



Mercer Funds

Quarterly report

to 30 June 2021

welcome to brighter

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Economy and markets

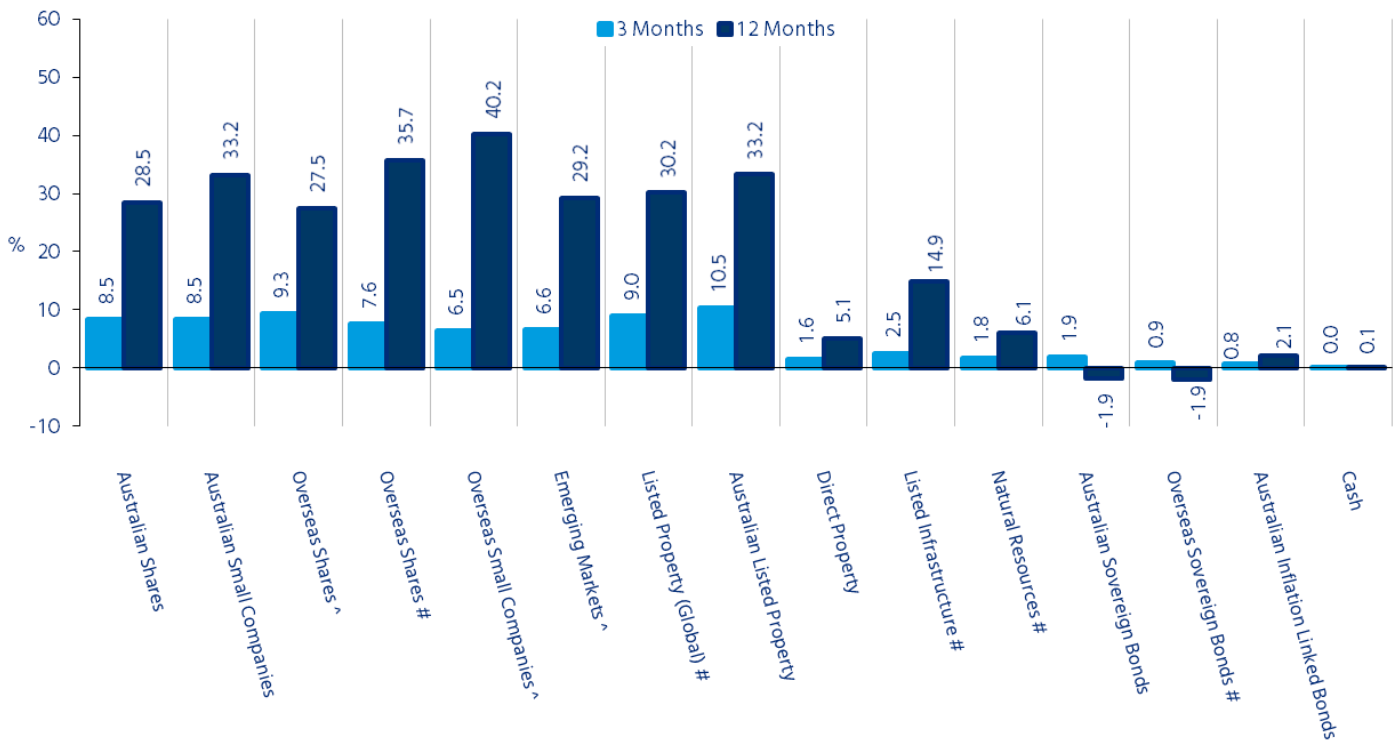
After an initial slow rollout of vaccination programs, developed markets have now made significant progress. The United Kingdom (UK) is currently taking the lead with a vaccination rate of 60%, with Europe and the US following closely with a 50% vaccination rate. As restrictions continue to lift at different rates around the world, economies are poised to rebound sharply and the global economic outlook remains positive. Investor attention and concern are now fixated on inflation implications and central bank responses. The US Federal Reserve shifted towards a more hawkish stance towards the end of the June quarter, announcing plans to scale back on relief programs and further potential tapering. Domestically, the RBA has maintained an accommodative stance and a rise in cash rates is not expected in the near future.

Hedged Developed Market Overseas Shares returned 7.6% over the quarter as current developed market GDP figures indicate strong economic expansions, driven by domestic goods consumption and a revival in services. Despite highly stretched equity valuations, investors have taken comfort in strong earnings fundamentals. Unhedged Emerging Markets Shares posted slightly weaker returns, returning 6.6% over the quarter, due to a rise in new cases and their lag in vaccination programs. The main contributors to positive performance resulted from Brazil and Russia, who benefited from the increase in commodity prices over the quarter. In comparison, China weighed negatively on the index with news of regulatory crackdowns against its Financial and Technology sectors.

Following a relatively muted first quarter, Australian REITs was the best performing asset class over the June quarter. The rebound resulted in a positive quarterly return of 10.5%, slightly outperforming Global REITs, which returned 9.0%. The strong performance is a result of the anticipation of the global economy reopening and pandemic recovery. Furthermore, the anticipated energy demand from economies reopening continues to drive up prices of cyclical commodities.

The Australian share market outperformed its hedged overseas counterpart, with the S&P/ASX300 returning 8.5% over the June quarter. All other domestic indices posted similar positive returns, with the S&P/ASX Mid 50 being the top performer, returning 10.1%. The strongest performing sectors were IT (12.1%) and Consumer Discretionary (11.6%), whilst the weakest performing sector was Utilities (-4.5%).

Financial market returns to 30 June 2021



NOTE:

Past performance is not a reliable indicator of future performance.

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

Fully hedged return.

^ Unhedged return.

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

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

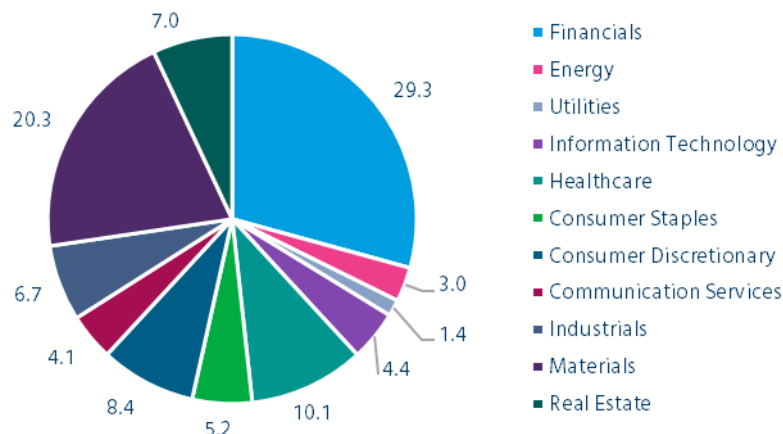
Shares

Australian shares

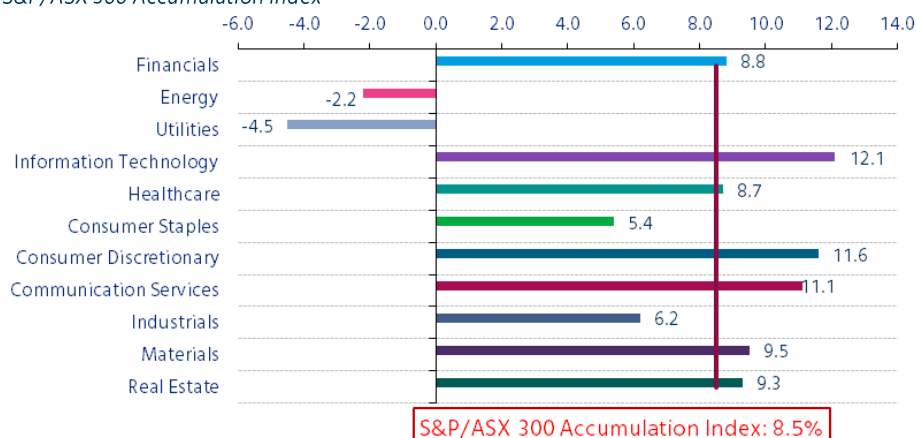
Australian shares were positive over Q2 2021 as the S&P/ASX 300 Index returned 8.5% for the period. The S&P/ASX Mid 50 was the best performer for the quarter returning 10.1%, while the worst performer was the S&P/ASX 50 returning 8.2%. The best performing sectors were IT and Consumer Discretionary, while the weakest performing sectors were Utilities and Energy. The largest positive contributors to the return of the index were CBA, Aristocrat Leisure and Fortescue. On the other hand, the most significant detractors from performance were Woolworths, ANZ and NAB.

Mercer Australian Shares Funds**

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



Benchmark sector returns for the three months to 30 June 2021(%)
S&P/ASX 300 Accumulation Index



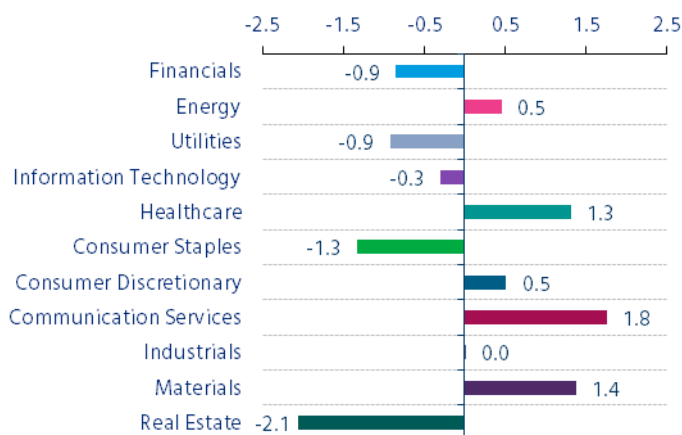
** In this Quarterly Report, ‘Australian Shares Funds’ refers to:

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

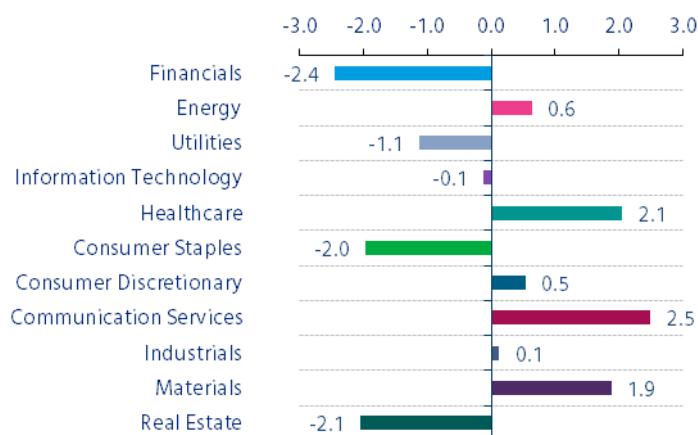
Only the sector exposure differs between the Funds. Benchmark weights etc. apply to both Funds.

Sector Exposure — Overweight/Underweight positions as at 30 June 2021 (%)

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	7.0	6.7	BHP Group Ltd	7.0	6.7
Commonwealth Bank	6.7	8.3	CSL	6.5	6.1
CSL	6.2	6.1	Commonwealth Bank	6.0	8.3
ANZ Banking Group	4.1	3.8	ANZ Banking Group	4.0	3.8
National Australia Bank	3.8	4.1	National Australia Bank	4.0	4.1
Westpac Banking Corporation	3.1	4.5	Woolworths Group Ltd	2.6	2.3
Wesfarmers	2.5	3.2	Aristocrat Leisure Ltd	2.6	1.3
Macquarie Group Ltd	2.4	2.5	Telstra Corporation	2.3	2.1
Woolworths Group Ltd	2.3	2.3	Wesfarmers	2.2	3.2
Telstra Corporation	2.3	2.1	Westpac Banking Corporation	2.2	4.5

Investment performance

Mercer Australian Shares Fund	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	8.3	29.9	9.6	11.8
Benchmark return	8.5	28.5	9.8	11.3
Excess return — before fees	-0.2	+1.4	-0.2	+0.5
Mercer Australian Shares Plus Fund	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	8.2	31.7	10.0	12.5
Benchmark return	8.5	28.5	9.8	11.3
Excess return — before fees	-0.3	+3.2	+0.2	+1.2
Total returns (%) – after Fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Australian Shares Fund	8.2	28.9	8.7	10.9
Mercer Australian Shares Plus Fund	8.0	30.5	9.0	11.4

Manager performance

During the quarter stock selection marginally detracted from performance, whilst asset allocation had a slight contribution to positive excess returns. Stock selection within both the industrial and materials sectors detracted from performance, driven by overweight allocations to Qantas and Oz Minerals. Stock selection within the healthcare sector was positive, driven by an overweight exposure to ResMed. The overweight allocation to communication services also contributed positively for the quarter, as did underweight allocations to utilities and materials.

Proportion of assets managed at quarter end			Manager returns relative to fund benchmark (+ or - %) - before fees				
Managers	Core Fund	Plus Fund	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Plato Investment Management	35.1	0.0	Plato Investment Management	+0.5	+0.8	+0.8	+0.9
Greencape	14.5	21.2	Greencape	-0.5	+1.6	+2.0	+2.6
WaveStone Capital	13.4	19.6	WaveStone Capital	+0.7	+1.8	+0.5	+2.5
Vinva Investment Management	11.4	16.8	Vinva Investment Management	-0.5	+1.3	-1.6	n/a
Ausbil Investment Management	10.5	15.4	Ausbil Investment Management	-0.4	+10.0	+2.0	+3.0
Firetrail	7.9	11.6	Firetrail	-3.6	+5.7	n/a	n/a
Fidelity	7.2	10.5	Fidelity	+2.0	-9.6	+3.2	+4.1
First Sentier Investors	0.0	1.4	First Sentier Investors	+1.2	+9.9	+10.8	n/a
Perennial Value Management	0.0	1.2	Perennial Value Management	+0.6	+13.2	+5.2	+9.1
Longwave Capital Partners	0.0	1.2	Longwave Capital Partners	+1.4	n/a	n/a	n/a
IFM Investors	0.0	1.1	IFM Investors	-0.2	+6.6	+4.5	+2.1

Mercer Passive Australian Shares Fund

Total returns (%) – after Fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Passive Australian Shares Fund	8.4	28.4	9.5	11.0

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

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

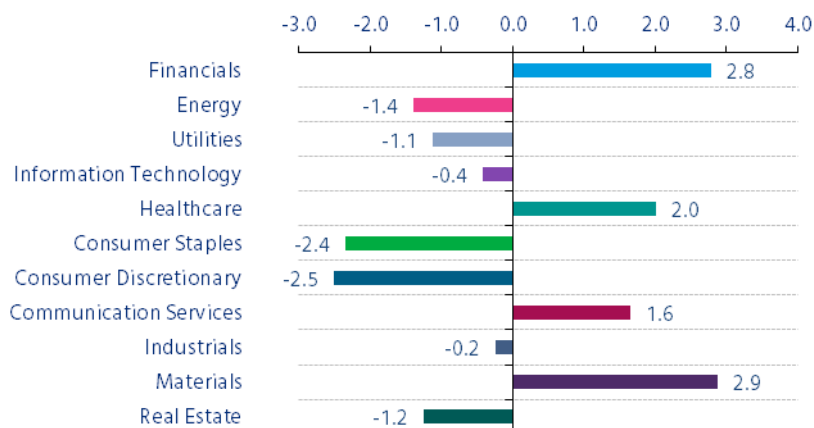
Shares

Australian shares – socially responsible

Australian shares were positive over Q2 2021 as the S&P/ASX 300 Index returned 8.5% for the period. The S&P/ASX Mid 50 was the best performer for the quarter returning 10.1%, while the worst performer was the S&P/ASX 50 returning 8.3%.

Mercer Socially Responsible Australian Shares Fund

Sector Exposure — Overweight/Underweight positions as at 30 June 2021(%)



Top 10 holdings

Stock	% of Fund	% of Benchmark
Commonwealth Bank	8.2	8.3
BHP Group Ltd	8.2	6.7
CSL	6.3	6.1
Westpac Banking Corporation	5.2	4.5
National Australia Bank	4.4	4.1
ANZ Banking Group	4.3	3.8
Macquarie Group Ltd	3.6	2.5
Telstra Corporation	3.4	2.1
Goodman Group Pty Ltd	2.9	1.7
Wesfarmers	2.6	3.2

Investment performance

Total & excess returns (%)	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	8.5	32.0	10.6	12.2
Benchmark return	8.5	28.5	9.8	11.3
Excess return — before fees	0.0	+3.5	+0.8	+0.9

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Socially Responsible Australian Shares Fund	8.3	30.8	9.6	11.1

Manager performance

During the first quarter, asset allocation drove modest outperformance, while stock selection detracted from performance. Underweight allocations in real estate and energy contributed positively over the quarter while an underweight in consumer discretionary detracted. At a security level, overweight exposures to Megaport Ltd and Goodman Group were the largest contributors while the overweight allocation to Costa Group Holdings Ltd detracted from performance. .

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees				
Manager	%	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Acadian Asset Management	40.3	Acadian Asset Management	+0.3	+3.1	+1.0	+1.6
Alphinity Investment Management	31.4	Alphinity Investment Management	+0.7	+4.1	n/a	n/a
Pendal Group Limited	28.3	Pendal Group Limited	-0.8	+4.4	+1.9	+2.7

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 Q2 2021 as the S&P/ASX 300 Accumulation Index Gross of Franking Credits returned 8.7% for the period.

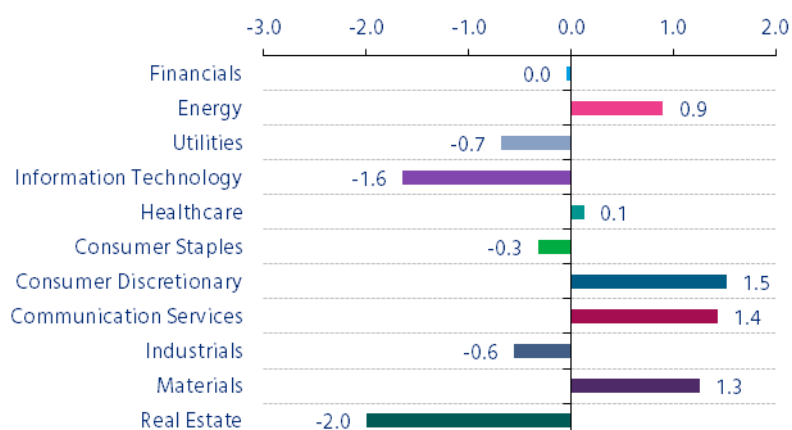
The best performing sectors were IT and Consumer Discretionary, while the weakest performing sectors were Utilities and Energy. The largest positive contributors to the return of the index were CBA, Aristocrat Leisure and Fortescue. On the other hand, the most significant detractors from performance were Woolworths, ANZ and NAB.

Top 10 holdings

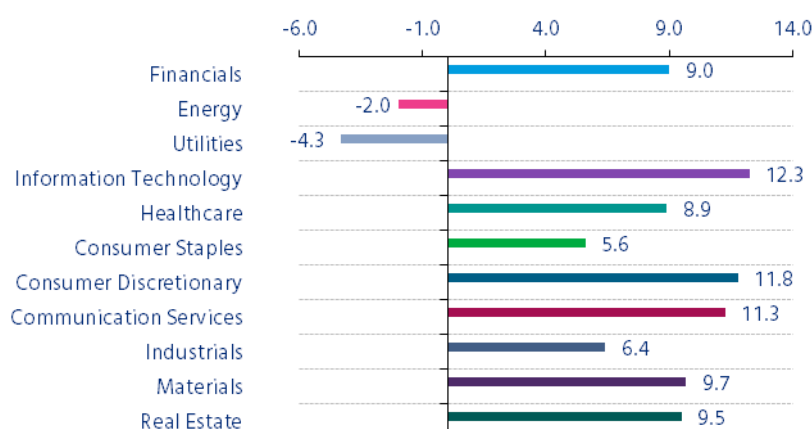
Stock	% of Fund	% of B'mark
Commonwealth Bank	7.7	8.3
BHP Group Ltd	6.8	6.7
CSL	5.6	6.1
National Australia Bank	4.3	4.1
ANZ Banking Group	3.3	3.8
Wesfarmers	3.2	3.2
Telstra Corporation	3.2	2.1
Westpac Banking Corporation	3.2	4.5
Rio Tinto	3.1	2.2
Aristocrat Leisure Ltd	2.2	1.3

Mercer Australian Shares Fund for Tax Exempt Investors

Sector Exposure — Overweight/Underweight positions as at 30 June 2021 (%)



Benchmark sector returns for the three months to 30 June 2021 (%)
S&P/ASX 300 Accumulation Index Gross of Franking Credits



Investment performance

Total & excess returns (%)	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	7.8	30.8	12.6	13.8
Benchmark return	8.7	29.8	11.2	12.7
Excess return — before fees	-0.9	+1.0	+1.4	+1.1

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Australian Shares Fund for Tax Exempt Investors	7.5	29.4	11.5	12.7

Manager performance

During the quarter both stock selection and asset allocation detracted from performance. Stock selection within the materials and financials sector detracted from performance, driven by an underweight exposure to CBA and overweight allocations to Nufarm and Oz Minerals. Despite this, stock selection within the healthcare sector was positive, driven by an overweight exposure to ResMed. Underweight allocations to financials and information technology sectors also detracted from performance over the quarter while overweight allocations to materials and consumer discretionary sectors contributed.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees				
Manager	%	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Macquarie Investment Management	40.2	Macquarie Investment Management	-0.5	+2.3	+2.8	+3.4
Plato Investment Management	30.5	Plato Investment Management	-0.9	-2.4	+1.2	+0.6
Wavestone	17.1	Wavestone	+0.6	+1.3	n/a	n/a
Firetrail	12.2	Firetrail	-3.4	+5.4	n/a	n/a

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

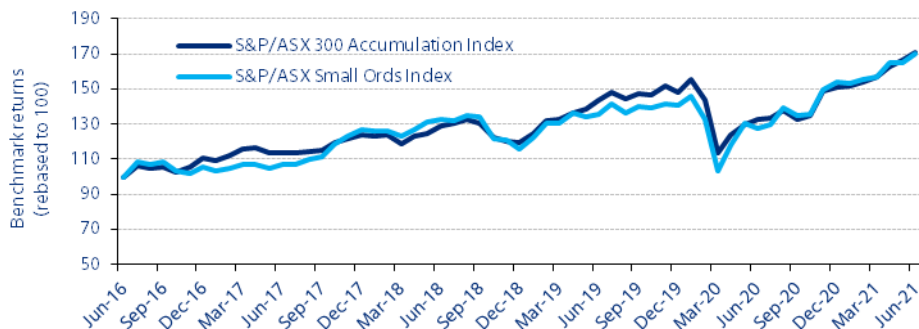
Refer to page 38 – ‘Important notes about this report’ - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

Shares

Australian shares – small companies

Australian Small Companies performance was positive over the June quarter with the asset class returning 8.5% for the period. Australian Small Companies performed in line with the broad market capitalisation index over the quarter.

Australian small vs ‘large’ company performance



Mercer Australian Small Companies Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	9.3	41.8	14.1	15.1
Benchmark return	8.5	33.2	8.6	11.2
Excess return — before fees	+0.8	+8.6	+5.5	+3.9

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Australian Small Companies Fund	8.9	40.0	12.6	13.7

Manager performance

Absolute fund performance was strong over the quarter (+9.3%), outperforming the S&P ASX Small Ordinaries index by 0.8%. Stock selection and sector positioning added value over the quarter. At the sector level, overweight allocations to the industrials and consumer discretionary sectors, and an underweight allocation to consumer staples contributed strongly to the outperformance. These were somewhat offset by overweight allocations to the health care and energy sectors over the quarter. At the security level, overweight positions in MoneyMe and Maas Group and underweight positions to Costa Group, EML Payments and Harvey Norman were the top contributors to performance, while overweight positions in Genetic Signatures and Ecofibre were key detractors.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees				
Manager	%	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
First Sentier Investors	28.5	First Sentier Investors	+1.2	+9.9	+10.8	n/a
Perennial Value Management	24.5	Perennial Value Management	+0.6	+13.2	+5.2	+9.1
Longwave Capital Partners	24.2	Longwave Capital Partners	+1.4	n/a	n/a	n/a
IFM Investors	22.8	IFM Investors	-0.2	+6.6	+4.5	+2.1

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 Refer to page 39 for Asset class benchmarks.

Shares

International shares

The broad MSCI World ex Australia (NR) increased 7.6% in hedged terms and increased 9.3% in unhedged terms over the quarter, as the AUD achieved negative returns against major currencies over the period. The strongest performing sectors were Information Technology and Real Estate, while Utilities and Industrials were the worst performers. Other global shares were also positive as the MSCI Small Caps (TR) Index and the MSCI Emerging Markets (NR) Index both returned 6.6% over the quarter, all in AUD terms.

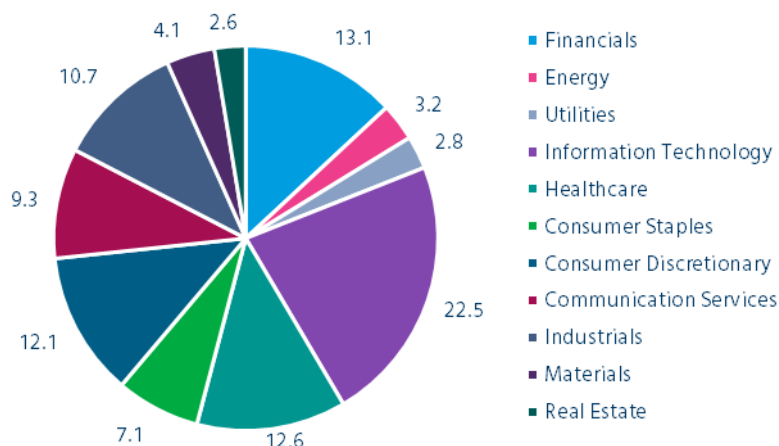
Over the June quarter, the NASDAQ increased 9.5%, the S&P 500 Composite Index increased 8.5% and the Dow Jones Industrial Average increased 5.1%, all in USD terms. Most European markets experienced positive returns, with the FTSE 100 (United Kingdom) increasing 5.7%, the CAC 40 (France) increasing 9.1% and the DAX 30 (Germany) increasing 3.5%, all in local currency terms. Equity returns were broadly positive across Asia as the S&P BSE 500 (India) increased 9.5%, the SSE Composite (China) increased 4.3% and the Hang Seng (Hong Kong) increased 2.7%, all in local currency terms. In comparison, the TOPIX (Japan) decreased over the quarter, returning -0.3%.

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

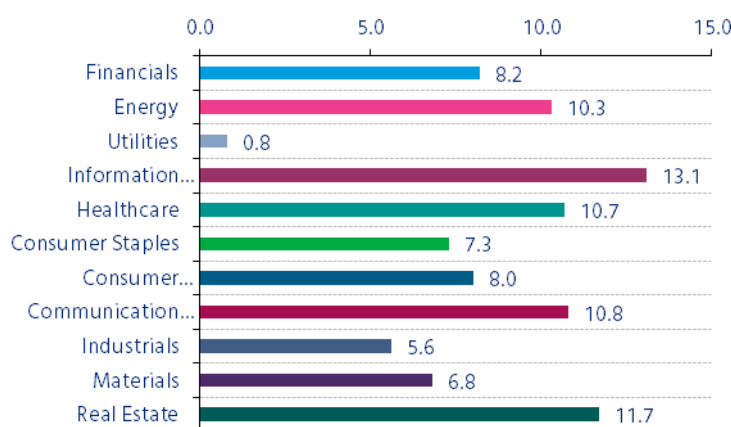
- Mercer International Shares Fund
 - Mercer Hedged International Shares Fund
- Benchmark weights etc. apply to all international shares funds.

Mercer International Shares Funds**

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

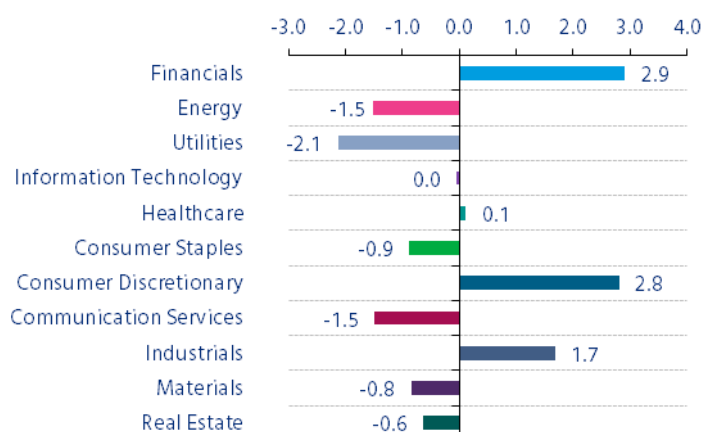


Benchmark sector returns for the three months to 30 June 2021 (%)
 MSCI World Index (ex Australia) - in A\$ with net dividends reinvested



Sector Exposure — Overweight/Underweight positions as at 30 June 2021 (%)

Mercer International Shares Fund Mercer Hedged International Shares Fund



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

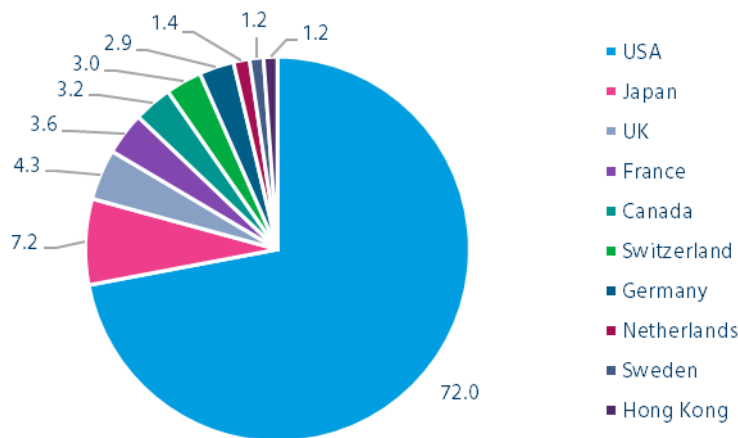
Refer to page 38 – ‘important notes about this report’ - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

Shares

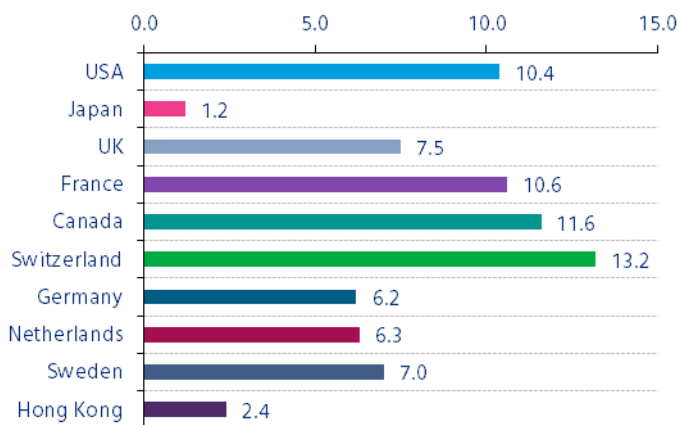
International shares

Mercer International Shares Funds**

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



Top 10 countries’ benchmark returns for the three months to 30 June 2021 (%)
MSCI World Index (ex Australia) - in A\$ with net dividends reinvested



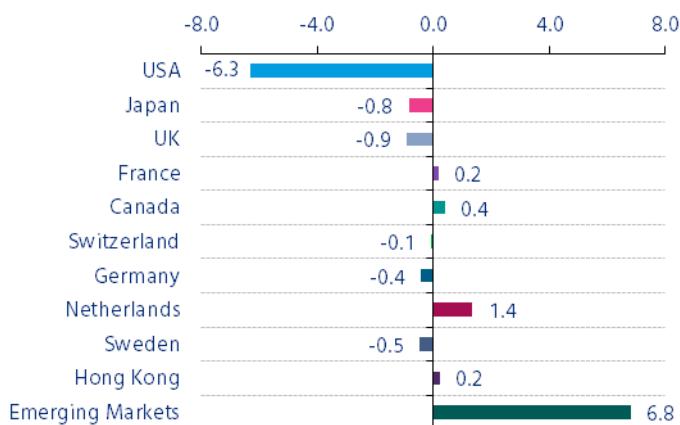
** In this Quarterly Report, ‘International Shares Funds’ refers to:

- Mercer International Shares Fund
- Mercer Hedged International Shares Fund

Benchmark weights etc. apply to all funds.

Exposure to top 10 countries - Overweight/Underweight positions as at 30 June 2021 (%)

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	2.7	3.4
Amazon	2.1	2.6
Facebook Inc	2.0	1.5
Apple	1.9	4.1
Alphabet Inc	1.4	2.6
Charles Schwab Corp	1.1	0.2
Intact Financial Corp	1.0	0.0
Novartis	0.9	0.4
Asml Holding Nv	0.9	0.5
Unitedhealth Group Inc	0.8	0.7

Investment performance

Mercer International Shares Fund	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	8.7	29.1	15.2	15.5
Benchmark return — before fees:	9.3	27.5	14.5	14.7
Excess return — before fee:	-0.6	+1.6	+0.7	+0.8
Mercer Hedged International Shares Fund	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	7.0	37.5	14.0	15.1
Benchmark return — before fees:	7.6	35.7	13.5	14.4
Excess return — before fees	-0.6	+1.8	+0.5	+0.7
Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer International Shares Fund	8.4	27.8	14.0	14.3
Mercer Hedged International Shares Fund	6.7	36.2	13.0	14.0

Manager performance

The fund underperformed the benchmark over the quarter by 0.7%. Strong performance from Baillie Gifford offset some of the underperformance from Maj Invest, Wellington and Arrowstreet. Asset selection was slightly positive, whilst stock selection was the main driver of underperformance. An underweight holding in Apple was a major detractor, whilst an overweight holding in Moderna was a key contributor.

Proportion of assets managed at quarter end			Manager returns relative to fund benchmark (+ or - %) - before fees				
Managers	Unhedged %	Hedged %	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Schroder Investment Management	35.3	35.2	Schroder Investment Management	+0.1	-1.0	-1.3	-1.9
Arrowstreet	19.4	19.5	Arrowstreet	-1.2	+4.8	+3.5	+4.7
Wellington	15.0	15.0	Wellington	-2.0	-5.7	n/a	n/a
Maj Invest	12.3	12.3	Maj Invest	-5.3	n/a	n/a	n/a
AllianceBernstein	9.8	9.8	AllianceBernstein	+0.6	+1.3	n/a	n/a
Baillie Gifford	8.2	8.2	Baillie Gifford	+6.8	+22.1	n/a	n/a

Mercer Passive International Shares Fund

Mercer Passive Hedged International Shares Fund

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Passive International Shares Fund	9.4	27.5	14.6	14.8
Mercer Passive Hedged International Shares Fund	7.7	35.9	13.7	14.4

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

Socially responsible global shares

Mercer Socially Responsible Global Shares Fund – Unhedged Units

Mercer Socially Responsible Global Shares Fund – Hedged Units

Top 10 holdings

Stock	% of Fund	% of Benchmark
Microsoft Corp	1.9	3.4
Danaher Corp	1.4	0.3
Vestas Wind Systems A/S	1.4	0.1
Ecolab Inc	1.4	0.1
Schneider Electric Se	1.3	0.1
Agilent Technologies Inc	1.3	0.1
Ebay Inc	1.2	0.1
Orsted A/S	1.2	0.0
Aptiv Plc	1.1	0.1
American Water Works Company Inc	1.1	0.0

Investment performance

Mercer Socially Responsible Global Shares Fund – Unhedged Units	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	9.4	30.3	15.3	n/a
Benchmark return — before fees:	9.3	27.5	14.4	n/a
Excess return — before fee:	+0.1	+2.8	+0.9	n/a
Mercer Socially Responsible Global Shares Fund – Hedged Units	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	7.6	38.5	14.5	n/a
Benchmark return — before fees:	7.6	35.6	13.4	n/a
Excess return — before fees	0.0	+2.9	+1.1	n/a
Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Socially Responsible Global Shares Fund – Unhedged Units	9.2	29.0	14.2	n/a
Mercer Socially Responsible Global Shares Fund – Hedged Units	7.4	37.1	13.6	n/a

Manager performance

The Portfolio performed at the benchmark over the quarter but remains ahead over the one-year period. Sector allocation as well as a positive tilt to momentum factors were negative contributors for the period. The Portfolio is positively exposed to sustainable, quality growth orientated stocks and in a period when cyclical value stocks rallied alongside traditional energy, this was a headwind. At the stock level, contributing the most was US based science and technology innovation company Danaher, and detracting the most was Danish renewable energy company Orsted.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees				
Managers	Unhedged %	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Dublin	100.0	Mercer Dublin	+0.1	+3.1	+1.0	n/a

Manager allocation

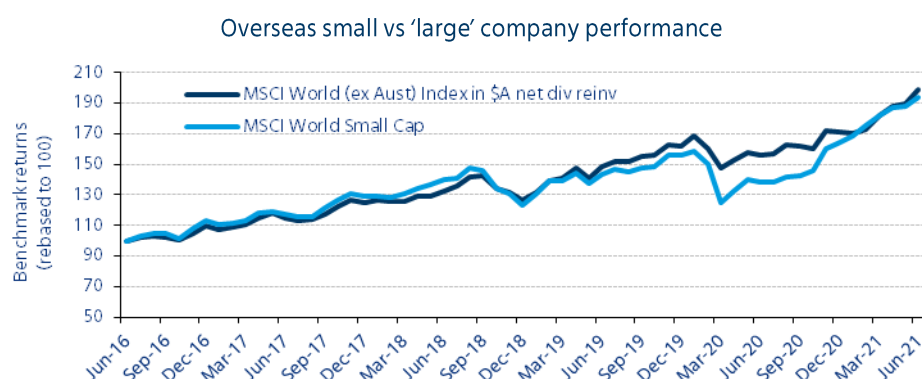
Manager	%
Impax	15.0
Mirova	20.0
SSGA	30.0
Stewart	20.0
Wellington	15.0

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

Shares

Global shares – small companies

In unhedged AUD terms, the Global Small Cap sector increased 6.6%, underperforming Global Large Cap stocks.



Mercer Global Small Companies Shares Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	7.3	43.9	13.1	15.2
Benchmark return	6.5	40.2	11.5	14.2
Excess return — before fees	+0.8	+3.7	+1.6	+1.0

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Global Small Companies Shares Fund	7.1	42.9	12.0	14.1

Manager performance

The fund outperformed versus its benchmark as stock selection and sector allocation both contributed positively over the quarter. Stock selection was the key driver, with Novocure Ltd, Staar Surgical Co and Stelco Holdings all contributing positively. New York Times and the Sleep Number Corporation were the key detractors.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees				
Manager	%	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Arrowstreet	36.5	Arrowstreet	+0.1	+15.7	+7.0	+6.9
KBI Global Investors	25.1	KBI Global Investors	-0.2	-3.7	n/a	n/a
Lazard Asset Management	24.9	Lazard Asset Management	+2.6	-2.5	-3.2	n/a
Baillie Gifford	13.5	Baillie Gifford	+1.3	-6.7	+19.7	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

Global shares – low volatility

Mercer Global Enhanced Low Volatility Shares Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	6.5	10.2	6.8	7.5
Benchmark return	7.3	9.3	9.2	8.1
Excess return — before fees	-0.8	+0.9	-2.4	-0.6

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Global Enhanced Low Volatility Shares Fund	6.5	10.0	6.5	7.2

Manager performance

The fund underperformed the benchmark over the quarter by -0.8%. The fund's value and smaller size tilts were positive for returns. Sector allocation detracted over the quarter despite its underweight exposure to information technology and a large overweight to consumer staples contributing positively. Positive stock selection more than offset allocation effects with overweights in Reliance Steel & Aluminium and Caseys contributing to relative performance.

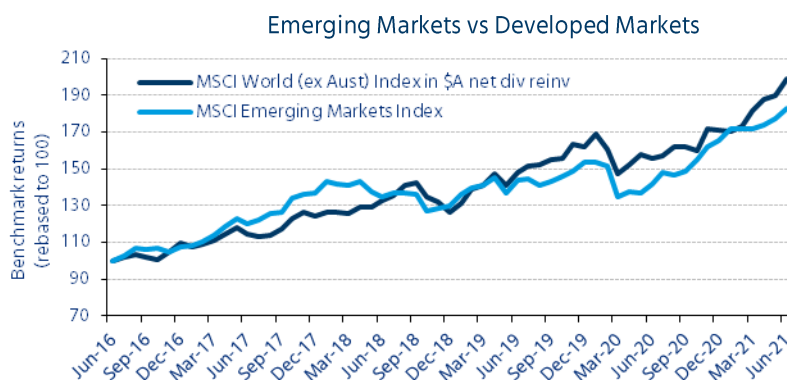
Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees				
Manager	%	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Acadian	100.0	Acadian	-0.8	+0.9	-2.9	-0.7

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.

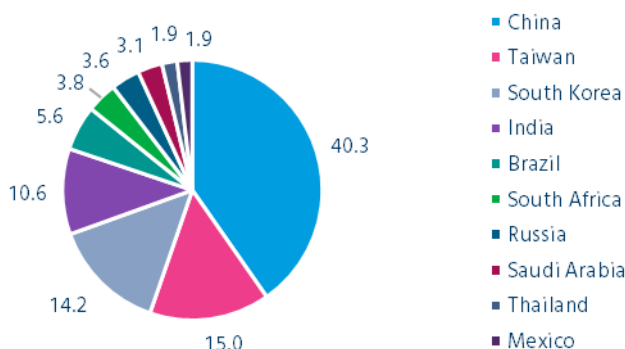
Shares

Emerging markets shares

In unhedged AUD terms, Emerging Markets (NR) returned 6.6%, underperforming developed markets.



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



Mercer Emerging Markets Shares Fund

Investment performance

Mercer Emerging Markets Shares Fund	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	7.0	32.7	11.7	13.9
Benchmark return	6.6	29.2	10.7	12.8
Excess return — before fees	+0.4	+3.5	+1.0	+1.1
Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Emerging Markets Shares Fund	6.8	31.6	10.5	12.7

Manager performance

The fund continues to maintain positive momentum and value tilts while being broadly neutral across other factor groups. Overweight sector allocations include materials, health care and financials. Consumer staples energy, consumer discretionary and energy are all underweight relative to the index.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees				
Manager	%	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
BlackRock Investment Management	37.4	BlackRock Investment Mgmt	-0.4	+0.9	-0.6	+1.1
Macquarie Invesment Management	25.2	Macquarie Invesment Mgmt	-0.5	+1.9	-2.8	-2.7
William Blair	23.9	William Blair	-1.6	-0.5	n/a	n/a
AQR	13.6	AQR	+2.1	+0.5	+3.4	+4.6

Mercer Passive Emerging Markets Shares Fund

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Passive Emerging Markets Shares Fund	6.5	28.8	10.5	12.6

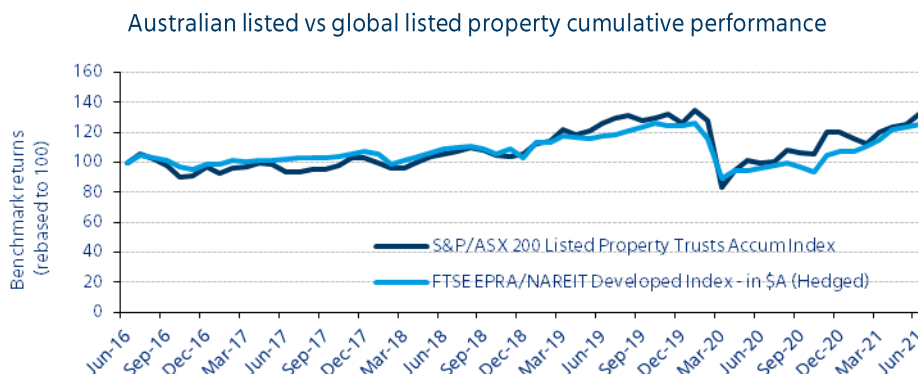
NOTE: Past performance is not a reliable indicator of future performance.

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

Real assets

Global listed property

Domestic listed property experienced strong performance over majority of the quarter and returned 10.7%. Similarly, Global REITs performed strongly and returned 9.2% (in AUD hedged terms) over the June quarter.



Mercer Global Listed Property Fund

Investment performance

Mercer Global Listed Property Fund	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	9.2	31.8	6.4	6.5
Benchmark return	9.0	30.2	4.9	4.7
Excess return — before fees	+0.2	+1.6	+1.5	+1.8
Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Global Listed Property Fund	9.0	30.5	5.4	5.4

Manager performance

The fund outperformed over the quarter by +0.2%. Stock selection was the key driver of relative performance as holdings in Welltower Inc (OW), Invitation Homes Inc (OW), Equinix Inc (OW) and Broadstone Net Lease Int (OW) significantly contributed to performance. On the other hand, the overweight to the consumer discretionary and the information technology sectors detracted from relative performance.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees				
Manager	%	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Principal Global Investors	62.1	Principal Global Investors	+0.6	-0.1	+3.0	+3.4
Brookfield Investment Management	37.9	Brookfield Investment Management	-0.6	+2.8	-0.9	+1.2

Mercer Passive Global Listed Property Fund

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Passive Global Listed Property Fund	8.9	29.7	4.9	4.5

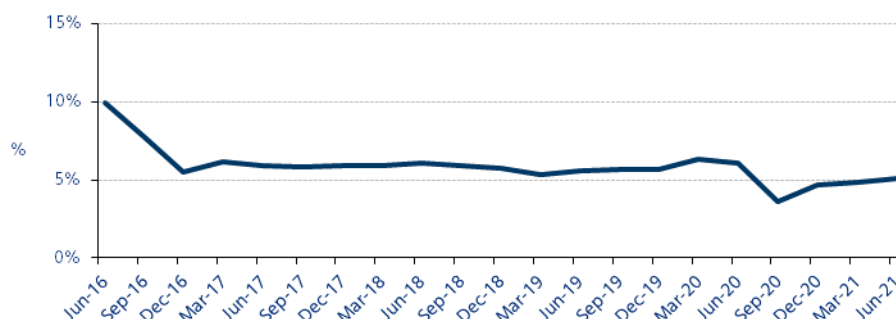
NOTE: Past performance is not a reliable indicator of future performance.
Refer to page 38 – 'Important notes about this report' - for further information on the calculation of returns.
Refer to page 39 for Asset class benchmarks.

Real assets

Australian direct property

The Australian unlisted property sector (NAV) increased 1.9% over the quarter (on a one-month lagged basis).

Direct Property – 12 month Rolling Benchmark Return



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

Mercer Australian Direct Property Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	2.3	8.2	8.0	9.9
Benchmark return	1.6	5.1	5.6	5.8
Excess return — before fees	+0.7	+3.1	+2.4	+4.1

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Australian Direct Property Fund	2.0	6.7	6.6	8.5

Manager performance

The fund significantly outperformed the Mercer/MSCI Wholesale Property Fund Index (YFYS benchmark) over all time periods. It outperformed the CPI+4% benchmark over all periods since inception. The COVID pandemic's effects on the portfolio reduced significantly prior to the recent lockdowns, with all tenants in occupation and trading. New leasing is proving more challenging for Office assets than prior to the pandemic. Portfolio occupancy is high at 97%.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees				
Manager	%	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Charter Hall Industrial	27.7	Charter Hall Industrial	+3.0	+11.9	+8.4	+7.6
Investa Property Group	25.1	Investa Property Group	0.0	+0.3	+4.3	+7.4
Dexus Wholesale Property Fund	13.6	Dexus Wholesale Property Fund	+0.5	-0.1	+0.6	n/a
Charter Hall Retail	12.4	Charter Hall Retail	+0.3	-0.4	-1.3	+2.3
Goodman Funds Management	7.5	Goodman Funds Management	+1.0	+6.8	+13.1	+11.7
Investa SPV	7.1	Investa SPV	-0.3	+5.5	+5.6	n/a
Lend lease Investment Management (APPF Retail)	2.6	Lend lease Investment Management (APPF Retail)	-0.3	-3.2	-13.1	-7.0
GPT Wholesale Office Fund	2.4	GPT Wholesale Office Fund	+0.5	+1.9	n/a	n/a
AMP Capital Shopping Centre Fund	1.8	AMP Capital Shopping Centre Fund	0.0	-1.1	-11.9	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

Passive Australian property

Mercer Passive Australian Listed Property Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	10.4	32.7	8.0	5.8
Benchmark return	10.5	33.2	7.7	5.8
Excess return — before fees	-0.1	-0.5	+0.3	0.0

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Passive Australian Listed Property Fund	10.3	32.4	7.5	5.5

Manager performance

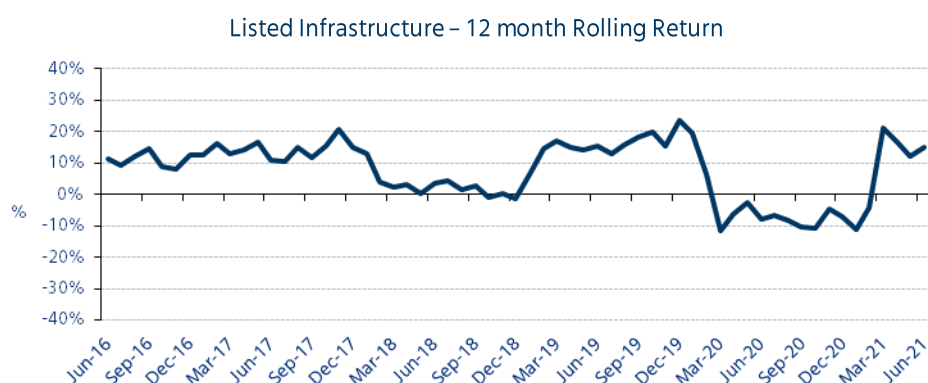
Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees				
Manager	%	3 months	1 year	3 years (p.a.)	5 years (p.a.)	
Macquarie Investment Management	100.0	0.0	-0.3	0.0	-0.1	

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 listed infrastructure

Global Core Listed Infrastructure 50/50 index increased 2.5% for the quarter in hedged terms.



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

Mercer Global Listed Infrastructure Fund

Investment performance

Mercer Global Listed Infrastructure Fund	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	2.9	12.4	6.8	7.2
Benchmark return	2.5	14.9	6.9	7.0
Excess return — before fees	+0.4	-2.5	-0.1	+0.2
Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Global Listed Infrastructure Fund	2.8	11.4	5.8	6.2

Manager performance

The fund outperformed its benchmark over the quarter by +0.4%. Stock selection was a key driver of outperformance, as well as the positive contribution from the underweight allocation to utilities, primarily from Magellan. Key contributors to performance included SBA Communications Corp (OW), Magellan Midstream Partners (OW), American Tower Corp (OW) and Enterprise Products Partners LP (OW). Conversely, holdings in China Gas Holdings Ltd (OW), Eversource Energy (OW) and Crown Castle International Corp (UW) contributed negatively to performance over the quarter.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees			
Manager	%	3 months	1 year	3 years (p.a.)	5 years (p.a.)
First Sentier Investors	59.3	+0.4	-0.3	+0.8	+0.9
Magellan Asset Management	40.7	+0.6	-5.8	n/a	n/a

Mercer Passive Global Listed Infrastructure Fund

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Passive Global Listed Infrastructure Fund	2.3	14.1	5.6	6.2

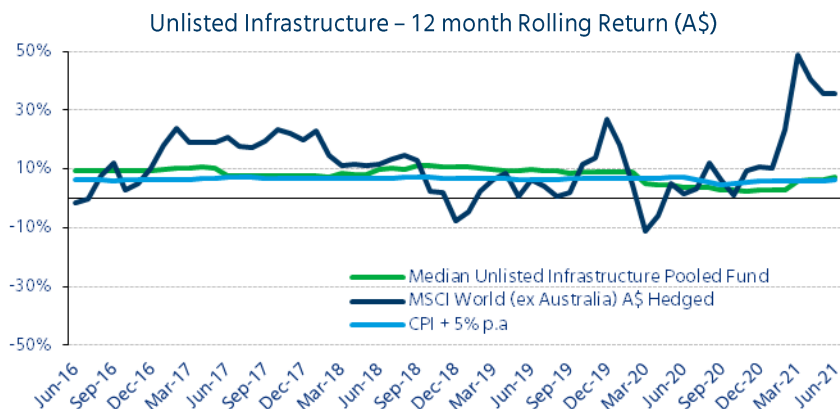
NOTE: Past performance is not a reliable indicator of future performance.

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

Real assets

Global unlisted infrastructure

The Unlisted Infrastructure sector continued to rise over the quarter as global vaccine programs continued and aided in the gradual reopening of developed market economies.



Mercer Global Unlisted Infrastructure Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	5.4	20.3	14.3	15.2
Benchmark return	1.8	6.1	6.4	5.9
Excess return — before fees	+3.6	+14.2	+7.9	+9.3

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Global Unlisted Infrastructure Fund	4.8	16.2	11.2	11.4

Manager performance

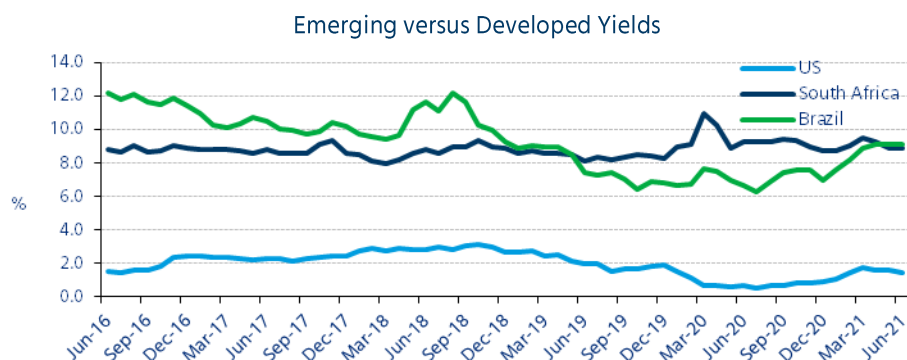
The fund's return for the quarter was significantly above the benchmark return. The most important contributors were KKR Global Infrastructure Fund II ("KKR GIF II") and Stonepeak Infrastructure Partners. Distributions were received from Axiom Infrastructure NA IV, JP Morgan Infrastructure Investments Fund, KKR GIF II, Macquarie Asia Infrastructure Fund and Macquarie Mercer Infrastructure Trust.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees				
Manager	%	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
KKR	31.4	KKR	+13.9	+40.6	+19.7	+16.1
First Sentier Investors	17.1	First Sentier Investors	-0.5	+5.7	+5.6	+3.5
IFM Investors	14.9	IFM Investors	+0.3	+1.7	+1.1	+3.2
Macquarie Asia Infrastructure Fund	11.9	Macquarie Asia Infrastructure Fund	-0.8	+2.3	+1.8	+2.9
Stonepeak Infrastructure Partners	7.7	Stonepeak Infrastructure Partners	+15.9	+29.9	+9.4	n/a
JP Morgan Infrastructure Investments Fund	4.8	JP Morgan Infrastructure Investments	-0.1	n/a	n/a	n/a
Axiom Infrastructure	4.3	Axiom Infrastructure	+6.1	+2.1	n/a	n/a
First Sentier Investors	3.8	First Sentier Investors	-0.2	+9.5	+6.4	+7.2
I-Squared Capital	2.1	I-Squared Capital	-0.5	-5.6	n/a	n/a
Energy Capital Partners	1.8	Energy Capital Partners	-1.6	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 June quarter, returning 5.0% on an unhedged basis.



Mercer Emerging Market Debt Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	5.9	0.2	3.7	3.3
Benchmark return	5.0	-2.3	3.6	3.1
Excess return — before fees	+0.9	+2.5	+0.1	+0.2

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Emerging Markets Debt Fund	5.8	-0.5	2.5	2.0

Manager performance

The fund returned 5.9% over the quarter, outperforming the benchmark index by 0.9%. All of the underlying managers produced positive excess returns over the quarter, with Colchester being the primary contributor to Fund outperformance. Over the past year, the Fund returned 0.2%, outperforming the benchmark index by 2.5%, with all three managers contributing positively.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees				
Manager	%	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Colchester Global Investors	33.9	Colchester Global Investors	+1.5	+3.5	+1.1	n/a
BlackRock	33.2	BlackRock	+0.6	+3.1	-0.5	n/a
Wellington Management	32.9	Wellington Management	+0.6	+1.1	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 years (p.a.)	5 years (p.a.)
Total returns — before fees	3.4	16.3	6.6	7.2
Benchmark return	2.3	12.3	6.1	6.5
Excess return — before fees	+1.1	+4.0	+0.5	+0.7

Manager performance

The fund has returned 3.4% on a quarterly basis in absolute terms, and outperformed its benchmark by 1.2% for the June quarter. The Fund invests into the Dublin Global High Yield Fund, which has two underlying managers, Nomura and PGIM. The Dublin Fund is managed against an up-in-quality benchmark (excluding CCC's and EM), however, we have allowed our managers a c. 15% "flex" into CCC where they deem appropriate.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees				
Manager	%	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer (Dublin)	100.0	Mercer (Dublin)	+1.2	+4.0	+0.5	+0.8

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

Growth fixed interest Global private debt

Mercer Global Private Debt Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	2.0	7.5	6.5	6.9
Benchmark return	0.7	3.1	4.0	4.3
Excess return — before fees	+1.3	+4.4	+2.5	+2.6

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Global Private Debt Fund	1.7	6.3	5.4	5.9

Manager performance

The fund has outperformed its Cash + 3% benchmark by 1.3% over the quarter to June 2021, with positive contributions from most managers in the portfolio. The outperformance was primarily driven by Ares, who generated over 9% in Q2 2021. The portfolio has been markedly resilient with a strong focus on defensive sectors and senior debt in the capital structure. Over the longer-term, the fund has achieved positive excess returns over the 3 year time period to June 2021, exceeding the benchmark by more than 2% per annum.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees			
Manager	%	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Metrics Credit Partners	36.1	+1.8	+13.2	+7.8	+7.3
Audax Group	25.8	+3.8	+4.9	+4.5	+4.8
Metrics II	13.6	+1.8	n/a	n/a	n/a
HPS Australian Loan Platform Unit Trust	10.7	+0.9	n/a	n/a	n/a
Intermediate Capital Group	7.3	+1.6	+10.5	+7.7	+8.7
Westbourne Capital	4.5	-0.3	+5.0	+5.8	+6.1
Ares European Credit Investments	2.0	+9.6	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.

Defensive fixed interest

Global absolute return bond

Mercer Global Absolute Return Bonds

Investment performance

Total & excess returns (%)	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	0.5	4.9	3.3	3.0
Benchmark return	0.3	1.1	2.0	2.3
Excess return — before fees	+0.2	+3.8	+1.3	+0.7

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Global Absolute Return Bonds	0.5	4.8	2.7	2.4

Manager performance

The fund returned 0.5% over the June quarter, outperforming its benchmark by 0.2%. Over 1 and 3 years, the Fund has outperformed by 3.9% and 1.3% p.a. respectively. Netwon and Payden & Rygel delivered positive excess returns over the quarter, whilst Ardea detracted from performance.

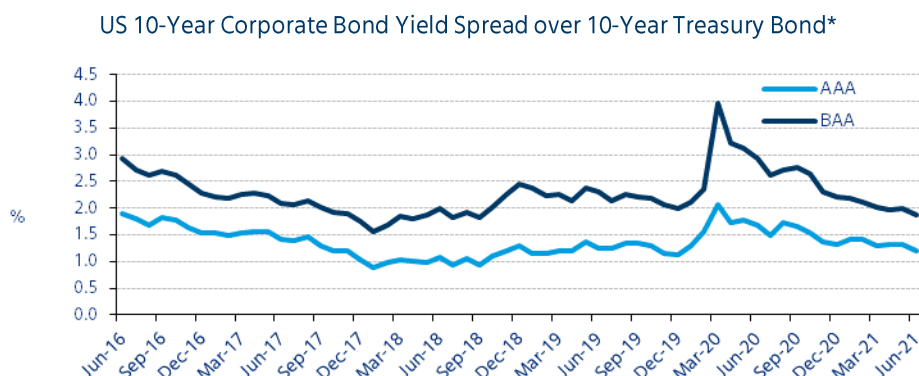
Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees				
Manager	%	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Newton Investment Management	35.0	Newton Investment Management	+1.1	+2.7	n/a	n/a
Adrea Investment Management	34.8	Adrea Investment Management	-0.5	n/a	n/a	n/a
Payden & Rygel	30.2	Payden & Rygel	+1.2	+5.8	n/a	n/a

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

Defensive fixed interest

Global credit

Global Credit returns were positive, returning 2.1% on a hedged basis over the June quarter, with spreads contracting.



Merger Global Credit Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	2.2	3.3	5.9	4.3
Benchmark return	2.1	2.7	5.5	4.1
Excess return — before fees	+0.1	+0.6	+0.4	+0.2

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — after fees:	2.3	3.3	5.4	3.8

Manager performance

The fund delivered a 2.2% return over the June quarter, outperforming its benchmark by 0.2%. Over 1 and 3 years, the fund outperformed the benchmark by 0.6% and 0.4% p.a. respectively. All of the managers within the portfolio generated positive alpha in the quarter.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees				
Manager	%	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Wellington Management	44.3	Wellington Management	+0.2	+1.1	+0.5	+0.7
Robeco	30.3	Robeco	+0.2	+1.1	+1.3	n/a
AXA Investment Managers	25.4	AXA Investment Managers	+0.3	-0.7	-0.5	-0.6

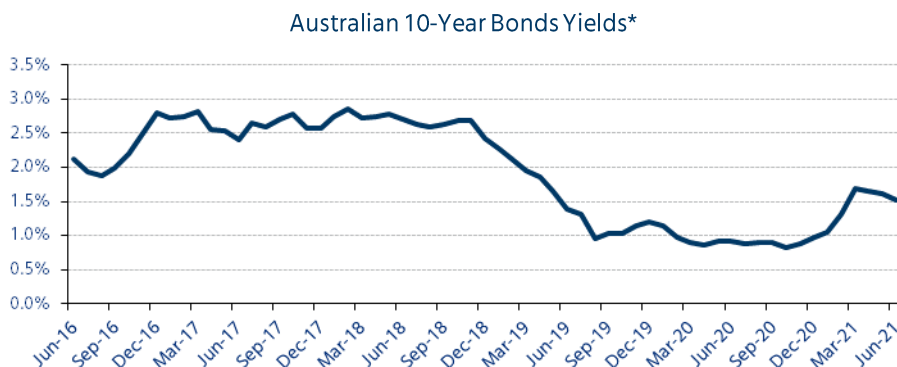
NOTE: Past performance is not a reliable indicator of future performance.

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.

Defensive fixed interest

Australian sovereign bonds

Domestically, Australian 10-year bond yields decreased (-25bps to 1.49%), five-year bond yields increased (5bps to 0.77%) and two-year bond yields decreased (-2bps to 0.07%). Bloomberg Ausbond indices returned positive results over the quarter, with the Bloomberg Ausbond Inflation Index achieving the highest return of 3.3%, and the weakest being the Bloomberg Ausbond Bank Bill, returning flat.



* Source: Reserve Bank of Australia

Mercer Australian Sovereign Bond Fund – Class 1

Investment performance

Total & excess returns (%)	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	1.9	-1.8	4.7	3.3
Benchmark return	1.9	-1.9	4.3	3.0
Excess return — before fees	0.0	+0.1	+0.4	+0.3

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Australian Sovereign Bond Fund – Class 1	1.8	-2.1	4.3	2.9

Manager performance

The fund returned 1.9% over the quarter, performing in-line with the benchmark. Over 1 year and 3 years, the fund has outperformed by 0.1% pa and 0.4% p.a. respectively.

As the long-standing active managers within the fund, Challenger and Pental were the key contributors.

The addition of JCB over the quarter enhances the portfolio by diversifying the active risk emanating from Pental.

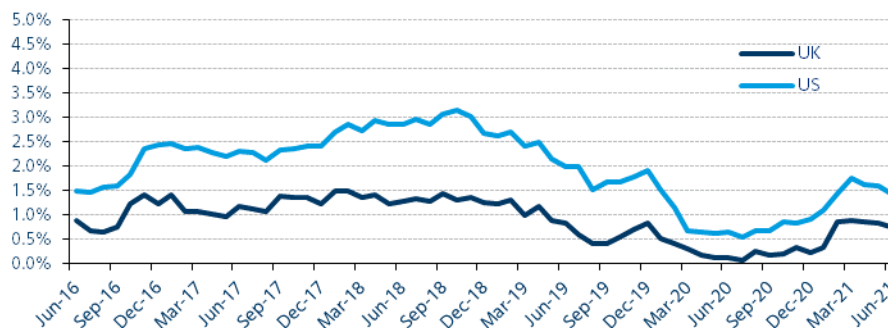
Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees				
Manager	%	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Macquarie Investment Management	35.3	Macquarie Investment Management	0.0	-0.1	-0.1	-0.1
Jamieson Coote Bonds	25.7	Jamieson Coote Bonds	n/a	n/a	n/a	n/a
Pental Group Limited	25.6	Pental Group Limited	0.0	+0.2	+0.5	+0.3
Challenger	13.4	Challenger	+0.2	+0.7	+0.8	+0.8

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

Defensive fixed interest Global sovereign bonds

Global sovereign bonds produced broadly positive returns over the June quarter for hedged Australian investors. Ten-year bond yields increased in Germany (8bps to -0.25%), and decreased in Japan (-4bps to 0.05%), the US (-30bps to 1.44%) and the UK (-13bps to 0.75%). Two-year bond yields increased in Japan (1bp to -0.11%) and the US (8bps to 0.24%) and decreased in Germany (-1bp to -0.69%) and the UK (-4bps to 0.06%). In terms of Global Bond indices, the Barclays Capital Global Aggregate Bond Index increased by 0.9% and the FTSE World Government Bond (ex-Australia) Index increased 0.7% over the June 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 years (p.a.)	5 years (p.a.)
Total returns — before fees	1.1	0.2	4.7	3.7
Benchmark return	0.9	-1.9	3.9	2.5
Excess return — before fees	+0.2	+2.1	+0.8	+1.2

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Global Sovereign Bond Fund – Class 1	1.1	-0.2	4.3	3.4

Manager performance

The fund outperformed the benchmark by 0.2% over the June quarter. Over 1 and 3 years, the Fund outperformed the benchmark by 2.1% and 0.8% p.a. respectively. Colchester outperformed the benchmark by 0.4% over the quarter and delivered a strong outperformance of 3.2% over the past year. LGIM, the passive manager in the Fund, performed in-line with the benchmark.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees				
Manager	%	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
LGIM	59.8	LGIM	0.0	0.0	n/a	n/a
Colchester Global Investors	40.2	Colchester Global Investors	+0.4	+3.2	+0.3	+0.7

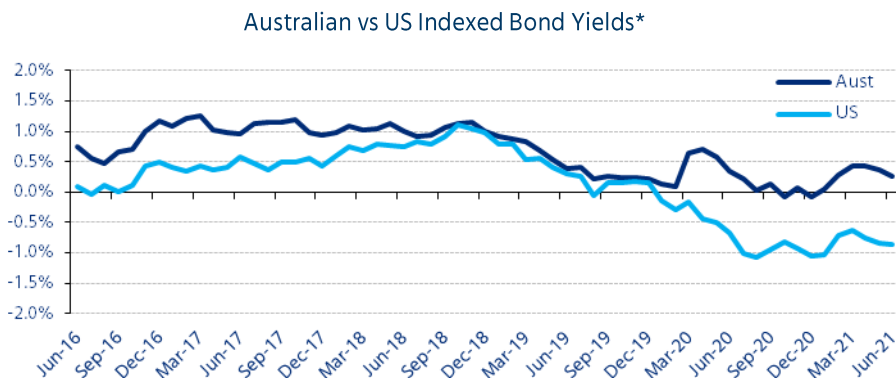
NOTE: Past performance is not a reliable indicator of future performance.

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

Defensive fixed interest

Australian inflation plus

The fund achieved a positive return over the June quarter. Benchmark returns represented by Australian CPI +1% (lagged) delivered 0.8% over the June quarter.



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

Mercer Australian Inflation Plus Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	0.3	3.5	4.6	4.2
Benchmark return	0.8	2.1	2.7	2.8
Excess return — before fees	-0.5	+1.4	+1.9	+1.4

Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Australian Inflation Plus	0.3	2.9	4.0	3.6

Manager performance

The fund underperformed over the second quarter of 2021, however, the Fund has delivered positive alpha over longer time periods to 30 June 2021. Both managers in the Fund contributed to the underperformance, as CPI rose sharply over the quarter.

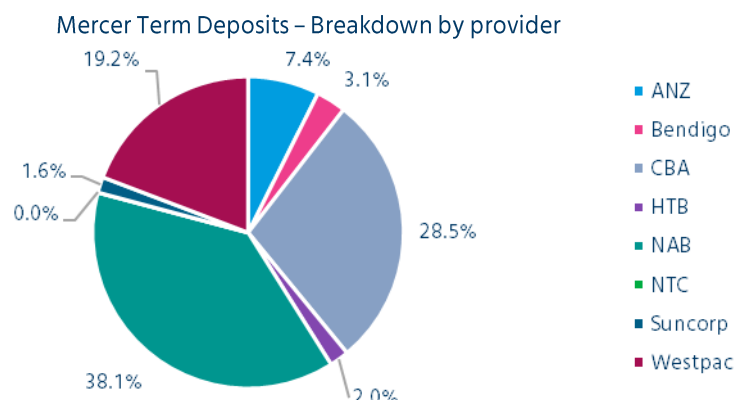
Proportion of assets managed at quarter end (Mercer Growth)		Manager returns relative to fund benchmark (+ or - %) - before fees				
Manager	%	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Ardea Investment Management	83.9	Ardea Investment Management	-0.6	+1.8	+2.9	+2.9
Challenger	16.1	Challenger	-0.5	0.0	+0.1	+0.5

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

Cash

Cash and term deposits

The RBA has maintained the cash rate at 0.1% over the quarter. The Australian Dollar (AUD) tumbled against major developed market currencies over the June quarter, finishing at US\$0.75. The AUD depreciated against the USD (-1.4%), the Pound Sterling (-1.6%), the Japanese Yen (-1.0%) and the Euro (-2.3%). On a trade-weighted basis, the local currency depreciated 1.9% over the quarter.



Term Deposit – Maturity buckets at 30 June 2021 (%)	
0 to 90 days	43.4%
91 to 180 days	21.9%
181 to 270 days	15.1%
271 to 365 days	19.6%

Mercer Cash – Term Deposit Units	
Average maturity (months)	4.6
Average yield	0.2

Mercer Cash Fund

Investment performance

Mercer Cash Fund – Cash Units	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	0.0	0.3	1.3	1.6
Benchmark return	0.0	0.1	1.0	1.3
Excess return — before fees	0.0	+0.2	+0.3	+0.3
Mercer Cash Fund – Term Deposit Units	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Total returns — before fees	0.0	0.4	1.4	1.8
Benchmark return	0.0	0.1	1.0	1.3
Excess return — before fees	0.0	+0.3	+0.4	+0.5
Total returns (%) – after fees	3 months	1 year	3 years (p.a.)	5 years (p.a.)
Mercer Cash Fund – Cash Units	0.0	0.0	0.9	1.3
Mercer Cash Fund – Term Deposit Units	0.0	0.1	1.1	1.5

Manager performance

Mercer Cash Fund returned 0.03% over the June quarter, outperforming the benchmark by 0.02%. Over 1 and 3 years, the fund has outperformed the benchmark by 0.2% and 0.3% p.a. respectively.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees				
Manager	%	Managers	3 months	1 year	3 years (p.a.)	5 years (p.a.)
BlackRock	79.7	BlackRock	0.0	+0.1	+0.2	+0.2
Challenger	20.3	Challenger	0.0	+0.3	+0.5	+0.5

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 5.8% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	10 yrs [^] (p.a.)
Total returns	8.1	30.3	11.5	11.6
Benchmark return*	8.2	28.9	11.7	11.5
Excess returns	-0.1	+1.4	-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	7.9	29.2	10.4	10.4

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

Asset allocation (%)		B'mark	Total
Shares	Australian Shares - Large Cap	40.0	38.8
	Australian Shares - Small Cap	5.0	5.2
	International Shares - Large Cap	31.0	30.7
	International Shares - Low Vol	10.0	10.0
	Global Shares - Small Cap	7.0	8.1
	Emerging Markets Shares	7.0	6.8
Cash	Cash	0.0	0.4
		100.0	100.0
FX Exposure		42.0	42.0

Performance attribution this quarter (%)	
Asset allocation	-0.1
Stock/manager selection	0.0
Excess return for quarter – before fees	-0.1

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 seven year periods. This objective for the seven years to quarter end was 5.6% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs [^] (p.a.)
Total returns	6.8	25.5	10.7	10.2
Benchmark return*	6.6	22.6	9.9	9.3
Excess returns	+0.2	+2.9	+0.8	+0.9

* Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs [^] (p.a.)
Total returns	6.6	24.1	9.6	9.0

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

Asset allocation (%)		B'mark	Actual at quarter end		
			Growth	Defensive	Total
Shares	Australian Shares - Large Cap	31.0	29.9	0.0	29.9
	Australian Shares - Small Cap	3.0	2.9	0.0	2.9
	International Shares - Large Cap	23.0	24.1	0.0	24.1
	International Shares - Low Vol	6.0	5.4	0.0	5.4
	Global Shares - Small Cap	6.0	8.4	0.0	8.4
Real Assets	Emerging Markets Shares	6.0	5.6	0.0	5.6
	Global Listed Property**	0.0	1.2	0.0	1.2
	Australian Direct Property	7.0	3.1	3.1	6.2
	Global Listed Infrastructure**	0.0	0.9	0.0	0.9
Alternatives	Global Unlisted Infrastructure	8.0	4.0	1.8	5.8
	Natural Resources	1.0	1.3	0.0	1.3
	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opportunities	0.0	0.0	0.0	0.0
Growth Fixed Interest	Diversified Growth Funds	1.0	0.5	0.6	1.1
	Hedge Funds	0.0	0.0	0.0	0.0
	Private Debt	3.0	0.8	0.8	1.6
	High Yield Debt	0.0	0.0	0.1	0.1
Defensive Fixed Interest & Cash	Emerging Markets Debt	3.0	1.1	1.1	2.2
	Global Absolute Return Bonds	0.0	0.0	0.0	0.0
	Global Credit	0.0	0.0	0.0	0.0
	Australian Sovereign Bonds	0.0	0.0	1.5	1.5
	Global Sovereign Bonds	0.0	0.0	0.0	0.0
	Australian Inflation Plus	0.0	0.0	0.0	0.0
Cash	2.0	0.0	1.8	1.8	
FX Exposure			34.0	10.8	34.5

** 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	0.2
Excess return for quarter – before fees	0.3

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

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

Diversified funds

Mercer Growth Fund – Active Units

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 3.5% per annum over rolling five year periods. This objective for the five years to quarter end was 5.3% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs^ (p.a.)
Total returns	6.1	21.3	10.1	10.4
Benchmark return*	5.5	17.3	8.9	9.2
Excess returns	+0.6	+4.0	+1.2	+1.2

*Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs^ (p.a.)
Total returns	5.9	20.1	9.1	9.4

^ 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	24.0	26.2	0.0	26.2
	Australian Shares - Small Cap	2.0	3.2	0.0	3.2
	International Shares - Large Cap	20.0	20.0	0.0	20.0
	International Shares - Low Vol	6.0	3.7	0.0	3.7
	Global Shares - Small Cap	2.0	5.6	0.0	5.6
	Emerging Markets Shares	4.0	4.6	0.0	4.6
Real Assets	Global Listed Property**	0.0	1.2	0.0	1.2
	Australian Direct Property	7.0	3.1	3.1	6.2
	Global Listed Infrastructure**	0.0	0.9	0.0	0.9
	Global Unlisted Infrastructure	8.0	4.0	1.7	5.7
	Natural Resources	1.0	1.3	0.0	1.3
Alternatives	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opportunities	0.0	0.0	0.0	0.0
	Diversified Growth Funds	1.0	0.5	0.6	1.1
	Hedge Funds	3.0	0.0	0.0	0.0
Growth Fixed Interest	Private Debt	4.0	1.1	1.2	2.3
	High Yield Debt	2.0	1.1	1.0	2.1
	Emerging Markets Debt	4.0	1.5	1.4	2.9
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	2.0	0.0	2.7	2.7
	Global Credit	0.0	0.0	1.2	1.2
	Australian Sovereign Bonds	4.0	0.0	2.9	2.9
	Global Sovereign Bonds	4.0	0.0	1.6	1.6
	Australian Inflation Plus	0.0	0.0	1.7	1.7
Cash	2.0	0.0	2.9	2.9	
		100.0	78.0	22.0	100.0
FX Exposure		28.0			28.9

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

Performance attribution this quarter (%)	
Asset allocation	0.3
Stock/manager selection	0.4
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 four year periods. This objective for the four years to quarter end was 4.2% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	4 yrs^ (p.a.)
Total returns	4.6	14.0	7.4	7.7
Benchmark return*	4.1	11.0	6.9	7.0
Excess returns	+0.5	+3.0	+0.5	+0.7

*Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs (p.a.)	4 yrs^ (p.a.)
Total returns	4.4	13.1	6.6	6.9

^ 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	18.0	19.7	0.0	19.7
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	International Shares - Large Cap	11.5	13.2	0.0	13.2
	International Shares - Low Vol	6.0	4.3	0.0	4.3
	Global Shares - Small Cap	0.0	2.4	0.0	2.4
	Emerging Markets Shares	4.0	5.3	0.0	5.3
Real Assets	Global Listed Property**	0.0	0.9	0.0	0.9
	Australian Direct Property	5.5	2.4	2.5	4.9
	Global Listed Infrastructure**	0.0	0.6	0.0	0.6
	Global Unlisted Infrastructure	5.5	2.8	1.2	4.0
	Natural Resources	1.0	1.3	0.0	1.3
Alternatives	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opportunities	0.0	0.0	0.0	0.0
	Diversified Growth Funds	1.0	0.5	0.6	1.1
	Hedge Funds	4.0	0.0	0.0	0.0
Growth Fixed Interest	Private Debt	4.0	1.1	1.2	2.3
	High Yield Debt	2.0	1.1	1.0	2.1
	Emerging Markets Debt	4.0	1.5	1.4	2.9
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	3.0	0.0	4.4	4.4
	Global Credit	2.5	0.0	5.1	5.1
	Australian Sovereign Bonds	7.0	0.0	7.5	7.5
	Global Sovereign Bonds	6.0	0.0	3.6	3.6
	Australian Inflation Plus	5.0	0.0	4.0	4.0
Cash	10.0	0.0	10.4	10.4	
		100.0	57.1	42.9	100.0
FX Exposure		23.5			24.4

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

Performance attribution this quarter (%)	
Asset allocation	0.3
Stock/manager selection	0.2
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 and Emerging Markets Debt.

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

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

Refer to page 39 for Asset class benchmarks.

Diversified funds

Mercer Conservative Growth Fund - Active Units

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 1.5% per annum over rolling three year periods. This objective for the three years to quarter end was 3.1% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs^ (p.a.)	5 yrs (p.a.)
Total returns	3.2	9.2	6.1	6.0
Benchmark return*	2.7	6.6	5.4	5.3
Excess returns	+0.5	+2.6	+0.7	+0.7

*Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs^ (p.a.)	5 yrs (p.a.)
Total returns	3.1	8.3	5.3	5.2

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

Asset allocation (%)	B'mark	Actual at quarter end			
		Growth	Defensive	Total	
Shares	Australian Shares - Large Cap	9.5	12.6	0.0	12.6
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	International Shares - Large Cap	5.5	5.1	0.0	5.1
	International Shares - Low Vol	6.0	3.9	0.0	3.9
	Global Shares - Small Cap	0.0	2.5	0.0	2.5
	Emerging Markets Shares	0.0	2.2	0.0	2.2
Real Assets	Global Listed Property**	2.0	2.7	0.0	2.7
	Australian Direct Property	4.0	1.8	1.8	3.6
	Global Listed Infrastructure**	0.0	0.6	0.0	0.6
	Global Unlisted Infrastructure	5.0	2.6	1.1	3.7
	Natural Resources	1.0	1.4	0.0	1.4
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	0.5	1.1
	Hedge Funds	4.0	0.0	0.0	0.0
Growth Fixed Interest	Private Debt	3.0	0.9	0.9	1.8
	High Yield Debt	2.0	1.1	1.1	2.2
	Emerging Markets Debt	2.0	0.7	0.8	1.5
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	4.0	0.0	4.1	4.1
	Global Credit	3.0	0.0	7.4	7.4
	Australian Sovereign Bonds	11.0	0.0	10.4	10.4
	Global Sovereign Bonds	10.0	0.0	7.4	7.4
	Australian Inflation Plus	7.0	0.0	6.9	6.9
	Cash	20.0	0.0	18.9	18.9
		100.0	38.7	61.3	100.0
FX Exposure		12.0		15.6	

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

Performance attribution this quarter (%)	
Asset allocation	0.3
Stock/manager selection	0.2
Excess return for quarter - before fees	0.5

Mercer Growth Fund - Enhanced Passive Units

Objectives

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

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs^ (p.a.)
Total returns	6.4	20.5	n/a	n/a
Benchmark return*	6.3	21.1	n/a	n/a
Excess returns	+0.1	-0.6	n/a	n/a

*Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs^ (p.a.)
Total returns	6.3	20.4	n/a	n/a

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

Asset allocation (%)	B'mark	Actual at quarter end			
		Growth	Defensive	Total	
Shares	Australian Shares - Large Cap	29.0	30.3	0.0	30.3
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	International Shares - Large Cap	27.0	35.0	0.0	35.0
	International Shares - Low Vol	2.0	0.0	0.0	0.0
	Global Shares - Small Cap	0.0	0.0	0.0	0.0
	Emerging Markets Shares	7.0	4.2	0.0	4.2
Real Assets	Global Listed Property**	5.0	4.8	0.0	4.8
	Australian Direct Property	0.0	0.0	0.0	0.0
	Global Listed Infrastructure**	0.0	0.2	0.0	0.2
	Global Unlisted Infrastructure	0.0	0.0	0.0	0.0
	Natural Resources	0.0	0.0	0.0	0.0
Alternatives	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opportunities	0.0	0.0	0.0	0.0
	Diversified Growth Funds	0.0	0.0	0.0	0.0
	Hedge Funds	5.0	0.0	0.0	0.0
Growth Fixed Interest	Private Debt	0.0	0.0	0.0	0.0
	High Yield Debt	5.0	0.0	0.0	0.0
	Emerging Markets Debt	0.0	0.0	0.0	0.0
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0	0.0	0.0
	Global Credit	0.0	0.0	4.8	4.8
	Australian Sovereign Bonds	7.0	0.0	6.7	6.7
	Global Sovereign Bonds	7.0	0.0	6.5	6.5
	Australian Inflation Plus	3.0	0.0	3.8	3.8
	Cash	3.0	0.0	3.7	3.7
		100.0	74.5	25.5	100.0
FX Exposure		30.0		25.6	

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

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

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

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

Diversified funds

Mercer Moderate Growth Fund – Enhanced Passive Units

Objectives

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

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	4 yrs^ (p.a.)
Total returns	5.4	16.0	n/a	n/a
Benchmark return*	4.8	14.9	n/a	n/a
Excess returns	+0.6	+1.1	n/a	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	5.3	15.8	n/a	n/a

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

Asset allocation (%)	B'mark	Actual at quarter end			
		Growth	Defensive	Total	
Shares	Australian Shares - Large Cap	21.0	24.5	0.0	24.5
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	International Shares - Large Cap	18.5	25.8	0.0	25.8
	International Shares - Low Vol	2.0	0.0	0.0	0.0
	Global Shares - Small Cap	0.0	0.0	0.0	0.0
	Emerging Markets Shares	5.0	5.9	0.0	5.9
Real Assets	Global Listed Property**	3.5	3.4	0.0	3.4
	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
	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	5.0	0.0	0.0	0.0
Growth Fixed Interest	Private Debt	0.0	0.0	0.0	0.0
	High Yield Debt	5.0	0.0	0.0	0.0
	Emerging Markets Debt	0.0	0.0	0.0	0.0
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0	0.0	0.0
	Global Credit	2.5	0.0	2.6	2.6
	Australian Sovereign Bonds	10.0	0.0	12.1	12.1
	Global Sovereign Bonds	9.5	0.0	11.7	11.7
	Australian Inflation Plus	6.5	0.0	5.3	5.3
	Cash	11.5	0.0	8.7	8.7
		100.0	59.6	40.4	100.0
FX Exposure		22.5			25.2

** 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	0.0
Excess return for quarter – before fees	0.6

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 three year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs^ (p.a.)	5 yrs (p.a.)
Total returns	3.7	9.6	n/a	n/a
Benchmark return*	3.2	9.1	n/a	n/a
Excess returns	+0.5	+0.5	n/a	n/a

*Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs^ (p.a.)	5 yrs (p.a.)
Total returns	3.7	9.5	n/a	n/a

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

Asset allocation (%)	B'mark	Actual at quarter end			
		Growth	Defensive	Total	
Shares	Australian Shares - Large Cap	13.0	15.7	0.0	15.7
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	International Shares - Large Cap	10.0	16.8	0.0	16.8
	International Shares - Low Vol	2.0	0.0	0.0	0.0
	Global Shares - Small Cap	0.0	0.0	0.0	0.0
	Emerging Markets Shares	3.0	2.0	0.0	2.0
Real Assets	Global Listed Property**	2.0	1.9	0.0	1.9
	Australian Direct Property	0.0	0.0	0.0	0.0
	Global Listed Infrastructure**	0.0	0.1	0.0	0.1
	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	5.0	0.0	0.0	0.0
Growth Fixed Interest	Private Debt	0.0	0.0	0.0	0.0
	High Yield Debt	5.0	0.0	0.0	0.0
	Emerging Markets Debt	0.0	0.0	0.0	0.0
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0	0.0	0.0
	Global Credit	5.0	0.0	10.0	10.0
	Australian Sovereign Bonds	13.0	0.0	18.1	18.1
	Global Sovereign Bonds	12.0	0.0	16.8	16.8
	Australian Inflation Plus	10.0	0.0	5.2	5.2
	Cash	20.0	0.0	13.4	13.4
		100.0	36.5	63.5	100.0
FX Exposure		15.0			13.5

** 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	0.0
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 and Emerging Markets Debt.

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

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

Refer to page 39 for Asset class benchmarks.

Mercer SmartPath® Funds

Mercer SmartPath 1989-1993

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 4.5% per annum over rolling seven year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	7.1	25.7	10.7	11.5
Benchmark return*	6.7	22.4	10.0	10.7
Excess returns	+0.4	+3.3	+0.7	+0.8

*Composite benchmark of relevant indices

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs^ (p.a.)	5 yrs (p.a.)
Total returns	6.8	24.2	9.5	10.3

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	32.0	31.7
	Australian Shares - Small Cap	3.0	3.6
	International Shares - Large Cap	23.0	22.4
	International Shares - Low Vol	6.0	4.4
	Global Shares - Small Cap	5.0	7.8
	Emerging Markets Shares	8.0	8.0
Real Assets	Global Listed Property**	0.0	1.2
	Australian Direct Property	7.0	6.2
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	5.7
	Natural Resources	1.0	1.3
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	1.0	1.1
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	2.0	1.2
	High Yield Debt	0.0	0.0
	Emerging Markets Debt	3.0	2.2
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0
	Global Credit	0.0	0.0
	Australian Sovereign Bonds	0.0	0.1
	Global Sovereign Bonds	0.0	0.0
	Australian Inflation Plus	0.0	0.0
	Cash	1.0	2.2
		100.0	100.0
FX Exposure		37.0	37.5

** 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.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	7.2	25.7	10.8	11.6
Benchmark return*	6.7	22.4	10.0	10.7
Excess returns	+0.5	+3.3	+0.8	+0.9

*Composite benchmark of relevant indices

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs^ (p.a.)	5 yrs (p.a.)
Total returns	6.9	24.3	9.6	10.4

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	32.0	31.8
	Australian Shares - Small Cap	3.0	3.4
	International Shares - Large Cap	23.0	23.2
	International Shares - Low Vol	6.0	4.3
	Global Shares - Small Cap	5.0	7.6
	Emerging Markets Shares	8.0	8.1
Real Assets	Global Listed Property**	0.0	1.2
	Australian Direct Property	7.0	6.2
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	5.7
	Natural Resources	1.0	1.3
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	1.0	1.1
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	2.0	1.2
	High Yield Debt	0.0	0.0
	Emerging Markets Debt	3.0	2.2
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0
	Global Credit	0.0	0.2
	Australian Sovereign Bonds	0.0	0.1
	Global Sovereign Bonds	0.0	0.0
	Australian Inflation Plus	0.0	0.0
	Cash	1.0	1.5
		100.0	100.0
FX Exposure		37.0	38.0

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

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

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

Mercer SmartPath® Funds

Mercer SmartPath 1979-1983

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 4.5% per annum over rolling seven year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	7.2	25.8	10.8	11.6
Benchmark return*	6.7	22.4	10.0	10.7
Excess returns	+0.5	+3.4	+0.8	+0.9

*Composite benchmark of relevant indices

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	6.9	24.4	9.6	10.4

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	32.0	31.7
	Australian Shares - Small Cap	3.0	3.4
	International Shares - Large Cap	23.0	23.3
	International Shares - Low Vol	6.0	4.1
	Global Shares - Small Cap	5.0	7.7
	Emerging Markets Shares	8.0	8.0
Real Assets	Global Listed Property**	0.0	1.2
	Australian Direct Property	7.0	6.1
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	5.7
	Natural Resources	1.0	1.3
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	1.0	1.1
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	2.0	1.2
	High Yield Debt	0.0	0.0
	Emerging Markets Debt	3.0	2.2
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0
	Global Credit	0.0	0.1
	Australian Sovereign Bonds	0.0	0.1
	Global Sovereign Bonds	0.0	0.0
	Australian Inflation Plus	0.0	0.0
	Cash	1.0	1.9
		100.0	100.0
FX Exposure	37.0	38.1	

** 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.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	7.2	25.7	10.7	11.5
Benchmark return*	6.7	22.4	10.0	10.7
Excess returns	+0.5	+3.3	+0.7	+0.8

*Composite benchmark of relevant indices

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	6.9	24.3	9.5	10.3

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	32.0	31.6
	Australian Shares - Small Cap	3.0	3.5
	International Shares - Large Cap	23.0	23.6
	International Shares - Low Vol	6.0	4.0
	Global Shares - Small Cap	5.0	7.6
	Emerging Markets Shares	8.0	7.9
Real Assets	Global Listed Property**	0.0	1.2
	Australian Direct Property	7.0	6.2
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	5.7
	Natural Resources	1.0	1.3
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	1.0	1.1
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	2.0	1.2
	High Yield Debt	0.0	0.0
	Emerging Markets Debt	3.0	2.2
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0
	Global Credit	0.0	0.1
	Australian Sovereign Bonds	0.0	0.1
	Global Sovereign Bonds	0.0	0.0
	Australian Inflation Plus	0.0	0.0
	Cash	1.0	1.8
		100.0	100.0
FX Exposure	37.0	37.7	

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

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

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

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

Refer to page 39 for Asset class benchmarks.

Mercer SmartPath® Funds

Mercer SmartPath 1969-1973

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 4.5% per annum over rolling seven year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	7.1	25.2	10.6	11.4
Benchmark return*	6.7	21.7	9.9	10.6
Excess returns	+0.4	+3.5	+0.7	+0.8

**Composite benchmark of relevant indices*

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	6.8	23.8	9.4	10.3

Asset allocation (%)	B'mark	Actual	
Shares	Australian Shares - Large Cap	32.0	32.3
	Australian Shares - Small Cap	3.0	3.5
	International Shares - Large Cap	23.0	23.6
	International Shares - Low Vol	6.0	4.1
	Global Shares - Small Cap	5.0	7.4
	Emerging Markets Shares	8.0	7.8
Real Assets	Global Listed Property**	0.0	1.2
	Australian Direct Property	7.0	6.1
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	5.7
	Natural Resources	1.0	1.3
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	1.0	1.1
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	2.0	1.2
	High Yield Debt	0.0	0.0
	Emerging Markets Debt	3.0	2.2
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0
	Global Credit	0.0	0.0
	Australian Sovereign Bonds	0.0	0.2
	Global Sovereign Bonds	0.0	0.0
	Australian Inflation Plus	0.0	0.0
	Cash	1.0	1.4
		100.0	100.0
FX Exposure	37.0	37.9	

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

Mercer SmartPath 1964-1968

Objectives

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

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	6.6	22.7	10.0	10.7
Benchmark return*	6.4	18.7	9.2	9.8
Excess returns	+0.2	+4.0	+0.8	+0.9

**Composite benchmark of relevant indices*

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	6.4	21.4	8.8	9.6

Asset allocation (%)	B'mark	Actual	
Shares	Australian Shares - Large Cap	30.0	29.9
	Australian Shares - Small Cap	2.5	3.1
	International Shares - Large Cap	21.5	22.1
	International Shares - Low Vol	6.0	4.5
	Global Shares - Small Cap	4.5	6.5
	Emerging Markets Shares	7.0	6.5
Real Assets	Global Listed Property**	0.5	1.7
	Australian Direct Property	7.0	6.2
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	5.7
	Natural Resources	1.0	1.3
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	1.5	1.6
	Hedge Funds	0.5	0.0
Growth Fixed Interest	Private Debt	2.5	1.5
	High Yield Debt	1.0	1.1
	Emerging Markets Debt	3.0	2.2
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	1.0
	Global Credit	0.0	0.0
	Australian Sovereign Bonds	1.0	1.1
	Global Sovereign Bonds	1.0	1.0
	Australian Inflation Plus	0.5	0.7
	Cash	1.0	1.4
		100.0	100.0
FX Exposure	36.0	35.6	

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

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

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

Mercer SmartPath® Funds

Mercer SmartPath 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.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	5.8	18.9	8.9	9.5
Benchmark return*	5.5	15.2	8.1	8.7
Excess returns	+0.3	+3.7	+0.8	+0.8

*Composite benchmark of relevant indices

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	5.6	17.7	7.8	8.5

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	24.5	25.3
	Australian Shares - Small Cap	1.5	2.3
	International Shares - Large Cap	17.5	16.4
	International Shares - Low Vol	6.0	4.9
	Global Shares - Small Cap	2.5	5.5
	Emerging Markets Shares	5.5	5.4
Real Assets	Global Listed Property**	1.0	2.1
	Australian Direct Property	7.0	6.2
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	5.7
	Natural Resources	1.0	1.3
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	1.5	1.6
	Hedge Funds	2.5	0.0
Growth Fixed Interest	Private Debt	3.5	2.0
	High Yield Debt	3.0	3.2
	Emerging Markets Debt	4.0	2.9
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	1.5	2.4
	Global Credit	0.0	2.1
	Australian Sovereign Bonds	3.0	2.4
	Global Sovereign Bonds	3.0	2.3
	Australian Inflation Plus	1.0	1.2
	Cash	2.5	3.9
		100.0	100.0
FX Exposure	31.5	31.8	

** 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.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	5.0	15.7	8.1	8.5
Benchmark return*	4.7	12.2	7.0	7.5
Excess returns	+0.3	+3.5	+1.1	+1.0

*Composite benchmark of relevant indices

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	4.8	14.6	7.1	7.5

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	19.0	19.9
	Australian Shares - Small Cap	1.0	1.8
	International Shares - Large Cap	13.0	9.9
	International Shares - Low Vol	6.0	5.2
	Global Shares - Small Cap	1.0	4.6
	Emerging Markets Shares	4.0	5.9
Real Assets	Global Listed Property**	1.5	2.6
	Australian Direct Property	7.0	6.2
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	5.8
	Natural Resources	1.0	1.3
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	2.0	2.2
	Hedge Funds	4.0	0.0
Growth Fixed Interest	Private Debt	4.5	2.5
	High Yield Debt	5.0	5.3
	Emerging Markets Debt	5.0	3.7
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	3.0	4.0
	Global Credit	0.0	1.9
	Australian Sovereign Bonds	5.0	2.8
	Global Sovereign Bonds	5.0	4.3
	Australian Inflation Plus	1.5	2.9
	Cash	3.5	6.3
		100.0	100.0
FX Exposure	28.5	28.8	

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

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

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

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

Refer to page 39 for Asset class benchmarks.

Mercer SmartPath® Funds

Mercer SmartPath 1949-1953

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 2.75% per annum over rolling five year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	4.6	13.0	7.2	7.5
Benchmark return*	4.2	9.9	6.2	6.6
Excess returns	+0.4	+3.1	+1.0	+0.9

*Composite benchmark of relevant indices

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	4.3	12.0	6.2	6.5

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	16.0	18.5
	Australian Shares - Small Cap	0.0	0.0
	International Shares - Large Cap	11.0	7.7
	International Shares - Low Vol	6.0	4.8
	Global Shares - Small Cap	0.0	2.4
	Emerging Markets Shares	3.0	6.9
Real Assets	Global Listed Property**	2.0	3.2
	Australian Direct Property	7.0	6.3
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	5.8
	Natural Resources	1.0	1.4
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	2.0	2.2
	Hedge Funds	5.0	0.0
Growth Fixed Interest	Private Debt	5.0	2.8
	High Yield Debt	6.0	6.5
	Emerging Markets Debt	6.0	4.3
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	4.0	4.7
	Global Credit	0.0	3.7
	Australian Sovereign Bonds	6.0	4.5
	Global Sovereign Bonds	6.0	5.6
	Australian Inflation Plus	2.0	1.3
	Cash	4.0	6.5
		100.0	100.0
FX Exposure	26.0	26.9	

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

Mercer SmartPath 1944-1948

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 2.75% per annum over rolling five year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	4.5	13.0	7.2	7.3
Benchmark return*	4.2	9.9	6.2	6.5
Excess returns	+0.3	+3.1	+1.0	+0.8

*Composite benchmark of relevant indices

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	4.3	11.8	6.2	6.3

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	16.0	17.6
	Australian Shares - Small Cap	0.0	0.0
	International Shares - Large Cap	11.0	9.2
	International Shares - Low Vol	6.0	4.2
	Global Shares - Small Cap	0.0	2.4
	Emerging Markets Shares	3.0	7.0
Real Assets	Global Listed Property**	2.0	3.2
	Australian Direct Property	7.0	6.2
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	5.8
	Natural Resources	1.0	1.4
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	2.0	2.2
	Hedge Funds	5.0	0.0
Growth Fixed Interest	Private Debt	5.0	2.8
	High Yield Debt	6.0	6.5
	Emerging Markets Debt	6.0	4.4
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	4.0	4.9
	Global Credit	0.0	2.3
	Australian Sovereign Bonds	6.0	3.8
	Global Sovereign Bonds	6.0	5.4
	Australian Inflation Plus	2.0	3.6
	Cash	4.0	6.2
		100.0	100.0
FX Exposure	26.0	27.8	

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

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

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 years (p.a.)	5 years (p.a.)
Listed Property				
Macquarie Investment Management	0.0	0.0	+0.1	0.0
Listed Infrastructure				
Macquarie Investment Management	0.0	+0.1	+0.1	0.0

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

Asset class benchmarks

Shares	
Australian Shares	S&P/ASX 300 Accumulation Index
Australian Shares Tax Exempt	S&P/ASX 300 Accumulation Index Grossed up for Franking Credits
Australian Small Companies	S&P/ASX Small Ordinaries Accumulation Index
International Shares	Unhedged: MSCI World Index (ex Australia) in A\$ with net dividends reinvested Hedged: MSCI World Index (ex Australia) - in A\$ (Hedged) with net dividends reinvested Passive Unhedged: MSCI World Index (ex Australia, ex tobacco, ex controversial weapons) in A\$ Passive Hedged: MSCI World Index (ex Australia, ex tobacco, ex controversial weapons) in A\$ (Hedged)
Global 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>
Socially Responsible Australian Shares	S&P/ASX 300 Accumulation Index
Socially Responsible Global Shares Fund	Unhedged: MSCI World (NRD) Index in A\$ Hedged: MSCI World (NRD) Index in A\$ (Hedged)
Emerging Markets	MSCI Emerging Markets Index (ex Tobacco and Controversial Weapons) in A\$
Real assets	
Direct Property	CPI + 4%
Global Listed Property	FTSE EPRA/NAREIT Developed Index in A\$ (Hedged) <i>Prior to October 2012, the benchmark was UBS Investors Index - in A\$ (Hedged). Therefore, calculations for longer period benchmark returns are inclusive of this data.</i>
Passive Australian Listed Property	S&P/ASX 200 Property Trusts Accumulation Index
Global Unlisted Infrastructure	CPI + 5% <i>Prior to 1 January 2019 the benchmark was CPI + 3%</i>
Listed Infrastructure	FTSE Global Core Infrastructure 50/50 Index in A\$ (Hedged)
Passive Listed Infrastructure	FTSE Developed Core Infrastructure 50/50 Index – in A\$ (Hedged)
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)
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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