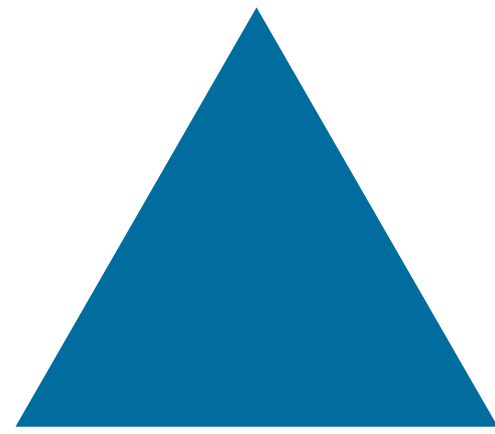


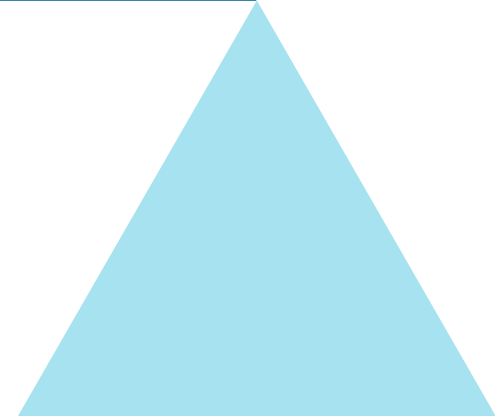
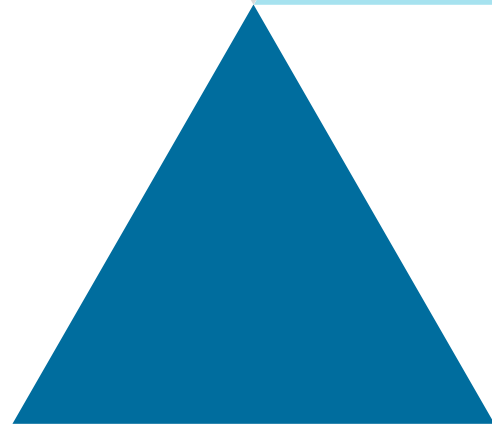
HEALTH WEALTH CAREER



DELEGATED SOLUTIONS – IMPORTANT INFORMATION

MERCER GROUP - IRELAND

JANUARY 2018



DELEGATED SOLUTIONS

INTRODUCTION

Mercer is a global consulting leader helping clients around the world advance the health, wealth and careers of their most vital asset — their people. Mercer in Ireland provides a wide range of services to clients. Among these, we offer a range of delegated investment solutions (known as Delegated Solutions) to institutional investors both in Ireland and in other jurisdictions. These incorporate our best investment ideas and facilitate clients who wish to delegate some or all of their investment decisions. Mercer's Delegated Solutions use Mercer-managed investment funds (Mercer Funds) across a wide range of individual asset classes, each of which incorporate investment managers and ongoing oversight based on our investment manager research capabilities.

The purpose of this document is to provide our clients and prospective clients with key information and disclosures in relation to our Delegated Solutions. This document covers solutions provided to Irish and wider Europe ex-UK clients – a separate version covers the UK market.

CONFLICTS OF INTEREST

Given the wide range of services and activities which Mercer provides (including administration, investment advisory, retirement consulting, investment products and services and insurance-based services), conflicts of interest, real or apparent, will naturally arise.

Mercer seeks to manage these conflicts through appropriate policies, procedures and protocols and also through disclosure of potential conflicts to clients and prospects. We are committed to conducting business fairly, ethically and transparently.

Mercer has a detailed Conflicts of Interest Statement that explains how Mercer manages conflicts of interest it may face. A copy of this statement is available at www.delegated-solutions.mercer.com.

ENTITIES INVOLVED IN THE PROVISION OF A DELEGATED SOLUTION

A number of entities may be involved in the provision of a Delegated Solution. These include:

- Mercer Global Investments Europe Limited (“MGIE”): MGIE is the entity that acts as investment manager to the Mercer Funds, and to third party collective investments schemes or special purpose vehicles. Further information on MGIE is set out later in this document.
- Mercer Global Investments Management Limited (“MGIM”): MGIM serves as the management company to the Mercer Funds. Its role is primarily governance and oversight to ensure the Mercer Funds are managed in accordance with applicable rules and regulations.
- Mercer (Ireland) Limited (“MIL”): MIL is the entity through which Mercer provides consulting and related services to clients in Ireland.
- Mercer Financial Services Limited (“MFS”): MFS is the entity through which Mercer provides a range of services aimed at individuals and some corporate clients in Ireland.

Mercer (Ireland) Limited, Mercer Global Investments Europe Limited, Mercer Global Investments Management Limited and Mercer Financial Services Limited are regulated by the Central Bank of Ireland. References to Mercer in all documentation shall be construed to include Mercer LLC and/or its associated companies.

Mercer entities outside of Ireland (which are not covered in this document) may also be involved, such as:

- Mercer Private Markets (MPM): MPM is the entity that acts as investment manager to the Luxembourg SICAV fund vehicles used by clients who wish to delegate the implementation of Private Market allocations (e.g. private debt, private equity, infrastructure) to Mercer. MPM is based in Zurich, Switzerland.
- Mercer consulting offices in countries around wider Europe and Growth Markets. Mercer consultants in these countries may be involved when clients based in these countries invest in the Mercer Funds.

Other non-Mercer entities may also be involved including:

- Insurance companies which may utilise the Mercer Funds as building blocks and engage MGIE to provide advice or discretionary investment management services in respect of investment linked insurance offerings made available by the insurance company. An example of this is Zurich Life Assurance plc, which provides the unit-linked platform utilised for Mercer's Irish DC proposition, Mercer Aspire.
- Service providers to the Mercer Funds such as:
 - State Street, which provides key services to the Mercer Funds including custody, administration, transfer agency and trustee services.
 - Investment managers that are appointed to manage assets within the Mercer Funds.

TYPES OF DELEGATED SOLUTIONS

The types of Delegated Solutions which Mercer provides include:

- **“Investment-Only” solutions** whereby a client subscribes for shares in one or more Mercer Funds. MGIE, as the investment manager to the Mercer Funds, selects the underlying sub-investment managers utilised within the Mercer Funds. A client may choose an “Investment Only” solution:
 - in order to avail of Mercer's ongoing best ideas and highly rated investment managers in relation to a specific asset class or “single sleeve”, and therefore invests in a specific Mercer Fund(s);
 - in order to access Mercer's best ideas across a range of asset categories and thus chooses to utilise a range of Mercer Funds, but does not need wider asset allocation, rebalancing or de-risking services included in the solution.

An “Investment Only” client does not require an Investment Management Agreement (IMA); instead a client completes an application form with the Mercer Funds. The client's existing advisory arrangements (whether with Mercer or another consulting firm) remain separate.

- **Investment Advice:** In some cases there may be ancillary services provided by MGIE (such as regulated advice in relation to selection of Mercer Funds, or detailed reporting to support a client's Solvency II regulatory reporting requirements) and additional contractual documentation is provided as appropriate – this may be an engagement letter plus terms and conditions or an additional appendix to the Application Form. Since the advice provided relates to the Mercer Funds it is deemed to be non-independent advice.
- **Discretionary investment management services** such as:
 - o Implemented Consulting: Clients invest in the Mercer Funds in order to implement Mercer's strategic investment advice. MGIE may delegate the advisory aspect of this solution to Mercer Ireland Limited (MIL) and typically does so where the investment consultant is an MIL employee.
 - o Dynamic De-risking Solutions ("DDS"): DDS is similar to Implemented Consulting, however a trigger-point de-risking service is provided to pension clients which serves as a guideline for their growth-asset and matching-asset allocations.
 - o Investment Management Services to third-party collective investments schemes, special purpose vehicles, or life insurance companies, whereby MGIE appoints third party sub-investment managers or decides the composition of portfolios which the life insurance company implements.

From a contractual perspective, discretionary investment management services are documented in an investment management agreement ("IMA") between MGIE and the client. Advisory services are documented in an engagement letter with the client, or may be included in the IMA.

Mercer Aspire is a solution for Irish defined contribution ("DC") schemes, whereby the scheme receives access to a range of Mercer-designed investment options (composed primarily of Mercer Funds building-blocks), and associated member services. Mercer Aspire is made available through a life-insurance policy held with Zurich Life Assurance. Typically a client signs an engagement letter with MIL and / or MFS, and completes a policy application form with Zurich.

MERCER FEE ARRANGEMENTS

Delegated Solutions clients typically pay one fee to cover all Mercer services provided within the solution. This is an asset-based fee calculated as an agreed percentage of the assets under management ("AUM") invested in Mercer Funds. These fees vary from client to client and from fund to fund, depending on a number of factors. Details of the fees are set out in the legal documentation that clients sign when entering into a Delegated Solutions arrangement. Fees are also clearly explained as part of presentations to clients. Prior to entering into a Delegated Solution, Mercer will provide an estimate of the overall fees associated with the solution and how this fee is allocated between Mercer and sub-investment managers to the Mercer Funds. The fees associated with each share class of sub-funds of the Mercer Funds are available on www.delegated-solutions.mercer.com. However, this does not take into account client-specific management-fee rebates that are applied to your account in situations where the standard share-class management fee is greater than the specific ongoing charges we have agreed with you. Further details on the fees applicable to your investment in the Fund are provided in the contractual documentation between you and Mercer. Information on the latest underlying sub-investment manager fees can be obtained from your usual Mercer contact.

Mercer is committed to transparency in terms of costs and fees. Typically an agreed fixed percentage for all Mercer services is applied across each asset class, and the underlying manager fees within each asset

class – which vary marginally over time as Mercer selects/replaces managers or renegotiates manager fees on clients' behalf – feed automatically through to the client. We refer to this as an unbundled fee arrangement and it is our default approach in the interests of transparency and avoidance of perceived conflicts.

However, some clients (such as DC pension schemes or life insurance companies utilising Mercer Funds as a component within insurance products offered by those life companies) have a requirement for a fixed or 'bundled' fee at the asset class level. In these cases, the total fee for each asset class (including Mercer plus manager fees) is fixed at the rates in the client's legal agreement. If underlying investment manager fees vary up or down slightly over time in any asset class, the Mercer margin for that asset class varies accordingly to ensure that the client's total fees for that asset category remain constant.

While a number of Mercer entities may provide services within the Delegated Solution, typically only one AUM based fee is charged to each client. Mercer allocates this fee between Mercer legal entities within the Mercer group. This allocation varies depending on a number of factors and may vary from time to time. As Mercer is providing a range of additional services under a Delegated Solution compared to a direct consulting arrangement, Mercer may earn more fees than if a client engaged Mercer for consulting services without implementation.

With Mercer Aspire, clients pay an AUM-based fee through the Zurich unit-linked funds, part of which Zurich pay to Mercer similar to above.

NATURE OF INVESTMENT CONSULTING SERVICES PROVIDED

If a client with an investment consulting relationship with MIL subsequently takes the decision to move to a full discretionary arrangement such as Implemented Consulting or Dynamic De-Risking Services, the nature of the investment consulting relationship will change. Because the client has chosen to invest in the Mercer Funds, it therefore automatically accesses Mercer's ongoing best ideas in relation to aspects such as manager selection.

The consultant's commentary on performance will incorporate not only an analysis of how the appointed managers have performed within each of the Mercer Funds but also commentary around what steps that Mercer (MGIE) has taken or plans to take on the client's behalf. Commentary or recommendations on undertaking reviews or switching managers is no longer required. In this way, the client should be able to focus on higher-level decisions and achieve other governance benefits, while the individual consultant's advice will similarly be focused on higher-level issues. The consultant will usually involve specialist Delegated Solutions colleagues in client meetings from time to time when a more detailed insight on the Mercer Funds is required.

From a contractual viewpoint, the client will contract with MGIE, and MGIE may delegate the advisory aspect to MIL. While the consultant who formerly provided investment consulting advice for MIL may remain the primary client contact, the service he or she is providing will be on behalf of MGIE. As well as consulting around strategic asset allocation as before, the consultant will provide comments on a look-through basis on the appointed sub-investment managers, but will not advise on the merits of the delegated solution offered by Mercer versus the providers of other delegated solutions, just as in the past the consultant would not advise on the merits or manager-selection expertise of an alternative consulting firm other than Mercer. If a client wishes, it can at any time (subject to agreed notice periods) terminate the delegated arrangement.

These arrangements as outlined above also apply to Mercer Delegated Solutions clients who were not previously Mercer investment consulting clients. From a regulatory standpoint, any investment advice provided within Delegated Solutions is on a non-independent basis relating solely to the Mercer Funds.

With respect to “investment-only” solutions such as where a client invests in a single asset category in the Mercer Funds, the client typically continues to receive investment advisory services through their existing consulting arrangements across their wider portfolio. With regard to the advisory services provided in respect of an investment-only client, the consultant will describe the performance of the underlying managers on a look-through basis, along with explaining the steps taken by Mercer’s specialist teams within the Mercer Funds. Commentary or recommendations on undertaking reviews or switching managers is no longer required, assuming the client wishes to maintain a delegated approach.

PREFERRED SOLUTIONS

If a prospect is new to Mercer Investments, Mercer may offer advisory services or Delegated Solutions or both.

If a client requests Mercer to provide comparative information on a Mercer solution versus other delegated solutions, Mercer may do so for information purposes only, if possible. Mercer does not offer advice on the merits of a Mercer product or solution versus other competing products. Mercer will provide information where possible to allow a potential client make its own informed choice.

INFORMATION ON MGIE AND MERCER FUNDS

MGIE is authorised by the Central Bank of Ireland (PO Box 559, Dublin 1) as a MiFID Investment Firm to provide the following Investment Services:

1. Reception and transmission of order in relation to one or more financial instruments;
2. Portfolio Management;
3. Investment Advice

MGIE has been appointed as discretionary investment manager and distributor of the following fund umbrellas (the “Mercer Funds”):

- MGI Funds plc (UCITS umbrella fund constituted as a limited liability variable capital company)
- Mercer PIF Fund plc (QIAIF umbrella incorporated as a limited liability variable capital company)
- Mercer QIF Fund plc (QIAIF umbrella incorporated as a limited liability variable capital company)
- Mercer QIF CCF (QIAIF umbrella common contractual fund)

The Mercer Funds are authorised by the Central Bank of Ireland and are subject to either the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (the “UCITS Regulations”) or European Union (Alternative Investment Fund Managers) Regulations 2013 (the “AIFMD Regulations”).

Full details of all the Mercer Funds, including Prospectuses, KIIDS, annual and semi-annual financial statements can be found at www.delegated-solutions.mercer.com. MGIE is based at Charlotte House, Charlemont Street, Dublin 2. Client communications to MGIE can be addressed in English to the client’s regular Mercer contact or to the Head of Client Services.

When providing a regulated service we are subject to the requirements of the Investor Compensation Act 1998 (the "Compensation Act") which provides for a scheme to compensate "Eligible Investors", as defined in section 2 of the Compensation Act. Professional Clients do not fall within the definition of an "eligible investor" and therefore will not be entitled to any compensation under the Compensation Act.

Past performance is not a guide to the future. The value of your investments and any income from it may fall as well as rise and you may receive back less than the amount invested.

There is a currency risk involved in investing in assets which are in a foreign currency. Changes in the rates of exchange may therefore lead to a rise or fall in the value of your investments. The levels and basis of, and relief from, taxation can change.

Any documents provided to you are for information purposes only and do not constitute or form part of any offer to issue or sell, or any solicitation to buy or invest in, shares or interests in any Mercer Fund nor shall it or the fact of its distribution form the basis of, or be relied on in connection with, any contract thereof. Further information on the Mercer Funds, including a discussion of the risks of an investment in a particular Mercer Fund, is set out in the relevant Mercer Fund's prospectus. You should refer only to the prospectus when deciding whether to invest in any Mercer Fund.

Certain solutions, including Mercer Aspire, may contain funds that are written as long-term insurance contracts. Mercer accepts no responsibility or liability, including for consequential or incidental damages or for a particular insurer's solvency. Mercer does not undertake to carry out monitoring of an insurer's financial condition on behalf of clients and makes no representations or warranties, expressed or implied, concerning the financial condition, solvency, or application of policy wordings of insurers or reinsurers.

Mercer accepts no responsibility for a pension fund's failure to meet its liabilities, or the failure of the pension fund to meet its investment objectives.

MERCER RESEARCH

The quality and content of Mercer's manager research is the same whether it is delivered within an advisory or Delegated Solutions model. With this in mind, unless we advise you otherwise, where Mercer advises on Delegated Solutions, these will be based solely on products and services offered by Mercer group companies.

Clients may receive the most recent approved ratings of an investment strategy, and a fuller explanation of their meanings through their Mercer representative. Ratings are not intended to convey any guarantees as to the future performance of the investment products, asset classes or capital markets discussed. All of Mercer's Delegated Solutions are based on the intellectual capital created within our global manager research and strategic research teams. Past performance does not guarantee future results. Mercer's ratings do not constitute individualised investment advice.

MGIE has an Inducements Policy in place and a copy is available at www.delegated-solutions.mercer.com. MiFID II regulations require disclosure on inducements. MGIE does not engage in soft commissions nor are there any third party commissions, rebates, trail commissions connected to investment in the Mercer Funds.

COMPLAINTS PROCESS

MGIE has a policy in place for the handling of complaints from clients. Any complaints should be sent to DS.ClientSupport@mercerc.com and will be dealt with in line with regulatory obligations and as quickly as possible. A full copy of the complaints policy is available to clients upon request.

BEST EXECUTION

MGIE has a Best Execution policy in place and a copy is available at www.delegated-solutions.mercer.com.

SOURCES OF INFORMATION

Information provided to you from time to time, may be obtained from a range of third party sources. While the information is believed to be reliable, Mercer does not seek to verify it independently. As such, Mercer makes no representations or warranties as to the accuracy of such information presented and takes no responsibility or liability (including for indirect, consequential or incidental damages), for any error, omission or inaccuracy in the data supplied by any third party.

If comparative performance of a range of managers is provided to you, Mercer's universe is intended to provide collective samples of strategies that best allow for robust peer group comparisons over a chosen timeframe. Mercer does not assert that the peer groups are wholly representative of and applicable to all strategies available to investors.

Mercer documents may contain information on investment management firms. This information is typically obtained from those investment management firms and other sources. Mercer research documents and opinions on investment products (including product ratings) are based on information that has been obtained from the investment management firms and other sources. Mercer makes no representations or warranties as to the accuracy of the information presented and takes no responsibility or liability (including for indirect, consequential or incidental damages), for any error, omission or inaccuracy in the data supplied by any third party.

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