 15.8 | LSV Asset Management | -1.3 | -16.2 | n/a | n/a |
| KBI Global Investors | 15.6 | KBI Global Investors | -4.4 | -12.6 | n/a | n/a |

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 38 - 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 39 for Asset class benchmarks.

Shares

Global shares - low volatility

Mercer Global Enhanced Low Volatility Shares Fund

Investment performance

| Total & excess returns (%) | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|-----------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | -0.6 | -8.6 | 6.8 | 6.8 |
| Benchmark return | 0.6 | -6.1 | 9.7 | 8.5 |
| Excess return — before fees | -1.2 | -2.5 | -2.9 | -1.7 |

| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|---|----------|--------|----------------|----------------|
| Mercer Global Enhanced Low Volatility Shares Fund | -0.7 | -8.9 | 6.6 | 6.5 |

Manager performance

The fund underperformed the benchmark over the quarter by 1.2%. The Funds' value tilt was a key driver of underperformance however quality factors and the stock selection also detracted value over the quarter. Growth factors and top down insights both contributed positively to fund performance. While country and sector allocations has limited impact on active returns, stock selection, in particular within US IT was a key detractor from performance.

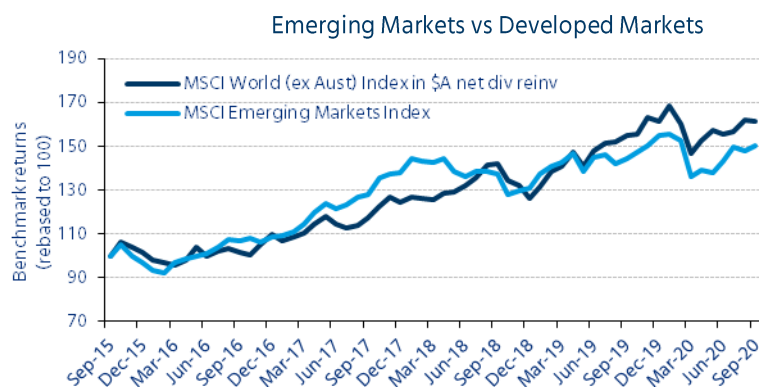
| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|-------|---|----------|--------|----------------|----------------|
| Manager | % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Acadian | 100.0 | Acadian | -1.2 | -2.5 | -3.4 | -2.3 |

NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 38 – ‘Important notes about this report’ - for further information on the calculation of returns.
 Refer to page 39 for Asset class benchmarks.

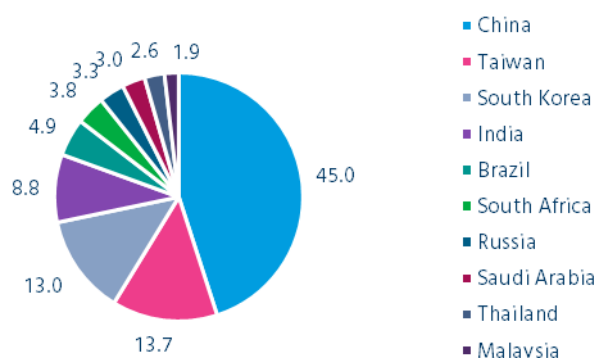
Shares

Emerging markets shares

In unhedged AUD terms, Emerging Markets (NR) returned 5.2%, outperforming developed markets.



Benchmark weights – Top 10 countries (%)
 (MSCI Emerging Markets Index)



Mercer Emerging Markets Shares Fund

Investment performance

| Mercer Emerging Markets Shares Fund | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|-------------------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | 6.0 | 3.5 | 6.1 | 9.1 |
| Benchmark return | 5.2 | 4.0 | 5.6 | 8.5 |
| Excess return — before fees | +0.8 | -0.5 | +0.5 | +0.6 |
| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Mercer Emerging Markets Shares Fund | 5.8 | 2.3 | 5.0 | 8.0 |

Manager performance

The fund outperformed the index over the quarter. Asset allocation detracted slightly from performance, with relative outperformance driven by stock selection. Consumer Discretionary and a large cash holding were the lowest contributors from a sector allocation perspective with Information Technology, Real Estate and Financials being the biggest contributors. From a country perspective, Korea, China Offshore and China A Shares were the key contributors to performance with Taiwan and Indonesia detracting the most from performance.

| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|------|---|----------|--------|----------------|----------------|
| Manager | % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| BlackRock Investment Management | 38.7 | BlackRock Investment Mgmt | +1.0 | -0.7 | +0.4 | +1.4 |
| William Blair | 28.4 | William Blair | +4.3 | +10.7 | n/a | n/a |
| Macquarie Investment Management | 20.3 | Macquarie Investment Mgmt | -5.1 | -13.6 | -5.5 | -3.9 |
| AQR | 12.6 | AQR | 0.0 | +4.5 | +2.9 | +2.5 |

Mercer Passive Emerging Markets Shares Fund

| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|---|----------|--------|----------------|----------------|
| Mercer Passive Emerging Markets Shares Fund | 5.2 | 3.9 | 5.3 | 8.2 |

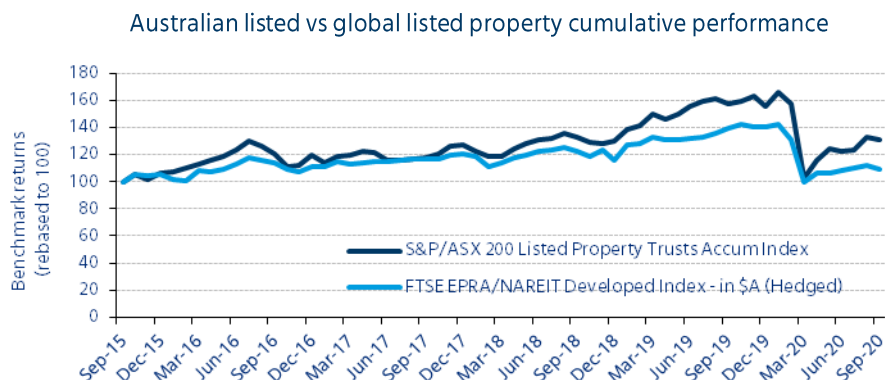
NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 38 – ‘Important notes about this report’ - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

Real assets

Global listed property

Australian Real Estate Investment Trusts (REITs) were up 7.4% over the quarter and hedged Global REITs increased 0.9%.



Mercer Global Listed Property Fund

Investment performance

| Mercer Global Listed Property Fund | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|------------------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | 1.9 | -19.0 | 0.1 | 3.4 |
| Benchmark return | 0.6 | -21.6 | -2.0 | 1.8 |
| Excess return — before fees | +1.3 | +2.6 | +2.1 | +1.6 |
| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Mercer Global Listed Property Fund | 1.6 | -19.9 | -0.8 | 2.3 |

Manager performance

The fund outperformed over the quarter by 1.3%. Stock selection was the key driver of relative performance as overweight holdings in Goodman Group, Vonovia SE and an underweight exposure to Equity Residential were each large contributors. Public Storage (UW) and Allied Properties (OW) detracted from performance. The majority of positive stock selection came from positioning within the US market however selection in Hong Kong and Germany were also notable contributors, while Canada and Singapore were marginally negative.

| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|------|---|----------|--------|----------------|----------------|
| Manager | % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Principal Global Investors | 60.3 | Principal Global Investors | +2.5 | +5.1 | +4.3 | +3.0 |
| Brookfield Investment Management | 39.7 | Brookfield Investment Management | -0.8 | -2.1 | -1.1 | 0.0 |

Mercer Passive Global Listed Property Fund

| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|--|----------|--------|----------------|----------------|
| Mercer Passive Global Listed Property Fund | 0.5 | -21.1 | -2.1 | 1.6 |

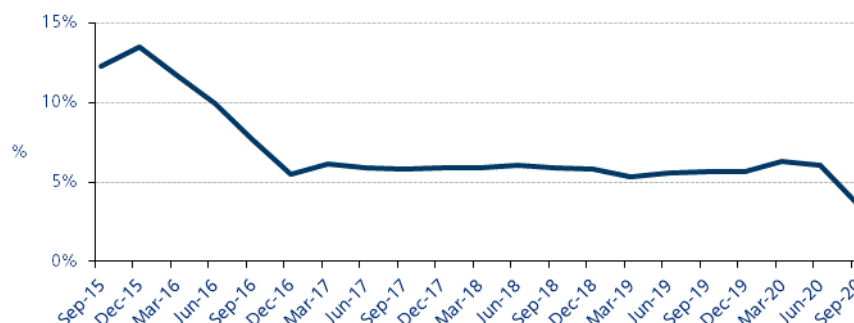
NOTE: Past performance is not a reliable indicator of future performance.
Refer to page 38 – 'Important notes about this report' - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

Real assets

Australian direct property

The Australian unlisted property sector (NAV) increased 0.1% over the quarter (on a one-month lagged basis).

Direct Property – 12 month Rolling Benchmark Return



Note: The indices used in the graph (above) are: Before 1/9/2009: Mercer Unlisted Property Funds Index
After 1/9/2009: Mercer/IPD Australian Pooled Property Fund Index. Effective January 2016 CPI+4%

Mercer Australian Direct Property Fund

Investment performance

| Total & excess returns (%) | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|-----------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | 0.6 | 3.7 | 8.9 | 10.6 |
| Benchmark return | -0.8 | 3.6 | 5.1 | 5.7 |
| Excess return — before fees | +1.4 | +0.1 | +3.8 | +4.9 |

| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|--|----------|--------|----------------|----------------|
| Mercer Australian Direct Property Fund | 0.3 | 2.4 | 7.5 | 9.2 |

Manager performance

The fund outperformed the Mercer/MSCI Wholesale Property Fund Index by 660bps over 12 months as well as outperforming its benchmark of CPI+4%.

The COVID pandemic continues to impact commercial Real Estate: Discretionary Retail assets (10% of portfolio) have been most affected by restrictions implemented by authorities. Supermarkets and Logistics (31% of portfolio) have been relative beneficiaries of the pandemic. Office assets (50% of portfolio) are facing a slowing rental market but generally have long-term leases to large high quality Corporate and Government tenants. Portfolio occupancy is high at 97%.

| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|--|------|---|----------|--------|----------------|----------------|
| Manager | % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Investa Property Group | 29.1 | Investa Property Group | +1.1 | +2.8 | +8.0 | +9.0 |
| Charter Hall Industrial | 23.8 | Charter Hall Industrial | +3.2 | +8.2 | +6.6 | +6.7 |
| Dexus Wholesale Property Fund | 17.7 | Dexus Wholesale Property Fund | +0.3 | -3.9 | +2.9 | n/a |
| Charter Hall Retail | 12.7 | Charter Hall Retail | -0.1 | +0.6 | +0.6 | +3.7 |
| Investa SPV | 7.0 | Investa SPV | +3.2 | +6.6 | +5.8 | n/a |
| Lend lease Investment Management (APPF Retail) | 2.8 | Lend lease Investment Management (APPF Retail) | +1.0 | -24.0 | -9.5 | -5.6 |
| GPT Wholesale Office Fund | 2.5 | GPT Wholesale Office Fund | +1.5 | n/a | n/a | n/a |
| Goodman Funds Management | 2.4 | Goodman Funds Management | +1.7 | +10.9 | +12.6 | +13.9 |
| AMP Capital Shopping Centre Fund | 2.0 | AMP Capital Shopping Centre Fund | +0.6 | -21.3 | n/a | n/a |

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 38 - 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 39 for Asset class benchmarks.

Real assets

Passive Australian property

Mercer Passive Australian Listed Property Fund

Investment performance

| Total & excess returns (%) | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|-----------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | 6.7 | -15.9 | 3.9 | 5.7 |
| Benchmark return | 7.0 | -16.6 | 3.7 | 5.6 |
| Excess return — before fees | -0.3 | +0.7 | +0.2 | +0.1 |

| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|--|----------|--------|----------------|----------------|
| Mercer Passive Australian Listed Property Fund | 6.6 | -16.2 | 3.5 | 5.3 |

Manager performance

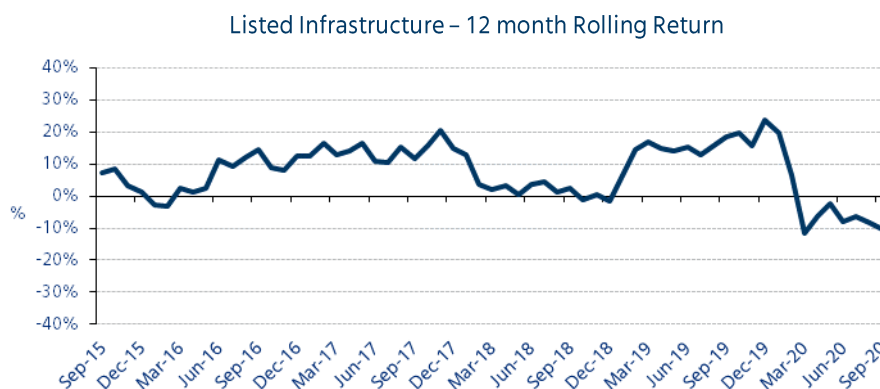
| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|-------|---|----------|--------|----------------|----------------|
| Manager | % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Macquarie Investment Management | 100.0 | Macquarie Investment | -0.2 | +0.2 | 0.0 | 0.0 |

NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 38 – ‘Important notes about this report’ - for further information on the calculation of returns.
 Refer to page 39 for Asset class benchmarks.

Real assets

Global listed infrastructure

Global Core Listed Infrastructure 50/50 index increased 1.0% for the quarter in hedged terms.



Note The index used in the graph (above) is the FTSE Global Core 50/50 Index in A\$ Hedged.

Mercer Global Listed Infrastructure Fund

Investment performance

| Mercer Global Listed Infrastructure Fund | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|--|----------|--------|----------------|----------------|
| Total returns — before fees | -0.5 | -11.0 | 2.6 | 7.4 |
| Benchmark return | 0.8 | -10.2 | 2.9 | 6.9 |
| Excess return — before fees | -1.3 | -0.8 | -0.3 | +0.5 |
| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Mercer Global Listed Infrastructure Fund | -0.7 | -11.9 | 1.6 | 6.3 |

Manager performance

The fund underperformed over the quarter by 1.3%. Stock selection was a key driver of underperformance over the quarter. Key detractors from performance included Vinci (OW), Duke Energy Corporation (UW), Canadian National Railway (UW) and Magellan Midstream Partners (OW). Conversely, underweight exposures to Kinder Morgan, American Tower, Rumo and Thailand Airport all contributed positively to Fund performance over the quarter.

| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|------|---|----------|--------|----------------|----------------|
| Manager | % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| First Sentier Investors | 57.9 | First Sentier Investors | -1.7 | -0.5 | -0.4 | +1.4 |
| Magellan Asset Management | 42.1 | Magellan Asset Management | -1.1 | -1.5 | n/a | n/a |

Mercer Passive Global Listed Infrastructure Fund

| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|--|----------|--------|----------------|----------------|
| Mercer Passive Global Listed Infrastructure Fund | 1.5 | -11.6 | 2.4 | 6.2 |

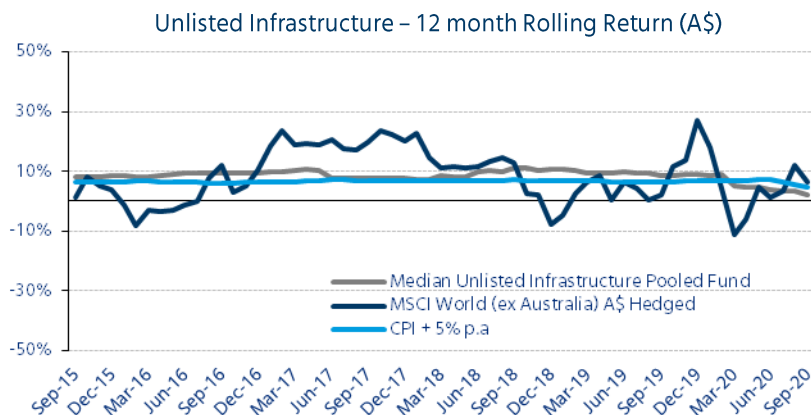
NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 38 – ‘Important notes about this report’ - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

Real assets

Global unlisted infrastructure

The Unlisted Infrastructure sector contracted over the quarter as the coronavirus pandemic continues to impact returns.



Mercer Global Unlisted Infrastructure Fund

Investment performance

| Total & excess returns (%) | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|-----------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | 3.7 | 10.2 | 12.6 | 15.3 |
| Benchmark return | -0.6 | 4.7 | 5.4 | 5.2 |
| Excess return — before fees | +4.3 | +5.5 | +7.2 | +10.1 |

| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|--|----------|--------|----------------|----------------|
| Mercer Global Unlisted Infrastructure Fund | 3.6 | 8.0 | 10.0 | 11.8 |

Manager performance

The fund posted a strong return for the quarter due mainly to KKR Global Infrastructure Fund II (“KKR”), which was particularly assisted by higher-than-expected final proceeds from the sale of communications assets Deutsche Glasfaser (Germany) and a revaluation of Telxius (Spain), another communications asset. The latter asset is a co-investment as well as an exposure through the KKR fund. Stonepeak Infrastructure Partners (“Stonepeak”) also performed well due to a revaluation of communications asset Cologix (United States). During the quarter, calls were paid to fund a new KKR-managed co-investment in waste-to-energy business Viridor (United Kingdom) and to further fund a commitment to energy asset Eagleclaw Midstream (United States), which is a co-investment managed by I-Squared Capital. Distributions were received from Macquarie Asia Infrastructure Fund, Axiom Infrastructure and KKR.

| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|------|---|----------|--------|----------------|----------------|
| Manager | % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| KKR | 30.7 | KKR | +15.5 | +22.4 | +15.0 | +10.9 |
| First Sentier Investors | 15.4 | First Sentier Investors | +1.5 | -0.1 | +5.3 | +5.6 |
| IFM Investors | 13.6 | IFM Investors | +2.4 | -3.2 | +3.3 | +7.7 |
| Macquarie Asia Infrastructure Fund | 13.0 | Macquarie Asia Infrastructure Fund | +2.0 | -1.1 | +2.7 | +1.3 |
| Macquarie Specialised Asset Management | 12.8 | Macquarie Specialised Asset Mgmt | +1.2 | +8.2 | +9.4 | +22.2 |
| Stonepeak Infrastructure Partners | 5.7 | Stonepeak Infrastructure Partners | +5.7 | +3.2 | +2.3 | n/a |
| Axiom Infrastructure | 4.3 | Axiom Infrastructure | +2.2 | +1.1 | n/a | n/a |
| First Sentier Investors | 2.5 | First Sentier Investors | +1.4 | +0.7 | +5.5 | n/a |
| I-Squared Capital | 2.1 | I-Squared Capital | +0.2 | -16.4 | n/a | n/a |

NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 38 – ‘Important notes about this report’ - for further information on the calculation of returns.
 Refer to page 39 for Asset class benchmarks.

Alternatives

Alternative assets

Note: The Mercer Diversified Alternatives Fund was terminated on 1 October 2020.

Mercer Diversified Alternatives Fund

Investment performance

| Total returns (%) | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|---|----------|--------|----------------|----------------|
| Total returns — after fees and costs ¹ : | 1.3 | -3.5 | -1.4 | -1.0 |
| Benchmark return | 2.5 | 1.0 | 0.9 | 1.1 |

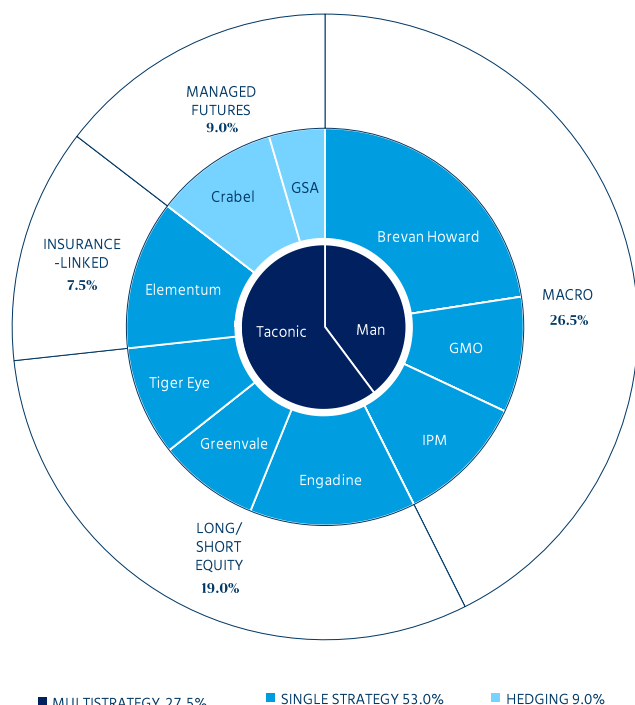
¹The ‘Total return – after fees and costs’ (i.e. Management Costs) allows for a deduction of the investment management fee expense allowance and any applicable performance based fee. See the PDS for details of the current fees and costs.

Manager performance

The Diversified Alternatives Fund returned +1.3% for the September quarter on an after fees and costs basis. Eight of the eleven managers held within the portfolio contributed positively over the quarter. The strongest single manager contributions were within the Long/Short Equity sleeve, which continued to perform strongly since the rebound in Q2. Notable was Greenvale, a market neutral equity manager, showing impressive stock selection to become the largest contributor to performance of any manager within the portfolio. The Macro sleeve also performed strongly, with all underlying managers ending the quarter positive. Brevan Howard was the best performing manager within the sleeve, with returns mainly coming from its FX book. Meanwhile, the Managed Futures sleeve was the largest detractor over the quarter, where GSA in particular struggled from its commodity positioning. The Multistrategy core also detracted, primarily driven by Man Alternative Risk Premia with equity value positioning continuing to detract.

In terms of portfolio changes, H2O (Macro) was removed from the portfolio over the quarter, with the final redemption being made on the 31st of July. This decision was driven primarily by portfolio construction reasons as we had concerns about the increasing volatility and directionality of H2O. We believe that removing H2O will lead to a more balanced MSAS line up.

Manager Allocation



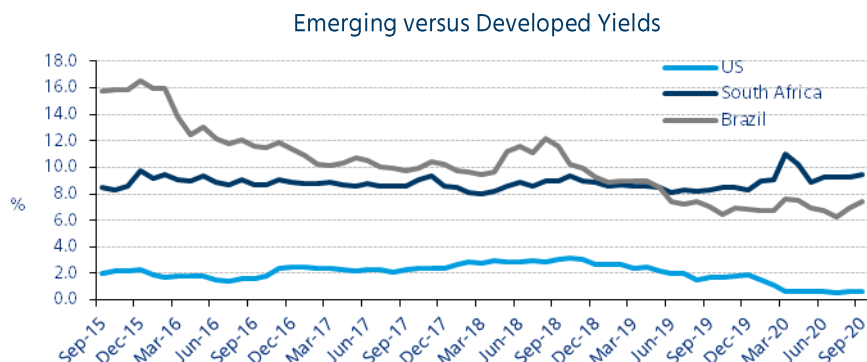
NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 38 – ‘Important notes about this report’ - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

Growth fixed interest

Emerging markets debt

Emerging Market Debt returns were negative over the September quarter, returning -3.4% on an unhedged basis.



Mercer Emerging Market Debt Fund

Investment performance

| Total & excess returns (%) | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|-----------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | -2.5 | -6.3 | 2.3 | 4.2 |
| Benchmark return | -3.4 | -7.3 | 3.2 | 4.3 |
| Excess return — before fees | +0.9 | +1.0 | -0.9 | -0.1 |

| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|-----------------------------------|----------|--------|----------------|----------------|
| Mercer Emerging Markets Debt Fund | -2.5 | -7.5 | 1.0 | 3.1 |

Manager performance

The fund returned -2.5% over Q3 2020, outperforming the benchmark index by 0.9%. Whilst the environment over the quarter proved tough for Emerging Market Debt, active management proved beneficial with each of the managers in the fund achieving positive excess returns.

| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|------|---|----------|--------|----------------|----------------|
| Manager | % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Wellington Management | 34.9 | Wellington Management | +0.3 | +1.3 | n/a | n/a |
| Colchester Global Investors | 34.7 | Colchester Global Investors | +0.5 | +0.2 | +0.5 | n/a |
| BlackRock | 30.3 | BlackRock | +1.8 | +1.5 | -2.3 | n/a |

NOTE: Past performance is not a reliable indicator of future performance.
Refer to page 38 – 'Important notes about this report' - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

Growth fixed interest Global high yield bond

Mercer Global High Yield Bond Fund

Investment performance

| Total & excess returns (%) | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|-----------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | 5.2 | 0.7 | 3.3 | 6.3 |
| Benchmark return | 3.7 | 0.6 | 3.4 | 6.7 |
| Excess return — before fees | +1.5 | +0.1 | -0.1 | -0.4 |

Manager performance

The fund has returned 5.2% on a quarterly basis in absolute terms, and achieved 1.5% excess return for the September quarter.

The fund invests into the Dublin Global High Yield Fund, which has two underlying managers, Nomura and PGIM. The Dublin fund is managed against an up-in-quality benchmark (excluding CCC's and EM), however, we have allowed our managers a c. 15% flexibility into CCC where they deem appropriate.

| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|-------|---|----------|--------|----------------|----------------|
| Manager | % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Mercer (Dublin) | 100.0 | Mercer (Dublin) | +1.5 | 0.0 | -0.1 | -0.4 |

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 38 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 39 for Asset class benchmarks.

Defensive fixed interest

Global absolute return bond

Mercer Global Absolute Return Bonds

Investment performance

| Total & excess returns (%) | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|-----------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | 1.5 | 2.1 | 2.6 | 2.8 |
| Benchmark return | 0.3 | 1.6 | 2.4 | 2.6 |
| Excess return — before fees | +1.2 | +0.5 | +0.2 | +0.2 |

| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|-------------------------------------|----------|--------|----------------|----------------|
| Mercer Global Absolute Return Bonds | 1.6 | 1.3 | 2.0 | 2.1 |

Manager performance

The fund returned 1.5% over the September quarter, outperforming the Bank Bills +1% index by 1.2%. All of the managers in the fund delivered positive excess returns over the quarter.

| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|------|---|----------|--------|----------------|----------------|
| Manager | % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Newton Investment Management | 26.3 | Newton Investment Management | +1.5 | +0.9 | n/a | n/a |
| T Row Price | 20.3 | T Row Price | +0.9 | +7.3 | +1.2 | n/a |
| Payden & Rygel | 19.7 | Payden & Rygel | +1.8 | -2.0 | n/a | n/a |
| Aviva Investors | 18.9 | Aviva Investors | +1.1 | -1.5 | n/a | n/a |
| H2O | 14.8 | H2O | +2.3 | -3.7 | n/a | n/a |

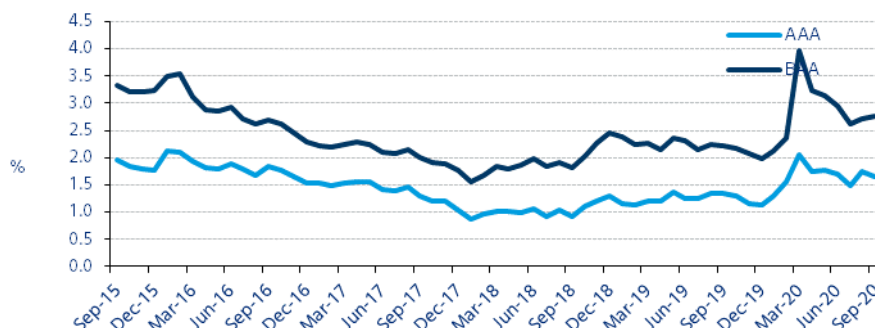
NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 38 – ‘Important notes about this report’ - for further information on the calculation of returns.
 Refer to page 39 for Asset class benchmarks.

Defensive fixed interest

Global credit

Global Credit returns were positive, returning 1.8% on a hedged basis over the September quarter, with spreads contracting.

US 10-Year Corporate Bond Yield Spread over 10-Year Treasury Bond*



Mercer Global Credit Fund

Investment performance

| Total & excess returns (%) | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|-----------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | 1.8 | 5.2 | 5.2 | 5.5 |
| Benchmark return | 1.5 | 4.7 | 4.9 | 5.3 |
| Excess return — before fees | +0.3 | +0.5 | +0.3 | +0.2 |

| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|--------------------------------|----------|--------|----------------|----------------|
| Total returns — after fees: | 2.0 | 4.7 | 4.7 | 5.0 |

Manager performance

The fund delivered a 1.8% return over the September quarter, outperforming its benchmark by 0.3%. All of the managers within the portfolio generate positive alpha in the quarter.

| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|------|---|----------|--------|----------------|----------------|
| Manager | % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Wellington Management | 38.9 | Wellington Management | +0.4 | +0.4 | +0.4 | +0.7 |
| Robeco | 33.8 | Robeco | +0.5 | +2.0 | +1.1 | n/a |
| AXA Investment Managers | 27.3 | AXA Investment Managers | +0.1 | -0.7 | -0.1 | -0.4 |

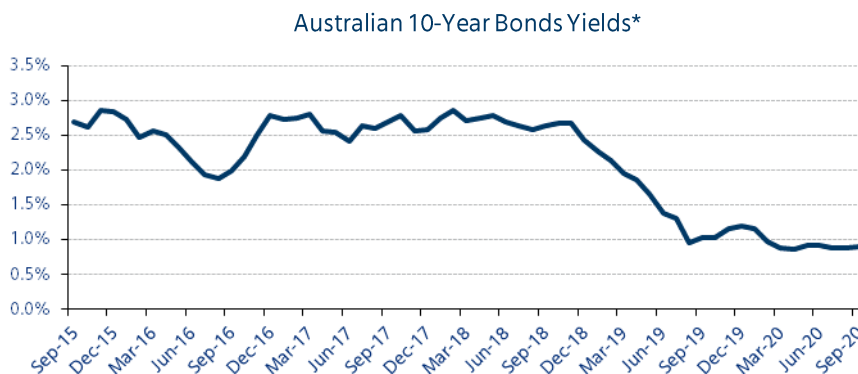
NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 38 - 'Important notes about this report' - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

Defensive fixed interest

Australian sovereign bonds

Domestically, Australian 10-year bond yields decreased by 4bps to 0.84%, five-year bond yields decreased by 8bps to 0.33% and the two-year bond yields also decreased by 8bps to 0.18%. Bloomberg Ausbond indices were broadly positive over the quarter, with the Bloomberg Ausbond Inflation Index achieving the highest return at 3.5%, and the weakest being the Bloomberg Ausbond Bank Bill Index returning flat.



* Source: Reserve Bank of Australia

Mercer Australian Sovereign Bond Fund – Class 1

Investment performance

| Total & excess returns (%) | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|-----------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | 1.0 | 3.4 | 6.9 | 5.0 |
| Benchmark return | 0.8 | 2.7 | 6.4 | 4.6 |
| Excess return — before fees | +0.2 | +0.7 | +0.5 | +0.4 |

| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|---|----------|--------|----------------|----------------|
| Mercer Australian Sovereign Bond Fund – Class 1 | 0.9 | 3.0 | 6.5 | 4.6 |

Manager performance

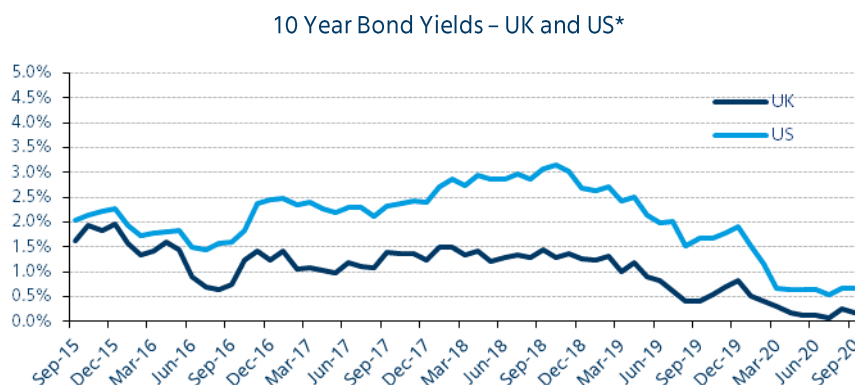
The fund outperformed the Bloomberg Ausbond Treasury Index over the quarter and year to September 2020. As the active manager within the fund, Pental, was the key contributor.

| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|------|---|----------|--------|----------------|----------------|
| Manager | % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Pental Group Limited | 51.6 | Pental Group Limited | +0.4 | +1.0 | +0.6 | +0.3 |
| Macquarie Investment Management | 34.7 | Macquarie Investment Management | 0.0 | 0.0 | -0.1 | -0.1 |
| Challenger | 13.8 | Challenger | +0.2 | +0.7 | +0.8 | +0.8 |

NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 38 – ‘Important notes about this report’ - for further information on the calculation of returns.
 Refer to page 39 for Asset class benchmarks.

Defensive fixed interest Global sovereign bonds

The Pacific Global Sovereign Bond Fund outperformed the benchmark by 0.6% over the September Quarter. The two active managers within the fund, Colchester and H2O, maintained their strong performance from the previous quarter.



* Source: Thomson Reuters Datastream

Mercer Global Sovereign Bond Fund – Class 1

Investment performance

| Total & excess returns (%) | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|-----------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | 1.2 | 2.9 | 6.1 | 5.4 |
| Benchmark return | 0.6 | 4.1 | 5.3 | 4.7 |
| Excess return — before fees | +0.6 | -1.2 | +0.8 | +0.7 |

| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|---|----------|--------|----------------|----------------|
| Mercer Global Sovereign Bond Fund – Class 1 | 1.1 | 2.5 | 5.6 | 5.1 |

Manager performance

The fund returned 1.2% in the September quarter, outperformed its benchmark by 0.7%. Colchester and H2O, our two active managers, outperformed the benchmark by 0.9% and 1.0% respectively, whilst LGIM, our passive manager, performed broadly in-line with the index. Colchester’s bond and currency selection added value in the quarter. The top three positive bond contributors to relative returns were the overweight positions in US inflation-linked bonds and Colombian nominal bonds and the underweight position in UK nominal bonds. The top three positive currency contributors to relative returns were the underweight positions in the USD, Thai Baht and Peruvian Sol. H2O’s Non-G4 sovereign bond allocations benefited from the European peripheral convergence trade and resilience of Italian BTPs against the Bund. Within currencies, EM FX also added value with the Mexican Peso rising against the USD.

| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|------|---|----------|--------|----------------|----------------|
| Manager | % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| H2O Asset Management | 40.5 | H2O Asset Management | +1.0 | -3.8 | +2.9 | +2.5 |
| LGIM | 40.2 | LGIM | 0.0 | 0.0 | n/a | n/a |
| Colchester Global Investors | 19.3 | Colchester Global Investors | +0.9 | +0.2 | -0.7 | n/a |

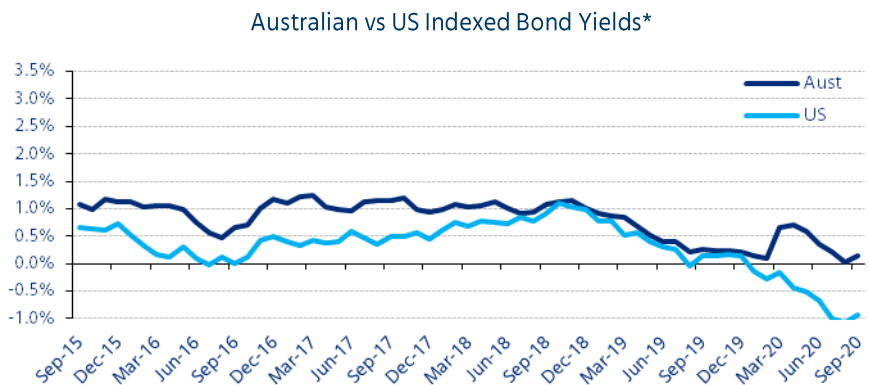
NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 38 – ‘Important notes about this report’ - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

Defensive fixed interest

Australian inflation plus

The Inflation Plus Fund achieved positive returns over the September quarter, mostly attributed to positive performance from Ardea. Index returns representing Australian CPI +1% (lagged) delivered -1.6% over the September quarter.



* Sources: Reserve Bank of Australia (Aust.) and Thomson Reuters Datastream

Mercer Australian Inflation Plus Fund

Investment performance

| Total & excess returns (%) | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|-----------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | 1.3 | 4.6 | 4.8 | 3.9 |
| Benchmark return | -1.6 | 0.6 | 2.2 | 2.3 |
| Excess return — before fees | +2.9 | +4.0 | +2.6 | +1.6 |

| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|----------------------------------|----------|--------|----------------|----------------|
| Mercer Australian Inflation Plus | 1.0 | 3.8 | 4.2 | 3.4 |

Manager performance

The fund delivered strong positive outperformance over the third quarter of 2020, and over longer time periods to 30 September 2020. As the active manager within the fund, Ardea has generated the majority of this alpha.

| Proportion of assets managed at quarter end (Mercer Growth) | | Manager returns relative to fund benchmark (+ or - %) - before fees | | | | |
|---|------|---|----------|--------|----------------|----------------|
| Manager | % | Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Ardea Investment Management | 78.8 | Ardea Investment Management | +3.2 | +5.0 | +4.1 | +3.1 |
| Challenger | 21.2 | Challenger | +2.0 | +0.7 | +0.9 | +1.1 |

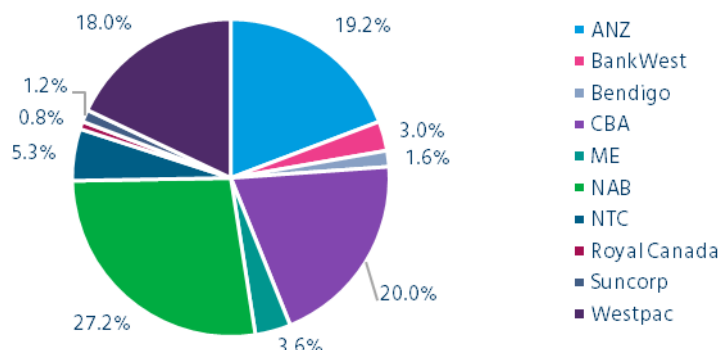
NOTE: Past performance is not a reliable indicator of future performance.
Refer to page 38 – 'Important notes about this report' - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

Cash

Cash and term deposits

The RBA has maintained the cash rate at 0.25% over the September quarter. The AUD appreciated against most major currencies over the September quarter, finishing at US\$0.72 with a Trade Weighted Index of 60.7. The AUD appreciated against the USD (+4.1%) and the Japanese Yen (+1.4%), but depreciated against the Pound Sterling (-0.9%) and Euro (-0.9%). On a trade-weighted basis, the local currency appreciated 1.2% over the quarter.

Mercer Term Deposits – Breakdown by provider



Term Deposit – Maturity buckets at 30 September 2020 (%)

| | |
|-----------------|-------|
| 0 to 90 days | 61.5% |
| 91 to 180 days | 18.0% |
| 181 to 270 days | 11.4% |
| 271 to 365 days | 9.2% |

Mercer Cash – Term Deposit Units

| | |
|---------------------------|-----|
| Average maturity (months) | 3.2 |
| Average yield | 0.6 |

Mercer Cash Fund

Investment performance

| Mercer Cash Fund – Cash Units | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|---------------------------------------|----------|--------|----------------|----------------|
| Total returns — before fees | 0.2 | 1.0 | 1.8 | 2.0 |
| Benchmark return | 0.0 | 0.6 | 1.4 | 1.6 |
| Excess return — before fees | +0.2 | +0.4 | +0.4 | +0.4 |
| Mercer Cash Fund – Term Deposit Units | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Total returns — before fees | 0.2 | 1.2 | 1.9 | 2.1 |
| Benchmark return | 0.0 | 0.6 | 1.4 | 1.6 |
| Excess return — before fees | +0.2 | +0.6 | +0.5 | +0.5 |
| Total returns (%) – after fees | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Mercer Cash Fund – Cash Units | 0.1 | 0.7 | 1.4 | 1.6 |
| Mercer Cash Fund – Term Deposit Units | 0.1 | 0.8 | 1.6 | 1.8 |

Manager performance

The fund returned 0.15% in the September quarter, outperforming its benchmark by 0.13%. Both managers outperformed in the quarter. The BlackRock Cash fund returned 0.14%, outperforming the benchmark by 0.11%. The Challenger term deposit mandate returned 0.18% outperforming the benchmark by 0.15%.

| Proportion of assets managed at quarter end | | Manager returns relative to fund benchmark (+ or - %) – before fees | | | |
|---|------|---|--------|----------------|----------------|
| Manager | % | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
| Challenger | 54.9 | +0.2 | +0.6 | +0.6 | +0.5 |
| BlackRock | 45.1 | +0.1 | +0.2 | +0.2 | +0.2 |

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 38 - 'Important notes about this report' - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

Diversified funds

Mercer Diversified Shares Fund

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 4.5% per annum over rolling ten year periods. This objective for the ten years to quarter end was 6.2% per annum.

| Total & excess returns - before fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 10 yrs [^] (p.a.) |
|--|----------|--------|--------------|----------------------------|
| Total returns | 3.0 | -2.0 | 7.3 | 9.5 |
| Benchmark return* | 2.6 | -2.3 | 7.3 | 9.6 |
| Excess returns | +0.4 | +0.3 | 0.0 | -0.1 |

* Composite benchmark of relevant indices

| Total returns - after fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 10 yrs [^] (p.a.) |
|--------------------------------|----------|--------|--------------|----------------------------|
| Total returns | 2.7 | -3.0 | 6.0 | 8.2 |

[^] Time horizon for this fund's objective (refer above)

| Asset allocation (%) | | B'mark | Total |
|----------------------|----------------------------------|--------|-------|
| Shares | Australian Shares - Large Cap | 40.0 | 39.3 |
| | Australian Shares - Small Cap | 5.0 | 4.6 |
| | International Shares - Large Cap | 31.0 | 31.4 |
| | International Shares - Low Vol | 10.0 | 9.1 |
| | Global Shares - Small Cap | 7.0 | 8.0 |
| | Emerging Markets Shares | 7.0 | 7.5 |
| Cash | Cash | 0.0 | 0.1 |
| | | 100.0 | 100.0 |
| | FX Exposure | 41.0 | 41.9 |

| Performance attribution this quarter (%) | |
|--|------------|
| Asset allocation | -0.1 |
| Stock/manager selection | 0.5 |
| Excess return for quarter - before fees | 0.4 |

Mercer High Growth Fund

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 4.5% per annum over rolling seven year periods. This objective for the seven years to quarter end was 5.9% per annum.

| Total & excess returns - before fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 7 yrs [^] (p.a.) |
|--|----------|--------|--------------|---------------------------|
| Total returns | 2.5 | -1.0 | 7.1 | 8.3 |
| Benchmark return* | 1.7 | -1.8 | 6.3 | 7.8 |
| Excess returns | +0.8 | +0.8 | +0.8 | +0.5 |

* Composite benchmark of relevant indices

| Total returns - after fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 7 yrs [^] (p.a.) |
|--------------------------------|----------|--------|--------------|---------------------------|
| Total returns | 2.2 | -2.0 | 6.1 | 7.1 |

[^] Time horizon for this fund's objective (refer above)

| Asset allocation (%) | | B'mark | Actual at quarter end | | |
|---------------------------------|----------------------------------|--------|-----------------------|-----------|-------|
| | | | Growth | Defensive | Total |
| Shares | Australian Shares - Large Cap | 30.0 | 29.0 | 0.0 | 29.0 |
| | Australian Shares - Small Cap | 3.0 | 3.1 | 0.0 | 3.1 |
| | International Shares - Large Cap | 21.0 | 21.3 | 0.0 | 21.3 |
| | International Shares - Low Vol | 7.0 | 7.1 | 0.0 | 7.1 |
| | Global Shares - Small Cap | 6.0 | 5.3 | 0.0 | 5.3 |
| Real Assets | Emerging Markets Shares | 6.0 | 5.7 | 0.0 | 5.7 |
| | Global Listed Property** | 3.0 | 2.2 | 0.0 | 2.2 |
| | Australian Direct Property | 6.5 | 3.9 | 3.8 | 7.7 |
| | Global Listed Infrastructure** | 0.0 | 1.4 | 0.0 | 1.4 |
| Alternatives | Global Unlisted Infrastructure | 6.0 | 4.7 | 2.1 | 6.8 |
| | Natural Resources | 0.5 | 1.0 | 0.0 | 1.0 |
| | Private Equity | 0.0 | 0.0 | 0.0 | 0.0 |
| | Sustainable Opportunities | 0.0 | 0.0 | 0.0 | 0.0 |
| Growth Fixed Interest | Diversified Growth Funds | 5.0 | 0.7 | 0.7 | 1.4 |
| | Hedge Funds | 0.0 | 0.0 | 0.0 | 0.0 |
| | Private Debt | 2.0 | 0.9 | 0.8 | 1.7 |
| | High Yield Debt | 0.0 | 0.5 | 0.6 | 1.1 |
| Defensive Fixed Interest & Cash | Emerging Markets Debt | 2.0 | 1.5 | 1.4 | 2.9 |
| | Global Absolute Return Bonds | 0.0 | 0.0 | 0.0 | 0.0 |
| | Global Credit | 0.0 | 0.0 | 0.0 | 0.0 |
| | Australian Sovereign Bonds | 0.0 | 0.0 | 0.0 | 0.0 |
| | Global Sovereign Bonds | 0.0 | 0.0 | 0.0 | 0.0 |
| | Australian Inflation Plus | 0.0 | 0.0 | 0.0 | 0.0 |
| | Cash | 2.0 | 0.0 | 2.3 | 2.3 |
| | | 100.0 | 88.3 | 11.7 | 100.0 |
| | FX Exposure | 33.0 | | | 34.1 |

** Refer to page 38 for more information on manager line up for this asset class

| Performance attribution this quarter (%) | |
|--|------------|
| Asset allocation | -0.1 |
| Stock/manager selection | 0.9 |
| Excess return for quarter - before fees | 0.8 |

NOTE: Foreign currency exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares and Emerging Markets Debt.

NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 38 – 'Important notes about this report' - for further information on the calculation of returns.
 Refer to page 39 for Asset class benchmarks.

Diversified funds

Mercer Growth Fund – Active Units

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 4.0% per annum over rolling five year periods. This objective for the five years to quarter end was 5.2% per annum.

| Total & excess returns - before fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs^ (p.a.) |
|--|----------|--------|--------------|---------------|
| Total returns | 2.3 | 0.6 | 7.0 | 7.7 |
| Benchmark return* | 1.4 | 0.4 | 6.3 | 7.3 |
| Excess returns | +0.9 | +0.2 | +0.7 | +0.4 |

*Composite benchmark of relevant indices

| Total returns - after fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs^ (p.a.) |
|--------------------------------|----------|--------|--------------|---------------|
| Total returns | 2.1 | -0.2 | 6.1 | 6.7 |

^ Time horizon for this fund's objective (refer above)

| Asset allocation (%) | B'mark | Actual at quarter end | | | |
|---------------------------------|----------------------------------|-----------------------|-----------|-------|-------|
| | | Growth | Defensive | Total | |
| Shares | Australian Shares - Large Cap | 23.0 | 24.3 | 0.0 | 24.3 |
| | Australian Shares - Small Cap | 3.0 | 3.0 | 0.0 | 3.0 |
| | International Shares - Large Cap | 19.0 | 19.7 | 0.0 | 19.7 |
| | International Shares - Low Vol | 6.0 | 6.0 | 0.0 | 6.0 |
| | Global Shares - Small Cap | 3.0 | 3.3 | 0.0 | 3.3 |
| | Emerging Markets Shares | 4.0 | 4.3 | 0.0 | 4.3 |
| Real Assets | Global Listed Property** | 0.0 | 0.0 | 0.0 | 0.0 |
| | Australian Direct Property | 8.0 | 4.4 | 4.4 | 8.8 |
| | Global Listed Infrastructure** | 0.0 | 0.0 | 0.0 | 0.0 |
| | Global Unlisted Infrastructure | 6.5 | 5.1 | 2.2 | 7.3 |
| | Natural Resources | 0.5 | 0.9 | 0.0 | 0.9 |
| Alternatives | Private Equity | 0.0 | 0.0 | 0.0 | 0.0 |
| | Sustainable Opportunities | 0.0 | 0.0 | 0.0 | 0.0 |
| | Diversified Growth Funds | 7.0 | 1.1 | 1.0 | 2.1 |
| | Hedge Funds | 3.0 | 0.0 | 0.0 | 0.0 |
| Growth Fixed Interest | Private Debt | 2.0 | 0.8 | 0.9 | 1.7 |
| | High Yield Debt | 0.0 | 0.5 | 0.5 | 1.0 |
| | Emerging Markets Debt | 3.0 | 1.5 | 1.5 | 3.0 |
| Defensive Fixed Interest & Cash | Global Absolute Return Bonds | 2.0 | 0.0 | 4.1 | 4.1 |
| | Global Credit | 0.0 | 0.0 | 1.1 | 1.1 |
| | Australian Sovereign Bonds | 4.0 | 0.0 | 2.3 | 2.3 |
| | Global Sovereign Bonds | 4.0 | 0.0 | 1.7 | 1.7 |
| | Australian Inflation Plus | 0.0 | 0.0 | 2.0 | 2.0 |
| | Cash | 2.0 | 0.0 | 3.4 | 3.4 |
| | | 100.0 | 74.9 | 25.1 | 100.0 |
| FX Exposure | | 27.0 | | | 27.8 |

** Refer to page 38 for more information on manager line up for this asset class

| Performance attribution this quarter (%) | |
|--|------------|
| Asset allocation | 0.0 |
| Stock/manager selection | 0.9 |
| Excess return for quarter – before fees | 0.9 |

Mercer Moderate Growth Fund – Active Units

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 3.0% per annum over rolling four year periods. This objective for the four years to quarter end was 4.2% per annum.

| Total & excess returns - before fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 4 yrs^ (p.a.) |
|--|----------|--------|--------------|---------------|
| Total returns | 1.5 | -0.3 | 5.7 | 6.0 |
| Benchmark return* | 0.7 | 0.3 | 5.4 | 5.7 |
| Excess returns | +0.8 | -0.6 | +0.3 | +0.3 |

*Composite benchmark of relevant indices

| Total returns - after fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 4 yrs^ (p.a.) |
|--------------------------------|----------|--------|--------------|---------------|
| Total returns | 1.3 | -1.1 | 4.9 | 5.2 |

^ Time horizon for this fund's objective (refer above)

| Asset allocation (%) | B'mark | Actual at quarter end | | | |
|---------------------------------|----------------------------------|-----------------------|-----------|-------|-------|
| | | Growth | Defensive | Total | |
| Shares | Australian Shares - Large Cap | 17.0 | 17.3 | 0.0 | 17.3 |
| | Australian Shares - Small Cap | 0.0 | 0.0 | 0.0 | 0.0 |
| | International Shares - Large Cap | 12.0 | 10.5 | 0.0 | 10.5 |
| | International Shares - Low Vol | 6.0 | 5.8 | 0.0 | 5.8 |
| | Global Shares - Small Cap | 0.0 | 2.1 | 0.0 | 2.1 |
| | Emerging Markets Shares | 3.0 | 3.1 | 0.0 | 3.1 |
| Real Assets | Global Listed Property** | 2.0 | 1.6 | 0.0 | 1.6 |
| | Australian Direct Property | 5.5 | 2.4 | 2.4 | 4.8 |
| | Global Listed Infrastructure** | 0.0 | 2.3 | 0.0 | 2.3 |
| | Global Unlisted Infrastructure | 5.0 | 3.2 | 1.4 | 4.6 |
| | Natural Resources | 0.5 | 0.9 | 0.0 | 0.9 |
| Alternatives | Private Equity | 0.0 | 0.0 | 0.0 | 0.0 |
| | Sustainable Opportunities | 0.0 | 0.0 | 0.0 | 0.0 |
| | Diversified Growth Funds | 7.0 | 0.7 | 0.8 | 1.5 |
| | Hedge Funds | 2.0 | 0.1 | 0.0 | 0.1 |
| Growth Fixed Interest | Private Debt | 2.0 | 0.9 | 0.9 | 1.8 |
| | High Yield Debt | 0.0 | 0.5 | 0.6 | 1.1 |
| | Emerging Markets Debt | 4.0 | 2.0 | 2.1 | 4.1 |
| Defensive Fixed Interest & Cash | Global Absolute Return Bonds | 3.0 | 0.0 | 7.4 | 7.4 |
| | Global Credit | 3.0 | 0.0 | 6.4 | 6.4 |
| | Australian Sovereign Bonds | 7.0 | 0.0 | 7.6 | 7.6 |
| | Global Sovereign Bonds | 6.0 | 0.0 | 3.8 | 3.8 |
| | Australian Inflation Plus | 5.0 | 0.0 | 4.7 | 4.7 |
| | Cash | 10.0 | 0.0 | 8.5 | 8.5 |
| | | 100.0 | 53.4 | 46.6 | 100.0 |
| FX Exposure | | 22.0 | | | 22.1 |

** Refer to page 38 for more information on manager line up for this asset class

| Performance attribution this quarter (%) | |
|--|------------|
| Asset allocation | 0.1 |
| Stock/manager selection | 0.7 |
| Excess return for quarter – before fees | 0.8 |

NOTE: Foreign currency exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares and Emerging Markets Debt.

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 38 - 'important notes about this report' - for further information on the calculation of returns.

Refer to page 39 for Asset class benchmarks.

Diversified funds

Mercer Conservative Growth Fund - Active Units

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 2.0% per annum over rolling three year periods. This objective for the three years to quarter end was 2.9% per annum.

| Total & excess returns - before fees (%) | 3 months | 1 year | 3 yrs^ (p.a.) | 5 yrs (p.a.) |
|--|----------|--------|---------------|--------------|
| Total returns | 1.1 | 1.0 | 5.1 | 5.2 |
| Benchmark return* | 0.4 | 0.7 | 4.8 | 5.0 |
| Excess returns | +0.7 | +0.3 | +0.3 | +0.2 |

*Composite benchmark of relevant indices

| Total returns - after fees (%) | 3 months | 1 year | 3 yrs^ (p.a.) | 5 yrs (p.a.) |
|--------------------------------|----------|--------|---------------|--------------|
| Total returns | 1.0 | 0.2 | 4.5 | 4.3 |

^ Time horizon for this fund's objective (refer above)

| Asset allocation (%) | B'mark | Actual at quarter end | | | |
|---------------------------------|----------------------------------|-----------------------|-----------|-------|-------|
| | | Growth | Defensive | Total | |
| Shares | Australian Shares - Large Cap | 11.0 | 11.2 | 0.0 | 11.2 |
| | Australian Shares - Small Cap | 0.0 | 0.0 | 0.0 | 0.0 |
| | International Shares - Large Cap | 6.0 | 7.2 | 0.0 | 7.2 |
| | International Shares - Low Vol | 6.0 | 5.8 | 0.0 | 5.8 |
| | Global Shares - Small Cap | 0.0 | 0.0 | 0.0 | 0.0 |
| | Emerging Markets Shares | 0.0 | 0.0 | 0.0 | 0.0 |
| Real Assets | Global Listed Property** | 2.0 | 1.7 | 0.0 | 1.7 |
| | Australian Direct Property | 4.0 | 2.2 | 2.1 | 4.3 |
| | Global Listed Infrastructure** | 0.0 | 0.5 | 0.0 | 0.5 |
| | Global Unlisted Infrastructure | 3.5 | 2.6 | 1.1 | 3.7 |
| | Natural Resources | 0.5 | 0.9 | 0.0 | 0.9 |
| Alternatives | Private Equity | 0.0 | 0.0 | 0.0 | 0.0 |
| | Sustainable Opportunities | 0.0 | 0.0 | 0.0 | 0.0 |
| | Diversified Growth Funds | 6.0 | 0.7 | 0.6 | 1.3 |
| | Hedge Funds | 2.0 | 0.0 | 0.0 | 0.0 |
| Growth Fixed Interest | Private Debt | 2.0 | 0.9 | 0.9 | 1.8 |
| | High Yield Debt | 0.0 | 0.5 | 0.6 | 1.1 |
| | Emerging Markets Debt | 0.0 | 0.6 | 0.6 | 1.2 |
| Defensive Fixed Interest & Cash | Global Absolute Return Bonds | 4.0 | 0.0 | 6.1 | 6.1 |
| | Global Credit | 4.0 | 0.0 | 7.7 | 7.7 |
| | Australian Sovereign Bonds | 11.0 | 0.0 | 11.1 | 11.1 |
| | Global Sovereign Bonds | 10.0 | 0.0 | 8.6 | 8.6 |
| | Australian Inflation Plus | 8.0 | 0.0 | 8.0 | 8.0 |
| | Cash | 20.0 | 0.0 | 17.8 | 17.8 |
| | | 100.0 | 34.8 | 65.2 | 100.0 |
| FX Exposure | 10.0 | | | 11.5 | |

** Refer to page 38 for more information on manager line up for this asset class

| Performance attribution this quarter (%) | |
|--|------------|
| Asset allocation | 0.0 |
| Stock/manager selection | 0.7 |
| Excess return for quarter - before fees | 0.7 |

Mercer Growth Fund - Enhanced Passive Units

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 3.5% per annum over rolling five year periods.

| Total & excess returns - before fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs^ (p.a.) |
|--|----------|--------|--------------|---------------|
| Total returns | 2.0 | -1.4 | n/a | n/a |
| Benchmark return* | 2.0 | -0.8 | n/a | n/a |
| Excess returns | 0.0 | -0.6 | n/a | n/a |

*Composite benchmark of relevant indices

| Total returns - after fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs^ (p.a.) |
|--------------------------------|----------|--------|--------------|---------------|
| Total returns | 2.0 | -1.6 | n/a | n/a |

^ Time horizon for this fund's objective (refer above)

| Asset allocation (%) | B'mark | Actual at quarter end | | | |
|---------------------------------|----------------------------------|-----------------------|-----------|-------|-------|
| | | Growth | Defensive | Total | |
| Shares | Australian Shares - Large Cap | 31.0 | 28.7 | 0.0 | 28.7 |
| | Australian Shares - Small Cap | 0.0 | 0.0 | 0.0 | 0.0 |
| | International Shares - Large Cap | 32.0 | 28.0 | 0.0 | 28.0 |
| | International Shares - Low Vol | 0.0 | 0.0 | 0.0 | 0.0 |
| | Global Shares - Small Cap | 0.0 | 0.0 | 0.0 | 0.0 |
| | Emerging Markets Shares | 4.0 | 7.0 | 0.0 | 7.0 |
| Real Assets | Global Listed Property** | 4.0 | 3.5 | 0.0 | 3.5 |
| | Australian Direct Property | 0.0 | 0.0 | 0.0 | 0.0 |
| | Global Listed Infrastructure** | 4.0 | 3.8 | 0.0 | 3.8 |
| | Global Unlisted Infrastructure | 0.0 | 0.0 | 0.0 | 0.0 |
| | Natural Resources | 0.0 | 0.0 | 0.0 | 0.0 |
| Alternatives | Private Equity | 0.0 | 0.0 | 0.0 | 0.0 |
| | Sustainable Opportunities | 0.0 | 0.0 | 0.0 | 0.0 |
| | Diversified Growth Funds | 0.0 | 0.0 | 0.0 | 0.0 |
| | Hedge Funds | 0.0 | 0.0 | 0.0 | 0.0 |
| Growth Fixed Interest | Private Debt | 0.0 | 0.0 | 0.0 | 0.0 |
| | High Yield Debt | 0.0 | 0.0 | 0.0 | 0.0 |
| | Emerging Markets Debt | 0.0 | 0.0 | 0.0 | 0.0 |
| Defensive Fixed Interest & Cash | Global Absolute Return Bonds | 0.0 | 0.0 | 0.0 | 0.0 |
| | Global Credit | 5.0 | 0.0 | 5.0 | 5.0 |
| | Australian Sovereign Bonds | 7.0 | 0.0 | 7.6 | 7.6 |
| | Global Sovereign Bonds | 7.0 | 0.0 | 7.3 | 7.3 |
| | Australian Inflation Plus | 4.0 | 0.0 | 4.3 | 4.3 |
| | Cash | 2.0 | 0.0 | 4.8 | 4.8 |
| | | 100.0 | 71.0 | 29.0 | 100.0 |
| FX Exposure | 24.0 | | | 27.4 | |

** Refer to page 38 for more information on manager line up for this asset class

| Performance attribution this quarter (%) | |
|--|------------|
| Asset allocation | -0.2 |
| Stock/manager selection | 0.2 |
| Excess return for quarter - before fees | 0.0 |

NOTE: Foreign currency exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares and Emerging Markets Debt.

NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 38 – 'Important notes about this report' - for further information on the calculation of returns.
 Refer to page 39 for Asset class benchmarks.

Diversified funds

Mercer Moderate Growth Fund – Enhanced Passive Units

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 2.5% per annum over rolling four year periods.

| Total & excess returns - before fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 4 yrs^ (p.a.) |
|--|----------|--------|--------------|---------------|
| Total returns | 1.9 | 0.0 | n/a | n/a |
| Benchmark return* | 1.5 | 0.2 | n/a | n/a |
| Excess returns | +0.4 | -0.2 | n/a | n/a |

*Composite benchmark of relevant indices

| Total returns - after fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 7 yrs^ (p.a.) |
|--------------------------------|----------|--------|--------------|---------------|
| Total returns | 1.8 | -0.3 | n/a | n/a |

^ Time horizon for this fund's objective (refer above)

| Asset allocation (%) | B'mark | Actual at quarter end | | | |
|---------------------------------|----------------------------------|-----------------------|-----------|-------|-------|
| | | Growth | Defensive | Total | |
| Shares | Australian Shares - Large Cap | 22.0 | 21.6 | 0.0 | 21.6 |
| | Australian Shares - Small Cap | 0.0 | 0.0 | 0.0 | 0.0 |
| | International Shares - Large Cap | 22.0 | 20.4 | 0.0 | 20.4 |
| | International Shares - Low Vol | 0.0 | 0.0 | 0.0 | 0.0 |
| | Global Shares - Small Cap | 0.0 | 0.0 | 0.0 | 0.0 |
| | Emerging Markets Shares | 5.0 | 6.3 | 0.0 | 6.3 |
| Real Assets | Global Listed Property** | 3.0 | 3.1 | 0.0 | 3.1 |
| | Australian Direct Property | 0.0 | 0.0 | 0.0 | 0.0 |
| | Global Listed Infrastructure** | 3.0 | 3.2 | 0.0 | 3.2 |
| | Global Unlisted Infrastructure | 0.0 | 0.0 | 0.0 | 0.0 |
| | Natural Resources | 0.0 | 0.0 | 0.0 | 0.0 |
| Alternatives | Private Equity | 0.0 | 0.0 | 0.0 | 0.0 |
| | Sustainable Opportunities | 0.0 | 0.0 | 0.0 | 0.0 |
| | Diversified Growth Funds | 0.0 | 0.0 | 0.0 | 0.0 |
| | Hedge Funds | 0.0 | 0.0 | 0.0 | 0.0 |
| Growth Fixed Interest | Private Debt | 0.0 | 0.0 | 0.0 | 0.0 |
| | High Yield Debt | 0.0 | 0.0 | 0.0 | 0.0 |
| | Emerging Markets Debt | 0.0 | 0.0 | 0.0 | 0.0 |
| Defensive Fixed Interest & Cash | Global Absolute Return Bonds | 0.0 | 0.0 | 0.0 | 0.0 |
| | Global Credit | 5.0 | 0.0 | 5.1 | 5.1 |
| | Australian Sovereign Bonds | 12.0 | 0.0 | 13.4 | 13.4 |
| | Global Sovereign Bonds | 10.0 | 0.0 | 12.0 | 12.0 |
| | Australian Inflation Plus | 8.0 | 0.0 | 5.3 | 5.3 |
| | Cash | 10.0 | 0.0 | 9.6 | 9.6 |
| | | 100.0 | 54.6 | 45.4 | 100.0 |
| FX Exposure | 20.0 | | | 21.5 | |

** Refer to page 38 for more information on manager line up for this asset class

| Performance attribution this quarter (%) | |
|--|------------|
| Asset allocation | 0.0 |
| Stock/manager selection | 0.3 |
| Excess return for quarter – before fees | 0.3 |

Mercer Conservative Growth Fund – Enhanced Passive Units

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 1.5% per annum over rolling three year periods.

| Total & excess returns - before fees (%) | 3 months | 1 year | 3 yrs^ (p.a.) | 5 yrs (p.a.) |
|--|----------|--------|---------------|--------------|
| Total returns | 1.4 | 1.0 | n/a | n/a |
| Benchmark return* | 1.1 | 0.8 | n/a | n/a |
| Excess returns | +0.3 | +0.2 | n/a | n/a |

*Composite benchmark of relevant indices

| Total returns - after fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs^ (p.a.) |
|--------------------------------|----------|--------|--------------|---------------|
| Total returns | 1.4 | 0.7 | n/a | n/a |

^ Time horizon for this fund's objective (refer above)

| Asset allocation (%) | B'mark | Actual at quarter end | | | |
|---------------------------------|----------------------------------|-----------------------|-----------|-------|-------|
| | | Growth | Defensive | Total | |
| Shares | Australian Shares - Large Cap | 13.0 | 14.4 | 0.0 | 14.4 |
| | Australian Shares - Small Cap | 0.0 | 0.0 | 0.0 | 0.0 |
| | International Shares - Large Cap | 15.0 | 13.3 | 0.0 | 13.3 |
| | International Shares - Low Vol | 0.0 | 0.0 | 0.0 | 0.0 |
| | Global Shares - Small Cap | 0.0 | 0.0 | 0.0 | 0.0 |
| | Emerging Markets Shares | 2.0 | 2.9 | 0.0 | 2.9 |
| Real Assets | Global Listed Property** | 3.0 | 1.7 | 0.0 | 1.7 |
| | Australian Direct Property | 0.0 | 0.0 | 0.0 | 0.0 |
| | Global Listed Infrastructure** | 2.0 | 1.8 | 0.0 | 1.8 |
| | Global Unlisted Infrastructure | 0.0 | 0.0 | 0.0 | 0.0 |
| | Natural Resources | 0.0 | 0.0 | 0.0 | 0.0 |
| Alternatives | Private Equity | 0.0 | 0.0 | 0.0 | 0.0 |
| | Sustainable Opportunities | 0.0 | 0.0 | 0.0 | 0.0 |
| | Diversified Growth Funds | 0.0 | 0.0 | 0.0 | 0.0 |
| | Hedge Funds | 0.0 | 0.0 | 0.0 | 0.0 |
| Growth Fixed Interest | Private Debt | 0.0 | 0.0 | 0.0 | 0.0 |
| | High Yield Debt | 0.0 | 0.0 | 0.0 | 0.0 |
| | Emerging Markets Debt | 0.0 | 0.0 | 0.0 | 0.0 |
| Defensive Fixed Interest & Cash | Global Absolute Return Bonds | 0.0 | 0.0 | 0.0 | 0.0 |
| | Global Credit | 10.0 | 0.0 | 10.5 | 10.5 |
| | Australian Sovereign Bonds | 12.5 | 0.0 | 18.8 | 18.8 |
| | Global Sovereign Bonds | 12.5 | 0.0 | 17.9 | 17.9 |
| | Australian Inflation Plus | 10.0 | 0.0 | 5.4 | 5.4 |
| | Cash | 20.0 | 0.0 | 13.3 | 13.3 |
| | | 100.0 | 34.1 | 65.9 | 100.0 |
| FX Exposure | 13.0 | | | 13.7 | |

** Refer to page 38 for more information on manager line up for this asset class

| Performance attribution this quarter (%) | |
|--|------------|
| Asset allocation | 0.0 |
| Stock/manager selection | 0.4 |
| Excess return for quarter – before fees | 0.4 |

NOTE: Foreign currency exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares and Emerging Markets Debt.

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 38 - 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 39 for Asset class benchmarks.

Mercer SmartPath® Funds

Mercer SmartPath 1989-1993

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 5.0% per annum over rolling seven year periods.

| Total & excess returns - before fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs (p.a.) |
|--|----------|--------|--------------|--------------|
| Total returns | 2.4 | -1.5 | 7.0 | 8.1 |
| Benchmark return* | 1.6 | -1.8 | 6.5 | 7.8 |
| Excess returns | +0.8 | +0.3 | +0.5 | +0.3 |

*Composite benchmark of relevant indices

| Total returns - after fees & taxes (%) | 3 months | 1 year | 3 yrs^ (p.a.) | 5 yrs (p.a.) |
|--|----------|--------|---------------|--------------|
| Total returns | 2.1 | -2.5 | 5.8 | 6.9 |

| Asset allocation (%) | | B'mark | Actual |
|---------------------------------|----------------------------------|--------|--------|
| Shares | Australian Shares - Large Cap | 32.0 | 32.3 |
| | Australian Shares - Small Cap | 3.0 | 3.1 |
| | International Shares - Large Cap | 18.0 | 20.0 |
| | International Shares - Low Vol | 7.0 | 6.5 |
| | Global Shares - Small Cap | 5.0 | 5.1 |
| | Emerging Markets Shares | 8.0 | 8.3 |
| Real Assets | Global Listed Property** | 3.0 | 2.0 |
| | Australian Direct Property | 6.5 | 6.7 |
| | Global Listed Infrastructure** | 0.0 | 0.5 |
| | Global Unlisted Infrastructure | 6.0 | 6.4 |
| | Natural Resources | 0.5 | 0.8 |
| Alternatives | Private Equity | 0.0 | 0.0 |
| | Sustainable Opportunities | 0.3 | 0.0 |
| | Diversified Growth Funds | 4.8 | 0.7 |
| | Hedge Funds | 0.0 | 0.0 |
| Growth Fixed Interest | Private Debt | 2.0 | 1.5 |
| | High Yield Debt | 0.0 | 1.0 |
| | Emerging Markets Debt | 3.0 | 2.2 |
| Defensive Fixed Interest & Cash | Global Absolute Return Bonds | 0.0 | 0.7 |
| | Global Credit | 0.0 | 0.0 |
| | Australian Sovereign Bonds | 0.0 | 0.0 |
| | Global Sovereign Bonds | 0.0 | 0.0 |
| | Australian Inflation Plus | 0.0 | 0.0 |
| | Cash | 0.9 | 2.2 |
| | | 100.0 | 100.0 |
| FX Exposure | | 36.0 | 35.6 |

** Refer to page 38 for more information on manager line up for this asset class

Mercer SmartPath 1984-1988

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 5.0% per annum over rolling seven year periods.

| Total & excess returns - before fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs (p.a.) |
|--|----------|--------|--------------|--------------|
| Total returns | 2.3 | -1.5 | 7.1 | 8.1 |
| Benchmark return* | 1.6 | -1.8 | 6.5 | 7.8 |
| Excess returns | +0.7 | +0.3 | +0.6 | +0.3 |

*Composite benchmark of relevant indices

| Total returns - after fees & taxes (%) | 3 months | 1 year | 3 yrs^ (p.a.) | 5 yrs (p.a.) |
|--|----------|--------|---------------|--------------|
| Total returns | 2.1 | -2.4 | 5.9 | 7.0 |

| Asset allocation (%) | | B'mark | Actual |
|---------------------------------|----------------------------------|--------|--------|
| Shares | Australian Shares - Large Cap | 32.0 | 32.3 |
| | Australian Shares - Small Cap | 3.0 | 3.1 |
| | International Shares - Large Cap | 18.0 | 20.7 |
| | International Shares - Low Vol | 7.0 | 6.5 |
| | Global Shares - Small Cap | 5.0 | 5.0 |
| | Emerging Markets Shares | 8.0 | 8.2 |
| Real Assets | Global Listed Property** | 3.0 | 2.0 |
| | Australian Direct Property | 6.5 | 6.9 |
| | Global Listed Infrastructure** | 0.0 | 0.5 |
| | Global Unlisted Infrastructure | 6.0 | 6.3 |
| | Natural Resources | 0.5 | 0.9 |
| Alternatives | Private Equity | 0.0 | 0.0 |
| | Sustainable Opportunities | 0.3 | 0.0 |
| | Diversified Growth Funds | 4.8 | 0.7 |
| | Hedge Funds | 0.0 | 0.0 |
| Growth Fixed Interest | Private Debt | 2.0 | 1.6 |
| | High Yield Debt | 0.0 | 1.0 |
| | Emerging Markets Debt | 3.0 | 2.1 |
| Defensive Fixed Interest & Cash | Global Absolute Return Bonds | 0.0 | 0.5 |
| | Global Credit | 0.0 | 0.0 |
| | Australian Sovereign Bonds | 0.0 | 0.0 |
| | Global Sovereign Bonds | 0.0 | 0.0 |
| | Australian Inflation Plus | 0.0 | 0.0 |
| | Cash | 0.9 | 1.7 |
| | | 100.0 | 100.0 |
| FX Exposure | | 36.0 | 35.6 |

** Refer to page 38 for more information on manager line up for this asset class

NOTE: Foreign currency exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares and Emerging Markets Debt.

NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 38 – ‘Important notes about this report’ - for further information on the calculation of returns.
 Refer to page 39 for Asset class benchmarks.

Mercer SmartPath® Funds

Mercer SmartPath 1979-1983

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 5.0% per annum over rolling seven year periods.

| Total & excess returns - before fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs (p.a.) |
|--|----------|--------|--------------|--------------|
| Total returns | 2.3 | -1.6 | 7.0 | 8.0 |
| Benchmark return* | 1.6 | -1.8 | 6.5 | 7.8 |
| Excess returns | +0.7 | +0.2 | +0.5 | +0.2 |

*Composite benchmark of relevant indices

| Total returns - after fees & taxes (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs (p.a.) |
|--|----------|--------|--------------|--------------|
| Total returns | 2.1 | -2.6 | 5.9 | 7.0 |

| Asset allocation (%) | | B'mark | Actual |
|---------------------------------|----------------------------------|--------|--------|
| Shares | Australian Shares - Large Cap | 32.0 | 32.8 |
| | Australian Shares - Small Cap | 3.0 | 3.3 |
| | International Shares - Large Cap | 18.0 | 20.2 |
| | International Shares - Low Vol | 7.0 | 6.5 |
| | Global Shares - Small Cap | 5.0 | 5.1 |
| | Emerging Markets Shares | 8.0 | 8.2 |
| Real Assets | Global Listed Property** | 3.0 | 2.0 |
| | Australian Direct Property | 6.5 | 6.7 |
| | Global Listed Infrastructure** | 0.0 | 0.5 |
| | Global Unlisted Infrastructure | 6.0 | 6.4 |
| | Natural Resources | 0.5 | 0.9 |
| Alternatives | Private Equity | 0.0 | 0.0 |
| | Sustainable Opportunities | 0.3 | 0.0 |
| | Diversified Growth Funds | 4.8 | 0.8 |
| | Hedge Funds | 0.0 | 0.0 |
| Growth Fixed Interest | Private Debt | 2.0 | 1.4 |
| | High Yield Debt | 0.0 | 1.0 |
| | Emerging Markets Debt | 3.0 | 2.0 |
| Defensive Fixed Interest & Cash | Global Absolute Return Bonds | 0.0 | 0.5 |
| | Global Credit | 0.0 | 0.0 |
| | Australian Sovereign Bonds | 0.0 | 0.0 |
| | Global Sovereign Bonds | 0.0 | 0.0 |
| | Australian Inflation Plus | 0.0 | 0.0 |
| | Cash | 0.9 | 1.7 |
| | | 100.0 | 100.0 |
| FX Exposure | 36.0 | 35.4 | |

** Refer to page 38 for more information on manager line up for this asset class

Mercer SmartPath 1974-1978

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 5.0% per annum over rolling seven year periods.

| Total & excess returns - before fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs (p.a.) |
|--|----------|--------|--------------|--------------|
| Total returns | 2.3 | -1.7 | 7.0 | 8.0 |
| Benchmark return* | 1.6 | -1.8 | 6.5 | 7.8 |
| Excess returns | +0.7 | +0.1 | +0.5 | +0.2 |

*Composite benchmark of relevant indices

| Total returns - after fees & taxes (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs (p.a.) |
|--|----------|--------|--------------|--------------|
| Total returns | 2.1 | -2.7 | 5.8 | 6.9 |

| Asset allocation (%) | | B'mark | Actual |
|---------------------------------|----------------------------------|--------|--------|
| Shares | Australian Shares - Large Cap | 32.0 | 32.5 |
| | Australian Shares - Small Cap | 3.0 | 3.4 |
| | International Shares - Large Cap | 18.0 | 20.0 |
| | International Shares - Low Vol | 7.0 | 6.5 |
| | Global Shares - Small Cap | 5.0 | 5.0 |
| | Emerging Markets Shares | 8.0 | 8.2 |
| Real Assets | Global Listed Property** | 3.0 | 1.9 |
| | Australian Direct Property | 6.5 | 6.8 |
| | Global Listed Infrastructure** | 0.0 | 0.5 |
| | Global Unlisted Infrastructure | 6.0 | 6.4 |
| | Natural Resources | 0.5 | 0.9 |
| Alternatives | Private Equity | 0.0 | 0.0 |
| | Sustainable Opportunities | 0.3 | 0.0 |
| | Diversified Growth Funds | 4.8 | 0.7 |
| | Hedge Funds | 0.0 | 0.0 |
| Growth Fixed Interest | Private Debt | 2.0 | 1.7 |
| | High Yield Debt | 0.0 | 1.0 |
| | Emerging Markets Debt | 3.0 | 2.0 |
| Defensive Fixed Interest & Cash | Global Absolute Return Bonds | 0.0 | 0.5 |
| | Global Credit | 0.0 | 0.0 |
| | Australian Sovereign Bonds | 0.0 | 0.0 |
| | Global Sovereign Bonds | 0.0 | 0.0 |
| | Australian Inflation Plus | 0.0 | 0.0 |
| | Cash | 0.9 | 2.0 |
| | | 100.0 | 100.0 |
| FX Exposure | 36.0 | 35.4 | |

** Refer to page 38 for more information on manager line up for this asset class

NOTE: Foreign currency exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares and Emerging Markets Debt.

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 38 - 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 39 for Asset class benchmarks.

Mercer SmartPath® Funds

Mercer SmartPath 1969-1973

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 4.75% per annum over rolling seven year periods.

| Total & excess returns - before fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs (p.a.) |
|---|-------------|--------|-----------------|-----------------|
| Total returns | 2.3 | -1.7 | 7.0 | 8.0 |
| Benchmark return* | 1.5 | -1.6 | 6.6 | 7.9 |
| Excess returns | +0.8 | -0.1 | +0.4 | +0.1 |

*Composite benchmark of relevant indices

| Total returns - after fees & taxes (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs (p.a.) |
|---|-------------|--------|-----------------|-----------------|
| Total returns | 2.1 | -2.6 | 5.9 | 7.0 |

| Asset allocation (%) | | B'mark | Actual |
|---------------------------------|----------------------------------|--------|--------|
| Shares | Australian Shares - Large Cap | 31.2 | 31.9 |
| | Australian Shares - Small Cap | 3.0 | 3.3 |
| | International Shares - Large Cap | 17.6 | 18.8 |
| | International Shares - Low Vol | 7.0 | 6.5 |
| | Global Shares - Small Cap | 4.8 | 5.0 |
| | Emerging Markets Shares | 7.6 | 8.3 |
| Real Assets | Global Listed Property** | 2.8 | 1.9 |
| | Australian Direct Property | 6.4 | 6.7 |
| | Global Listed Infrastructure** | 0.0 | 0.4 |
| | Global Unlisted Infrastructure | 5.9 | 6.5 |
| | Natural Resources | 0.5 | 0.9 |
| Alternatives | Private Equity | 0.0 | 0.0 |
| | Sustainable Opportunities | 0.3 | 0.0 |
| | Diversified Growth Funds | 5.0 | 0.7 |
| | Hedge Funds | 0.0 | 0.0 |
| Growth Fixed Interest | Private Debt | 2.0 | 1.7 |
| | High Yield Debt | 0.0 | 1.0 |
| | Emerging Markets Debt | 3.2 | 2.0 |
| Defensive Fixed Interest & Cash | Global Absolute Return Bonds | 0.6 | 0.4 |
| | Global Credit | 0.0 | 0.0 |
| | Australian Sovereign Bonds | 0.4 | 0.5 |
| | Global Sovereign Bonds | 0.8 | 0.4 |
| | Australian Inflation Plus | 0.0 | 0.0 |
| | Cash | 0.9 | 3.1 |
| | | 100.0 | 100.0 |
| FX Exposure | | 35.4 | 35.1 |

** Refer to page 38 for more information on manager line up for this asset class

Mercer SmartPath 1964-1968

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 4.25% per annum over rolling seven year periods.

| Total & excess returns - before fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs (p.a.) |
|---|-------------|--------|-----------------|-----------------|
| Total returns | 2.2 | -1.0 | 6.8 | 7.7 |
| Benchmark return* | 1.2 | -1.0 | 6.4 | 7.6 |
| Excess returns | +1.0 | 0.0 | +0.4 | +0.1 |

*Composite benchmark of relevant indices

| Total returns - after fees & taxes (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs (p.a.) |
|---|-------------|--------|-----------------|-----------------|
| Total returns | 2.0 | -2.0 | 5.6 | 6.7 |

| Asset allocation (%) | | B'mark | Actual |
|---------------------------------|----------------------------------|--------|--------|
| Shares | Australian Shares - Large Cap | 27.2 | 28.2 |
| | Australian Shares - Small Cap | 2.8 | 2.9 |
| | International Shares - Large Cap | 15.2 | 17.4 |
| | International Shares - Low Vol | 7.0 | 6.8 |
| | Global Shares - Small Cap | 3.8 | 4.2 |
| | Emerging Markets Shares | 5.8 | 6.3 |
| Real Assets | Global Listed Property** | 2.0 | 1.5 |
| | Australian Direct Property | 6.0 | 5.8 |
| | Global Listed Infrastructure** | 0.0 | 0.0 |
| | Global Unlisted Infrastructure | 5.5 | 5.7 |
| | Natural Resources | 0.5 | 0.9 |
| Alternatives | Private Equity | 0.0 | 0.0 |
| | Sustainable Opportunities | 0.2 | 0.0 |
| | Diversified Growth Funds | 5.8 | 1.5 |
| | Hedge Funds | 0.0 | 0.0 |
| Growth Fixed Interest | Private Debt | 2.0 | 1.7 |
| | High Yield Debt | 0.4 | 1.4 |
| | Emerging Markets Debt | 4.0 | 3.5 |
| Defensive Fixed Interest & Cash | Global Absolute Return Bonds | 3.4 | 2.9 |
| | Global Credit | 0.0 | 0.0 |
| | Australian Sovereign Bonds | 2.4 | 1.7 |
| | Global Sovereign Bonds | 4.4 | 1.8 |
| | Australian Inflation Plus | 0.0 | 0.9 |
| | Cash | 1.6 | 4.9 |
| | | 100.0 | 100.0 |
| FX Exposure | | 32.6 | 32.8 |

** Refer to page 38 for more information on manager line up for this asset class

NOTE: Foreign currency exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares and Emerging Markets Debt.

NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 38 – ‘Important notes about this report’ - for further information on the calculation of returns.
 Refer to page 39 for Asset class benchmarks.

Mercer SmartPath® Funds

Mercer SmartPath 1959-1963

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 3.75% per annum over rolling six year periods.

| Total & excess returns - before fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs (p.a.) |
|--|----------|--------|--------------|--------------|
| Total returns | 1.7 | -0.8 | 6.3 | 7.1 |
| Benchmark return* | 0.9 | -0.7 | 6.0 | 7.0 |
| Excess returns | +0.8 | -0.1 | +0.3 | +0.1 |

**Composite benchmark of relevant indices*

| Total returns - after fees & taxes (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs (p.a.) |
|--|----------|--------|--------------|--------------|
| Total returns | 1.6 | -1.7 | 5.3 | 5.7 |

| Asset allocation (%) | | B'mark | Actual |
|---------------------------------|----------------------------------|--------|--------|
| Shares | Australian Shares - Large Cap | 23.0 | 23.8 |
| | Australian Shares - Small Cap | 2.0 | 2.1 |
| | International Shares - Large Cap | 11.2 | 12.6 |
| | International Shares - Low Vol | 7.0 | 6.9 |
| | Global Shares - Small Cap | 2.8 | 3.3 |
| | Emerging Markets Shares | 5.0 | 5.2 |
| Real Assets | Global Listed Property** | 2.0 | 1.6 |
| | Australian Direct Property | 5.8 | 6.1 |
| | Global Listed Infrastructure** | 0.0 | 0.7 |
| | Global Unlisted Infrastructure | 5.3 | 5.1 |
| | Natural Resources | 0.5 | 0.9 |
| Alternatives | Private Equity | 0.0 | 0.0 |
| | Sustainable Opportunities | 0.0 | 0.0 |
| | Diversified Growth Funds | 6.0 | 1.5 |
| | Hedge Funds | 0.4 | 0.0 |
| Growth Fixed Interest | Private Debt | 2.0 | 1.2 |
| | High Yield Debt | 2.0 | 3.1 |
| | Emerging Markets Debt | 4.0 | 3.6 |
| Defensive Fixed Interest & Cash | Global Absolute Return Bonds | 5.0 | 5.5 |
| | Global Credit | 0.4 | 2.5 |
| | Australian Sovereign Bonds | 4.2 | 3.3 |
| | Global Sovereign Bonds | 6.0 | 2.6 |
| | Australian Inflation Plus | 0.8 | 2.4 |
| | Cash | 4.6 | 6.0 |
| | | 100.0 | 100.0 |
| FX Exposure | 30.0 | 30.0 | |

** Refer to page 38 for more information on manager line up for this asset class

Mercer SmartPath 1954-1958

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 3.0% per annum over rolling five year periods.

| Total & excess returns - before fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs (p.a.) |
|--|----------|--------|--------------|--------------|
| Total returns | 1.5 | -0.3 | 6.0 | 6.6 |
| Benchmark return* | 0.7 | -0.3 | 5.5 | 6.4 |
| Excess returns | +0.8 | 0.0 | +0.5 | +0.2 |

**Composite benchmark of relevant indices*

| Total returns - after fees & taxes (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs (p.a.) |
|--|----------|--------|--------------|--------------|
| Total returns | 1.4 | -1.2 | 5.1 | 5.4 |

| Asset allocation (%) | | B'mark | Actual |
|---------------------------------|----------------------------------|--------|--------|
| Shares | Australian Shares - Large Cap | 18.4 | 19.2 |
| | Australian Shares - Small Cap | 1.6 | 1.7 |
| | International Shares - Large Cap | 7.8 | 7.4 |
| | International Shares - Low Vol | 6.8 | 7.2 |
| | Global Shares - Small Cap | 1.6 | 2.3 |
| | Emerging Markets Shares | 4.8 | 5.4 |
| Real Assets | Global Listed Property** | 1.6 | 1.8 |
| | Australian Direct Property | 5.0 | 5.1 |
| | Global Listed Infrastructure** | 0.0 | 1.0 |
| | Global Unlisted Infrastructure | 4.5 | 4.7 |
| | Natural Resources | 0.5 | 0.9 |
| Alternatives | Private Equity | 0.0 | 0.0 |
| | Sustainable Opportunities | 0.0 | 0.0 |
| | Diversified Growth Funds | 6.2 | 1.5 |
| | Hedge Funds | 2.2 | 0.0 |
| Growth Fixed Interest | Private Debt | 2.0 | 1.1 |
| | High Yield Debt | 2.2 | 3.3 |
| | Emerging Markets Debt | 4.2 | 4.7 |
| Defensive Fixed Interest & Cash | Global Absolute Return Bonds | 5.0 | 6.3 |
| | Global Credit | 2.2 | 5.1 |
| | Australian Sovereign Bonds | 5.4 | 4.8 |
| | Global Sovereign Bonds | 6.2 | 4.6 |
| | Australian Inflation Plus | 4.2 | 3.5 |
| | Cash | 7.6 | 8.4 |
| | | 100.0 | 100.0 |
| FX Exposure | 25.2 | 26.4 | |

** Refer to page 38 for more information on manager line up for this asset class

NOTE: Foreign currency exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares and Emerging Markets Debt.

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 38 - 'important notes about this report' - for further information on the calculation of returns.

Refer to page 39 for Asset class benchmarks.

Mercer SmartPath® Funds

Mercer SmartPath 1949-1953

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 2.5% per annum over rolling four year periods.

| Total & excess returns - before fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs (p.a.) |
|--|----------|--------|--------------|--------------|
| Total returns | 1.3 | 0.0 | 5.6 | 6.0 |
| Benchmark return* | 0.5 | 0.3 | 5.0 | 5.8 |
| Excess returns | +0.8 | -0.3 | +0.6 | +0.2 |

*Composite benchmark of relevant indices

| Total returns - after fees & taxes (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs (p.a.) |
|--|----------|--------|--------------|--------------|
| Total returns | 1.1 | -0.9 | 4.6 | 4.9 |

| Asset allocation (%) | B'mark | Actual | |
|---------------------------------|----------------------------------|--------|-------|
| Shares | Australian Shares - Large Cap | 16.0 | 16.6 |
| | Australian Shares - Small Cap | 0.0 | 0.0 |
| | International Shares - Large Cap | 7.0 | 7.1 |
| | International Shares - Low Vol | 6.0 | 6.2 |
| | Global Shares - Small Cap | 0.0 | 0.0 |
| | Emerging Markets Shares | 4.0 | 4.7 |
| Real Assets | Global Listed Property** | 0.0 | 0.7 |
| | Australian Direct Property | 5.0 | 5.2 |
| | Global Listed Infrastructure** | 0.0 | 1.1 |
| | Global Unlisted Infrastructure | 4.5 | 4.4 |
| | Natural Resources | 0.5 | 0.9 |
| Alternatives | Private Equity | 0.0 | 0.0 |
| | Sustainable Opportunities | 0.0 | 0.0 |
| | Diversified Growth Funds | 7.0 | 1.7 |
| | Hedge Funds | 3.0 | 0.0 |
| Growth Fixed Interest | Private Debt | 2.0 | 1.3 |
| | High Yield Debt | 3.0 | 4.4 |
| | Emerging Markets Debt | 5.0 | 6.0 |
| Defensive Fixed Interest & Cash | Global Absolute Return Bonds | 5.0 | 7.9 |
| | Global Credit | 3.0 | 6.4 |
| | Australian Sovereign Bonds | 7.0 | 6.1 |
| | Global Sovereign Bonds | 7.0 | 5.6 |
| | Australian Inflation Plus | 5.0 | 4.2 |
| | Cash | 10.0 | 9.5 |
| | | 100.0 | 100.0 |
| FX Exposure | 22.0 | 24.0 | |

** Refer to page 38 for more information on manager line up for this asset class

Mercer SmartPath 1944-1948

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 2.5% per annum over rolling four year periods.

| Total & excess returns - before fees (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs (p.a.) |
|--|----------|--------|--------------|--------------|
| Total returns | 1.4 | 0.3 | 5.6 | 5.8 |
| Benchmark return* | 0.5 | 0.3 | 5.0 | 5.6 |
| Excess returns | +0.9 | 0.0 | +0.6 | +0.2 |

*Composite benchmark of relevant indices

| Total returns - after fees & taxes (%) | 3 months | 1 year | 3 yrs (p.a.) | 5 yrs (p.a.) |
|--|----------|--------|--------------|--------------|
| Total returns | 1.2 | -0.7 | 4.6 | 4.7 |

| Asset allocation (%) | B'mark | Actual | |
|---------------------------------|----------------------------------|--------|-------|
| Shares | Australian Shares - Large Cap | 16.0 | 16.7 |
| | Australian Shares - Small Cap | 0.0 | 0.0 |
| | International Shares - Large Cap | 7.0 | 7.8 |
| | International Shares - Low Vol | 6.0 | 5.5 |
| | Global Shares - Small Cap | 0.0 | 0.0 |
| | Emerging Markets Shares | 4.0 | 4.4 |
| Real Assets | Global Listed Property** | 0.0 | 0.7 |
| | Australian Direct Property | 5.0 | 5.0 |
| | Global Listed Infrastructure** | 0.0 | 1.0 |
| | Global Unlisted Infrastructure | 4.5 | 4.3 |
| | Natural Resources | 0.5 | 1.0 |
| Alternatives | Private Equity | 0.0 | 0.0 |
| | Sustainable Opportunities | 0.0 | 0.0 |
| | Diversified Growth Funds | 7.0 | 1.5 |
| | Hedge Funds | 3.0 | 0.0 |
| Growth Fixed Interest | Private Debt | 2.0 | 1.2 |
| | High Yield Debt | 3.0 | 4.1 |
| | Emerging Markets Debt | 5.0 | 5.5 |
| Defensive Fixed Interest & Cash | Global Absolute Return Bonds | 5.0 | 7.6 |
| | Global Credit | 3.0 | 6.3 |
| | Australian Sovereign Bonds | 7.0 | 5.9 |
| | Global Sovereign Bonds | 7.0 | 5.6 |
| | Australian Inflation Plus | 5.0 | 4.4 |
| | Cash | 10.0 | 11.5 |
| | | 100.0 | 100.0 |
| FX Exposure | 22.0 | 23.1 | |

** Refer to page 38 for more information on manager line up for this asset class

NOTE: Foreign currency exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares and Emerging Markets Debt.

Important notes about this report

Throughout this report, please note that:

- **Past performance is not a reliable indicator of future performance.**
- Only Mercer Multi-Manager Funds (MMFs) that were invested in at the end of the quarter are reported on.
- **Total returns** are based on exit prices. Total returns are shown both before and allowing for deduction of investment management fees.
- **Excess returns** relative to the benchmark are calculated by the difference between performance (before investment management fees) and the asset-weighted benchmark return.

Asset weights used are those shown in the MMFs' Product Disclosure Statement (PDS) and Information Memorandum (IM) as relevant.

The benchmark used for each Fund is noted in the summary of its before-fees performance. As noted, for certain Funds (i.e. those invested in multiple sectors) a composite of the relevant benchmarks applies.

- **Performance attribution** refers to another way of deriving the excess return. With performance attribution, the performance above or below the benchmark return can be "attributed" to two factors:
 1. Asset allocation: the degree to which actual asset allocation varies from the benchmark asset allocation.
 2. Stock/manager selection: the degree to which returns achieved by underlying managers in the various asset classes vary from the relevant benchmark returns for those asset classes.
- Performance (before investment management fees) may be provisional depending on information available at the time of publication and may be subject to adjustment.
- The underlying investment manager line ups of the diversified Funds also include managers who have 'passive' mandates in respect of listed property and listed infrastructure, as shown below. These managers are only relevant to certain diversified Funds.

Manager Returns Relative to Fund Benchmark* (+ or - %) - before fees

| Managers | 3 months | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|---------------------------------|----------|--------|----------------|----------------|
| Listed Property | | | | |
| Macquarie Investment Management | 0.0 | +0.1 | 0.0 | -0.1 |
| Listed Infrastructure | | | | |
| Macquarie Investment Management | 0.0 | +0.1 | +0.1 | 0.0 |

- Returns throughout this report may be subject to rounding error.

Asset class benchmarks

| Shares | |
|---|---|
| Australian Shares | S&P/ASX 300 Accumulation Index |
| Australian Shares Tax Exempt | S&P/ASX 300 Accumulation Index Grossed up for Franking Credits |
| Australian Small Companies | S&P/ASX Small Ordinaries Accumulation Index |
| International Shares | Unhedged: MSCI World Index (ex Australia) in A\$ with net dividends reinvested Hedged: MSCI World Index (ex Australia) - in A\$ (Hedged) with net dividends reinvested Passive Unhedged: MSCI World Index (ex Australia, ex tobacco, ex controversial weapons) in A\$ Passive Hedged: MSCI World Index (ex Australia, ex tobacco, ex controversial weapons) in A\$ (Hedged) |
| Global Small Companies | MSCI World Small Cap Index in A\$ <i>Prior to September 2014, the benchmark was S&P Developed Small Cap Index. Therefore, calculations for longer period benchmark returns are inclusive of this report</i> |
| Socially Responsible Australian Shares | S&P/ASX 300 Accumulation Index |
| Socially Responsible Global Shares Fund | Unhedged: MSCI World (NRD) Index in A\$ Hedged: MSCI World (NRD) Index in A\$ (Hedged) |
| Emerging Markets | MSCI Emerging Markets Index in A\$ |
| Real assets | |
| Direct Property | CPI + 4% |
| Global Listed Property | FTSE EPRA/NAREIT Developed Index in A\$ (Hedged) <i>Prior to October 2012, the benchmark was UBS Investors Index - in A\$ (Hedged). Therefore, calculations for longer period benchmark returns are inclusive of this data.</i> |
| Passive Australian Listed Property | S&P/ASX 200 Property Trusts Accumulation Index |
| Global Unlisted Infrastructure | CPI + 5% <i>Prior to 1 January 2019 the benchmark was CPI + 3%</i> |
| Listed Infrastructure | FTSE Global Core Infrastructure 50/50 Index in A\$ (Hedged) |
| Passive Listed Infrastructure | FTSE Developed Core Infrastructure 50/50 Index - in A\$ (Hedged) |
| Alternatives | |
| Diversified Alternatives | HFRI FOF: Market Defensive Index in A\$ (Hedged) <i>Prior to November 2016, the benchmark was Bloomberg AusBond Bank Bill Index. Therefore, calculations for longer period benchmark returns are inclusive of this data</i> |
| Growth fixed interest | |
| Emerging Markets Debt | JP Morgan GBI-EM Global Diversified Index (Unhedged) |
| Global High Yield Bond | Bloomberg AusBond Bank Bill Index +3% |
| Defensive fixed interest | |
| Global Absolute Return Bonds | Bloomberg AusBond Bank Bill Index +1% |
| Global Credit | 60% Barclays Global Aggregate - Corporate Index - A\$ (Hedged) 40% Barclays Capital Global Aggregate ex Government ex Treasuries Index (A\$ Hedged) |
| Australian Sovereign Bonds | Bloomberg AusBond Treasury Index 0+ (All Maturities) |
| Overseas Sovereign Bonds | JP Morgan Global Sovereign Bond Index in A\$ (Hedged) <i>From December 2013 to January 2017, the benchmark was JP Morgan Global Sovereign Bond Index (Customised) in A\$ Hedged. Prior to November 2013, the benchmark was 50% JP Morgan Global Government Bond Index in A\$ Hedged and 50% JP Morgan Customised Index. Therefore, calculations for longer period benchmark returns are inclusive of this data. Alternate benchmarks may apply to managers individually.</i> |
| Australian Inflation Plus | CPI +1% |
| Cash | |
| Cash and Term Deposits | Bloomberg AusBond Bank Bill Index |

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