



Mercer Funds

Quarterly report

to 31 December 2022

welcome to brighter

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

Economy and markets

The fourth quarter of 2022 began with two strong consecutive months in October and November followed by a selloff in December. Investor optimism seemed to return in October and November following better than expected inflation readings, however, in December sentiment deteriorated as Central Banks reiterated their commitment to monetary tightening, which clawed back some of the gains established earlier in the quarter.

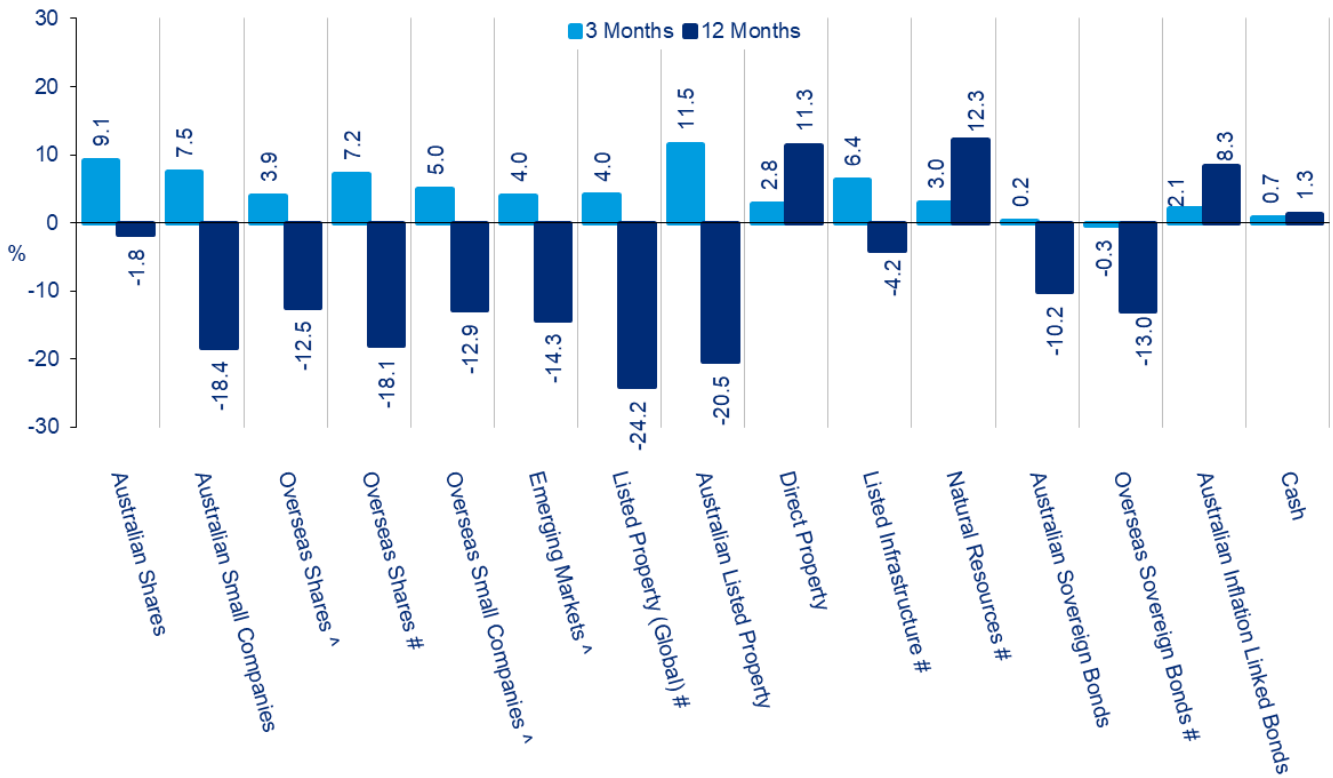
Hedged Developed Market Overseas Shares returned 7.2% over the quarter as earnings proved to be resilient so far and some signs of declining inflation emerged. Unhedged Overseas shares gains were modest in comparison at 3.9% given the decline of the USD in Q4. Australian Shares also posted strong gains of 9.1% over Q4 given the defensive composition of the index, with large relative weights in materials and financials helping the index outperform its global counterparts. Emerging market equities gains were slightly more subdued at 4.0%, most of the gains coming from Chinese equities in November and December following an easing of COVID restrictions.

Hedged Overseas Government Bonds were relatively muted over the quarter, returning -0.7% as major developed bonds yields increased slightly. Fixed income investors positioned for continued monetary tightening following hawkish guidance from all major central banks. Over the quarter inflation expectations for the US rose, as measured by the 10-year inflation breakeven rate which grew from 2.15% to 2.30%.

Australian shares outperformed hedged overseas shares over the quarter with the ASX 300 gaining 9.1%. The S&P/ASX 50 was the best performing Australian index, gaining 9.7%. The strongest performing sector was Utilities (28.0%) followed by Materials (14.7%), whilst the worst performing sectors were Consumer Staples (1.7%) and IT (1.9%). BHP was the top contributor (21.7%), whilst CSL was the largest negative contributor (1.3%).

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.

Financial market returns to 31 December 2022



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.

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 Refer to page 39 for Asset class benchmarks.

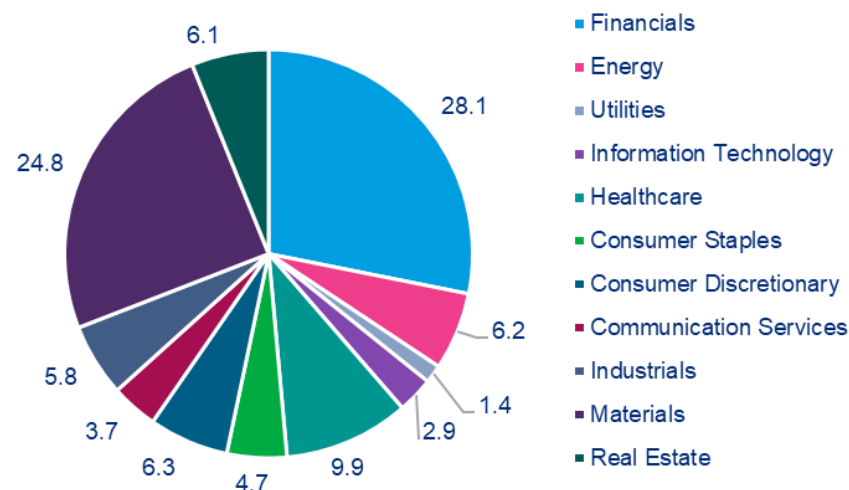
Shares

Australian shares

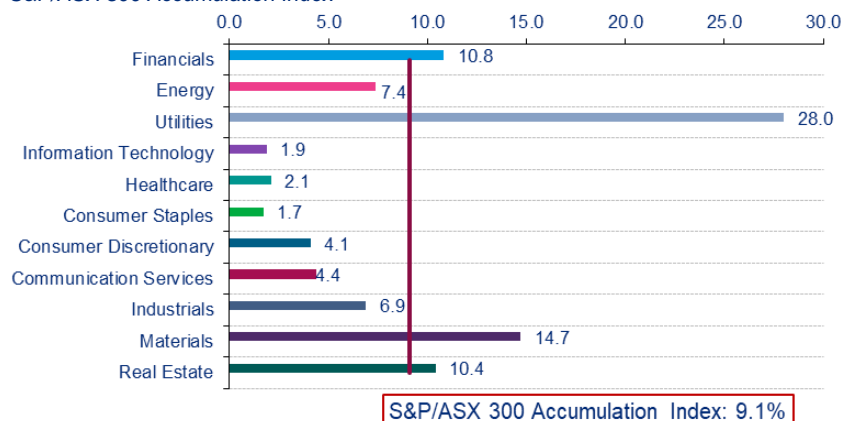
Australian shares were positive over Q4 2022 as the S&P/ASX 300 Index returned 9.1% for the period. The S&P/ASX 50 Accumulation Index was the strongest performer for the quarter returning 9.7%, while the S&P/ASX Mid 50 Accumulation was the weakest performer, returning 7.2%. The best performing sectors were Utilities and Materials, while the weakest performing sectors were Consumer Staples and IT. The largest positive contributors to the return of the index were BHP, Rio Tinto and CBA. On the other hand, the most significant detractors from performance were CSL, Woolworths and NAB.

Mercer Australian Shares Funds**

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



Benchmark sector returns for the three months to 31 December 2022(%)
 S&P/ASX 300 Accumulation Index



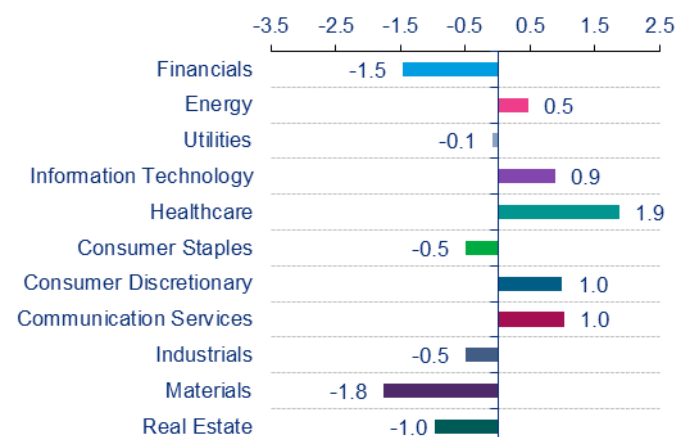
** In this Quarterly Report, 'Australian Shares Funds' refers to:

- Mercer Australian Shares Fund (the 'Core Fund')
- Mercer Australian Shares Plus Fund (the 'Plus Fund')

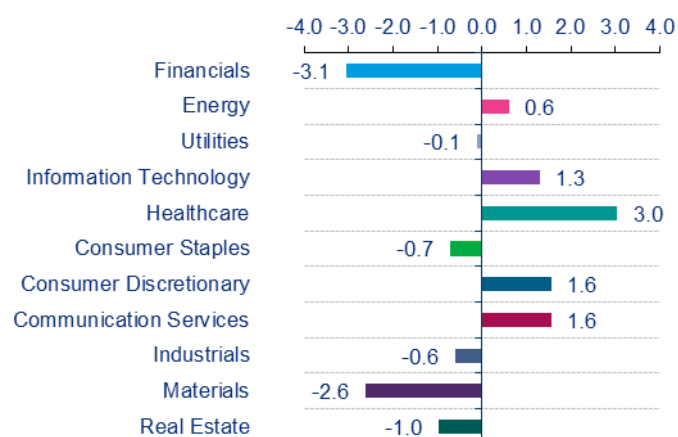
Only the sector exposure differs between the Funds. Benchmark weights etc. apply to both Funds.

Sector Exposure — Overweight/Underweight positions as at 31 December 2022 (%)

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
BHP Group Ltd	10.1	10.8	BHP Group Ltd	9.8	10.8
CSL	7.8	6.5	CSL	8.4	6.5
Commonwealth Bank	6.2	8.1	Commonwealth Bank	5.4	8.1
National Australia Bank	4.1	4.4	National Australia Bank	3.8	4.4
ANZ Group Holdings Ltd	3.5	3.3	ANZ Group Holdings Ltd	3.7	3.3
Macquarie Group Ltd	2.8	2.8	Santos Ltd	3.1	1.1
Santos Ltd	2.3	1.1	Macquarie Group Ltd	2.7	2.8
Telstra Group Ltd	2.0	2.1	Aristocrat Leisure Ltd	2.0	0.9
Woodside Energy Group Ltd	1.9	3.1	QBE Insurance Group Ltd	2.0	0.9
Westpac Banking Corporation	1.9	3.8	Telstra Group Ltd	1.9	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	8.1	-2.7	5.8	7.2	8.6	9.2
Benchmark return	9.1	-1.8	5.5	7.1	8.4	8.6
Excess return — before fees	-1.0	-0.9	0.3	0.1	0.2	0.6
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	7.6	-4.5	5.9	7.4	9.0	9.4
Benchmark return	9.1	-1.8	5.5	7.1	8.4	8.6
Excess return — before fees	-1.5	-2.7	0.4	0.3	0.6	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	7.9	-3.4	5.0	6.3	7.7	8.2
Mercer Australian Shares Plus Fund	7.3	-5.5	4.8	6.3	7.8	8.3

Manager performance

The fund underperformed the benchmark over the quarter by 1.0% as both stock selection and asset allocation had a negative contribution. Overweight positions in James Hardie and ResMed alongside an underweight to Fortescue Metals were the major detractors from performance. This was partially offset by overweights to Origin Energy, Fisher & Paykel, and Qantas, which contributed to performance over the quarter. From an asset allocation perspective, an overweight to health care and an underweight to financials detracted from performance, while an underweights to consumer staples and an overweight to energy contributed.

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	35.2	0.0	+0.2	+1.8	+1.4	+1.4	+0.8	n/a
WaveStone Capital	14.3	21.1	-2.5	+0.5	+0.9	+2.2	+1.6	n/a
Greencape	13.5	20.0	-1.7	-4.2	+0.9	+1.0	+1.3	n/a
Vinva Investment Management	11.7	17.3	-1.1	+0.1	-0.5	-1.4	n/a	n/a
Ausbil Investment Management	10.9	16.1	-1.6	+2.0	+4.7	+3.3	+3.5	+4.4
Firetrail	8.0	11.8	+0.2	-2.6	+0.5	n/a	n/a	n/a
Fidelity	6.4	9.5	-2.7	-9.6	-4.1	+1.4	+0.3	n/a
First Sentier Investors	0.0	1.9	+1.5	+5.4	+9.0	+9.0	n/a	n/a
Longwave Capital Partners	0.0	1.2	+0.1	+10.7	n/a	n/a	n/a	n/a
Perennial Value Management	0.0	1.1	-6.1	-9.3	-1.3	+2.6	+2.9	+2.3

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	9.2	-1.7	5.4	6.8	8.2	8.3

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 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.

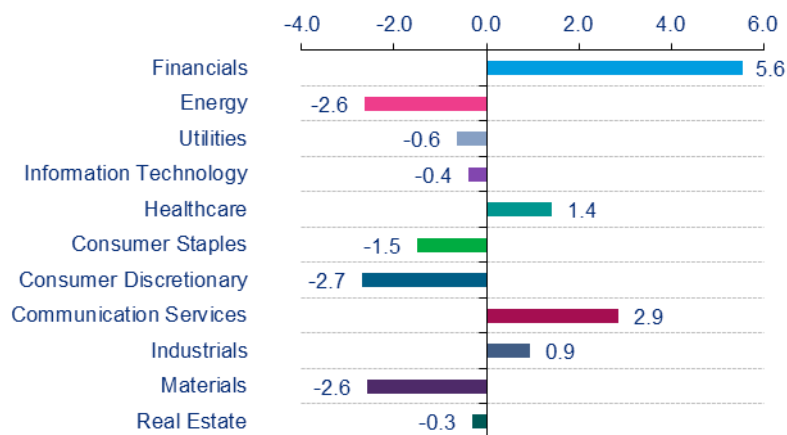
Shares

Australian shares – sustainable plus

Australian shares were positive over Q4 2022 as the S&P/ASX 300 Index returned 9.1% for the period. The S&P/ASX 50 Accumulation Index was the strongest performer for the quarter returning 9.7%, while the S&P/ASX Mid 50 Accumulation was the weakest performer, returning 7.2%.

Mercer Sustainable Plus Australian Shares Fund

Sector Exposure — Overweight/Underweight positions as at 31 December 2022(%)



Top 10 holdings

Stock	% of Fund	% of Benchmark
BHP Group Ltd	11.0	10.8
Commonwealth Bank	7.4	8.1
CSL	7.2	6.5
National Australia Bank	5.2	4.4
Westpac Banking Corporation	4.0	3.8
Telstra Group Ltd	3.6	2.1
Macquarie Group Ltd	2.9	2.8
ANZ Group Holdings Ltd	2.6	3.3
QBE Insurance Group Ltd	2.4	0.9
Qantas Airways Ltd	1.7	0.5

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	9.0	-4.5	6.8	7.4	8.4	9.8
Benchmark return	9.1	-1.8	5.5	7.1	8.4	8.6
Excess return — before fees	-0.1	-2.7	+1.3	+0.3	0.0	+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 Sustainable Plus Australian Shares Fund	8.8	-5.6	5.6	6.3	7.3	8.6

Manager performance

During the fourth quarter of 2022, Australian equities delivered a solid rebound, despite giving back some gains in December. The fund earned roughly in line with the index this period. Utilities were the highest performing sector for the quarter, with materials also significantly outperforming. The fund’s underweights to these sectors however reduced its relative performance to the index. On the other hand, the fund’s underweights to consumer discretionary, IT and real estate all contributed positively. From a stock perspective, the largest contributors were ALX Ltd and Telix Pharmaceuticals with the most significant detractor being Medibank Private Ltd.

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	34.5	+0.6	+1.4	+2.1	+1.8	+1.6	n/a
Alphinity Investment Management	28.2	-0.4	-3.2	+1.9	n/a	n/a	n/a
Pendal Group Limited	26.9	-0.4	-2.4	+1.6	+0.9	+0.5	+2.7
Perennial Better Future Fund	10.3	+0.3	-1.0	n/a	n/a	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 – tax exempt investors

Australian equities were positive over Q4 2022 as the S&P/ASX 300 Accumulation Index Gross of Franking Credits returned 9.32% for the period.

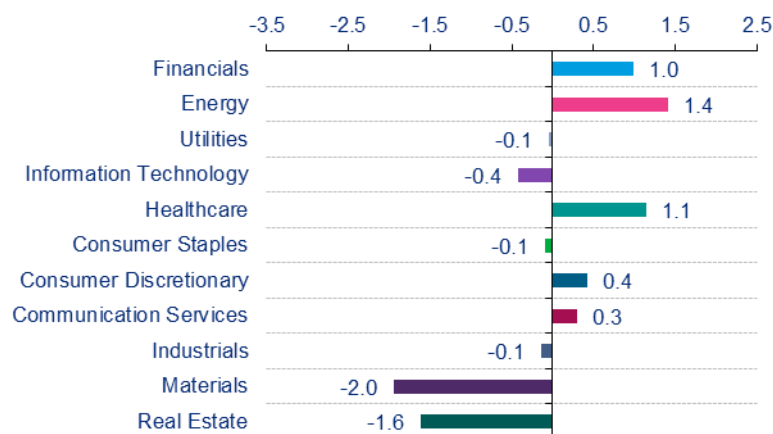
The best performing sectors were Utilities and Materials, while the weakest performing sectors were Consumer Staples and IT. The largest positive contributors to the return of the index were BHP, Rio Tinto and CBA. On the other hand, the most significant detractors from performance were CSL, Woolworths and NAB.

Top 10 holdings

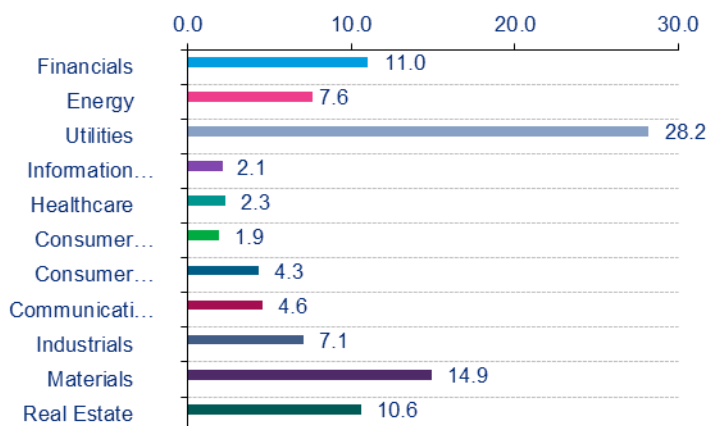
Stock	% of Fund	% of B'mark
BHP Group Ltd	10.6	10.8
CSL	7.7	6.5
Commonwealth Bank	7.6	8.1
Westpac Banking Corporation	3.7	3.8
Woodside Energy Group Ltd	3.3	3.1
ANZ Group Holdings Ltd	3.1	3.3
National Australia Bank	2.9	4.4
Santos Ltd	2.7	1.1
Macquarie Group Ltd	2.5	2.8
Telstra Group Ltd	2.3	2.1

Mercer Australian Shares Fund for Tax Exempt Investors

Sector Exposure — Overweight/Underweight positions as at 31 December 2022 (%)



Benchmark sector returns for the three months to 31 December 2022 (%)
 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	8.8	2.4	8.7	10.2	11.1	n/a
Benchmark return	9.3	-0.2	6.8	8.6	9.9	n/a
Excess return — before fees	-0.5	+2.6	+1.9	+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	8.6	1.4	7.6	9.1	10.1	n/a

Manager performance

The fund underperformed the benchmark over the quarter by 0.5% as both stock selection and asset allocation equally detracted. Overweight positions in Virgin Money and Origin Energy alongside an underweight to Pilbara Minerals contributed to performance. This was more than offset by underweights to Fortescue Metals and CBA, and an overweight to ResMed. From an asset allocation perspective, an underweight to IT and communication services sectors contributed to performance, while underweights to materials and health care detracted.

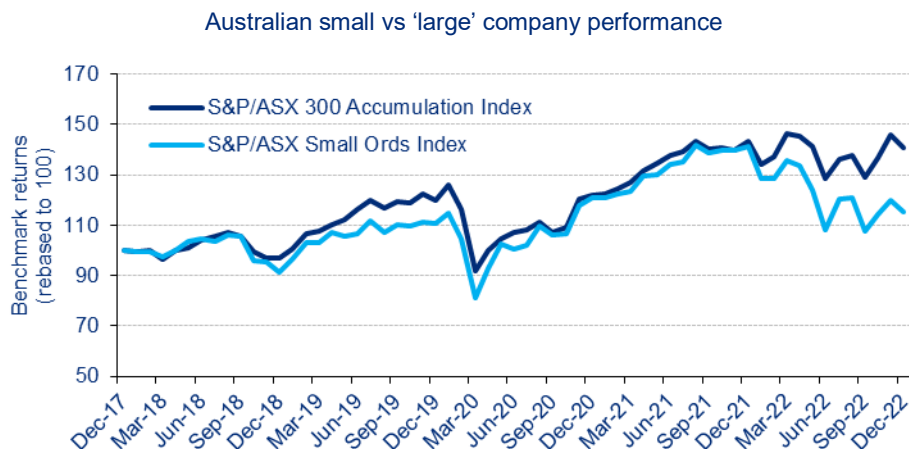
Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Managers	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Macquarie Investment Management	40.0	-0.5	+2.7	+2.8	+3.0	+3.7	n/a
Plato Investment Management	29.8	+0.4	+5.7	+2.7	+2.9	+1.6	n/a
Wavestone	17.7	-2.4	+1.3	+1.3	n/a	n/a	n/a
Firetrail	12.5	+0.1	-2.9	0.0	n/a	n/a	n/a

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Shares

Australian shares – small companies

Australian Small Companies performance was positive over the December quarter with the asset class returning 7.5% 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	6.5	-16.0	6.7	7.4	9.1	7.7
Benchmark return	7.5	-18.4	1.4	2.9	6.6	5.1
Excess return — before fees	-1.0	+2.4	+5.3	+4.5	+2.5	+2.6

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 Australian Small Companies Fund	5.9	-17.3	5.0	5.9	7.7	6.5

Manager performance

The fund underperformed the benchmark by 1.0% over the quarter. Sector allocation and stock selection both contributed negatively to performance with sector allocation contributing the larger portion. Overweights to communication services and energy as well as an underweight to real estate were the most significant underperformers over the quarter. While not enough to offset this, overweights to IT, industrials and financials all contributed to positive relative returns. At a stock level, overweights to stocks Virgin Money UK, Seven Group Holdings as well as an underweight to Magellan Financial Group were all positive. Some of the negative stock contributors were overweights in Cooper Energy and Domain Holdings Australia as well as an underweight to Champion Iron.

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	39.0	+1.5	+5.4	+9.0	+9.0	n/a	n/a
Longwave Capital Partners	23.9	+0.1	+10.7	n/a	n/a	n/a	n/a
Perennial Value Management	23.1	-6.1	-9.3	-1.3	+2.6	+2.9	+2.3
Firetrail	14.0	-2.3	-8.8	n/a	n/a	n/a	n/a

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 Refer to page 39 for Asset class benchmarks.

Shares

International shares

The broad MSCI World ex Australia Accumulation Index increased 3.9% in unhedged terms and 7.2% in hedged terms over the quarter, as the AUD strengthened against the USD. The strongest performing sectors were Energy (13.5%) and Industrials (11.8%), while Consumer Discretionary (-7.6%) and Communication Services (-4.8%) were the worst performers. Other global shares indices produced positive results as the MSCI Small Caps Total Return Index returned 5.1% and the MSCI Emerging Markets Accumulation Index returned 4.0% over the quarter.

Over the December quarter, the S&P 500 Composite Index (7.6%) and the Dow Jones Industrial Average increased (16.0%) while the NASDAQ decreased (-1.0%), all in USD terms. European markets experienced positive returns, as the FTSE 100 (United Kingdom) (8.7%), the CAC 40 (France) (12.6%) and the DAX 30 (Germany) (14.9%) increased, all in local currency terms. Equity returns were similarly positive across Asia as the S&P BSE 500 (India) (4.1%), SSE Composite (China) (2.1%), Hang Seng (Hong Kong) (15.0%) and TOPIX (Japan) (3.3%) increased, all in local currency terms.

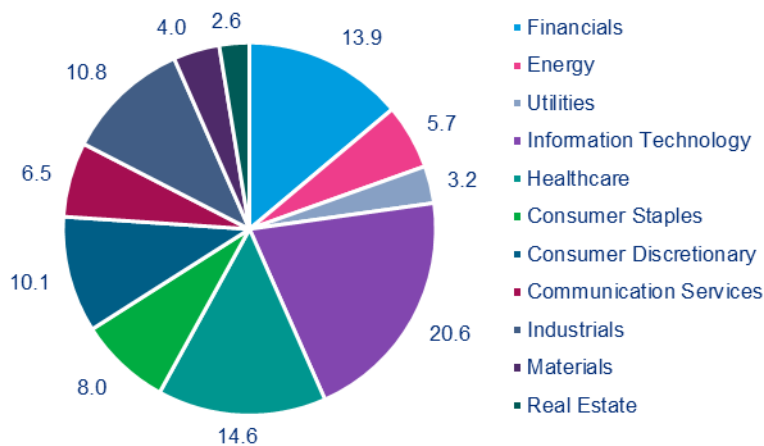
****** In this Quarterly Report, 'International shares funds' refers to:

- Mercer International Shares Fund
- Mercer Hedged International Shares Fund

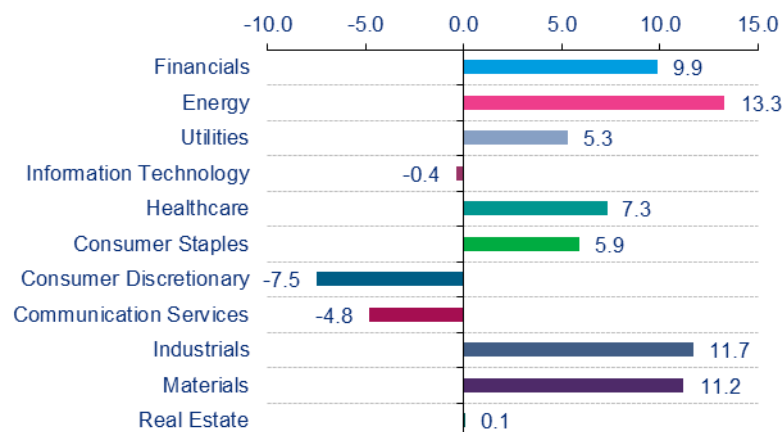
Benchmark weights etc. apply to all international shares funds.

Mercer International Shares Funds**

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

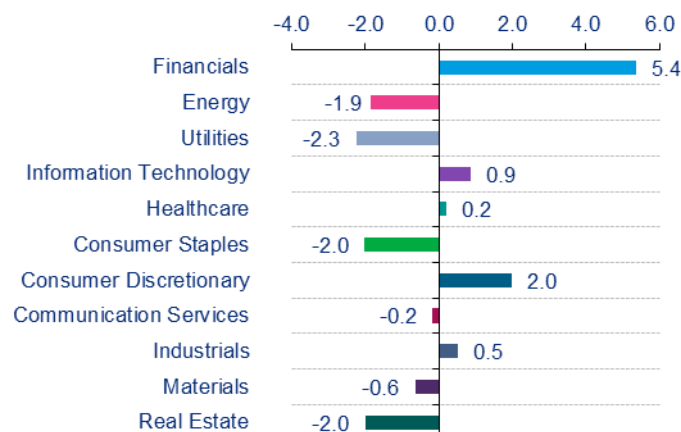


Benchmark sector returns for the three months to 31 December 2022 (%)
 MSCI World Index (ex Australia) - in A\$ with net dividends reinvested



Sector Exposure — Overweight/Underweight positions as at 31 December 2022 (%)

Mercer International Shares Fund Mercer Hedged International Shares Fund



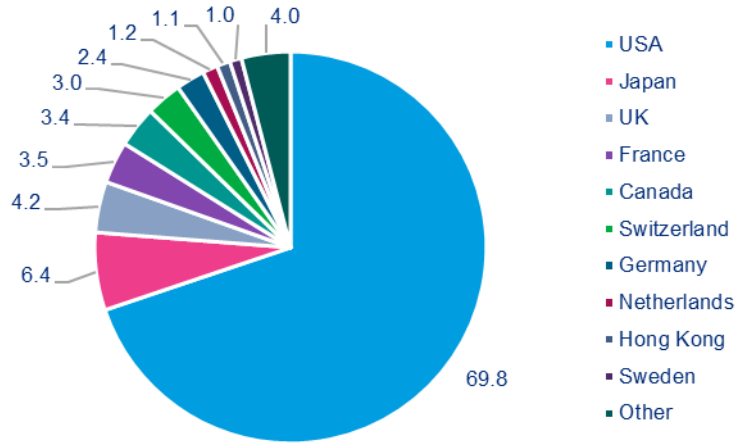
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Shares

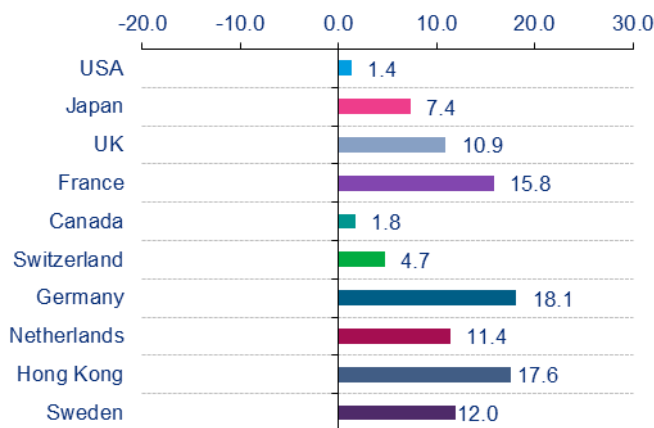
International shares

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 December 2022 (%)
 MSCI World Index (ex Australia) - in A\$ with net dividends reinvested



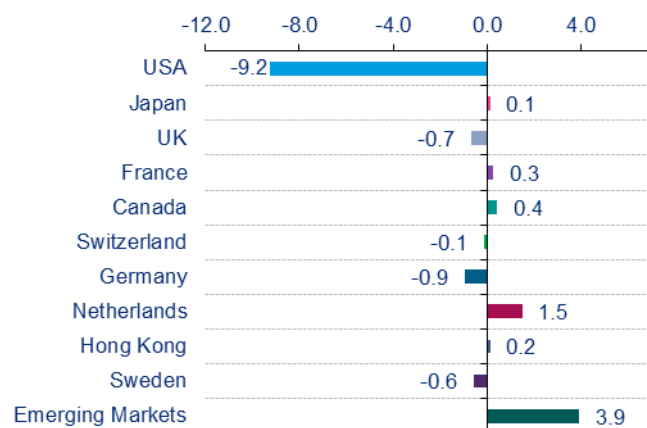
** In this Quarterly Report, ‘International Shares Funds’ refers to:

- 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 December 2022 (%)

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	2.9	3.5
Apple	1.9	4.3
Alphabet Inc	1.8	2.1
Charles Schwab Corp	1.4	0.2
Intact Financial Corp	1.1	0.1
Amazon	1.1	1.6
AIA Group Ltd	1.1	0.3
Automatic Data Processing Inc	1.0	0.2
Mastercard Inc	1.0	0.6
Novartis	0.8	0.4

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	4.5	-12.0	6.1	9.4	10.2	14.0
Benchmark return — before fees:	3.9	-12.5	6.2	9.3	9.6	13.7
Excess return — before fee:	+0.6	+0.5	-0.1	+0.1	+0.6	+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	8.4	-16.8	4.1	5.8	8.9	10.7
Benchmark return — before fees:	7.2	-18.1	3.9	5.6	8.2	10.4
Excess return — before fees	+1.2	+1.3	+0.2	+0.2	+0.7	+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 International Shares Fund	4.3	-12.9	5.1	8.3	9.1	12.9
Mercer Hedged International Shares Fund	8.1	-17.7	3.1	4.8	7.8	9.5

Manager performance

The fund outperformed the benchmark over the quarter by 0.6%. Stock selection was the major driver of returns, with sector allocation detracting. From a stock perspective, an overweight to Best World International and underweights to Apple and Tesla contributed positively to the fund while overweights to Intact Financial Corp, Atlassian Corp and Meta Platforms all detracted. From a sector allocation perspective, underweight allocation to communication services as well as overweights to consumer discretionary and health care helped drive performance. Overweights to industrials and underweights to energy and materials were negative.

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	35.1	35.0	-1.3	+0.7	-0.2	-0.7	-0.6	-0.9
Arrowstreet	18.9	18.9	+3.2	+10.6	+5.0	+5.7	+6.1	n/a
Wellington	16.7	16.7	+3.9	+15.2	+1.2	n/a	n/a	n/a
Maj Invest	12.2	12.2	+1.2	-6.6	n/a	n/a	n/a	n/a
AllianceBernstein	9.7	9.7	+1.7	-7.4	n/a	n/a	n/a	n/a
Baillie Gifford	7.4	7.4	-7.5	-30.3	n/a	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	3.8	-12.8	6.2	9.3	9.7	13.7
Mercer Passive Hedged International Shares Fund	7.3	-18.0	4.1	5.7	8.2	10.4

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.

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	3.3	3.4
Danaher Corp	1.8	0.4
AIA Group Ltd	1.5	0.3
Taiwan Semiconductor Manufacturing Co Ltd	1.4	0.0
UnitedHealth Group Inc	1.4	1.0
Pepsico Inc	1.3	0.5
Novo Nordisk A/S	1.3	0.4
Orsted A/S	1.3	0.0
T-Mobile Us Inc	1.1	0.2
Autozone Inc	1.1	0.1

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	6.5	-15.8	6.6	8.6	n/a	n/a
Benchmark return — before fees:	4.1	-12.2	6.2	9.2	n/a	n/a
Excess return — before fee:	+2.4	-3.6	+0.4	-0.6	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	10.1	-20.6	4.9	5.8	n/a	n/a
Benchmark return — before fees:	7.2	-17.7	4.0	5.7	n/a	n/a
Excess return — before fees	+2.9	-2.9	+0.9	+0.1	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	6.2	-16.7	5.6	7.7	n/a	n/a
Mercer Sustainable Plus International Shares Fund – Hedged	9.8	-21.2	3.9	4.9	n/a	n/a

Manager performance

The portfolio outperformed the benchmark by 2.4% returning 6.5% over the quarter. The portfolio's natural underweight to fossil fuel energy detracted from relative returns while stock selection in consumer discretionary and IT drove positive relative performance. An overweight to industrials and underweight to communication services was also beneficial over the quarter. At the stock level, an underweight to mega cap names Apple, Tesla and Amazon, as well as overweights to Vestas Wind Systems, Novo Nordisk and AIA were the top contributors to outperformance. An overweight to SVB Financial and Danaher detracted from performance.

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	+2.5	-3.3	+0.5	-0.8	n/a	n/a

Manager allocation

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

Mercer Passive Sustainable International Shares Fund

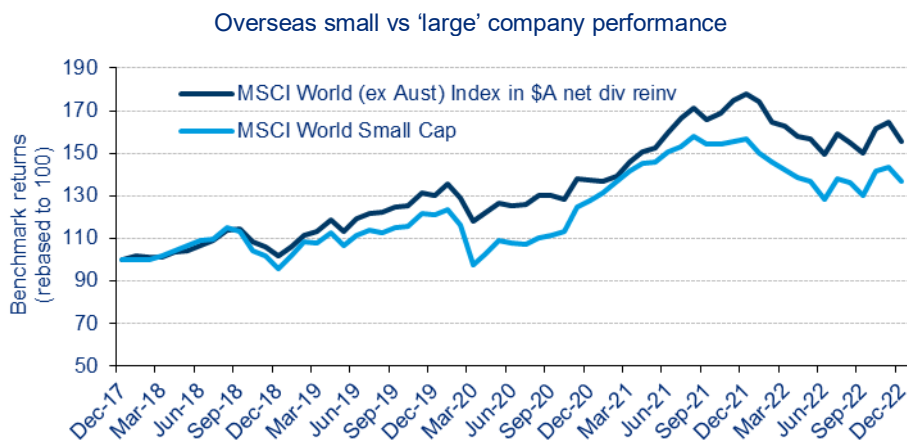
Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Passive Sustainable International Shares Fund	3.5	n/a	n/a	n/a	n/a	n/a

NOTE: Past performance is not a reliable indicator of future performance.
 Refer to page 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 returned +5.1%, 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	5.8	-12.0	4.8	7.1	8.3	13.5
Benchmark return	5.0	-12.9	4.2	6.5	8.4	12.9
Excess return — before fees	+0.8	+0.9	+0.6	+0.6	-0.1	+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	5.5	-13.0	3.8	6.1	7.3	12.4

Manager performance

The fund outperformed versus its benchmark over the quarter by 0.8%. Overweights in health care and IT contributed positively to the fund while overweights to energy and consumer discretionary as well as a small underweight to communication services were negative. From a country level, the fund’s underweight to US stocks added to relative returns over the quarter while overweights to Turkey and UK 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	36.7	+2.8	+12.8	+10.3	+8.6	+8.1	+11.8
Kempen Capital Management	25.3	+1.8	n/a	n/a	n/a	n/a	n/a
Lazard Asset Management	23.6	+0.9	-4.5	-2.6	n/a	n/a	n/a
Baillie Gifford	14.4	-6.9	-23.8	-9.1	n/a	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 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	5.5	-3.4	3.3	6.9	7.5	n/a
Benchmark return	4.1	-3.1	3.1	7.8	8.0	n/a
Excess return — before fees	+1.4	-0.3	+0.2	-0.9	-0.5	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	5.4	-3.8	3.0	6.6	7.2	n/a

Manager performance

The fund outperformed the benchmark over the quarter by 1.4%. Stock selection contributed to return, while sector allocations were negative. Key sources of positive active return included stock selection in consumer staples, financials, and a combination of stock selection and an underweight position in real estate. Detractors included stock selection in communication services, an underweight position in utilities, and an overweight position in energy. Approximately 53% of the portfolio was held in the lowest beta stocks, compared to roughly 48% for the index. The effect of the portfolio's exposure to the lowest beta quintile was positive. Approximately 55% of the portfolio was held in the lowest volatility stocks, compared to roughly 55% for the index. The effect of the portfolio's exposure to the lowest volatility quintile was positive.

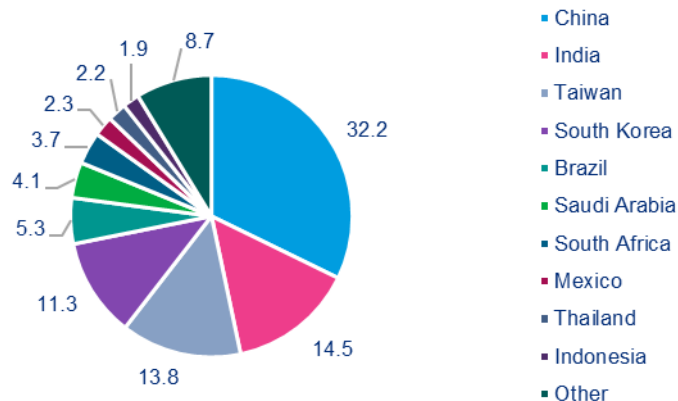
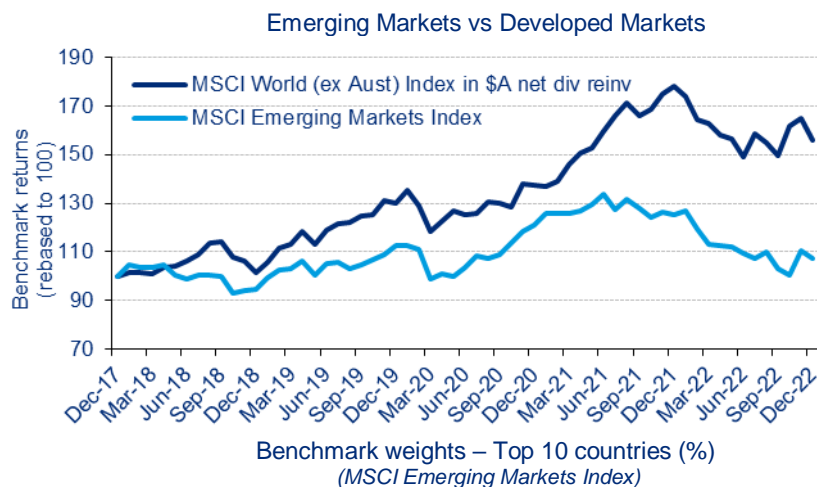
Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Acadian	100.0	+1.5	-0.3	+0.3	-1.1	-0.7	n/a

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.

Shares

Emerging markets shares

In unhedged AUD terms, Emerging Markets (NR) returned 4%, 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	4.8	-16.6	-1.4	1.9	6.7	6.5
Benchmark return	4.0	-14.3	-1.5	1.5	6.2	5.8
Excess return — before fees	+0.8	-2.3	+0.1	+0.4	+0.5	+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	4.4	-17.6	-2.4	0.9	5.6	5.5

Manager performance

The fund outperformed the index over the quarter by 0.8%. An overweight to industrials and underweight exposures to financials and consumer staples sectors were beneficial over the quarter. An overweight to Taiwan Semiconductors Manufacturing Company was also beneficial. Offsetting this slightly was an underweight to communication services and stock selection within IT (underweight Samsung). In addition, an underweight to Chinese financials also detracted as the relaxation of COVID policies and renewed support for the domestic property sector was beneficial for the sector.

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	35.7	+0.2	+0.6	-0.6	-0.2	+0.7	+1.6
William Blair	27.6	-1.4	-4.2	0.0	n/a	n/a	n/a
GMO	26.4	+2.5	-9.8	n/a	n/a	n/a	n/a
AQR Small Cap	10.3	+4.7	+9.4	+4.6	+4.3	+4.7	n/a

Mercer Passive Emerging Markets Shares Fund

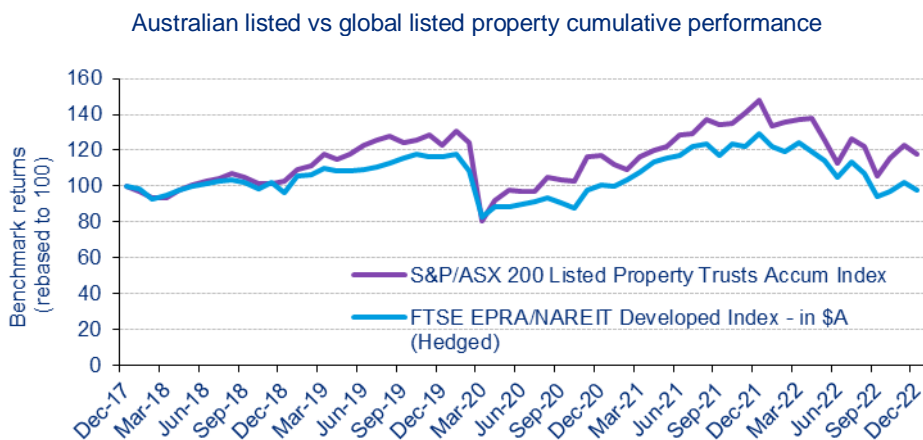
Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Passive Emerging Markets Shares Fund	3.9	-14.6	-1.8	1.2	5.9	n/a

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

Global listed property

Domestic listed property experienced strong positive performance over the quarter and returned 11.6%. Global REIT’s returned 4.3% (in AUD hedged terms) over the December quarter.



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	2.3	-24.9	-5.0	0.5	2.7	5.8
Benchmark return	4.0	-24.2	-5.6	-0.4	1.7	4.6
Excess return — before fees	-1.7	-0.7	+0.6	+0.9	+1.0	+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 Listed Property Fund	2.0	-25.7	-6.0	-0.5	1.6	4.8

Manager performance

The fund returned 2.3% over the quarter, underperforming its benchmark by 1.7%, mainly driven by the underperformance of Resolution Capital (-1.8%) although core manager, Principal, also detracted over the quarter (-1.9%). Both allocation and stock selection detracted from performance. At the industry level, an underweight to real estate management & development companies and overweight to diversified telecommunication services detracted the most. At the stock level, overweights to Summit Industrial Income REIT and Krc Interim Corp, and an underweight to UDR inc were the top performers over the quarter. More than offsetting this were overweights to Invitation Homes and Essex Property Trust and an underweight to Simon Property Group. Stock selection within equity REITs also 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.)
Principal Global Investors	59.5	-1.9	-1.4	+0.2	+1.5	+1.4	+2.7
Resolution Capital Global Property	40.5	-1.8	-0.7	n/a	n/a	n/a	n/a

Mercer Passive Global Listed Property Fund

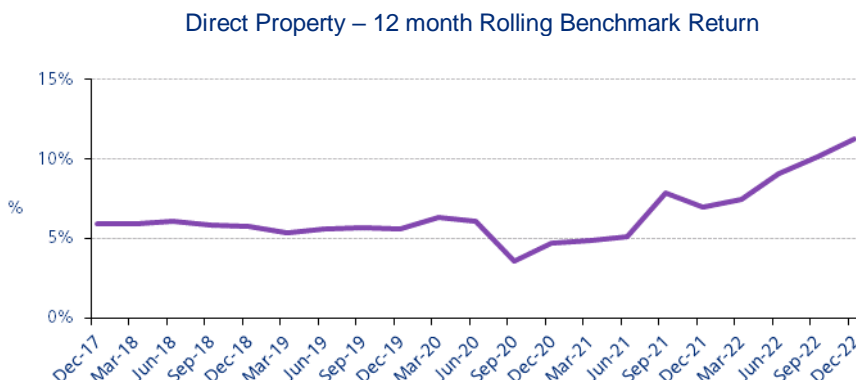
Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Passive Global Listed Property Fund	4.0	-24.2	-5.6	-0.6	1.4	4.3

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.

Real assets

Australian direct property

The Australian unlisted property sector (NAV) increased 1.5% 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	1.9	15.9	11.0	10.8	11.6	11.4
Benchmark return	2.8	11.3	7.6	6.9	6.5	7.8
Excess return — before fees	-0.9	+4.6	+3.4	+3.9	+5.1	+3.6

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 Australian Direct Property Fund	1.5	13.9	9.2	9.2	10.1	9.9

Manager performance

The fund continues to outperform its inflation linked target return and the MSCI Mercer Wholesale PFI (“YFYS Benchmark”) over all annual time periods, including more than 300bps over one, three and five years. 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 capitalisation 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 beginning to wane. Over the quarter the Fund executed two new investments; the ISPT Core Fund and a listed real estate sleeve (<10% maximum).

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	21.9	-0.4	+12.1	+13.3	+11.0	+10.5	n/a
Investa Property Group	19.9	-2.1	-2.9	0.0	+4.3	+6.9	+6.4
Goodman Funds Management	14.9	+2.6	+17.6	+16.6	+16.6	+16.9	+15.4
Dexus Wholesale Property Fund	13.3	-0.7	-0.2	-0.9	+2.1	n/a	n/a
Charter Hall Retail	11.0	-1.2	+15.7	+7.1	+3.6	+7.2	n/a
Investa SPV	9.0	-2.9	-7.1	+0.6	+3.8	n/a	n/a
GPT Wholesale Office Fund	4.7	-1.1	-1.1	n/a	n/a	n/a	n/a
Cash Sub-Acct*	2.8	+0.8	+1.2	n/a	n/a	n/a	n/a
AMP Capital Shopping Centre Fund	1.3	-2.3	-5.1	-11.1	n/a	n/a	n/a
Lend lease Investment Management (APPF Retail)	1.3	-0.9	-4.4	-11.0	-9.6	-5.8	-7.3

* Investment manager transition account.

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 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	11.5	-20.4	-1.2	3.4	5.0	8.1
Benchmark return	11.5	-20.5	-1.5	3.3	5.0	8.1
Excess return — before fees	0.0	+0.1	+0.3	+0.1	0.0	0.0

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	11.4	-20.7	-1.5	3.0	4.7	7.8

Manager performance

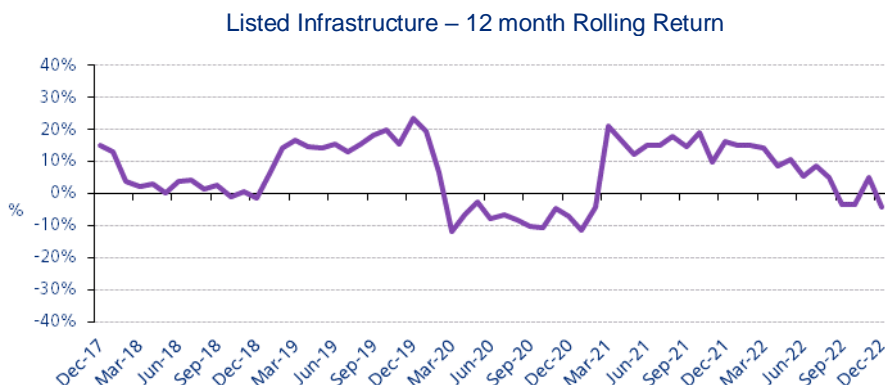
Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Macquarie Investment Management	100.0	-0.1	0.0	+0.1	0.0	-0.1	-0.3

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.

Real assets

Global listed infrastructure

Global Core Listed Infrastructure 50/50 index increased 6.6% 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	7.8	-7.1	-0.4	4.0	6.9	9.3
Benchmark return	6.4	-4.2	1.2	4.8	7.3	9.6
Excess return — before fees	+1.4	-2.9	-1.6	-0.8	-0.4	-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 Global Listed Infrastructure Fund	7.5	-8.1	-1.4	3.0	5.8	8.2

Manager performance

The fund generated positive returns of 7.8% over the quarter, outperforming its benchmark by 1.4%. This was mainly driven by Atlas Infrastructure (+6.4%), with CFS Global Listed Infrastructure (-0.5%) marginally underperforming its benchmark. An underweight to real estate and overweight to water utilities were the key contributors to performance, whereas overweights to media and electric utilities detracted. Stock selection also had a positive impact on performance, particularly within electric utilities, with overweights to Enel Spa and Allete contributing positively. In addition overweights to E.ON SE and an underweight to Crown Castle were also among the key contributors. Overweights to Emera Inc, Dominion Energy Inc and Getlink modestly detracted from the 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	64.7	-0.5	+1.4	+0.5	+0.4	+1.4	+2.3
Atlas Infrastructure	35.3	+9.4	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	6.1	-4.6	0.6	4.2	6.7	9.1

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

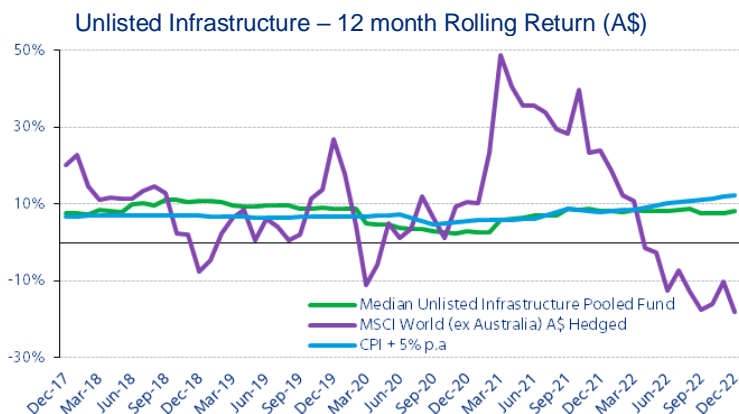
Refer to page 38 – ‘Important notes about this report’ - for further information on the calculation of returns.

Refer to page 39 for Asset class benchmarks.

Real assets

Global unlisted infrastructure

The unlisted infrastructure sector grew over the quarter as central bank tightening measures, elevated inflation levels and concerns for lower economic growth rates continued to weigh on financial markets.



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	1.5	12.9	14.5	13.8	15.2	14.2
Benchmark return	3.0	12.3	8.6	7.6	6.7	6.8
Excess return — before fees	-1.5	+0.6	+5.9	+6.2	+8.5	+7.4

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 Unlisted Infrastructure Fund	0.8	10.3	11.6	10.9	11.8	11.2

Manager performance

The fund's gross return of 1.5% for the quarter was below the CPI-linked benchmark of 3% while the 12-month gross return was 12.9%. Performance for the quarter was assisted by positive revaluations of airport asset Atlantic Aviation (United States) managed by KSL Capital Partners, communications asset Vertical Bridge (United States) managed by Digital Bridge and renewable energy asset Terra-Gen (United States) managed by Energy Capital Partners. Distributions were received from KKR Global Infrastructure Fund II, KKR Diversified Core Infrastructure Fund, John Laing and Viridor co-investments managed by KKR, Finerge co-investment managed by Igneo Infrastructure Partners and Axium Infrastructure NA IV. Initial capital calls were paid during the quarter in relation to a new co-investment in Bluevia Fibra communications asset (Spain) managed by Vauban Infrastructure Partners and Corsair-Vantage Airport Fund managed by Corsair Capital. Capital calls were also paid to Vauban infrastructure Partners Core Infrastructure Fund IV.

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	24.2	-1.2	+6.4	+21.1	+17.3	+14.3	n/a
First Sentier Investors	9.5	+0.5	+1.5	+2.1	+3.7	+5.2	+6.7
KKR Diversified	8.7	+2.1	+9.2	n/a	n/a	n/a	n/a
IFM Investors	8.5	-1.9	-4.1	-2.4	+1.5	+5.6	n/a
JP Morgan Infrastructure Investments Fund	4.7	-14.4	-12.8	n/a	n/a	n/a	n/a
Macquarie Asia Infrastructure Fund	3.8	-9.0	-4.6	+0.1	+2.0	+3.6	n/a
Vauban	3.7	-2.0	n/a	n/a	n/a	n/a	n/a
Stonepeak Infrastructure Partners	3.6	-6.9	+16.1	+17.3	+13.7	n/a	n/a
Igneo Infra Partners	3.3	-2.9	n/a	n/a	n/a	n/a	n/a
DigitalBridge	3.0	+7.1	-4.4	n/a	n/a	n/a	n/a
Macquarie Specialised Asset Management	3.0	-5.5	-7.2	n/a	n/a	n/a	n/a
Vauban Infra Partner	2.9	n/a	n/a	n/a	n/a	n/a	n/a
Axium Infrastructure	2.8	-2.8	+0.6	+2.6	n/a	n/a	n/a
DIF Capital Partners	2.5	-1.1	n/a	n/a	n/a	n/a	n/a
Cash Sub-Acct	2.5	+0.7	+1.5	n/a	n/a	n/a	n/a
Energy Capital Partners	2.5	+31.6	+34.9	n/a	n/a	n/a	n/a
Igneo Infrastructure Partners	2.3	-2.9	n/a	n/a	n/a	n/a	n/a
First Sentier Investors	2.3	-2.2	+18.7	+10.7	+9.6	+9.2	n/a
Ardian Infrastructure	1.9	-1.5	n/a	n/a	n/a	n/a	n/a
KSL Capital Partners	1.6	+10.3	n/a	n/a	n/a	n/a	n/a
Omnis Capital	1.4	-9.0	n/a	n/a	n/a	n/a	n/a
I-Squared Capital	1.4	-6.2	-8.3	-11.6	n/a	n/a	n/a

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

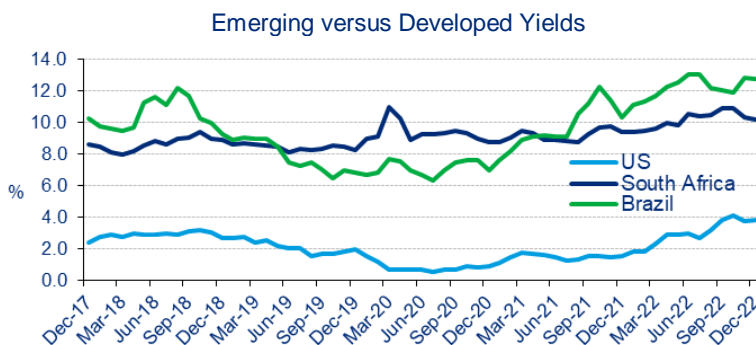
Refer to page 38 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 39 for Asset class benchmarks.

Growth fixed interest

Emerging markets debt

Emerging Market Debt returns were positive over the December quarter, returning 2.8% 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	3.8	-1.6	-2.8	1.2	3.8	2.6
Benchmark return	2.8	-5.3	-5.0	0.3	2.6	2.2
Excess return — before fees	+1.0	+3.7	+2.2	+0.9	+1.2	+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 Emerging Markets Debt Fund	3.4	-3.2	-4.1	-0.1	2.5	1.6

Manager performance

The Local Currency EMD Fund returned 3.8% over the December quarter, outperforming the benchmark index by 1.0%. BlackRock significantly outperformed the benchmark, and was the primary contributor to the positive excess return of the fund over the quarter. Over the past year, the Fund returned -1.6%, outperforming the benchmark index by 3.7%. The Fund had a turbulent start to the year with the Russia/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.)
Neuberger Berman	33.9	0.0	n/a	n/a	n/a	n/a	n/a
Colchester Global Investors	33.4	-0.3	+3.5	+2.1	+2.0	n/a	n/a
BlackRock	32.8	+3.5	+4.2	+2.0	-0.1	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.

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	4.8	-12.6	-1.3	1.4	4.3	n/a
Benchmark return	4.3	-11.5	-1.5	1.3	4.3	n/a
Excess return — before fees	+0.5	-1.1	+0.2	+0.1	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	4.6	-13.2	-2.0	0.8	3.8	n/a

Manager performance

The fund returned 4.8% in the December quarter, outperforming its benchmark by 0.5%. The fund invests into the Dublin Global High Yield Fund, which has three underlying managers, Nomura, PGIM and BlueBay. BlueBay was added to the portfolio in late Q2 2022 and the three managers are all held in equal weights in the portfolio. The Dublin 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	+0.5	-1.2	+0.2	+0.1	0.0	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 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	1.4	4.6	5.4	6.2	6.7	n/a
Benchmark return	1.5	4.2	3.5	4.0	4.3	n/a
Excess return — before fees	-0.1	+0.4	+1.9	+2.2	+2.4	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 Private Debt Fund	1.0	2.8	3.7	4.8	5.4	n/a

Manager performance

Over 2022, the fund returned 4.6% and outperformed its Cash + 3% benchmark by 0.4%. Performance of the fund was consistent throughout the period, generating positive returns and comparing favourably to public markets that were broadly negative during the year. Given the floating rate nature of the asset class / portfolio, the fund benefited from the rising interest rate environment with the current yield of the portfolio increasing during the second half of 2022. The fund continued its build-out throughout the year with its NAV increasing from \$475m to \$660m. Heading into 2023, the portfolio remains strongly positioned with a high degree of diversification (>400 underlying assets) and investing higher up in the capital structure (~90% first lien and Loan-to-Value <50%).

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	23.0	+1.3	+6.0	+7.5	+7.5	+7.3	n/a
Audax Credit BDC Inc.	18.0	+0.8	+3.4	+4.0	+4.3	+4.5	n/a
Park Square Capital	13.8	-0.4	-5.0	n/a	n/a	n/a	n/a
HPS Australian Loan Platform	10.7	+0.9	+2.3	n/a	n/a	n/a	n/a
ICG Australia Senior Loan Fund	8.4	+1.1	+4.5	n/a	n/a	n/a	n/a
MCP Secured Private Debt Fund II	8.2	+1.2	+5.8	n/a	n/a	n/a	n/a
Churchill Senior MPD Fund	7.6	-1.8	n/a	n/a	n/a	n/a	n/a
ICG Senior Debt Partners Fund 2	3.6	+1.1	+7.3	+8.0	+8.9	+9.3	n/a
Westbourne Mercer Yield Fund	2.5	+1.0	+1.3	+4.3	+4.9	+5.7	+5.8
RDF Lazul LP	1.9	+1.3	+15.5	n/a	n/a	n/a	n/a
Ares European Credit Investments (IV) A	1.1	+1.3	+2.4	n/a	n/a	n/a	n/a
RDF Lazul	1.1	-0.6	n/a	n/a	n/a	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 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	1.2	-3.0	0.3	1.3	1.8	n/a
Benchmark return	1.0	2.3	1.5	2.0	2.3	n/a
Excess return — before fees	+0.2	-5.3	-1.2	-0.7	-0.5	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	1.1	-3.5	-0.2	0.8	1.2	n/a

Manager performance

The fund returned 1.2% over the December quarter, outperforming its Cash+1% benchmark by 0.2%. The fund has underperformed its benchmark over 1 and 3 years by 5.3% and 3.3% p.a. respectively. Following a changing three quarters Payden & Rygel, Newton and PIMCO outperformed their benchmarks for the December quarter as credit spreads narrowed in November and December. Ardea, which has delivered strong performance this year, underperformed in the December quarter, largely driven by the manager's structural long position in interest rate options.

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.)
Adrea Investment Management	30.1	-1.2	+4.8	n/a	n/a	n/a	n/a
Newton Investment Management	29.4	+1.5	-10.0	-2.6	n/a	n/a	n/a
Payden & Rygel	21.4	+1.0	-5.1	-1.3	n/a	n/a	n/a
PIMCO	19.0	+1.0	-8.7	n/a	n/a	n/a	n/a

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Refer to page 39 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	2.1	n/a	n/a	n/a	n/a	n/a
Benchmark return	0.7	n/a	n/a	n/a	n/a	n/a
Excess return — before fees	1.4	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	2.0	n/a	n/a	n/a	n/a	n/a

Manager performance

The fund delivered a 2.1% return for the December quarter, overperforming its benchmark by 1.4%. Both managers in the Fund, Franklin Templeton and Robeco, produced positive alpha over the quarter, as spreads tightened from positive sentiment of lower than expected inflation figures.

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	51.2	+2.0	n/a	n/a	n/a	n/a	n/a
Robeco	48.8	+0.7	n/a	n/a	n/a	n/a	n/a

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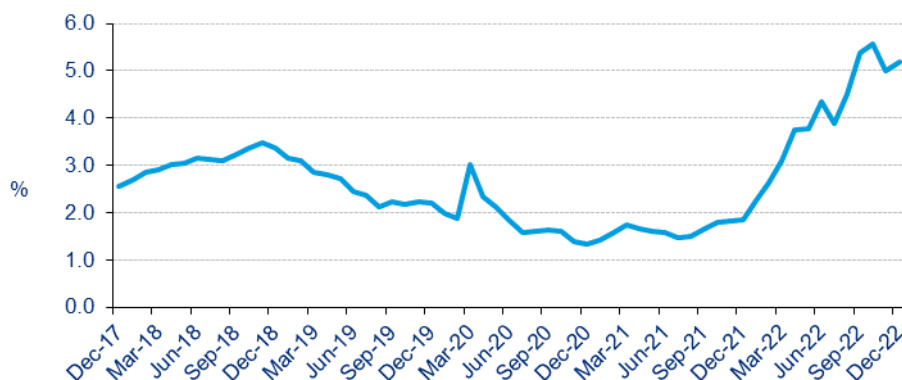
Refer to page 39 for Asset class benchmarks.

Defensive fixed interest

Global credit

Global Credit returns were positive, returning 2.9% on a hedged basis over the December 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	2.9	-14.6	-3.2	-0.1	1.7	2.8
Benchmark return	2.4	-15.0	-3.6	-0.4	1.5	2.5
Excess return — before fees	+0.5	+0.4	+0.4	+0.3	+0.2	+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:	2.8	-15.1	-3.7	-0.5	1.2	2.3

Manager performance

The fund delivered a 2.9% return over the December quarter, outperforming its benchmark by 0.5%. Over 1 and 3 years, the Fund delivered relative performance of 0.4% and 0.4% p.a respectively. Over the December quarter, credit markets rallied as spreads tightened due to economic data that suggested a peaking in inflation.

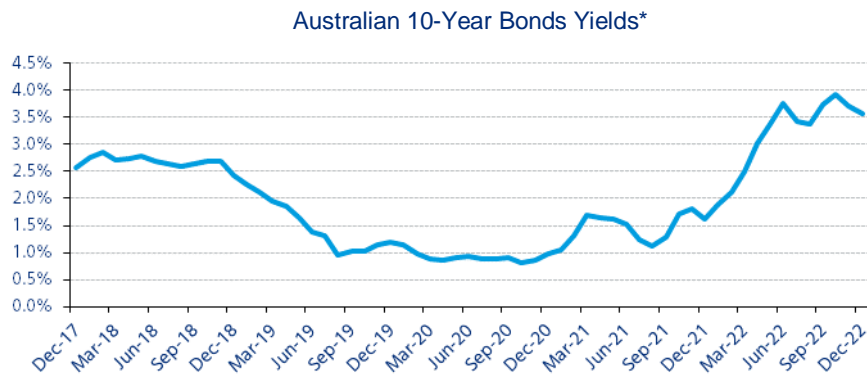
Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Wellington Management	41.9	0.0	+0.3	+0.3	+0.3	+0.5	+0.6
Robeco	36.3	+0.8	+0.3	+0.9	+0.8	n/a	n/a
AXA Investment Managers	21.8	+0.5	0.0	-0.4	-0.2	-0.4	n/a

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 Refer to page 39 for Asset class benchmarks.

Defensive fixed interest

Australian sovereign bonds

Domestically, the Australian 10-year bond yield (16bps to 4.05%) and five-year bond yield (1bp to 3.70%) increased, while the two-year bond yield (-9bps to 3.42%) decreased. The Bloomberg Ausbond indices returned broadly positive results over the quarter, with the Bloomberg Ausbond Inflation Index producing the highest quarterly return, returning 3.7%, and the weakest being the Bloomberg Semi-Government Index, returning 0.1%.



* 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	0.3	-10.1	-3.1	0.8	1.5	2.4
Benchmark return	0.2	-10.2	-3.3	0.5	1.2	2.1
Excess return — before fees	+0.1	+0.1	+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	0.2	-10.5	-3.4	0.4	1.1	2.1

Manager performance

The fund returned 0.3% over the quarter, outperforming the benchmark by 0.1%. Over 1 and 3 years, the Fund has outperformed the benchmark by 0.1% and 0.2% p.a. respectively. The December quarter saw continued volatility in Australian Government Bonds as yields gradually declined over October and November, before sharply rising in December.

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.)
Schroder	31.1	0.0	n/a	n/a	n/a	n/a	n/a
Jamieson Coote Bonds	30.0	0.0	-0.1	n/a	n/a	n/a	n/a
Challenger	29.5	+0.2	+0.6	+0.7	+0.7	+0.7	+0.9

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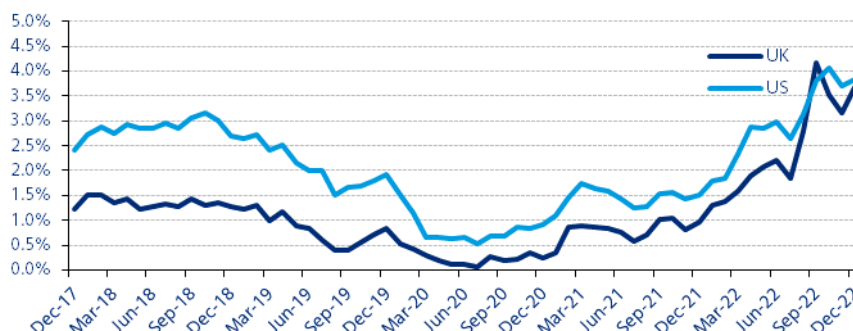
Refer to page 39 for Asset class benchmarks.

Defensive fixed interest

Global sovereign bonds

Global sovereign bonds produced mixed returns over the December quarter as ten-year bond yields increased in the US (3bps to 3.83%), Germany (46bps to 2.56%) and Japan (17bps to 0.41%), while decreasing in the UK (-51bps to 3.67%). Two-year bond yields increased in the US (28bps to 4.54%), Germany (98bps to 2.68%) and Japan (8bps to 0.03%), while similarly decreasing in the UK (-57bps to 3.71%). In terms of Global Bond indices, the Barclays Capital Global Aggregate Bond Index returned 0.6% and the FTSE World Government Bond (ex-Australia) Index decreased by 0.7% over the December quarter, both on a fully hedged basis.

10 Year Bond Yields – UK and US*



* 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	0.0	-9.3	-2.2	1.2	2.2	3.5
Benchmark return	-0.3	-13.0	-3.5	-0.3	0.9	2.2
Excess return — before fees	+0.3	+3.7	+1.3	+1.5	+1.3	+1.3

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 Sovereign Bond Fund – Class 1	-0.1	-9.7	-2.6	0.8	1.9	3.1

Manager performance

The fund returned 0.0% over the quarter, outperforming the benchmark by 0.3%. Over 1 and 3 years, the Fund has outperformed the benchmark by 3.7% and 1.3% p.a. respectively. After falling in October and November and rising again in December, global government bond yields were largely unchanged quarter on quarter.

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	44.7	+0.1	+0.1	+0.1	n/a	n/a	n/a
T Rowe Price	29.9	-1.1	n/a	n/a	n/a	n/a	n/a
Colchester Global Investors	25.3	+2.4	+3.6	+1.2	+1.0	n/a	n/a

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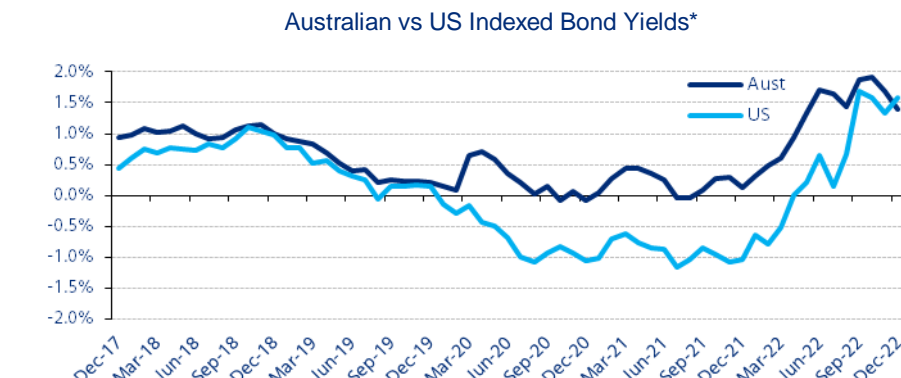
Refer to page 38 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 39 for Asset class benchmarks.

Defensive fixed interest

Australian inflation plus

The Inflation Plus Fund achieved positive returns over the December quarter. Index returns representing Australian CPI +1% (lagged) delivered 2.1% over the December 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	0.4	6.5	4.4	4.5	4.0	3.5
Benchmark return	2.1	8.3	4.6	4.0	3.6	3.2
Excess return — before fees	-1.7	-1.8	-0.2	+0.5	+0.4	+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 Inflation Plus	0.3	6.0	3.8	4.0	3.5	2.9

Manager performance

The fund returned 0.4% over the December quarter, underperforming its CPI + 1% benchmark by 1.7%. Over 1 year, the Fund returned 6.5%, underperforming its benchmark by 1.8%. We note that recent underperformance 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 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.)
Ardea Investment Management	100.0	-1.7	-1.7	+0.2	+1.6	+1.8	n/a

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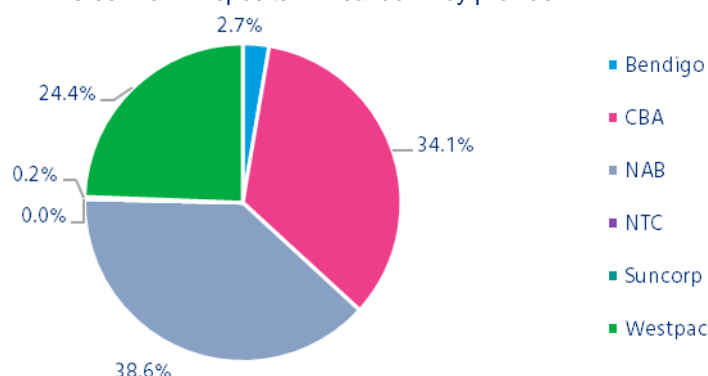
Refer to page 39 for Asset class benchmarks.

Cash

Cash and term deposits

The Australian Dollar (AUD) depreciated against most major developed market currencies over the December quarter. Despite the AUD depreciating against the Pound Sterling (-2.1%), the Japanese Yen (-3.9%) and the Euro (-3.2%), it appreciated against the USD (5.5%). On a trade-weighted basis, the local currency depreciated by 0.2% over the quarter.

Mercer Term Deposits – Breakdown by provider



Term Deposit – Maturity buckets at 31 December 2022 (%)

0 to 90 days	29.4%
91 to 180 days	21.1%
181 to 270 days	29.0%
271 to 365 days	20.5%

Mercer Cash – Term Deposit Units

Average maturity (months)	5.8
Average yield	3.4

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	0.8	1.4	0.7	1.2	1.5	2.0
Benchmark return	0.7	1.3	0.5	1.0	1.3	1.7
Excess return — before fees	+0.1	+0.1	+0.2	+0.2	+0.2	+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	0.8	1.5	0.9	1.4	1.7	2.1
Benchmark return	0.7	1.3	0.5	1.0	1.3	1.7
Excess return — before fees	+0.1	+0.2	+0.4	+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	0.7	1.1	0.4	0.9	1.2	1.6
Mercer Cash Fund – Term Deposit Units	0.7	1.2	0.5	1.1	1.4	1.8

Manager performance

Both funds returned 0.8% over the December quarter, outperforming the benchmark by 0.1%. Over 1 and 3 years, both funds outperformed the benchmark by 0.1% 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	79.9	+0.1	+0.1	+0.1	+0.1	+0.2	n/a
Challenger	20.1	0.0	+0.3	+0.3	+0.4	+0.5	+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.

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 6.5% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	10 yrs [^] (p.a.)
Total returns	6.5	-8.6	5.3	10.5
Benchmark return*	6.8	-8.0	5.1	10.4
Excess returns	-0.3	-0.6	+0.2	+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	6.3	-9.5	4.3	9.3

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

Asset allocation (%)		B'mark	Total
Shares	Australian Shares - Large Cap	40.0	40.0
	Australian Shares - Small Cap	5.0	5.1
	International Shares - Large Cap	33.0	31.2
	International Shares - Low Vol	8.0	10.0
	Global Shares - Small Cap	9.0	7.0
	Emerging Markets Shares	5.0	6.4
Cash	Cash	0.0	0.3
		100.0	100.0
	FX Exposure	42.0	41.5

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

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 6.5% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	10 yrs [^] (p.a.)
Total returns	4.9	-5.6	5.5	9.3
Benchmark return*	5.8	-4.2	5.2	8.8
Excess returns	-0.9	-1.4	+0.3	+0.5

* Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs (p.a.)	10 yrs [^] (p.a.)
Total returns	4.7	-6.6	4.4	8.2

[^] 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	31.0	28.4	0.0	28.4
	Australian Shares - Small Cap	3.0	2.8	0.0	2.8
	International Shares - Lge Cap	25.0	17.7	0.0	17.7
	International Shares - Low Vol	4.0	3.8	0.0	3.8
	Global Shares - Small Cap	8.0	6.8	0.0	6.8
	Emerging Markets Shares	4.0	3.5	0.0	3.5
Real Assets	Global Listed Property**	0.0	0.0	0.0	0.0
	Australian Direct Property	7.0	4.9	4.8	9.7
	Global Listed Infrastructure**	0.0	0.1	0.0	0.1
	Global Unlisted Infrastructure	8.0	8.1	3.5	11.6
Alternatives	Natural Resources	1.0	2.7	0.0	2.7
	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	0.9	0.8	1.7
	Hedge Funds	0.0	0.0	0.0	0.0
Defensive Fixed Interest & Cash	Private Debt	5.0	1.6	1.7	3.3
	High Yield Debt	0.0	0.5	0.5	1.0
	Emerging Markets Debt	1.0	0.4	0.5	0.9
	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	1.5	1.5
	Global Sovereign Bonds	0.0	0.0	1.4	1.4
	Australian Inflation Plus	0.0	0.0	0.0	0.0
	Cash	2.0	0.0	3.1	3.1
		100.0	82.2	17.8	100.0
	FX Exposure	32.0			28.6

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

Performance attribution this quarter (%)	
Asset allocation	-0.6
Stock/manager selection	-0.2
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, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

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 3.5% per annum over rolling seven year periods. This objective for the seven years to quarter end was 6.2% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs [^] (p.a.)
Total returns	4.2	-5.0	5.2	7.5
Benchmark return*	4.8	-3.8	4.5	6.9
Excess returns	-0.6	-1.2	+0.7	+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	4.0	-5.9	4.2	6.5

[^] 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	25.5	24.9	0.0	24.9
	Australian Shares - Small Cap	2.0	2.0	0.0	2.0
	International Shares - Lge Cap	22.5	18.2	0.0	18.2
	International Shares - Low Vol	4.0	4.1	0.0	4.1
	Global Shares - Small Cap	4.0	2.0	0.0	2.0
	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	3.7	3.8	7.5
	Global Listed Infrastructure**	0.0	1.1	0.0	1.1
	Global Unlisted Infrastructure	9.0	5.0	2.2	7.2
	Natural Resources	1.0	2.0	0.0	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	0.6	0.7	1.3
	Hedge Funds	0.0	0.0	0.0	0.0
Growth Fixed Interest	Private Debt	7.0	1.4	1.5	2.9
	High Yield Debt	3.0	2.0	1.9	3.9
	Emerging Markets Debt	2.0	1.6	1.6	3.2
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	2.0	0.0	2.2	2.2
	Global Short Term Bond Fund	0.0	0.0	0.0	0.0
	Global Credit	0.0	0.0	1.1	1.1
	Australian Sovereign Bonds	3.0	0.0	4.5	4.5
	Global Sovereign Bonds	3.0	0.0	4.3	4.3
	Australian Inflation Plus	0.0	0.0	0.0	0.0
	Cash	1.5	0.0	4.8	4.8
		100.0	71.4	28.6	100.0

FX Exposure

26.0

26.5

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

Performance attribution this quarter (%)	
Asset allocation	-0.5
Stock/manager selection	-0.2
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 5.2% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs [^] (p.a.)
Total returns	3.0	-3.6	3.3	5.8
Benchmark return*	3.5	-2.7	3.0	5.5
Excess returns	-0.5	-0.9	+0.3	+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	2.8	-4.4	2.5	4.9

[^] 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	18.7	0.0	18.7
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	International Shares - Lge Cap	15.0	11.9	0.0	11.9
	International Shares - Low Vol	4.0	4.2	0.0	4.2
	Global Shares - Small Cap	1.0	0.0	0.0	0.0
	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	3.1	3.1	6.2
	Global Listed Infrastructure**	0.0	0.8	0.0	0.8
	Global Unlisted Infrastructure	7.0	3.8	1.7	5.5
	Natural Resources	1.0	2.0	0.0	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	0.6	0.7	1.3
	Hedge Funds	0.0	0.0	0.0	0.0
Growth Fixed Interest	Private Debt	7.5	1.6	1.6	3.2
	High Yield Debt	3.0	1.9	1.8	3.7
	Emerging Markets Debt	4.0	1.9	2.0	3.9
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	3.0	0.0	3.1	3.1
	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	7.8	7.8
	Global Sovereign Bonds	6.0	0.0	6.2	6.2
	Australian Inflation Plus	5.0	0.0	5.1	5.1
	Cash	4.0	0.0	10.1	10.1
		100.0	53.3	46.7	100.0

FX Exposure

23.5

22.9

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

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

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, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

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 1.5% per annum over rolling five year periods. This objective for the five years to quarter end was 4.6% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs^ (p.a.)
Total returns	1.8	-3.6	2.4	3.9
Benchmark return*	2.5	-2.6	2.0	3.5
Excess returns	-0.7	-1.0	+0.4	+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	1.7	-4.3	1.6	3.2

^ 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	10.0	9.8	0.0	9.8	
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0	
	International Shares - Lge Cap	8.0	5.7	0.0	5.7	
	International Shares - Low Vol	4.0	4.0	0.0	4.0	
	Global Shares - Small Cap	0.0	0.0	0.0	0.0	
Real Assets	Emerging Markets Shares	0.0	0.0	0.0	0.0	
	Global Listed Property**	2.0	1.7	0.0	1.7	
	Australian Direct Property	6.0	2.4	2.4	4.8	
	Global Listed Infrastructure**	0.0	0.6	0.0	0.6	
	Global Unlisted Infrastructure	7.5	3.6	1.6	5.2	
Alternatives	Natural Resources	1.0	2.1	0.0	2.1	
	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	0.7	0.6	1.3	
Growth Fixed Interest	Hedge Funds	0.0	0.0	0.0	0.0	
	Private Debt	6.4	1.5	1.4	2.9	
	High Yield Debt	4.1	1.7	1.7	3.4	
Defensive Fixed Interest & Cash	Emerging Markets Debt	3.0	1.1	1.1	2.2	
	Global Absolute Return Bonds	4.0	0.0	4.1	4.1	
	Global Short Term Bond Fund	0.0	0.0	0.0	0.0	
	Global Credit	3.0	0.0	4.1	4.1	
	Australian Sovereign Bonds	11.0	0.0	12.4	12.4	
	Global Sovereign Bonds	10.0	0.0	9.9	9.9	
	Australian Inflation Plus	5.0	0.0	6.4	6.4	
	Cash	14.0	0.0	19.4	19.4	
			100.0	34.9	65.1	100.0
	FX Exposure		13.0		12.1	

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

Performance attribution this quarter (%)	
Asset allocation	-0.6
Stock/manager selection	-0.1
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 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	5.0	-8.9	3.0	n/a
Benchmark return*	5.1	-8.4	3.3	n/a
Excess returns	-0.1	-0.5	-0.3	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	4.9	-9.0	2.7	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	31.7	0.0	31.7	
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0	
	International Shares - Lge Cap	28.0	26.9	0.0	26.9	
	International Shares - Low Vol	2.0	2.0	0.0	2.0	
	Global Shares - Small Cap	0.0	0.0	0.0	0.0	
Real Assets	Emerging Markets Shares	7.0	6.7	0.0	6.7	
	Global Listed Property**	5.0	4.4	0.0	4.4	
	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	
Alternatives	Natural Resources	0.0	0.0	0.0	0.0	
	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	
Growth Fixed Interest	Hedge Funds	0.0	0.0	0.0	0.0	
	Private Debt	0.0	0.0	0.0	0.0	
	High Yield Debt	6.5	3.3	3.3	6.6	
Defensive Fixed Interest & Cash	Emerging Markets Debt	0.0	0.0	0.0	0.0	
	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	6.1	6.1	
	Global Sovereign Bonds	7.0	0.0	6.9	6.9	
	Australian Inflation Plus	3.0	0.0	3.0	3.0	
	Cash	4.5	0.0	5.6	5.6	
			100.0	75.0	25.0	100.0
	FX Exposure		30.0		29.3	

** 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	0.0
Excess return for quarter – before fees	-0.2

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, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

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 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	3.7	-7.6	2.4	n/a
Benchmark return*	3.9	-7.2	2.4	n/a
Excess returns	-0.2	-0.4	0.0	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	3.6	-8.0	2.0	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	22.9	0.0	22.9
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	International Shares - Lge Cap	19.5	22.2	0.0	22.2
	International Shares - Low Vol	4.0	2.0	0.0	2.0
	Global Shares - Small Cap	0.0	0.0	0.0	0.0
	Emerging Markets Shares	5.0	4.8	0.0	4.8
	Global Listed Property**	4.5	3.3	0.0	3.3
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	3.6	3.6	7.2
	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	9.8	9.8
	Global Sovereign Bonds	9.5	0.0	8.6	8.6
	Australian Inflation Plus	6.5	0.0	6.8	6.8
	Cash	10.0	0.0	10.0	10.0
	FX Exposure	24.5	58.8	41.2	100.0

** 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	0.0
Excess return for quarter – before fees	-0.2

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	2.7	-6.6	1.1	n/a
Benchmark return*	2.9	-5.8	1.4	n/a
Excess returns	-0.2	-0.8	-0.3	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	2.7	-6.9	0.9	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	14.4	0.0	14.4
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	International Shares - Lge Cap	11.0	10.1	0.0	10.1
	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	2.9	0.0	2.9
	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	3.4	6.9
	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	5.1	5.1
	Australian Sovereign Bonds	13.0	0.0	12.7	12.7
	Global Sovereign Bonds	12.0	0.0	11.9	11.9
	Australian Inflation Plus	10.0	0.0	10.0	10.0
	Cash	21.5	0.0	22.4	22.4
	FX Exposure	15.0	34.5	65.5	100.0

** 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	0.0
Excess return for quarter – before fees	-0.1

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, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

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 4.5% per annum over rolling seven year periods. This objective for the seven years to quarter end was 7.2% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	5.1	-5.9	5.3	8.1
Benchmark return*	5.8	-4.3	5.0	7.9
Excess returns	-0.7	-1.6	+0.3	+0.2

*Composite benchmark of relevant indices

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs [^] (p.a.)	7 yrs (p.a.)
Total returns	5.1	-6.1	4.5	7.1

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	32.0	31.8
	Australian Shares - Small Cap	3.0	3.0
	International Shares - Large Cap	25.0	19.2
	International Shares - Low Vol	4.0	4.0
	Global Shares - Small Cap	7.0	4.8
	Emerging Markets Shares	6.0	6.4
Real Assets	Global Listed Property**	0.0	0.1
	Australian Direct Property	7.0	7.3
	Global Listed Infrastructure**	0.0	0.8
	Global Unlisted Infrastructure	8.0	7.5
	Natural Resources	1.0	2.0
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	1.0	0.8
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	4.0	1.3
	High Yield Debt	0.0	1.2
	Emerging Markets Debt	1.0	2.5
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0
	Global Short Term Bond Fund	0.0	0.0
	Global Credit	0.0	0.0
	Australian Sovereign Bonds	0.0	1.5
	Global Sovereign Bonds	0.0	1.4
	Australian Inflation Plus	0.0	0.0
	Cash	1.0	4.4
		100.0	100.0
FX Exposure		35.0	34.5

** 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 4.5% per annum over rolling seven year periods. This objective for the seven years to quarter end was 7.2% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	5.1	-5.9	5.4	8.2
Benchmark return*	5.8	-4.3	5.0	7.9
Excess returns	-0.7	-1.6	+0.4	+0.3

*Composite benchmark of relevant indices

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs [^] (p.a.)	7 yrs (p.a.)
Total returns	5.1	-6.1	4.5	7.2

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	32.0	31.8
	Australian Shares - Small Cap	3.0	2.9
	International Shares - Large Cap	25.0	19.8
	International Shares - Low Vol	4.0	4.0
	Global Shares - Small Cap	7.0	5.0
	Emerging Markets Shares	6.0	6.2
Real Assets	Global Listed Property**	0.0	0.1
	Australian Direct Property	7.0	7.4
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	7.6
	Natural Resources	1.0	2.0
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	1.0	0.8
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	4.0	1.4
	High Yield Debt	0.0	1.1
	Emerging Markets Debt	1.0	2.4
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0
	Global Short Term Bond Fund	0.0	0.0
	Global Credit	0.0	0.0
	Australian Sovereign Bonds	0.0	1.6
	Global Sovereign Bonds	0.0	1.5
	Australian Inflation Plus	0.0	0.0
	Cash	1.0	3.5
		100.0	100.0
FX Exposure		35.0	34.9

** 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, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

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 4.5% per annum over rolling seven year periods. This objective for the seven years to quarter end was 7.2% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	5.1	-5.8	5.4	8.2
Benchmark return*	5.8	-4.3	5.0	7.9
Excess returns	-0.7	-1.5	+0.4	+0.3

*Composite benchmark of relevant indices

Total returns – after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	5.1	-6.0	4.5	7.2

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	32.0	31.8
	Australian Shares - Small Cap	3.0	2.9
	International Shares - Large Cap	25.0	19.6
	International Shares - Low Vol	4.0	4.0
	Global Shares - Small Cap	7.0	4.9
	Emerging Markets Shares	6.0	6.1
Real Assets	Global Listed Property**	0.0	0.0
	Australian Direct Property	7.0	7.5
	Global Listed Infrastructure**	0.0	0.8
	Global Unlisted Infrastructure	8.0	7.8
	Natural Resources	1.0	2.0
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	1.0	0.8
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	4.0	1.4
	High Yield Debt	0.0	1.1
	Emerging Markets Debt	1.0	2.4
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0
	Global Short Term Bond Fund	0.0	0.0
	Global Credit	0.0	0.0
	Australian Sovereign Bonds	0.0	1.6
	Global Sovereign Bonds	0.0	1.5
	Australian Inflation Plus	0.0	0.0
	Cash	1.0	3.8
		100.0	100.0
FX Exposure		35.0	34.5

** 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 4.5% per annum over rolling seven year periods. This objective for the seven years to quarter end was 7.2% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	5.1	-5.8	5.3	8.2
Benchmark return*	5.8	-4.3	5.0	7.9
Excess returns	-0.7	-1.5	+0.3	+0.3

*Composite benchmark of relevant indices

Total returns – after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	5.1	-6.0	4.5	7.2

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	32.0	32.0
	Australian Shares - Small Cap	3.0	2.8
	International Shares - Large Cap	25.0	19.7
	International Shares - Low Vol	4.0	3.9
	Global Shares - Small Cap	7.0	4.7
	Emerging Markets Shares	6.0	6.2
Real Assets	Global Listed Property**	0.0	0.0
	Australian Direct Property	7.0	7.5
	Global Listed Infrastructure**	0.0	0.8
	Global Unlisted Infrastructure	8.0	7.8
	Natural Resources	1.0	2.0
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	1.0	0.8
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	4.0	1.4
	High Yield Debt	0.0	1.1
	Emerging Markets Debt	1.0	2.4
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0
	Global Short Term Bond Fund	0.0	0.0
	Global Credit	0.0	0.0
	Australian Sovereign Bonds	0.0	1.6
	Global Sovereign Bonds	0.0	1.5
	Australian Inflation Plus	0.0	0.0
	Cash	1.0	3.8
		100.0	100.0
FX Exposure		35.0	34.4

** 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, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

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 4.5% per annum over rolling seven year periods. This objective for the seven years to quarter end was 6.9% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	5.1	-5.7	5.2	8.1
Benchmark return*	5.8	-4.3	4.9	7.8
Excess returns	-0.7	-1.4	+0.3	+0.3

**Composite benchmark of relevant indices*

Total returns – after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	5.1	-6.0	4.4	7.1

Asset allocation (%)	B'mark	Actual	
Shares	Australian Shares - Large Cap	32.0	32.0
	Australian Shares - Small Cap	3.0	2.9
	International Shares - Large Cap	25.0	19.8
	International Shares - Low Vol	4.0	3.8
	Global Shares - Small Cap	7.0	4.8
	Emerging Markets Shares	6.0	6.2
Real Assets	Global Listed Property**	0.0	0.0
	Australian Direct Property	7.0	7.5
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	7.8
	Natural Resources	1.0	2.0
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	1.0	0.8
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	4.0	1.4
	High Yield Debt	0.0	1.1
	Emerging Markets Debt	1.0	2.4
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0
	Global Short Term Bond Fund	0.0	0.0
	Global Credit	0.0	0.0
	Australian Sovereign Bonds	0.0	1.6
	Global Sovereign Bonds	0.0	1.5
	Australian Inflation Plus	0.0	0.0
	Cash	1.0	3.5
	100.0	100.0	
FX Exposure	35.0	34.5	

** 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. 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	4.7	-5.2	5.0	7.7
Benchmark return*	5.4	-3.9	4.6	7.4
Excess returns	-0.7	-1.3	+0.4	+0.3

**Composite benchmark of relevant indices*

Total returns – after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	4.7	-5.4	4.2	6.7

Asset allocation (%)	B'mark	Actual	
Shares	Australian Shares - Large Cap	29.1	29.1
	Australian Shares - Small Cap	2.4	2.3
	International Shares - Large Cap	22.6	16.8
	International Shares - Low Vol	4.0	4.1
	Global Shares - Small Cap	6.1	3.9
	Emerging Markets Shares	4.8	4.8
Real Assets	Global Listed Property**	0.5	0.4
	Australian Direct Property	7.0	7.5
	Global Listed Infrastructure**	0.0	0.8
	Global Unlisted Infrastructure	8.0	7.7
	Natural Resources	1.0	2.0
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	1.5	1.8
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	4.8	1.9
	High Yield Debt	1.1	2.8
	Emerging Markets Debt	1.6	2.6
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.6	0.5
	Global Short Term Bond Fund	0.0	0.0
	Global Credit	0.0	0.0
	Australian Sovereign Bonds	1.2	2.3
	Global Sovereign Bonds	1.2	2.7
	Australian Inflation Plus	0.6	0.9
	Cash	1.9	5.1
	100.0	100.0	
FX Exposure	32.5	32.4	

** 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, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

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 seven year periods. This objective for the seven years to quarter end was 6.1% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	4.0	-4.8	4.3	6.9
Benchmark return*	4.6	-3.5	3.9	6.6
Excess returns	-0.6	-1.3	+0.4	+0.3

**Composite benchmark of relevant indices*

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	4.0	-5.0	3.5	6.0

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	24.1	23.4
	Australian Shares - Small Cap	1.4	1.4
	International Shares - Large Cap	19.6	15.0
	International Shares - Low Vol	4.0	4.1
	Global Shares - Small Cap	3.7	2.1
	Emerging Markets Shares	3.7	3.5
Real Assets	Global Listed Property**	1.3	0.9
	Australian Direct Property	7.2	7.6
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.5	7.5
	Natural Resources	1.0	2.1
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	1.5	1.8
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	6.4	2.9
	High Yield Debt	3.5	5.4
	Emerging Markets Debt	2.6	3.8
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	1.8	1.8
	Global Short Term Bond Fund	0.0	0.0
	Global Credit	0.0	1.0
	Australian Sovereign Bonds	3.2	4.3
	Global Sovereign Bonds	3.2	3.6
	Australian Inflation Plus	1.3	1.3
	Cash	2.0	5.6
		100.0	100.0
FX Exposure		29.0	29.0

** 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 3.25% per annum over rolling six year periods. This objective for the six years to quarter end was 5.6% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	6 yrs (p.a.)
Total returns	3.4	-3.9	3.8	6.2
Benchmark return*	3.9	-3.0	3.3	5.8
Excess returns	-0.5	-0.9	+0.5	+0.4

**Composite benchmark of relevant indices*

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	6 yrs (p.a.)
Total returns	3.4	-4.2	3.0	5.4

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	19.1	18.4
	Australian Shares - Small Cap	0.4	0.6
	International Shares - Large Cap	15.8	11.5
	International Shares - Low Vol	4.0	4.0
	Global Shares - Small Cap	1.6	0.6
	Emerging Markets Shares	2.6	1.9
Real Assets	Global Listed Property**	2.0	1.4
	Australian Direct Property	7.5	7.6
	Global Listed Infrastructure**	0.0	0.8
	Global Unlisted Infrastructure	9.0	7.6
	Natural Resources	1.0	2.1
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	2.0	1.9
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	7.9	3.8
	High Yield Debt	5.1	7.8
	Emerging Markets Debt	4.0	4.8
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	3.3	3.3
	Global Short Term Bond Fund	0.0	0.0
	Global Credit	0.0	1.1
	Australian Sovereign Bonds	5.2	6.4
	Global Sovereign Bonds	5.2	5.7
	Australian Inflation Plus	1.8	1.9
	Cash	2.5	6.8
		100.0	100.0
FX Exposure		26.0	25.1

** 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, 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	0.0	0.0
Listed Infrastructure				
Macquarie Investment Management	0.0	+0.1	+0.1	+0.1

- 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

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