



Mercer Funds

Quarterly report

to 31 March 2023

welcome to brighter

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Note: Returns throughout this report may be subject to rounding error.

Economy and markets

The first quarter of 2023 began on a positive note in January followed by mixed results through February and March.

Inflation continued to fall and has seemed to peak in most developed countries. The focus firmly remains on how much more monetary tightening we will see, or if central banks will begin to pause and assess the impacts on the economy. Financial distress at a California-based regional bank culminated in the second biggest US bank failure in history. Two other regional banks also went into administration. Outside the US, investors digested UBS's takeover of Credit Suisse and subsequent turmoil in bond markets.

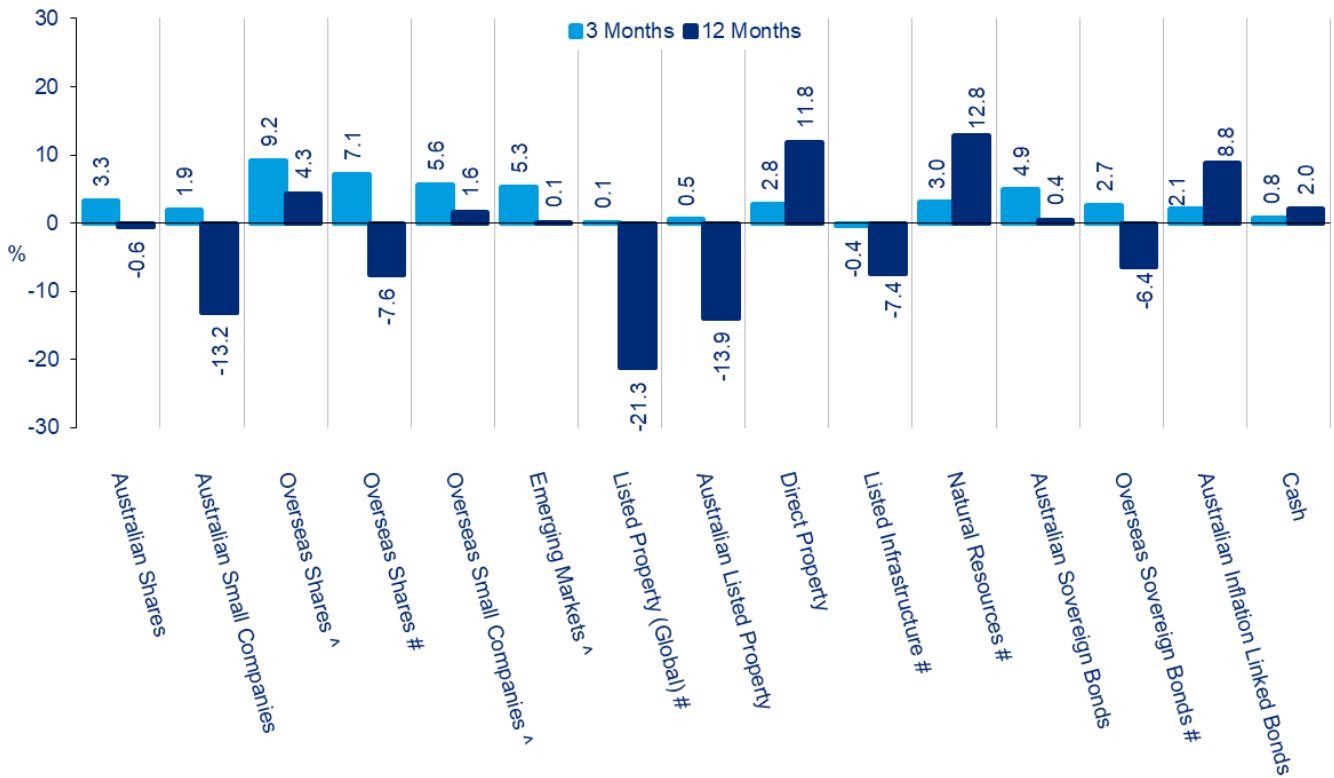
Hedged Developed Market Overseas Shares returned 7.1% over the quarter as inflation receded. Unhedged Overseas shares gains were better yet, adding 9.2%. Australian Shares also posted gains of 3.3% over Q1 with most sectors being positive, however, the large weight to financials detracted. Emerging market equities returned 5.3%, most of the gains coming from Chinese equities in January and March.

Hedged Overseas Government Bonds returned 2.8% over the quarter. Bond yields fell sharply in March across most developed countries as distress emerged in the financial sector, potentially acting as an inhibitor to further tighten monetary conditions. Over the quarter inflation expectations for the US were unchanged, as measured by the 10-year inflation breakeven rate which ended March at 2.3%.

Australian shares underperformed hedged overseas shares over the quarter with the ASX 300 gaining 3.3%. The strongest performing sector was Consumer Discretionary (10.8%) followed by Communication Services (9.5%), whilst the worst performing sectors were Financials (-2.7%) and Energy (-1.0%).

NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 34 – ‘Important notes about this report’ - for further information on the calculation of returns.
 Refer to page 35 for Asset class benchmarks.

Financial market returns to 31 March 2023



NOTE:

Past performance is not a reliable indicator of future performance.

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

Fully hedged return.

^ Unhedged return.

NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 34 – ‘Important notes about this report’ - for further information on the calculation of returns.
 Refer to page 35 for Asset class benchmarks.

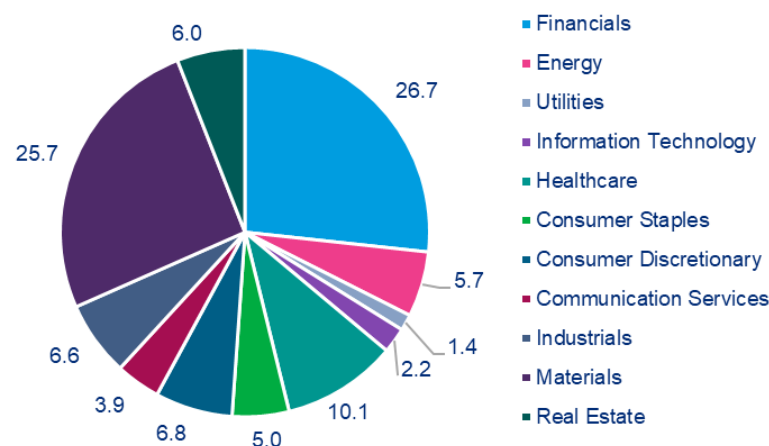
Shares

Australian shares

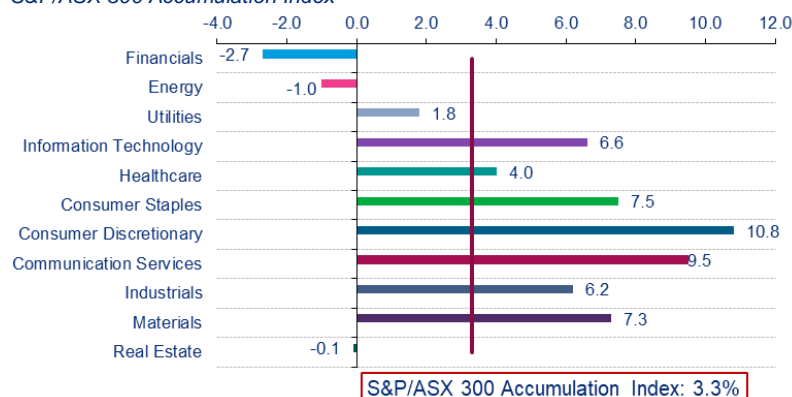
Australian shares were positive over Q1 2023 as the S&P/ASX 300 Index returned 3.3% for the period. The S&P/ASX 50 Accumulation Index was the strongest performer for the quarter returning 4.0%, while the S&P/ASX Mid 50 Accumulation was the weakest performer, producing a flat return. The best performing sectors were Consumer Discretionary and Communication Services, while the weakest performing sectors were Financials and Energy. The largest positive contributors to the return of the index were Newcrest Mining, BHP and Woolworths. On the other hand, the most significant detractors from performance were CBA, NAB and Westpac.

Mercer Australian Shares Funds**

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



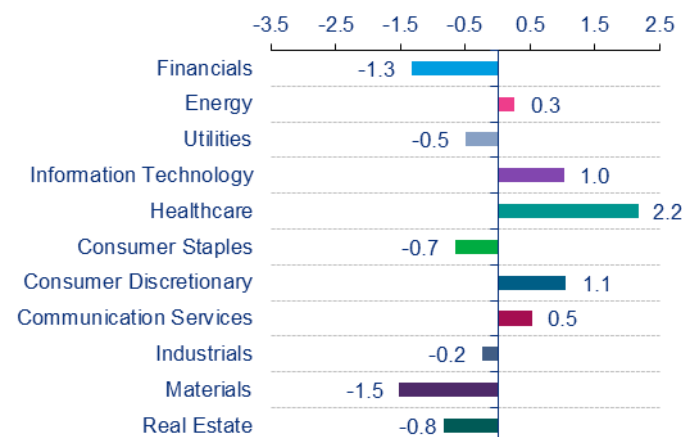
Benchmark sector returns for the three months to 31 March 2023(%)
 S&P/ASX 300 Accumulation Index



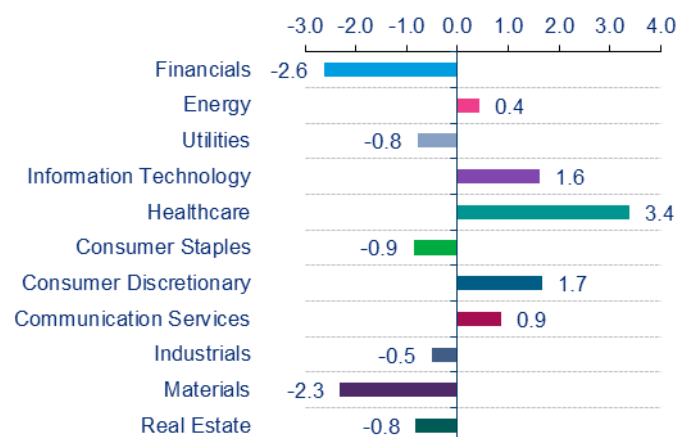
** In this Quarterly Report, ‘Australian Shares Funds’ refers to:
 • Mercer Australian Shares Fund (the ‘Core Fund’)
 • Mercer Australian Shares Plus Fund (the ‘Plus Fund’)
 Only the sector exposure differs between the Funds. Benchmark weights etc. apply to both Funds.

Sector Exposure — Overweight/Underweight positions as at 31 March 2023 (%)

Mercer Australian Shares Fund



Mercer Australian Shares Plus Fund



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

Refer to page 34 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 35 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
BHP Group Ltd	9.8	10.9	BHP Group Ltd	9.3	10.9
CSL	8.0	6.3	CSL	8.7	6.3
Commonwealth Bank	5.5	7.6	Commonwealth Bank	4.6	7.6
National Australia Bank	3.5	4.0	ANZ Group Holdings Ltd	3.3	3.1
ANZ Group Holdings Ltd	3.3	3.1	National Australia Bank	3.2	4.0
Macquarie Group Ltd	2.8	2.9	Santos Ltd	2.8	1.0
Rio Tinto	2.3	2.0	Macquarie Group Ltd	2.7	2.9
Woolworths Group Ltd	2.1	2.1	Rio Tinto	2.4	2.0
Santos Ltd	2.1	1.0	Aristocrat Leisure Ltd	2.3	1.1
Telstra Group Ltd	2.0	2.2	Woolworths Group Ltd	2.3	2.1

Investment performance

Mercer Australian Shares Fund	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	3.7	-0.4	17.6	8.8	9.7	8.6
Benchmark return	3.3	-0.6	16.6	8.6	9.4	8.1
Excess return — before fees	0.4	0.2	1.0	0.2	0.3	0.5
Mercer Australian Shares Plus Fund	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	3.8	-1.6	18.3	8.9	10.1	8.9
Benchmark return	3.3	-0.6	16.6	8.6	9.4	8.1
Excess return — before fees	0.5	-1.0	1.7	0.3	0.7	0.8
Total returns (%) – after Fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Australian Shares Fund	3.5	-1.2	16.6	7.9	8.8	7.7
Mercer Australian Shares Plus Fund	3.6	-2.6	17.0	7.8	8.9	7.7

Manager performance

The fund outperformed the benchmark over the quarter by 0.4% as both stock selection and asset allocation had a positive contribution. Overweight positions in NVIDIA Corp, QBE and Flutter Entertainment and an underweight to Westpac Banking Corp were the main contributors to performance. This was partially offset as an overweight to Lynas Rare Earths and respective underweights to Liontown and Sonic Healthcare detracted. From an asset allocation perspective, an underweight to financials and an overweight to consumer discretionary added value. This was partially offset as an underweights to materials, consumer staples and an overweight to energy which all detracted.

Managers	Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
	Core Fund	Plus Fund	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Plato Investment Management	35.1	0.0	0.0	+1.8	+1.6	+1.1	+1.0	n/a
WaveStone Capital	14.4	21.6	+0.8	+1.6	+2.3	+1.9	+2.5	n/a
Greencape	13.1	19.6	+2.9	+0.7	+1.7	+1.5	+2.0	n/a
Vinva Investment Management	11.5	17.2	-1.9	-3.3	+0.6	-2.3	n/a	n/a
Ausbil Investment Management	10.9	16.3	-0.2	+0.7	+7.5	+3.3	+3.6	+3.9
Firetrail	8.0	12.0	+0.5	-1.6	+4.5	n/a	n/a	n/a
Fidelity	7.0	10.4	+3.4	-1.3	-9.0	+2.0	+2.2	n/a
First Sentier Investors	0.0	1.9	+1.0	+5.5	+8.6	+8.9	n/a	n/a
Longwave Capital Partners	0.0	1.1	+1.0	+9.6	n/a	n/a	n/a	n/a

Mercer Passive Australian Shares Fund

Total returns (%) – after Fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Passive Australian Shares Fund	3.3	-0.5	16.4	8.4	9.1	7.8

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

Refer to page 34 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 35 for Asset class benchmarks.

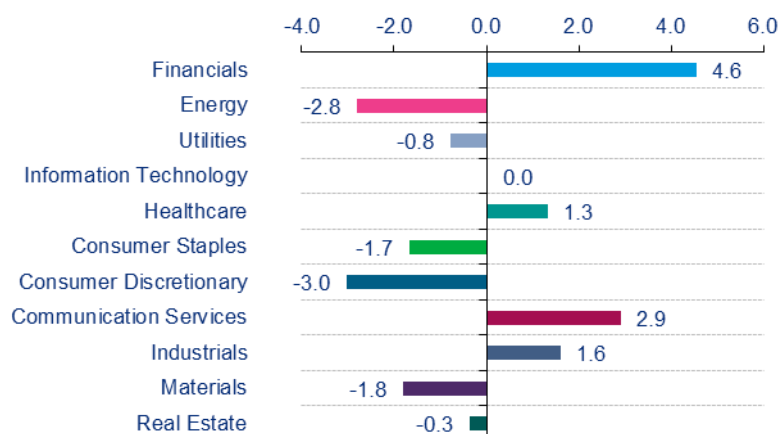
Shares

Australian shares – sustainable plus

Australian shares were positive over Q1 2023 as the S&P/ASX 300 Index returned 3.3% for the period. The S&P/ASX 50 Accumulation Index was the strongest performer for the quarter returning 4.0%, while the S&P/ASX Mid 50 Accumulation was the weakest performer, producing a flat return.

Mercer Sustainable Plus Australian Shares Fund

Sector Exposure — Overweight/Underweight positions as at 31 March 2023 (%)



Top 10 holdings

Stock	% of Fund	% of Benchmark
BHP Group Ltd	11.7	10.9
CSL	6.8	6.3
Commonwealth Bank	6.3	7.6
National Australia Bank	4.5	4.0
Telstra Group Ltd	3.8	2.2
Macquarie Group Ltd	3.6	2.9
Westpac Banking Corporation	3.2	3.5
QBE Insurance Group Ltd	2.5	1.0
ANZ Group Holdings Ltd	2.5	3.1
Fortescue Metals Group Ltd	1.8	1.7

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	2.8	-2.1	17.0	8.6	9.4	9.2
Benchmark return	3.3	-0.6	16.6	8.6	9.4	8.1
Excess return — before fees	-0.5	-1.5	+0.4	0.0	0.0	+1.1

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Sustainable Plus Australian Shares Fund	2.5	-3.1	15.7	7.5	8.3	8.0

Manager performance

The fund underperformed the benchmark over the quarter by 0.5%. as both stock selection and asset allocation detracted from returns. An overweight position in Lifestyle Communities and an underweight to Newcrest Mining were the main detractors to performance. Holdings in QBE Insurance, Orora and Medibank contributed positively to performance over the quarter. From an asset allocation perspective, underweight exposures to the consumer discretionary and consumer staples sectors detracted from performance whereas an overweight to financials and an underweight to energy added value.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Managers	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Acadian Asset Management	34.8	-0.7	+0.2	+2.8	+1.2	+1.6	n/a
Alphinity Investment Management	28.0	0.0	-1.4	+0.9	n/a	n/a	n/a
Pendal Group Limited	26.8	-0.4	-1.4	+0.8	+0.3	+1.1	+2.5
Perennial Better Future Fund	10.3	-0.6	+2.2	n/a	n/a	n/a	n/a

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 Refer to page 35 for Asset class benchmarks.

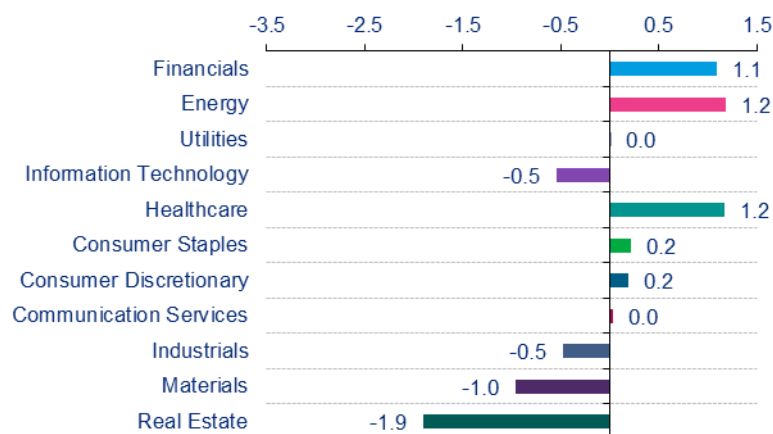
Shares

Australian shares – tax exempt investors

Australian equities were positive over Q1 2023 as the S&P/ASX 300 Accumulation Index Gross of Franking Credits returned 3.9% for the period. The best performing sectors were Energy and Healthcare, while the weakest performing sectors were Materials and Real Estate. The largest positive contributors to the return of the index were Newcrest Mining, BHP and Woolworths. On the other hand, the most significant detractors from performance were CBA, NAB and Westpac.

Mercer Australian Shares Fund for Tax Exempt Investors

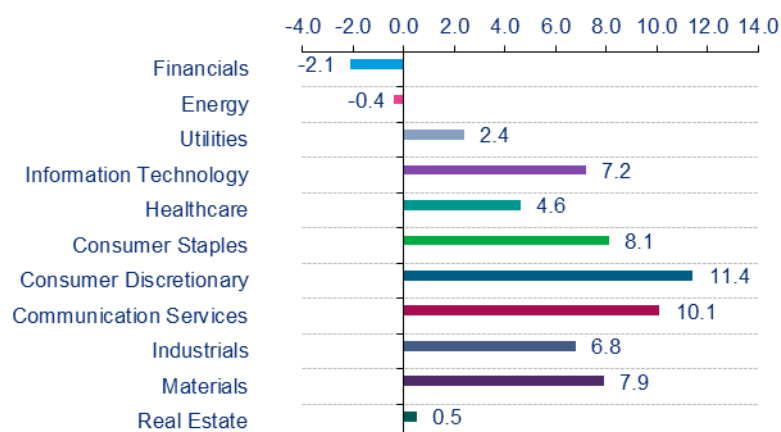
Sector Exposure — Overweight/Underweight positions as at 31 March 2023 (%)



Top 10 holdings

Stock	% of Fund	% of B'mark
BHP Group Ltd	9.9	10.9
CSL	7.6	6.3
Commonwealth Bank	5.1	7.6
National Australia Bank	4.2	4.0
Westpac Banking Corporation	3.3	3.5
Macquarie Group Ltd	3.1	2.9
ANZ Group Holdings Ltd	2.9	3.1
Santos Ltd	2.7	1.0
Rio Tinto	2.6	2.0
Telstra Group Ltd	2.4	2.2

Benchmark sector returns for the three months to 31 March 2023 (%)
 S&P/ASX 300 Accumulation Index Gross of Franking Credits



Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 years (p.a.)	10 yrs (p.a.)
Total returns — before fees	3.7	3.1	19.9	11.7	12.1	n/a
Benchmark return	3.9	1.0	18.1	10.1	10.9	n/a
Excess return — before fees	-0.2	+2.1	+1.8	+1.6	+1.2	n/a

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 years (p.a.)	10 yrs (p.a.)
Mercer Australian Shares Fund for Tax Exempt Investors	3.5	2.1	18.7	10.6	11.0	n/a

Manager performance

The fund underperformed the benchmark over the quarter by 0.2%. Asset allocation added value while stock selection detracted. Overweight positions in Newcrest Mining alongside underweights to NAB and AMP contributed to performance. Overweight positions in Domino's Pizza, Computershare, and an underweight to Liontown Resources were the biggest detractors. From a sector allocation perspective, an underweight to financials contributed to performance, while overweight to health care and underweight to technology detracted.

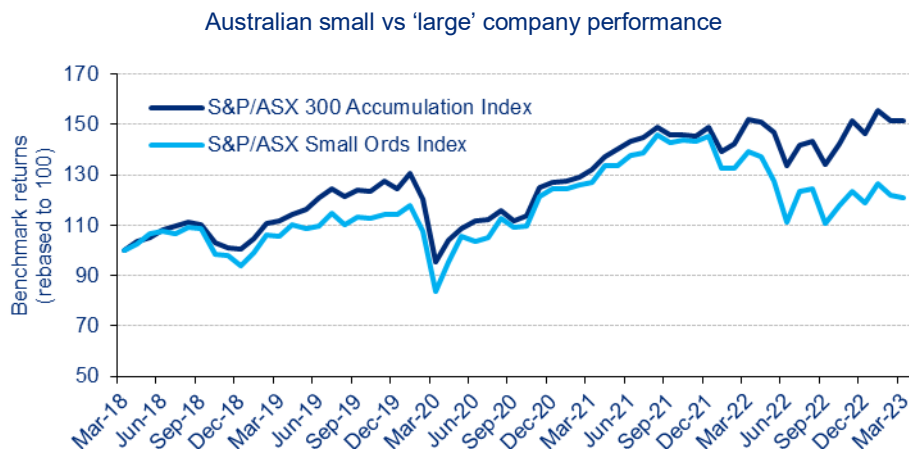
Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Managers	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Macquarie Investment Management	38.9	-0.1	+2.6	+3.3	+3.0	+3.7	n/a
Plato Investment Management	31.0	-0.8	+3.3	+1.6	+2.7	+1.9	n/a
Wavestone	16.8	+0.6	+2.0	+2.6	n/a	n/a	n/a
Firetrail	13.2	+0.3	-1.9	+3.7	n/a	n/a	n/a

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 Refer to page 35 for Asset class benchmarks.

Shares

Australian shares – small companies

Australian Small Companies performance was positive over the January quarter with the asset class returning 0.7% for the period. Australian Small Companies underperformed the broad capitalisation index over the quarter.



Mercer Australian Small Companies Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	0.7	-11.5	19.6	7.9	9.5	7.3
Benchmark return	1.9	-13.2	13.1	3.9	6.8	5.2
Excess return — before fees	-1.2	+1.7	+6.5	+4.0	+2.7	+2.1

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Australian Small Companies Fund	0.6	-12.7	17.9	6.4	8.1	6.2

Manager performance

The fund underperformed the benchmark by 1.2% over the quarter. Stock selection was the biggest negative contributor to performance whilst sector allocation provided positive performance. Underweight to materials and overweights to consumer discretionary and financials were the most significant underperformers over the quarter. While not enough to offset this, overweights to industrials and communication services as well as an underweight to real estate were the most significant underperformers over the quarter. At a stock level, overweights to Domain Holdings, Smart Group and Janus Henderson were positive. The negative stock contributors included overweights in Enero Group, Superloop Ltd and News Corp.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
First Sentier Investors	40.4	+1.0	+5.5	+8.6	+8.9	n/a	n/a
Longwave Capital Partners	23.4	+1.0	+9.6	n/a	n/a	n/a	n/a
Perennial Value Management	22.2	-6.2	-11.9	+3.6	+0.1	+2.0	+1.4
Firetrail	13.9	-2.7	-7.7	n/a	n/a	n/a	n/a

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

Refer to page 34 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 35 for Asset class benchmarks.

Shares

International shares

The broad MSCI World ex Australia Accumulation Index increased 7.1% in hedged terms and 9.2% in unhedged terms over the quarter, as the AUD weakened against most major developed market currencies. The strongest performing sectors were IT (22.7%) and Communication Services (19.6%), while Energy (-2.3%) and Healthcare (-0.4%) were the worst performers. Other global shares indices produced positive results as the MSCI Small Caps Total Return Index returned 5.7% and the MSCI Emerging Markets Accumulation Index returned 5.3% over the quarter.

Over the March quarter, the S&P 500 Composite Index (7.5%), the Dow Jones Industrial Average (0.9%) and the NASDAQ increased (16.8%), all in USD terms. European markets experienced positive returns, as the FTSE 100 (United Kingdom) (3.6%), the CAC 40 (France) (13.4%) and the DAX 30 (Germany) (12.2%) increased, all in local currency terms. Equity returns were mostly positive across Asia as the SSE Composite (China) (5.9%), Hang Seng (Hong Kong) (3.5%) and TOPIX (Japan) (7.2%) increased, while the S&P BSE 500 (India) (-5.9%) decreased, all in local currency terms.

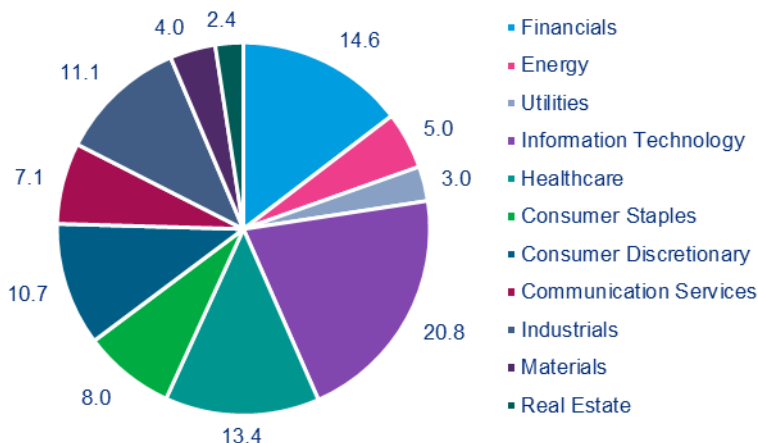
** In this Quarterly Report, 'International shares funds' refers to:

- Mercer International Shares Fund
 - Mercer Hedged International Shares Fund
- Benchmark weights etc. apply to all international shares funds.

Mercer International Shares Funds**

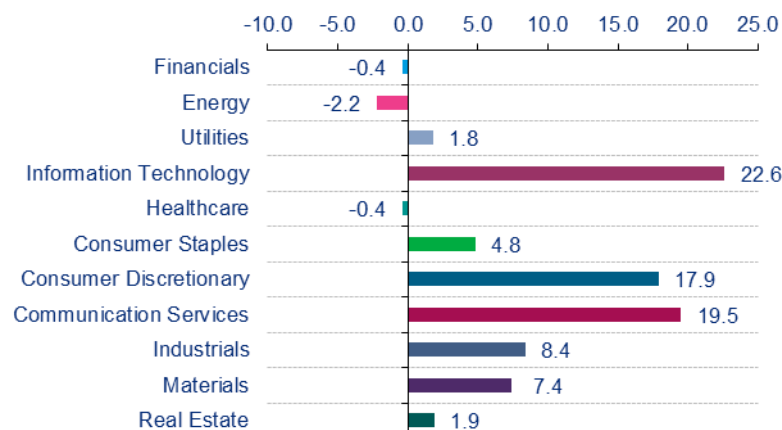
Benchmark weights by sector (%)

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



Benchmark sector returns for the three months to 31 March 2023 (%)

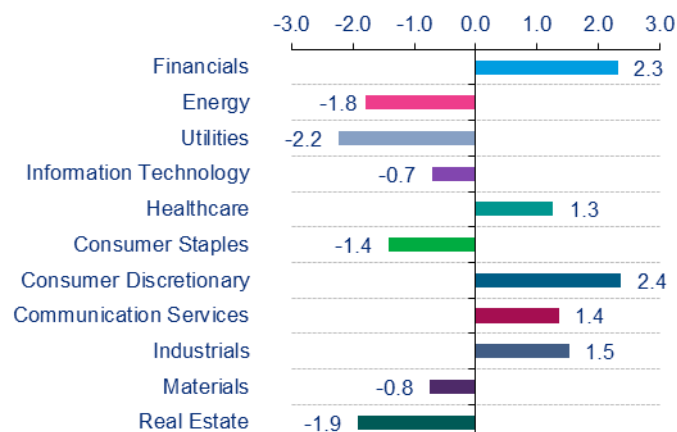
MSCI World Index (ex Australia) - in A\$ with net dividends reinvested



Sector Exposure — Overweight/Underweight positions as at 31 March 2023 (%)

Mercer International Shares Fund

Mercer Hedged International Shares Fund



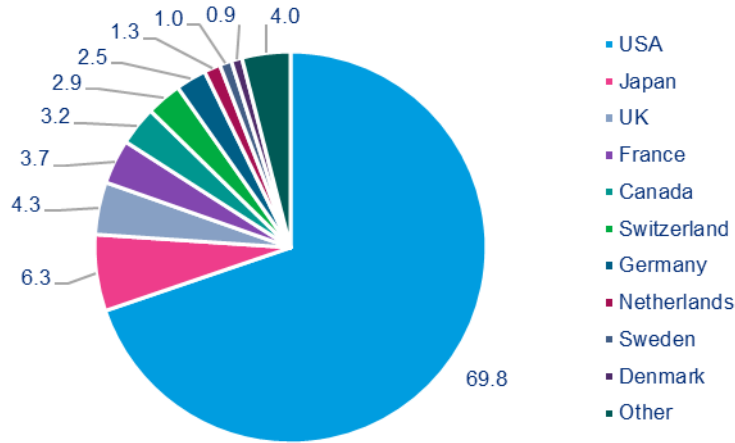
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Shares

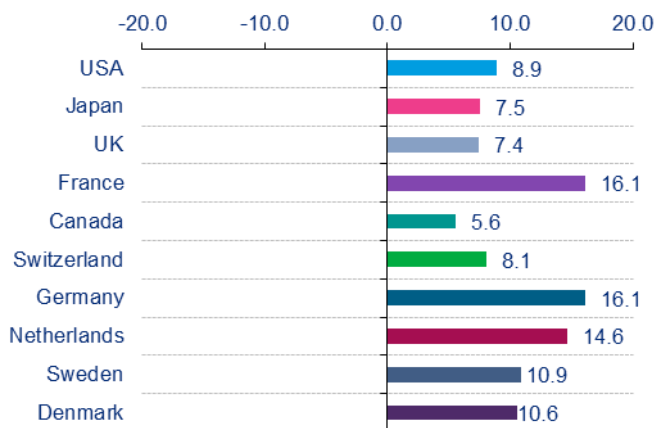
International shares

Mercer International Shares Funds**

Benchmark weights – Top 10 countries (%)
 MSCI World Index (ex Australia) - in A\$ with net dividends reinvested



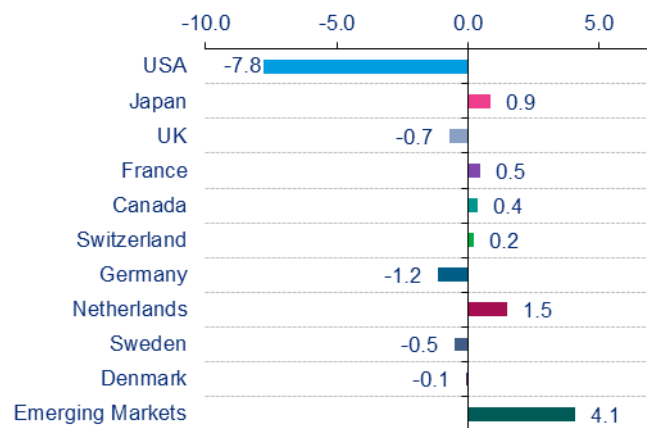
Top 10 countries’ benchmark returns for the three months to 31 March 2023 (%)
 MSCI World Index (ex Australia) - in A\$ with net dividends reinvested



** 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 31 March 2023 (%)

Mercer International Shares Fund Mercer Hedged International Shares Fund



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

Refer to page 34 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 35 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	3.0	3.9
Apple	2.3	5.0
Alphabet Inc	2.1	2.3
Meta Platforms Inc	1.6	0.9
Amazon	1.3	1.8
Mastercard Inc	1.0	0.6
ASML Holding Nv	1.0	0.5
NVIDIA Corp	1.0	1.3
Intact Financial Corp	1.0	0.0
AIA Group Ltd	1.0	0.2

Investment performance

Mercer International Shares Fund	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	8.4	6.5	13.0	10.8	12.3	14.3
Benchmark return — before fees:	9.2	4.3	12.9	11.0	12.0	14.0
Excess return — before fee:	-0.8	+2.2	+0.1	-0.2	+0.3	+0.3
Mercer Hedged International Shares Fund	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	6.3	-5.1	15.6	7.5	10.0	10.5
Benchmark return — before fees:	7.1	-7.6	15.1	7.6	9.6	10.1
Excess return — before fees	-0.8	+2.5	+0.5	-0.1	+0.4	+0.4
Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer International Shares Fund	8.1	5.4	11.9	9.7	11.2	13.2
Mercer Hedged International Shares Fund	6.0	-6.1	14.4	6.5	8.9	9.3

Manager performance

The fund underperformed the benchmark over the quarter by 0.8%. Asset allocation and stock selection both detracted over the period. From a stock perspective, an overweight exposures to Meta and Clean Harbours Inc contributed positively to fund performance while an underweight to Apple and overweight to Charles Schwab detracted. From a sector allocation perspective, underweights to energy and consumer staples was positive whilst an overweight exposure to information technology and consumer discretionary detracted.

Manager	Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
	Unhedged %	Hedged %	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Schroder Investment Management	35.4	35.3	-0.2	+1.3	-0.3	-0.6	-1.0	-1.0
Arrowstreet	18.7	18.7	-2.3	+8.8	+6.5	+5.0	+6.2	n/a
Wellington	15.6	15.6	-5.8	+8.8	-0.9	n/a	n/a	n/a
Maj Invest	12.4	12.5	+0.9	-3.5	n/a	n/a	n/a	n/a
AllianceBernstein	9.5	9.5	-3.8	-3.2	-4.0	n/a	n/a	n/a
Baillie Gifford	8.3	8.4	+12.2	-12.5	-5.8	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 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Passive International Shares Fund	9.3	4.2	12.9	11.1	12.0	13.9
Mercer Passive Hedged International Shares Fund	7.1	-7.5	15.2	7.8	9.6	10.0

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

Refer to page 34 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 35 for Asset class benchmarks.

Shares

International Shares – sustainable plus

Mercer Sustainable Plus International Shares Fund – Unhedged Units

Mercer Sustainable Plus International Shares Fund – Hedged Units

Top 10 holdings

Stock	% of Fund	% of Benchmark
Microsoft Corp	3.7	3.8
Visa	1.7	0.7
NVIDIA Corp	1.7	1.3
Taiwan Semiconductor Manufact Co Ltd	1.6	0.0
Novo Nordisk A/S	1.5	0.5
AIA Group Ltd	1.3	0.2
Danaher Corp	1.2	0.3
UnitedHealth Group Inc	1.2	0.8
Schneider Electric Se	1.2	0.2
T-Mobile Us Inc	1.1	0.2

Investment performance

Mercer Sustainable Plus International Shares Fund – Unhedged	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	6.8	3.1	11.4	9.7	n/a	n/a
Benchmark return — before fees:	9.1	4.3	13.0	11.0	n/a	n/a
Excess return — before fee:	-2.3	-1.2	-1.6	-1.3	n/a	n/a
Mercer Sustainable Plus International Shares Fund – Hedged	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	4.8	-8.2	14.0	6.6	n/a	n/a
Benchmark return — before fees:	7.1	-7.4	15.1	7.6	n/a	n/a
Excess return — before fees	-2.3	-0.8	-1.1	-1.0	n/a	n/a
Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Sustainable Plus International Shares Fund – Unhedged	6.5	2.1	10.3	8.7	n/a	n/a
Mercer Sustainable Plus International Shares Fund – Hedged	4.5	-8.9	13.0	5.7	n/a	n/a

Manager performance

The portfolio underperformed the benchmark by 2.3% returning 6.8% over the quarter. Despite the portfolio's natural underweight to fossil fuel energy contributing positively during the quarter, a combination of being underweight and stock selection within the consumer discretionary sector detracted from performance over the period. Furthermore, stock selection within financials and information technology also contributed to negative relative returns for the quarter. At a stock level, and underweight to mega cap names, notably Apple, Amazon and Meta detracted for the period. Overweight holdings in both AIA Group and Danaher Corp also detracted.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Managers	Unhedged %	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Dublin	100.0	-2.4	-1.2	-1.7	-2.0	n/a	n/a

Underlying managers appointed by Mercer Dublin

Manager	%
Impax	17.0
Mirova	20.0
RBC	23.0
SSGA	23.0
Wellington	17.0

Mercer Passive Sustainable International Shares Fund

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Passive Sustainable International Shares Fund	10.5	4.2	n/a	n/a	n/a	n/a

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

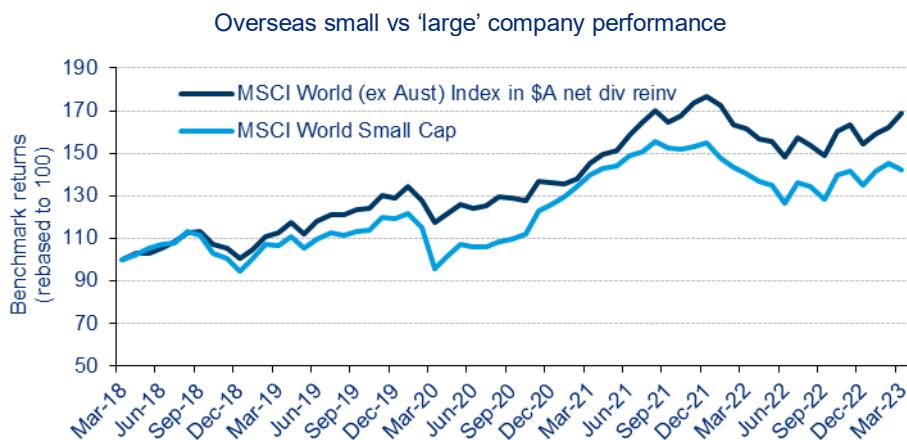
Refer to page 34 – ‘Important notes about this report’ - for further information on the calculation of returns.

Refer to page 35 for Asset class benchmarks.

Shares

Global shares – small companies

In unhedged AUD terms, the Global Small Cap sector returned +5.7%, outperforming Global Large Cap stocks.



Mercer Global Small Companies Shares Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	6.7	4.4	16.0	8.0	10.4	13.1
Benchmark return	5.6	1.6	14.1	7.3	10.0	12.5
Excess return — before fees	+1.1	+2.8	+1.9	+0.7	+0.4	+0.6

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Global Small Companies Shares Fund	6.3	3.2	14.9	6.9	9.3	11.9

Manager performance

The fund outperformed versus its benchmark over the quarter by 1.1% returning 6.7% for the period. Security selection within real estate and consumer discretionary sectors contributed positively to the fund however stock selection within healthcare detracted. At a country level, the fund’s underweight to US added to relative returns, while an overweight to Turkey and underweight to Germany detracted.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Arrowstreet	33.0	-0.5	+11.5	+15.2	+8.7	+8.8	+11.1
Kempen Capital Management	23.5	+3.4	+6.9	n/a	n/a	n/a	n/a
Allspring	15.2	n/a	n/a	n/a	n/a	n/a	n/a
GW&K	15.1	n/a	n/a	n/a	n/a	n/a	n/a
Baillie Gifford	13.1	+0.7	-19.0	-22.4	n/a	n/a	n/a

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

Refer to page 34 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 35 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 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	4.0	6.7	7.4	7.7	8.2	n/a
Benchmark return	3.4	6.0	6.0	8.6	8.3	n/a
Excess return — before fees	+0.6	+0.7	+1.4	-0.9	-0.1	n/a

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Global Enhanced Low Volatility Shares Fund	3.9	6.3	7.1	7.4	7.9	n/a

Manager performance

The fund outperformed the benchmark by 0.6% over the quarter. Stock selection and sector allocations both contributed positively to return. At a sector level, underweight positions in IT and Utilities contributed to relative performance. Stock selection in IT, Utilities and Industrials contributed to the relative performance, whilst stock selection in Materials, Consumer Staples and Financials detracted from relative performance over the quarter. The fund was overweight to the lowest quintile of beta stocks over the quarter which detracted from benchmark performance.

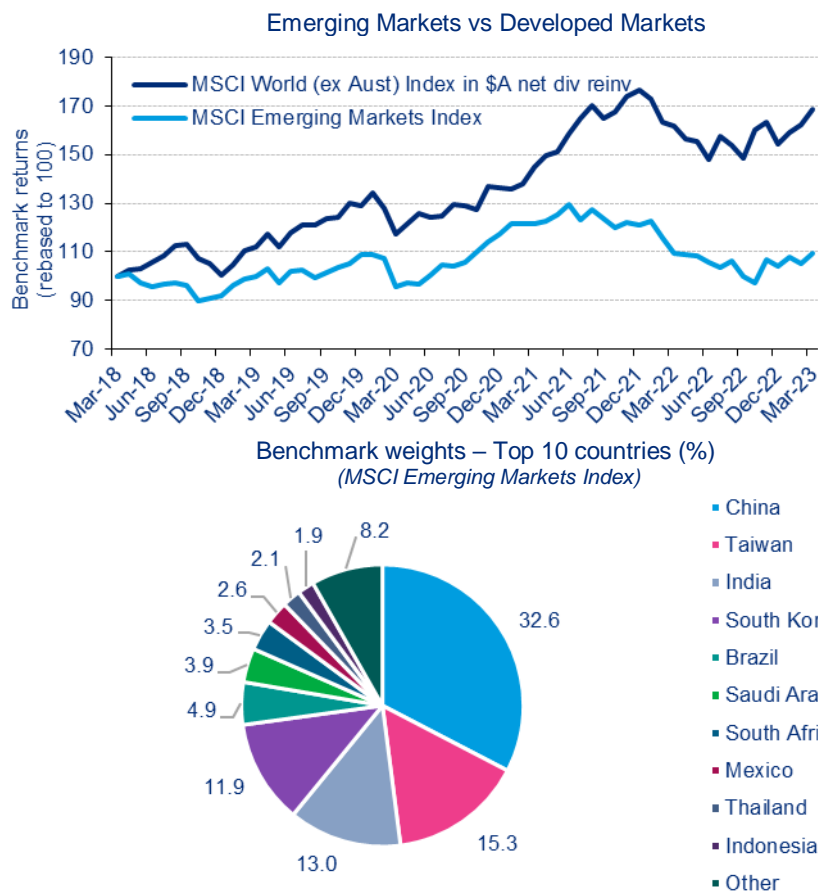
Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Acadian	100.0	+0.6	+0.7	+1.5	-1.2	-0.2	n/a

NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 34 – ‘Important notes about this report’ - for further information on the calculation of returns.
 Refer to page 35 for Asset class benchmarks.

Shares

Emerging markets shares

In unhedged AUD terms, Emerging Markets (NR) returned 5.3%, outperforming developed markets.



Mercer Emerging Markets Shares Fund

Investment performance

Mercer Emerging Markets Shares Fund	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	6.4	1.6	6.4	2.5	7.8	7.3
Benchmark return	5.3	0.1	4.6	1.8	7.0	6.6
Excess return — before fees	+1.1	+1.5	+1.8	+0.7	+0.8	+0.7
Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Emerging Markets Shares Fund	6.1	0.4	5.3	1.4	6.7	6.2

Manager performance

The fund outperformed the index over the quarter by 1.1%. Both asset allocation and stock selection added value over the quarter. Underweights to utilities and consumer discretionary were beneficial over the quarter, while underweights to IT and communication services detracted from performance. At the stock level, an overweight to Polyus was also beneficial, as the gold miner rallied with increases in the gold price.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
BlackRock Investment Management	36.1	+1.0	+1.6	+0.7	0.0	+1.1	+1.6
GMO	27.1	+2.4	+4.7	n/a	n/a	n/a	n/a
William Blair	26.4	+0.5	-3.6	+0.4	n/a	n/a	n/a
AQR	10.4	+1.2	+7.8	+6.7	+4.3	+5.3	n/a

Mercer Passive Emerging Markets Shares Fund

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Passive Emerging Markets Shares Fund	4.6	-0.8	4.1	1.5	6.6	n/a

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

Refer to page 34 – ‘Important notes about this report’ - for further information on the calculation of returns.

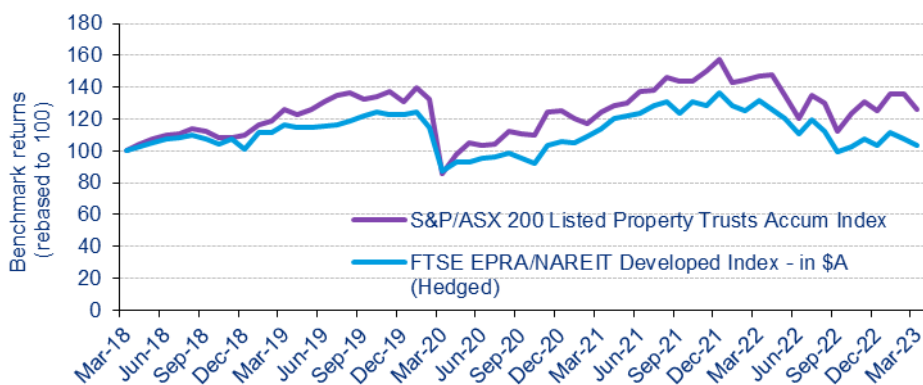
Refer to page 35 for Asset class benchmarks.

Real assets

Global listed property

Domestic listed property experienced a modestly positive performance over the quarter and returned 0.3%. Global REIT’s returned 0.4% (in AUD hedged terms) over the March quarter.

Australian listed vs global listed property cumulative performance



Mercer Global Listed Property Fund

Investment performance

Mercer Global Listed Property Fund	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	1.0	-21.3	5.9	1.4	2.5	5.1
Benchmark return	0.1	-21.3	5.7	0.7	1.2	3.7
Excess return — before fees	+0.9	0.0	+0.2	+0.7	+1.3	+1.4
Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Global Listed Property Fund	0.7	-22.2	4.8	0.4	1.4	4.1

Manager performance

The fund returned 1.0% over the quarter, outperforming its benchmark by 0.9%, driven by the performance of both managers, Resolution Capital and Principal. Stock selection primarily contributed to returns. At the industry level, an underweight to real estate management and overweight to diversified telecommunication services contributed the most. At the stock level, overweights to REXFORD Industrial Realty Inc and Invitation Homes Inc were the top performers over the quarter. Overweights to Kimco Realty Corp and Link Real Estate Investment Trust detracted from performance.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Principal Global Investors	59.1	+1.2	+0.1	-0.3	+1.2	+1.9	+2.4
Resolution Capital Global Property	40.9	+0.4	-1.2	n/a	n/a	n/a	n/a

Mercer Passive Global Listed Property Fund

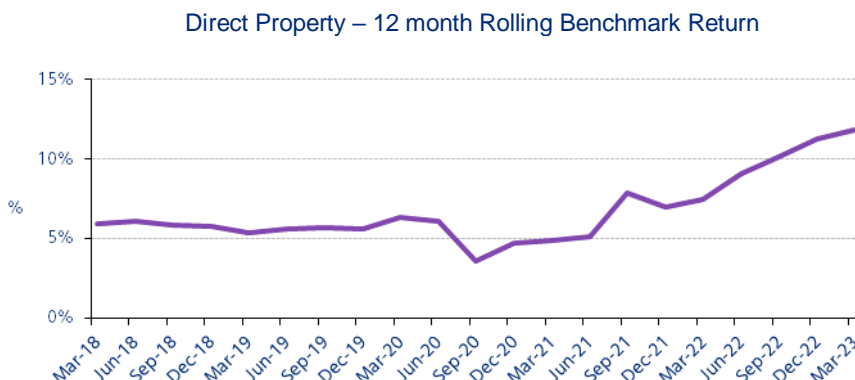
Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Passive Global Listed Property Fund	0.0	-21.3	5.3	0.6	1.0	3.4

NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 34 – ‘Important notes about this report’ - for further information on the calculation of returns.
 Refer to page 35 for Asset class benchmarks.

Real assets

Australian direct property

The Australian unlisted property sector (NAV) increased 0.2% over the quarter (on a one-month lagged basis).



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 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	1.3	8.9	14.3	10.5	11.1	11.3
Benchmark return	2.8	11.8	8.0	7.1	6.8	7.9
Excess return — before fees	-1.5	-2.9	+6.3	+3.4	+4.3	+3.4

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Australian Direct Property Fund	1.0	7.3	12.5	8.9	9.5	9.7

Manager performance

Performance moderated in early 2023 with the fund now underperforming its CPI linked target return over the 12 months to March 2023 as high inflation persists. The fund continues to outperform its stated objective return over rolling 7 year periods as well as over the medium to long term (3, 5, 7, and 10 year periods). Importantly, the fund continues to outperform the MSCI Mercer Wholesale PFI (“YFYS Benchmark”) over all annual time periods, including more than 100bps over the 12 months to March 2023. Over 3, 5, and 7 year periods the fund has marked approximately 350bps, 275bps, and 150bps of outperformance against the YFYS Benchmark. Overweight allocations to industrial/logistics has been a significant driver of performance. Strong occupier demand is leading to record breaking rent growth, mitigating any softening of cap rates. The fund’s underweight exposure to retail has also been accretive. Targeted investment in non-discretionary, convenience based retail has enjoyed particularly strong absolute performance and is well positioned to provide inflation protection through the sectors unique lease structures. Office returns have generally experienced a fall in capital values over the quarter as investor activity falls. Leasing activity continues to reflect flight to quality and market bifurcation, although overall leasing volumes continue to slow. Over the quarter the fund continued to scale its exposure to a new Listed Property strategy (within the 10% maximum exposure control).

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Charter Hall Industrial	20.7	-1.9	-3.0	+13.3	+10.2	+9.4	n/a
Investa Property Group	18.9	-1.4	-5.2	+2.2	+3.8	+5.8	+6.2
Goodman Funds Management	15.3	+2.0	+2.3	+17.4	+16.3	+15.2	+15.8
Dexus Wholesale Property Fund	12.6	-1.2	-3.3	+3.9	+1.3	n/a	n/a
Charter Hall Retail	10.4	-0.4	+3.5	+13.8	+3.6	+6.6	n/a
Investa SPV	9.1	0.0	-1.3	+4.1	+2.9	n/a	n/a
Macquarie	6.0	-3.7	n/a	n/a	n/a	n/a	n/a
GPT Wholesale Office Fund	4.1	-8.0	-12.9	n/a	n/a	n/a	n/a
Transition Account	1.5	+0.8	+2.0	n/a	n/a	n/a	n/a
AMP Capital Shopping Centre Fund	1.2	-1.6	-5.9	+0.6	-11.1	n/a	n/a

Investment manager transition will be finalised next quarter.

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

Refer to page 34 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 35 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 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	0.6	-13.8	13.5	4.9	4.2	7.6
Benchmark return	0.5	-13.9	13.6	4.8	4.1	7.7
Excess return — before fees	+0.1	+0.1	-0.1	+0.1	+0.1	-0.1

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Passive Australian Listed Property Fund	0.5	-14.1	13.2	4.5	3.9	7.3

Manager performance

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Macquarie Investment Management	100.0	0.0	0.0	-0.1	0.0	0.0	-0.2

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

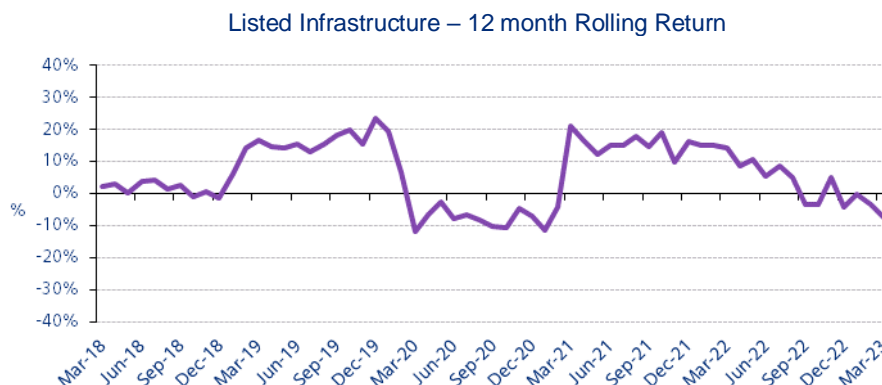
Refer to page 34 – ‘Important notes about this report’ - for further information on the calculation of returns.

Refer to page 35 for Asset class benchmarks.

Real assets

Global listed infrastructure

Global Core Listed Infrastructure 50/50 index returned -0.2% 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 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	1.7	-8.4	7.5	5.6	6.1	8.6
Benchmark return	-0.4	-7.4	8.6	5.8	6.2	8.5
Excess return — before fees	+2.1	-1.0	-1.1	-0.2	-0.1	+0.1
Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Global Listed Infrastructure Fund	1.4	-9.4	6.5	4.5	5.1	7.6

Manager performance

The fund returned 1.7% over the quarter, outperforming its benchmark by 2.1%. Atlas primarily contributed to the excess performance, with First Sentier struggling falling behind the benchmark. An underweight to utilities and overweight to industrials were the key contributors to performance. Stock selection was also positive, particularly within electric utilities, with overweights to Enel Spa, AENA, and E.ON contributing positively. An overweight to SES detracted from performance.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
First Sentier Investors	65.3	-1.3	-0.3	+0.4	+0.3	+0.6	+2.1
Atlas Infrastructure	34.7	+5.8	n/a	n/a	n/a	n/a	n/a

Mercer Passive Global Listed Infrastructure Fund

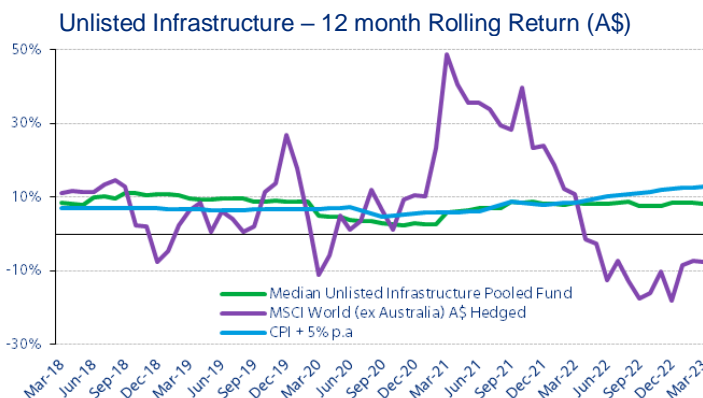
Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Passive Global Listed Infrastructure Fund	0.4	-7.4	8.7	5.4	5.8	8.2

NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 34 – ‘Important notes about this report’ - for further information on the calculation of returns.
 Refer to page 35 for Asset class benchmarks.

Real assets

Global unlisted infrastructure

Unlisted Infrastructure sector performance was moderately positive over the quarter as inflation-linked revenue streams supported valuations in the presence of higher risk free interest rates.



Mercer Global Unlisted Infrastructure Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	2.3	11.2	18.4	13.2	14.5	14.3
Benchmark return	3.0	12.8	9.0	8.0	7.1	7.0
Excess return — before fees	-0.7	-1.6	+9.4	+5.2	+7.4	+7.3

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Global Unlisted Infrastructure Fund	2.0	8.7	15.6	10.6	11.2	11.3

Manager performance

The fund’s gross return of 2.3% for the quarter was below the CPI-linked benchmark of 3.0%. Performance for the quarter was mainly driven by positive revaluations of co-investments in renewable energy asset Finerge (Portugal) and energy-from-waste business Enfinium (United Kingdom) managed by Igneo, and distributions from JP Morgan Infrastructure Investments fund, as well as revaluations of liquid storage business Geosel (France) managed by Ardian and Macquarie Asia Infrastructure fund. Other distributions were received from KKR-managed co-investments John Laing and Telxius, KKR Diversified Core Infrastructure fund, KKR Global Infrastructure fund II and Macquarie Asia Infrastructure fund. New investments funded during the quarter were Atlas Infrastructure IMA, a listed infrastructure allocation designed to provide additional return sources, as well as an Ardian-managed co-investment in GreenYellow (France), a global energy generation and efficiency business. Capital calls were also paid to Ardian Americas Infrastructure fund V, Corsair Capital-managed co-investment JFK Terminal 6, ECP-managed co-investment Terra Gen, KKR Diversified Core Infrastructure fund, KKR Global Infrastructure fund II, KSL-managed secondary investment Atlantic Aviation and Stonepeak Infrastructure.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
KKR Global	19.2	-0.9	-0.1	+25.8	+16.1	+15.3	n/a
First Sentier Investors	7.9	-0.9	-5.8	+5.6	+4.6	+4.2	+6.5
IFM Investors	7.0	-1.0	-4.8	+4.7	+0.9	+2.7	n/a
Atlas Infrastructure	4.5	n/a	n/a	n/a	n/a	n/a	n/a
Ardian Infrastructure	4.3	n/a	n/a	n/a	n/a	n/a	n/a
JP Morgan Infrastructure Invesments Fund	4.1	+10.2	-0.2	n/a	n/a	n/a	n/a
Macquarie Asia Infrastructure Fund	3.6	+1.9	-1.9	+3.5	+2.1	+5.0	n/a
Vauban	3.0	-2.4	n/a	n/a	n/a	n/a	n/a
Stonepeak Infrastructure Partners	3.0	-2.2	+6.3	+26.1	+11.9	n/a	n/a
Igneo Infrastructure Partners	2.7	+1.9	n/a	n/a	n/a	n/a	n/a
Macquarie Specialised Asset Management	2.4	-3.1	-7.8	n/a	n/a	n/a	n/a
DigitalBridge	2.4	-0.2	-0.6	n/a	n/a	n/a	n/a
Vauban Infrastructure Partners	2.4	-2.7	n/a	n/a	n/a	n/a	n/a
Axiom Infrastructure	2.1	-3.4	+0.2	+2.2	n/a	n/a	n/a
DIF Capital Partners	2.1	0.0	n/a	n/a	n/a	n/a	n/a
First Sentier Investors	2.0	+14.4	+39.8	+18.5	+13.5	+12.1	n/a
Igneo Infrastructure Partners	1.9	-4.2	n/a	n/a	n/a	n/a	n/a
Energy Capital Partners	1.9	-2.9	+27.2	n/a	n/a	n/a	n/a
Ardian Infrastructure	1.7	+4.3	-3.6	n/a	n/a	n/a	n/a
KSL Capital Partners	1.3	-3.6	n/a	n/a	n/a	n/a	n/a
Omnes Capital	1.1	+0.2	n/a	n/a	n/a	n/a	n/a
I-Squared Capital	1.0	-3.3	-9.0	-0.9	n/a	n/a	n/a

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

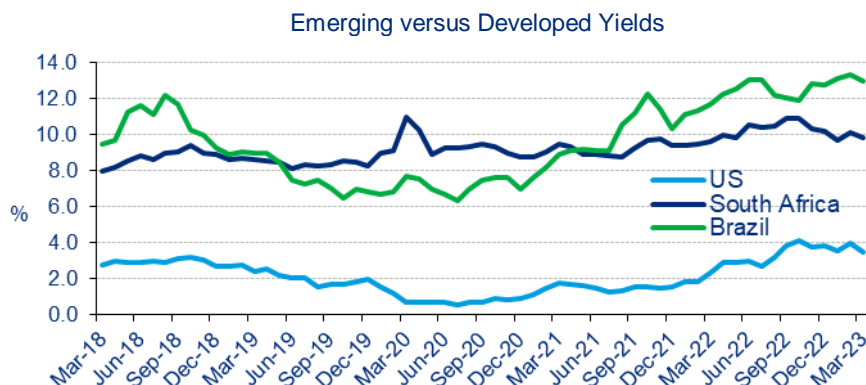
Refer to page 34 – ‘Important notes about this report’ - for further information on the calculation of returns.

Refer to page 35 for Asset class benchmarks.

Growth fixed interest

Emerging markets debt

Emerging Market Debt returns were positive over the March quarter, returning 6.5% on an unhedged basis.



Mercer Emerging Market Debt Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	7.6	15.9	1.0	1.3	4.2	3.4
Benchmark return	6.5	11.3	-2.1	0.3	2.8	2.9
Excess return — before fees	+1.1	+4.6	+3.1	+1.0	+1.4	+0.5

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Emerging Markets Debt Fund	7.5	14.6	0.5	0.0	3.0	2.3

Manager performance

The local currency Emerging Market Debt (EMD) fund returns 7.5% over the March quarter, outperforming the benchmark index by 1.1%. Over the past year, the fund returned 16.0%, outperforming the benchmark index by 4.6%. The fund had a turbulent 2022 with the Russian/Ukraine crisis causing significant headwinds in the first quarter. The subsequent repricing up of Russian government bonds benefitted the fund as our managers gradually divested of these exposures in the second half of the year.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Colchester Global Investors	33.4	+1.2	+4.6	+3.3	+1.9	n/a	n/a
BlackRock	33.4	+1.6	+6.4	+2.8	+0.3	n/a	n/a
Neuberger Berman	33.2	+0.5	n/a	n/a	n/a	n/a	n/a

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

Refer to page 34 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 35 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 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	1.5	-7.1	4.4	1.8	4.2	n/a
Benchmark return	3.0	-4.6	4.2	2.0	4.2	n/a
Excess return — before fees	-1.5	-2.5	+0.2	-0.2	0.0	n/a

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Global High Yield Bond Fund	1.3	-7.8	3.6	1.3	3.6	n/a

Manager performance

The fund returned 1.5% in the March quarter, underperforming its benchmark by 1.5%. The fund invests into the Mercer Dublin Global High Yield fund, which has three underlying managers, Nomura, PGIM and BlueBay. The fund is managed against an up-in-quality benchmark (excluding CCC rated securities and Emerging Market securities), however, we have allowed our managers an approximate 15% flexibility into CCC rated securities where they deem appropriate.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer (Dublin)	100.0	-1.5	-2.6	+0.2	-0.2	-0.1	n/a

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

Refer to page 34 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 35 for Asset class benchmarks.

Growth fixed interest

Global private debt

Mercer Global Private Debt Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	1.1	5.0	7.3	6.2	6.6	n/a
Benchmark return	1.5	5.0	3.7	4.1	4.3	n/a
Excess return — before fees	-0.4	0.0	+3.6	+2.1	+2.3	n/a

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Global Private Debt Fund	0.8	3.2	5.4	4.7	5.3	n/a

Manager performance

The fund has returned 1.1% over the quarter to March 2023, with positive contributions from most managers in the portfolio. Although to note, HPS returned -3.4% over quarter due to a change in valuation methodology. At the underlying asset level the portfolio has been markedly resilient with a strong focus on defensive sectors and senior debt in the capital structure. Over the longer-term, the fund has achieved positive excess returns over the 3 year time period to March 2023, exceeding the benchmark by 3.6%.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
MCP Secured Private Debt Fund	19.8	+1.3	+6.0	+9.2	+7.5	+7.2	n/a
Pemberton ESPD SMA	15.1	n/a	n/a	n/a	n/a	n/a	n/a
Audax Credit BDC Inc.	13.9	-0.9	+2.3	+5.4	+4.2	+4.4	n/a
Park Square Capital	12.0	+2.2	-2.9	n/a	n/a	n/a	n/a
Churchill Senior MPD Fund	9.5	-0.3	n/a	n/a	n/a	n/a	n/a
ICG Australia Senior Loan Fund	7.3	+1.1	+4.4	n/a	n/a	n/a	n/a
HPS Australian Loan Platform	7.3	-3.4	-0.5	n/a	n/a	n/a	n/a
MCP Secured Private Debt Fund II	7.1	+1.4	+5.4	n/a	n/a	n/a	n/a
ICG Senior Debt Partners Fund 2	3.2	+2.4	+7.1	+11.3	+9.0	+10.0	n/a
RDF Lazul - Real Estate Debt Fund LP	1.5	-0.9	+15.3	n/a	n/a	n/a	n/a
Westbourne Mercer Yield Fund	1.5	+0.3	-0.2	+8.1	+4.7	+5.5	+5.6
Ares European Credit Investments (IV) A	1.0	+1.7	+8.4	n/a	n/a	n/a	n/a
RDF Lazul	0.9	+2.0	+1.2	n/a	n/a	n/a	n/a

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

Refer to page 34 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 35 for Asset class benchmarks.

Defensive fixed interest

Global absolute return bond

Mercer Global Absolute Return Bond Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	1.4	-0.1	2.0	1.4	1.9	n/a
Benchmark return	1.0	3.0	1.7	2.1	2.3	n/a
Excess return — before fees	+0.4	-3.1	+0.3	-0.7	-0.4	n/a

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Global Absolute Return Bond Fund	1.2	-0.6	1.9	0.9	1.3	n/a

Manager performance

The fund returned 1.4% over the March quarter, outperforming its Cash +1% benchmark by 0.4%. The fund underperformed its benchmark over 1 year by -3.1% but has outperformed its benchmark over three years by 0.3%. Despite the underperformance over the past year, the fund has performed well relative to traditional bond markets, which sold off significantly in 2022.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Newton Investment Management	29.8	+1.1	-5.7	-1.0	n/a	n/a	n/a
Adrea Investment Management	29.7	-0.6	+2.1	n/a	n/a	n/a	n/a
Payden & Rygel	20.6	+1.7	-1.1	+3.9	n/a	n/a	n/a
PIMCO	19.9	+0.6	-5.1	n/a	n/a	n/a	n/a

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

Refer to page 34 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 35 for Asset class benchmarks.

Defensive fixed interest

Global short term bonds

Mercer Global Short Term Bond Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	1.4	n/a	n/a	n/a	n/a	n/a
Benchmark return	0.8	n/a	n/a	n/a	n/a	n/a
Excess return — before fees	0.6	n/a	n/a	n/a	n/a	n/a

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Global Short Term Bond Fund	1.3	n/a	n/a	n/a	n/a	n/a

Manager performance

The fund delivered a 1.4% return for the March quarter, over performing its benchmark by 0.6%. Both managers in the fund, Franklin Templeton and Robeco, produced positive alpha over the quarter. After a strong start to the year, inflation fears made a comeback. The quarter saw significant spread and rate volatility from the inflation fears, coupled with the failure of some US regional banks and Credit Suisse.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Franklin Templeton	51.0	+0.2	n/a	n/a	n/a	n/a	n/a
Robeco	49.0	+1.0	n/a	n/a	n/a	n/a	n/a

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

Refer to page 34 – 'Important notes about this report' - for further information on the calculation of returns.

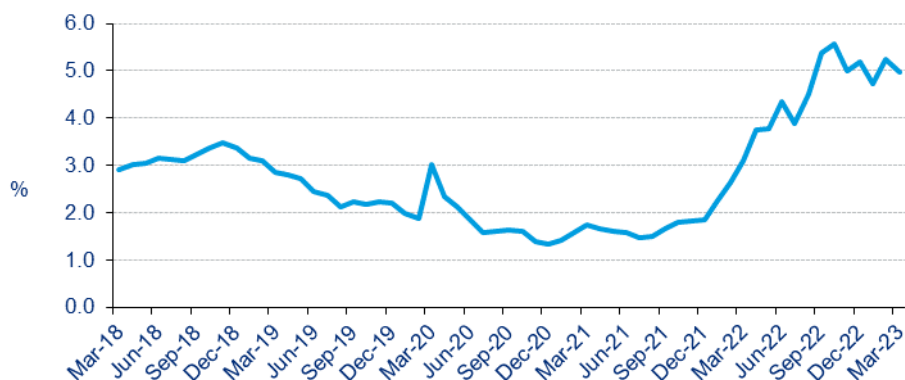
Refer to page 35 for Asset class benchmarks.

Defensive fixed interest

Global credit

Global Credit returns were positive, returning 2.2% on a hedged basis over the March quarter.

Bloomberg Global Aggregate Corporate Yield



Mercer Global Credit Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	2.2	-6.9	-1.1	0.6	1.6	2.9
Benchmark return	2.4	-6.9	-1.7	0.4	1.3	2.6
Excess return — before fees	-0.2	0.0	+0.6	+0.2	+0.3	+0.3

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — after fees:	2.2	-7.4	-1.0	0.2	1.0	2.4

Manager performance

The fund delivered a 2.2% return over the March quarter, underperforming its benchmark by 0.2%. The quarter saw significant spread and rate volatility driven by inflation fears and troubles with US regional banks and Credit Suisse.

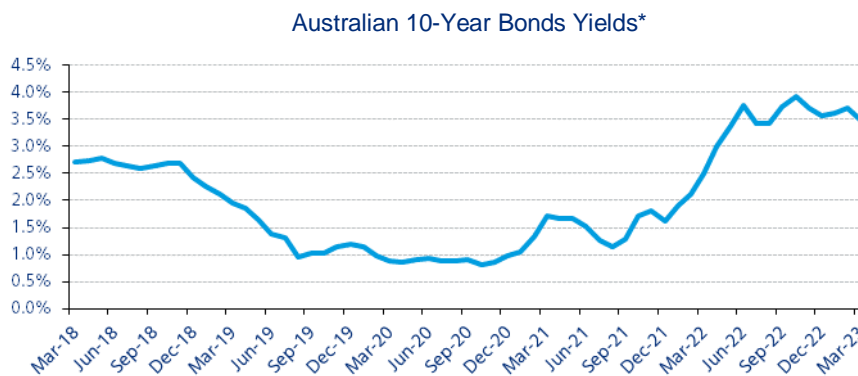
Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Wellington Management	41.0	+0.1	+0.2	+0.8	+0.3	+0.5	+0.7
Robeco	40.4	-0.4	-0.3	+1.2	+0.7	n/a	n/a
AXA Investment Managers	18.6	0.0	0.0	-0.2	-0.3	-0.5	n/a

NOTE: Past performance is not a reliable indicator of future performance.
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 Refer to page 35 for Asset class benchmarks.

Defensive fixed interest

Australian sovereign bonds

Domestically, the Australian 10-year bond yield (-76bps to 3.30%), five-year bond yield (-67bps to 3.03%) and two-year bond yield (-34bps to 3.08%) decreased. The Bloomberg Ausbond indices returned broadly positive results over the quarter, with the Bloomberg Ausbond Inflation Index producing the highest quarterly return, returning 6.7%, and the weakest being the Bloomberg Ausbond Bank Bill, returning 0.8%.



* Source: Reserve Bank of Australia

Mercer Australian Sovereign Bond Fund – Class 1

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	5.0	0.7	-2.8	1.6	1.9	2.9
Benchmark return	4.9	0.4	-3.0	1.3	1.6	2.6
Excess return — before fees	+0.1	+0.3	+0.2	+0.3	+0.3	+0.3

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Australian Sovereign Bond Fund – Class 1	4.9	0.3	-3.2	1.2	1.5	2.6

Manager performance

The fund returned 5.0% over the quarter, outperforming the benchmark by 0.1%. Over 1 and 3 years, the fund has outperformed the benchmark by 0.3% and 0.2% p.a. respectively. The March quarter saw bond markets rally with expectations of slowing rate hikes in light of moderating inflation and recession concerns.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Jamieson Coote Bonds	29.6	+0.2	+0.3	n/a	n/a	n/a	n/a
Schroder	29.5	+0.1	n/a	n/a	n/a	n/a	n/a
Challenger	26.5	+0.2	+0.6	+0.7	+0.8	+0.7	+1.0
Macquarie Investment Management	14.4	0.0	-0.1	-0.1	-0.1	-0.1	0.0

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

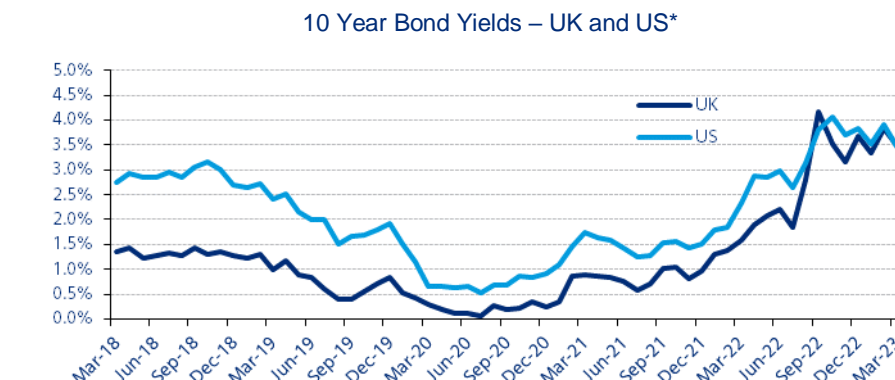
Refer to page 34 – ‘Important notes about this report’ - for further information on the calculation of returns.

Refer to page 35 for Asset class benchmarks.

Defensive fixed interest

Global sovereign bonds

Global sovereign bonds produced positive returns over the March quarter as ten-year bond yields decreased in the US (-35bps to 3.48%), Germany (-27bps to 2.30%), Japan (-8bps to 0.33%) and the UK (-18bps to 3.49%). Two-year bond yields decreased in the US (-39bps to 4.15%), the UK (-27bps to 3.44%) and Japan (-9bps to -0.06%), while increasing in Germany (7bps to 2.75%). In terms of Global Bond indices, the Barclays Capital Global Aggregate Bond Index returned 2.4% and the FTSE World Government Bond (ex-Australia) Index increased by 2.8% over the March quarter, both on a fully hedged basis.



* Source: Thomson Reuters Datastream

Mercer Global Sovereign Bond Fund – Class 1

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	2.2	-3.9	-1.8	1.3	2.0	3.6
Benchmark return	2.7	-6.4	-4.1	0.1	0.7	2.4
Excess return — before fees	-0.5	+2.5	+2.3	+1.2	+1.3	+1.2

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Global Sovereign Bond Fund – Class 1	2.1	-4.3	-2.1	0.9	1.6	3.2

Manager performance

The fund returned 2.2% over the quarter, underperforming the benchmark by 0.5%. Over 1 and 3 years, the fund has outperformed the benchmark by 2.5% and 2.3% p.a. respectively. Developed government bonds rallied late in the quarter as the banking crisis in US and Europe saw investors seek out safe haven assets, particularly in the front end of the US curve.

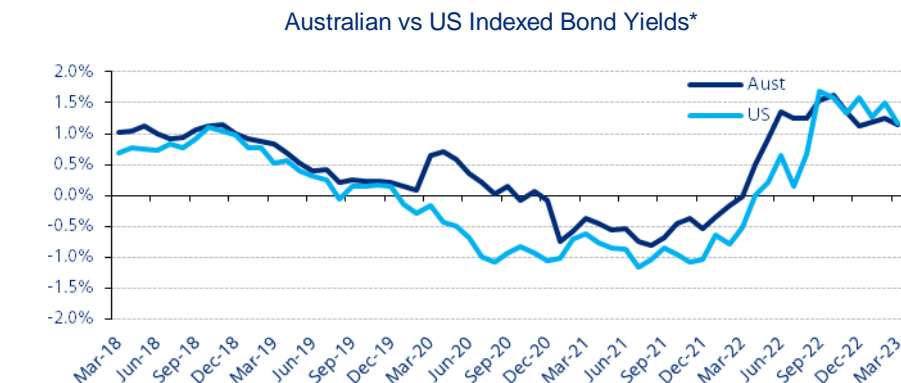
Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
LGIM	44.8	-0.1	+0.1	+0.1	n/a	n/a	n/a
T. Rowe Price	30.2	-1.5	+5.3	n/a	n/a	n/a	n/a
Colchester Global Investors	25.0	-0.2	+3.3	+2.7	+0.7	n/a	n/a

NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 34 – 'Important notes about this report' - for further information on the calculation of returns.
 Refer to page 35 for Asset class benchmarks.

Defensive fixed interest

Australian inflation plus

The Inflation Plus Fund achieved positive returns over the March quarter. Index returns representing Australian CPI +1% (lagged) delivered 2.1% over the March 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 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	2.9	8.1	5.2	4.9	4.4	3.7
Benchmark return	2.1	8.8	5.0	4.2	3.9	3.3
Excess return — before fees	+0.8	-0.7	+0.2	+0.7	+0.5	+0.4

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Australian Inflation Plus	2.8	7.6	4.9	4.3	3.9	3.2

Manager performance

The fund returned 2.9% over the March quarter, outperforming its CPI + 1% benchmark by 0.8%. Over 1 year, the fund returned 8.1%, underperforming its benchmark by 0.7%. We note that underperformance over the past year is largely due to the significant rise in inflation over this period, with CPI now at its highest since 2001. The fund has proven its strong defensive qualities, significantly outperforming Australian government bonds and Australian inflation-linked bonds in the past 12 months..

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Ardea Investment Management	100.0	+0.8	-0.7	+0.6	+1.5	+1.9	n/a

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

Refer to page 34 – 'Important notes about this report' - for further information on the calculation of returns.

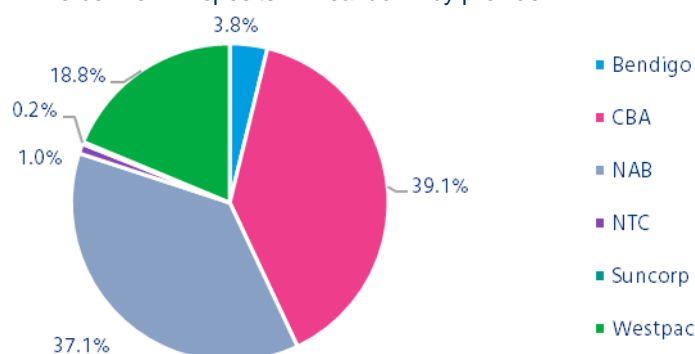
Refer to page 35 for Asset class benchmarks.

Cash

Cash and term deposits

The RBA has maintained the cash rate to 3.6% until the end of quarter. The Australian Dollar (AUD) depreciated against the major developed market currencies over the March quarter. The AUD depreciated against the US Dollar (-1.2%), the Pound Sterling (-3.9%), the Euro (-3.0%), and the Japanese Yen (-0.4%). On a trade-weighted basis, the local currency depreciated by 1.8% over the quarter.

Mercer Term Deposits – Breakdown by provider



Term Deposit – Maturity buckets at 31 March 2023 (%)

0 to 90 days	29.1%
91 to 180 days	23.2%
181 to 270 days	27.1%
271 to 365 days	20.6%

Mercer Cash – Term Deposit Units

Average maturity (months)	5.8
Average yield	4.1

Mercer Cash Fund

Investment performance

Mercer Cash Fund – Cash Units	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	0.9	2.2	0.9	1.3	1.6	2.0
Benchmark return	0.8	2.0	0.7	1.1	1.3	1.7
Excess return — before fees	+0.1	+0.2	+0.2	+0.2	+0.3	+0.3
Mercer Cash Fund – Term Deposit Units	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	0.9	2.3	1.0	1.5	1.7	2.1
Benchmark return	0.8	2.0	0.7	1.1	1.3	1.7
Excess return — before fees	+0.1	+0.3	+0.3	+0.4	+0.4	+0.4
Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Cash Fund – Cash Units	0.8	2.0	0.6	1.0	1.3	1.6
Mercer Cash Fund – Term Deposit Units	0.8	2.0	0.7	1.1	1.4	1.8

Manager performance

The Cash fund returned 0.9% over the March quarter, outperforming the benchmark by 0.1%. Over 1 and 3 years, the fund has outperformed the benchmark by 0.2% and 0.2% p.a. respectively.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
BlackRock	82.3	+0.1	+0.1	+0.1	+0.1	+0.2	n/a
Challenger	17.7	+0.1	+0.3	+0.3	+0.4	+0.5	+0.5

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

Refer to page 34 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 35 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 4.0% per annum over rolling ten year periods. This objective for the ten years to quarter end was 6.6% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	10 yrs [^] (p.a.)
Total returns	5.4	0.6	14.8	10.3
Benchmark return*	5.3	0.3	14.2	10.1
Excess returns	+0.1	+0.3	+0.6	+0.2

* Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs (p.a.)	10 yrs [^] (p.a.)
Total returns	5.1	-0.4	13.7	9.0

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

Asset allocation (%)		B'mark	Total
Shares	Australian Shares - Large Cap	40.0	39.0
	Australian Shares - Small Cap	5.0	4.7
	International Shares - Large Cap	33.0	34.1
	International Shares - Low Vol	8.0	7.9
	Global Shares - Small Cap	9.0	7.6
	Emerging Markets Shares	5.0	6.3
Cash	Cash	0.0	0.4
		100.0	100.0
	FX Exposure	42.0	42.6

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

Mercer High Growth Fund

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 4.0% per annum over rolling ten year periods. This objective for the ten years to quarter end was 6.6% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	10 yrs [^] (p.a.)
Total returns	3.8	1.1	12.6	9.1
Benchmark return*	4.7	2.7	12.2	8.7
Excess returns	-0.9	-1.6	+0.4	+0.4

* Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs (p.a.)	10 yrs [^] (p.a.)
Total returns	3.5	0.1	11.5	8.0

[^] 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	29.9	0.0	29.9
	Australian Shares - Small Cap	3.0	2.8	0.0	2.8
	International Shares - Lge Cap	25.0	22.7	0.0	22.7
	International Shares - Low Vol	4.0	4.3	0.0	4.3
	Global Shares - Small Cap	8.0	8.4	0.0	8.4
	Emerging Markets Shares	4.0	4.1	0.0	4.1
Real Assets	Global Listed Property**	0.0	0.0	0.0	0.0
	Australian Direct Property	7.0	3.5	3.5	7.0
	Global Listed Infrastructure**	0.0	0.0	0.0	0.0
Alternatives	Global Unlisted Infrastructure	8.0	4.2	4.3	8.5
	Natural Resources	1.0	1.0	1.0	2.0
	Private Equity	0.0	0.0	0.0	0.0
Growth Fixed Interest	Sustainable Opportunities	0.0	0.0	0.0	0.0
	Diversified Growth Funds	1.0	0.5	0.6	1.1
	Hedge Funds	0.0	0.0	0.0	0.0
Defensive Fixed Interest & Cash	Private Debt	5.0	1.0	1.0	2.0
	High Yield Debt	0.0	0.4	0.5	0.9
	Emerging Markets Debt	1.0	0.5	0.6	1.1
	Global Absolute Return Bonds	0.0	0.0	0.0	0.0
	Global Short Term Bond Fund	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	0.1	0.1
	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	5.1	5.1
		100.0	83.3	16.7	100.0
	FX Exposure	32.0			33.2

** Refer to page 34 for more information on manager line up for this asset class

Performance attribution this quarter (%)	
Asset allocation	-0.6
Stock/manager selection	-0.3
Excess return for quarter – before fees	-0.9

NOTE: Foreign currency (FX) exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

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

Refer to page 34 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 35 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 3.5% per annum over rolling seven year periods. This objective for the seven years to quarter end was 6.4% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs [^] (p.a.)
Total returns	3.8	1.1	11.1	8.3
Benchmark return*	4.4	2.8	9.7	7.7
Excess returns	-0.6	-1.7	+1.4	+0.6

*Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs [^] (p.a.)
Total returns	3.5	0.2	10.1	7.3

[^] 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	25.5	24.7	0.0	24.7
	Australian Shares - Small Cap	2.0	2.0	0.0	2.0
	International Shares - Lge Cap	22.5	18.8	0.0	18.8
	International Shares - Low Vol	4.0	4.1	0.0	4.1
	Global Shares - Small Cap	4.0	2.5	0.0	2.5
	Emerging Markets Shares	2.0	2.8	0.0	2.8
Real Assets	Global Listed Property**	0.0	0.0	0.0	0.0
	Australian Direct Property	7.5	3.6	3.7	7.3
	Global Listed Infrastructure**	0.0	0.8	0.0	0.8
	Global Unlisted Infrastructure	9.0	4.7	4.6	9.3
	Natural Resources	1.0	1.0	1.0	2.0
Alternatives	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opportunities	0.0	0.0	0.0	0.0
	Diversified Growth Funds	1.0	0.5	0.5	1.0
	Hedge Funds	0.0	0.0	0.0	0.0
Growth Fixed Interest	Private Debt	7.0	1.3	1.4	2.7
	High Yield Debt	3.0	1.5	1.4	2.9
	Emerging Markets Debt	2.0	1.4	1.3	2.7
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	2.0	0.0	2.1	2.1
	Global Short Term Bond Fund	0.0	0.0	0.0	0.0
	Global Credit	0.0	0.0	1.0	1.0
	Australian Sovereign Bonds	3.0	0.0	3.1	3.1
	Global Sovereign Bonds	3.0	0.0	2.0	2.0
	Australian Inflation Plus	0.0	0.0	0.0	0.0
	Cash	1.5	0.0	8.2	8.2
		100.0	69.7	30.3	100.0
FX Exposure		26.0			26.4

** Refer to page 34 for more information on manager line up for this asset class

Performance attribution this quarter (%)	
Asset allocation	-0.4
Stock/manager selection	-0.3
Excess return for quarter – before fees	-0.7

Mercer Moderate Growth Fund – Active Units

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 2.5% per annum over rolling seven year periods. This objective for the seven years to quarter end was 5.4% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs [^] (p.a.)
Total returns	3.4	2.0	7.8	6.4
Benchmark return*	4.0	3.4	6.6	6.1
Excess returns	-0.6	-1.4	+1.2	+0.3

*Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs [^] (p.a.)
Total returns	3.2	1.1	6.9	5.5

[^] 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	19.5	18.8	0.0	18.8
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	International Shares - Lge Cap	15.0	11.3	0.0	11.3
	International Shares - Low Vol	4.0	4.3	0.0	4.3
	Global Shares - Small Cap	1.0	0.5	0.0	0.5
	Emerging Markets Shares	3.0	2.8	0.0	2.8
Real Assets	Global Listed Property**	0.0	0.0	0.0	0.0
	Australian Direct Property	6.5	3.2	3.1	6.3
	Global Listed Infrastructure**	0.0	0.5	0.0	0.5
	Global Unlisted Infrastructure	7.0	3.7	3.8	7.5
	Natural Resources	1.0	1.0	1.0	2.0
Alternatives	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opportunities	0.0	0.0	0.0	0.0
	Diversified Growth Funds	1.0	0.5	0.5	1.0
	Hedge Funds	0.0	0.0	0.0	0.0
Growth Fixed Interest	Private Debt	7.5	1.4	1.5	2.9
	High Yield Debt	3.0	1.5	1.5	3.0
	Emerging Markets Debt	4.0	2.1	2.1	4.2
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	3.0	0.0	3.0	3.0
	Global Short Term Bond Fund	0.0	0.0	0.0	0.0
	Global Credit	2.5	0.0	3.5	3.5
	Australian Sovereign Bonds	7.0	0.0	6.5	6.5
	Global Sovereign Bonds	6.0	0.0	4.8	4.8
	Australian Inflation Plus	5.0	0.0	5.1	5.1
	Cash	4.0	0.0	12.0	12.0
		100.0	51.6	48.4	100.0
FX Exposure		23.5			24.4

** Refer to page 34 for more information on manager line up for this asset class

Performance attribution this quarter (%)	
Asset allocation	-0.3
Stock/manager selection	-0.3
Excess return for quarter – before fees	-0.6

NOTE: Foreign currency (FX) exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 34 – 'Important notes about this report' - for further information on the calculation of returns.
 Refer to page 35 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 1.5% per annum over rolling five year periods. This objective for the five years to quarter end was 4.8% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs^ (p.a.)
Total returns	2.7	1.2	5.0	4.4
Benchmark return*	3.2	2.4	4.2	4.2
Excess returns	-0.5	-1.2	+0.8	+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	2.5	0.4	4.3	3.7

^ 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	10.0	9.6	0.0	9.6
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	International Shares - Lge Cap	8.0	4.3	0.0	4.3
	International Shares - Low Vol	4.0	4.1	0.0	4.1
	Global Shares - Small Cap	0.0	0.4	0.0	0.4
	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	6.0	2.9	3.0	5.9
	Global Listed Infrastructure**	0.0	0.5	0.0	0.5
	Global Unlisted Infrastructure	7.5	4.0	3.9	7.9
	Natural Resources	1.0	1.0	1.0	2.0
Alternatives	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opportunities	0.0	0.0	0.0	0.0
	Diversified Growth Funds	1.0	0.5	0.5	1.0
	Hedge Funds	0.0	0.0	0.0	0.0
Growth Fixed Interest	Private Debt	6.4	1.2	1.3	2.5
	High Yield Debt	4.1	1.4	1.5	2.9
	Emerging Markets Debt	3.0	1.5	1.5	3.0
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	4.0	0.0	3.7	3.7
	Global Short Term Bond Fund	0.0	0.0	0.0	0.0
	Global Credit	3.0	0.0	3.9	3.9
	Australian Sovereign Bonds	11.0	0.0	10.9	10.9
	Global Sovereign Bonds	10.0	0.0	8.0	8.0
	Australian Inflation Plus	5.0	0.0	6.0	6.0
	Cash	14.0	0.0	21.7	21.7
		100.0	33.1	66.9	100.0
	FX Exposure	13.0		13.7	

** Refer to page 34 for more information on manager line up for this asset class

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

Mercer 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 seven year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	4 yrs (p.a.)
Total returns	4.6	-1.4	9.5	n/a
Benchmark return*	4.8	-0.6	10.2	n/a
Excess returns	-0.2	-0.8	-0.7	n/a

*Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs (p.a.)	4 yrs (p.a.)
Total returns	4.5	-1.6	9.3	n/a

Time horizon for this fund's objective has not been reached (refer above)

Asset allocation (%)	B'mark	Actual at quarter end			
		Growth	Defensive	Total	
Shares	Australian Shares - Large Cap	30.0	29.5	0.0	29.5
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	International Shares - Lge Cap	28.0	28.4	0.0	28.4
	International Shares - Low Vol	2.0	2.1	0.0	2.1
	Global Shares - Small Cap	0.0	0.0	0.0	0.0
	Emerging Markets Shares	7.0	6.9	0.0	6.9
Real Assets	Global Listed Property**	5.0	4.8	0.0	4.8
	Australian Direct Property	0.0	0.0	0.0	0.0
	Global Listed Infrastructure**	0.0	0.0	0.0	0.0
	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	6.5	3.3	3.3	6.6
	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 Short Term Bond Fund	0.0	0.0	0.0	0.0
	Global Credit	0.0	0.0	0.1	0.1
	Australian Sovereign Bonds	7.0	0.0	7.1	7.1
	Global Sovereign Bonds	7.0	0.0	7.0	7.0
	Australian Inflation Plus	3.0	0.0	3.0	3.0
	Cash	4.5	0.0	4.5	4.5
		100.0	75.0	25.0	100.0
	FX Exposure	30.0		30.4	

** Refer to page 34 for more information on manager line up for this asset class

Performance attribution this quarter (%)	
Asset allocation	-0.3
Stock/manager selection	0.1
Excess return for quarter – before fees	-0.2

NOTE: Foreign currency (FX) exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

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

Refer to page 34 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 35 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 1.5% per annum over rolling seven year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	4 yrs (p.a.)
Total returns	4.1	-0.6	7.3	n/a
Benchmark return*	4.1	-0.2	7.1	n/a
Excess returns	0.0	-0.4	+0.2	n/a

*Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs (p.a.)	4 yrs (p.a.)
Total returns	4.0	-1.1	7.0	n/a

Time horizon for this fund's objective has not been reached (refer above)

Asset allocation (%)	B'mark	Actual at quarter end			
		Growth	Defensive	Total	
Shares	Australian Shares - Large Cap	22.0	21.7	0.0	21.7
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	International Shares - Lge Cap	19.5	20.0	0.0	20.0
	International Shares - Low Vol	4.0	4.1	0.0	4.1
	Global Shares - Small Cap	0.0	0.0	0.0	0.0
	Emerging Markets Shares	5.0	4.9	0.0	4.9
	Global Listed Property**	4.5	4.3	0.0	4.3
Real Assets	Australian Direct Property	0.0	0.0	0.0	0.0
	Global Listed Infrastructure**	0.0	0.0	0.0	0.0
	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	6.5	3.3	3.2	6.5
	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 Short Term Bond Fund	0.0	0.0	0.0	0.0
	Global Credit	2.5	0.0	2.4	2.4
	Australian Sovereign Bonds	10.0	0.0	9.9	9.9
	Global Sovereign Bonds	9.5	0.0	9.5	9.5
	Australian Inflation Plus	6.5	0.0	6.6	6.6
	Cash	10.0	0.0	10.1	10.1
	FX Exposure	24.5	58.3	41.7	100.0

** Refer to page 34 for more information on manager line up for this asset class

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

Mercer Conservative Growth Fund – Enhanced Passive Units

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 1.0% per annum over rolling five year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	4 yrs^ (p.a.)
Total returns	3.3	-0.4	4.3	n/a
Benchmark return*	3.4	0.2	4.4	n/a
Excess returns	-0.1	-0.6	-0.1	n/a

*Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs (p.a.)	4 yrs^ (p.a.)
Total returns	3.3	-0.6	4.1	n/a

Time horizon for this fund's objective has not been reached (refer above)

Asset allocation (%)	B'mark	Actual at quarter end			
		Growth	Defensive	Total	
Shares	Australian Shares - Large Cap	14.0	14.2	0.0	14.2
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	International Shares - Lge Cap	11.0	11.0	0.0	11.0
	International Shares - Low Vol	2.0	2.0	0.0	2.0
	Global Shares - Small Cap	0.0	0.0	0.0	0.0
	Emerging Markets Shares	3.0	3.0	0.0	3.0
	Global Listed Property**	2.0	1.6	0.0	1.6
Real Assets	Australian Direct Property	0.0	0.0	0.0	0.0
	Global Listed Infrastructure**	0.0	0.0	0.0	0.0
	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	6.5	3.5	3.5	7.0
	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 Short Term Bond Fund	0.0	0.0	0.0	0.0
	Global Credit	5.0	0.0	4.9	4.9
	Australian Sovereign Bonds	13.0	0.0	13.3	13.3
	Global Sovereign Bonds	12.0	0.0	12.0	12.0
	Australian Inflation Plus	10.0	0.0	10.3	10.3
	Cash	21.5	0.0	20.7	20.7
	FX Exposure	15.0	35.3	64.7	100.0

** Refer to page 34 for more information on manager line up for this asset class

Performance attribution this quarter (%)	
Asset allocation	-0.2
Stock/manager selection	0.1
Excess return for quarter – before fees	-0.1

NOTE: Foreign currency (FX) exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

Important notes about this report

Throughout this report, please note that:

- **Past performance is not a reliable indicator of future performance.**
- Only Mercer Funds (MFs) 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 MFs' 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 yrs (p.a.)	5 yrs (p.a.)
Listed Property				
Macquarie Investment Management	0.0	-0.1	-0.1	0.0
Listed Infrastructure				
Macquarie Investment Management	-0.1	-0.1	0.0	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 Low Volatility Shares	Enhanced: MSCI Min Vol \$A Optimised in \$A unhedged
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>
Sustainable Plus Australian Shares	S&P/ASX 300 Accumulation Index
Sustainable Plus International Shares	Unhedged: MSCI World (NRD) Index in A\$ Hedged: MSCI World (NRD) Index in A\$ (Hedged)
Emerging Markets	MSCI Emerging Markets Index (ex Tobacco and Controversial Weapons) in A\$
Real assets	
Direct Property	CPI + 4%
Global Listed Property	FTSE EPRA/NAREIT Developed Index in A\$ (Hedged)
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	Bank of America Merrill Lynch BB-B Developed Markets High Yield Constrained Index in A\$ (Hedged) <i>Prior to August 2016: Bank of America BB-B Developed Markets High Yield Constrained Index in A\$ (Hedged).</i>
Global Private Debt	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)
Global Short Term Bonds	Bloomberg AusBond Bank Bill Index
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

For further information

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