

Mercer PIF Fund plc

(an umbrella fund with segregated liability between Sub-Funds)

Annual Report and Audited Financial Statements

For the financial year ended 30 June 2019

Management and Administration	2
Investment Manager's Report	3
Report of the Depositary to the Shareholders of Mercer PIF Fund plc	8
Portfolio Statements	9
Report of the Directors	20
Independent Auditor's Report to the Shareholders of Mercer PIF Fund plc	24
Financial Statements	
Statement of Financial Position – as at 30 June 2019	26
Comparative Statement of Financial Position – as at 30 June 2018	28
Statement of Comprehensive Income – for the financial year ended 30 June 2019	30
Comparative Statement of Comprehensive Income – for the financial year ended 30 June 2018	32
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – for the financial year ended 30 June 2019	34
Comparative Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares – for the financial year ended 30 June 2018	36
Statement of Cash Flows – for the financial year ended 30 June 2019	38
Comparative Statement of Cash Flows – for the financial year ended 30 June 2018	40
Notes to the Financial Statements	42
Unaudited Information in Respect of Underlying Investments	92
Unaudited Supplemental Information	93

REGISTERED OFFICE

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Dublin 2
Ireland

COMPANY REGISTRATION NUMBER

421024

INVESTMENT MANAGER AND DISTRIBUTOR**Mercer Global Investments Europe Limited**

Charlotte House
Charlemont Street
Dublin 2
Ireland

ADMINISTRATOR, REGISTRAR & TRANSFER AGENT**State Street Fund Services (Ireland) Limited**

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Dublin 2
Ireland

INDEPENDENT AUDITOR**KPMG**

Chartered Accountants
Statutory Audit Firm
1 Harbourmaster Place
International Financial Services Centre
Dublin 1
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LEGAL ADVISER IN IRELAND**Matheson**

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SECRETARY**Matsack Trust Limited**

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DIRECTORS

Barbara Healy*† (appointed 1 January 2019 and resigned
24 June 2019)
Gráinne Alexander*† (appointed 1 January 2019)
Michael Dempsey**
Tom Finlay*†
Tom Geraghty† (resigned 1 May 2019)
Hooman Kaveh† (appointed 1 May 2019)
Paul Sullivan*† (retired 31 January 2019)

ALTERNATIVE INVESTMENT FUND MANAGER**Mercer Global Investments Management Limited**

70 Sir John Rogerson's Quay
Dublin 2
Ireland

*These Directors are independent Directors.

**This Director is executive Director.

†These Directors are non-executive Directors.

The Sub-Funds of Mercer PIF Fund plc (the "Company") are managed using a proprietary multi-manager investment strategy. This strategy involves allocating portions of the Sub-Funds to specialist third party managers or sub-advisors ("Sub-Investment Managers"), who are selected by Mercer Global Investments Europe Limited (the "Investment Manager") based on criteria for producing consistent superior returns and who, in aggregate, are most likely to achieve the overall objectives of the Company.

Following a stable Q3 volatility returned to equity markets in the last quarter of 2018 driven by concerns that the Federal Reserve would continue to tighten monetary policy aggressively in 2019. Mounting pressures from trade disputes resulted in global stocks enduring their worst quarterly fall in years. The start of 2019 brought welcome relief to investors after a turbulent end to 2018. Equity markets bounced back strongly supported by optimism that the long running trade dispute may reach a conclusion. The Federal Reserve softened its tone, announcing that they would take a more flexible approach with respect to the interest rate policy and the pace of balance sheet wind down, providing further comfort to investors. The second quarter of 2019 was positive across most asset classes, albeit more muted relative to Q1. Aggressive trade war rhetoric between the US and China spooked investors in May, only to subside somewhat in June in the run up to the G20 summit, in anticipation of a bilateral meeting between President Trump and President Xi. A market positive outcome was achieved with the US and China agreeing to resume trade talks.

In Europe, equity stocks were down aggressively over 2018 fuelled by political concerns, with respect to the Italian budget deficit, the ongoing trade war and Brexit, along with the threat of rising inflation. The European Central Bank ("ECB") indicated it will delay any potential interest rises until 2020 and it may consider restarting its quantitative easing programme to combat slowing growth and falling inflation expectations. The conflict between the Italian Government and the EU, spurred by the excessive levels of Italian debt, came to a head at the end of 2018 and continued into 2019 as the Italian government made delayed attempts to bring spending in line with EU budgetary rules. The Brexit saga continues in the UK where Theresa May announced her resignation after the Conservatives suffered a defeat in local and European Elections. A new conservative leader is expected to be announced in July, with Boris Johnson predicted to take this position. Following the appointment of a new leader, the UK will have three months to agree on whether it will accept Theresa May's deal with the EU or leave without a deal.

Emerging markets withstood the market volatility at the end of 2018 much better than their developed market counterparts, with emerging market debt outperforming all other assets in Q4. Emerging market equities rebounded at the start of 2019 while emerging market debt maintained its strong performance, buoyed by a number of factors including a weaker US dollar, an uptick in commodity prices and an accommodative shift in stance from the Federal Reserve. However, emerging market equities underperformed developed market equities in the second quarter of 2019 due to trade tensions and country-specific idiosyncratic factors. In Mexico, markets faltered as President Trump threatened to impose tariffs on Mexico unless the Mexican government took greater steps to reduce migrant flow across the US border. In Brazil, optimism over the newly elected president's reform agenda faded with many investments halted until key reforms in pensions, tax and regulation are made. Emerging market debt was one of the top performers over Q2, benefitting from the bond rally largely due to falling credit spreads, a weaker dollar versus EM currencies and lower borrowing costs.

Core Eurozone government bond yields rose in Q3 but fell at the end of 2018. They continued to fall in Q1 2019 as the ECB officially ended its quantitative easing programme at the end of 2018 in spite of slowing growth in the Eurozone area. Pessimism on growth drove yields to fall further over the course of Q2, resulting in positive returns on long dated sovereign bonds. The Federal Reserve maintained interest rates at its meeting towards the end of June but signalled that rate cuts were likely before the end of the year should inflation and economic growth not pick up. The continued dovish-ness of both the ECB and the Federal Reserve was welcomed by investors and was reflected in the performance of corporate and high yield bonds as credit spreads contracted. US Treasury yields fell over the three quarters to end Q2 2019 mainly driven by weaker than expected manufacturing activity and concerns over subdued inflation and economic growth concerns.

Mercer PIF Fund plc Overview

All performance figures shown below are calculated by the Investment Manager using pricing from State Street Fund Services (Ireland) Limited (the "Administrator"). Figures shown are gross of the Investment Manager's and underlying managers' fees and net of all other expenses including custody and administration costs depending on fund structure. Weightings shown in the below tables are the portfolios weightings as at 30 June 2019.

The following Sub-Funds have terminated and therefore are not included in the investment managers report:

Sub-Fund	Termination date
MGI UK Growth Fund	23 May 2019
MGI UK High Growth Fund	23 May 2019
MGI UK Moderate Growth Fund	23 May 2019
MGI UK Defensive Fund	23 May 2019

Investment Performance to 30 June 2019 (EUR)

MGI Diversified Equity Fund

Fund	Performance over the Financial Year		
	Weight (%)	Fund (%)	Benchmark (%)
Mercer Passive Global Equity Fund	5.0	9.2	9.0
Mercer Passive Global Equity Fund (Hedged)	40.3	4.3	4.3
Mercer Low Volatility Equity Fund	19.4	11.0	9.0
Mercer Global Small Cap Equity Fund	14.9	2.1	-0.3
MGI Emerging Markets Equity Fund	20.4	2.7	3.8
MGI Diversified Equity Fund	100.0	5.3	4.7

Performance shown is in EUR terms.

Figures may not sum to total due to rounding.

The benchmark for the MGI Diversified Equity Fund is a composite of 40% MSCI World Hedged (NDR) Index, 25% MSCI World (NDR) Index, 15% MSCI Small Cap (NDR) Index and 20% MSCI Emerging Markets (NDR) Index.

The MGI Diversified Equity Fund outperformed the composite benchmark by 0.6% over the last year.

There were no changes to the list of funds into which the Sub-Fund invested during the period.

MGI Balanced Managed Fund

Fund	Performance over the Financial Year		
	Weight (%)	Fund (%)	Benchmark (%)
Mercer Passive Global Equity Fund	25.5	9.2	9.0
MGI Emerging Markets Debt Fund	4.7	9.7	11.7
Mercer Global High Yield Bond Fund (Hedged)	3.8	5.2	5.5
Mercer Diversified Growth Fund	43.3	8.3	-0.5
Mercer Euro Nominal Bond Long Duration Fund	18.0	10.1	10.3
Mercer Global Buy & Maintain Credit Fund (Hedged)	4.8	6.6	6.5
MGI Balanced Managed Fund	100.0	8.4	2.4

Performance shown is in EUR terms.

Figures may not sum to total due to rounding.

The benchmark for the MGI Balanced Managed Fund is the FTSE 1 Month Euro Deposit Index. The Benchmark shown is the long term objective: FTSE 1 Month Euro Deposit Index + 2.8% p.a.

The MGI Balanced Managed Fund outperformed the benchmark by 6.0% over the last year.

The benchmark for MGI Balanced Managed Fund is FTSE 1 Month Euro Deposit Index + 2.8% p.a. Over the long term the benchmark is reasonable but over the short term fluctuations are possible.

There were no changes to the list of funds into which the Sub-Fund invested during the period.

Investment Performance to 30 June 2019 (EUR) (continued)

Mercer Medium Term Inflation Linked Bond Fund

Manager	Performance over the Financial Year		
	Weight (%)	Fund (%)	Benchmark (%)
Irish Life Investment Managers Limited	100.0	1.9	1.8
Mercer Medium Term Inflation Linked Bond Fund	100.0	1.9	1.8

Performance shown is in EUR terms.
 Figures may not sum to total due to rounding.
 The fund benchmark is a composite with overall duration of 13-18 years.

The Mercer Medium Term Inflation Linked Bond Fund performed within acceptable tracking of its composite benchmark over the last year.

There were no Sub-Investment Manager changes during the period.

Mercer Enhanced Yield Fund

Fund	Performance over the Financial Year		
	Weight (%)	Fund (%)	Benchmark (%)
MGI Emerging Markets Debt Fund	36.9	9.7	11.7
Mercer Global High Yield Bond Fund (Hedged)	33.1	5.2	5.5
Mercer Absolute Return Fixed Income Fund (Hedged)	30.1	2.3	-0.5
Mercer Enhanced Yield Fund	100.0	5.9	5.9

Performance shown is in EUR terms.
 Figures may not sum to total due to rounding.
 The benchmark for the Mercer Enhanced Yield Fund is a composite of 30.33% FTSE EUR 1 Month Euro Deposit Index, 36.33% J.P.Morgan GBI-EM Global Diversified Index and 33.33% BofAML Global High Yield Constrained (Hedged EUR) Index. Prior to 16 January 2019 the benchmark was 33.33% FTSE EUR 1 Month Euro Deposit Index, 36.33% J.P.Morgan GBI-EM Global Diversified Index and 30.33% BofAML Global High Yield Constrained (Hedged EUR) Index.

The Mercer Enhanced Yield Fund performed in line with the composite benchmark over the last year.

There were no changes to the list of funds into which the Sub-Fund invested during the period.

Mercer Euro Inflation Linked Bond Fund

Manager	Performance over the Financial Year		
	Weight (%)	Fund (%)	Benchmark (%)
Irish Life Investment Managers Limited	100.0	3.1	3.3
Mercer Euro Inflation Linked Bond Fund	100.0	3.1	3.3

Performance shown is in EUR terms.
 Figures may not sum to total due to rounding.
 The fund benchmark is the Merrill Lynch EMU Direct Government HICP Linked Over 5 Year GDP Weighted Index.

The Mercer Euro Inflation Linked Bond Fund performed within acceptable tracking of its benchmark over the last year.

There were no Sub-Investment Manager changes during the period.

Investment Performance to 30 June 2019 (GBP)

Mercer UK Credit Fund

Manager	Performance over the Financial Year		
	Weight (%)	Fund (%)	Benchmark (%)
Insight Investment Management (Global) Limited	50.0	5.8	6.5
M&G Investment Management limited	50.0	6.8	6.5
Mercer UK Credit Fund	100.0	6.5	6.5

Performance shown is in GBP terms.

Figures may not sum to total due to rounding.

The benchmark for the Mercer UK Credit Fund is the ICE BofAML Sterling Corporate & Collateralised All-Stocks (ex-Subordinated Financials) Index.

The Mercer UK Credit Fund performed in line with the benchmark over the last year.

There were no Sub-Investment Manager changes during the period.

Mercer Sterling Inflation Linked LDI Bond Fund

Manager	Performance over the Financial Year		
	Weight (%)	Fund (%)	Benchmark (%)
Legal & General Investment Management Limited	100.0	10.3	10.3
Mercer Sterling Inflation Linked LDI Bond Fund	100.0	10.3	10.3

Performance shown is in GBP terms.

Figures may not sum to total due to rounding.

The fund has a Legal & General Investment Management Limited custom benchmark.

The Mercer Sterling Inflation Linked LDI Bond Fund performed within acceptable tracking of its benchmark over the last year.

There were no Sub-Investment Manager changes during the period.

Mercer Sterling Nominal LDI Bond Fund

Manager	Performance over the Financial Year		
	Weight (%)	Fund (%)	Benchmark (%)
Legal & General Investment Management Limited	100.0	7.1	7.1
Mercer Sterling Nominal LDI Bond Fund	100.0	7.1	7.1

Performance shown is in GBP terms.

Figures may not sum to total due to rounding.

The fund has a Legal & General Investment Management Limited custom benchmark.

Underlying manager returns may differ to the overall portfolio return due to a small cash allocation within the portfolio.

The Mercer Sterling Nominal LDI Bond Fund performed within acceptable tracking of its benchmark over the last year.

There were no Sub-Investment Manager changes during the period.

Market Outlook

The US yield curve inverted for the first time since 2007 in Q1 2019 and inverted once again in May on renewed concerns for the global economy. Although the inverted yield curve has been an indicator of previous downturns, it is unlikely that the global economy is heading towards an imminent recession based on this one indicator alone. A yield curve inversion should only be looked at in conjunction with a number of other key data points such as unemployment rates, housing starts and other leading economic indicators. Whilst we have seen some softness in economic data across the US and Europe, unemployment rates remain at low levels, providing reassurance that there is no need for immediate concern that there will be an economic downturn in the short term.

Despite easing trade tension towards the end of Q2, leading economic indicators suggest slowing economic growth. The OECD, IMF and World Bank trimmed their global growth forecasts citing trade tensions along with high policy uncertainty. Earnings growth forecasts have softened and are likely to experience a decline in the coming months. In particular, expectations for US based multinational companies are down mainly due to the potential for tariffs and supply disruptions. Our expectation is that the US economy will continue to soften going forward as employment is currently at peak levels.

Global central banks signalled that they intend to maintain accommodative policies to stimulate economic growth in the months ahead. The ECB has announced that it is unlikely they will raise interest rates in 2019, with the first increase to be postponed until 2020. The Bank of Japan will continue to target a 10-year yield near zero. The Federal Reserve have suggested cutting interest rates over the coming months. The FED Fund futures market has priced in three interest rate cuts by 2020 with the first one starting in July. We are of the impression that global interest rates will remain at current levels, if not decrease.

As discussed, unresolved trade disputes impacted global market confidence over the course of the last year, with high levels of market volatility endured in December. After rallying during the first four months of the 2019, global stocks sold off sharply in May. Despite a mutual agreement between the US and China to proceed with renewed trade negotiations and actions taken by the Mexican government to avert tariffs, we expect that equity markets will experience more trade related volatility going forward in the run up to the 2020 US Presidential elections as political gamesmanship continues to take centre stage. In Europe, the uncertainty surrounding what form Brexit will take will remain a headwind in both European and UK equity markets for the next few months.

Despite recent trade tensions, the outlook for emerging markets remains positive. We believe that there is potential for emerging market economies to grow at a faster rate than developed markets thus creating a tailwind for returns. Limited correlation to the broader market means these higher expected returns are also diversifying. It should be noted that emerging economies are highly dependent on the outcome of trade and the corresponding fluctuations in the US dollar.

Although market conditions have softened in recent months, we believe that longer term bond yields could still face upward pressure. Furthermore, given that yields are extremely low at present investors are likely to prefer shorter-duration exposure. Investors are likely to continue to have a preference for shorter duration along with an increased appetite for cash-like bond exposure due to the fact that an inverted yield curve makes cash a better alternative to bonds both from real and nominal perspectives.

Mercer Global Investments Europe Limited

Charlotte House
Charlemont Street
Dublin 2

July 2019

We have enquired into the conduct of Mercer Global Investments Management Limited as the authorised Alternative Investment Manager (the "AIFM") in respect of the Company, the authorised Alternative Investment Fund ("AIF"), for the financial year ended 30 June 2019 in our capacity as Depositary to the AIF.

This report including the opinion has been prepared for and solely for the Shareholders in the AIF as a body, in accordance with the Central Bank's AIF Rulebook and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depositary

Our duties and responsibilities are outlined in Regulation 22(7)(8)&(9) of European Union (Alternative Investment Fund Managers Directive) Regulations 2013 as amended (the "Regulations") and the AIF Rulebook. One of those duties is to enquire into the conduct of the AIFM in each annual accounting period and report thereon to the Shareholders.

Our report shall state whether, in our opinion, the AIF has been managed in that financial year in accordance with the provisions of AIF's constitutional documentation and the AIF Rulebook. It is the overall responsibility of the AIFM to comply with these provisions. If the AIFM has not so complied, we as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Depositary opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Regulation 22(7)(8)&(9) of the Regulations, and to ensure that, in all material respects, the AIF has been managed:

- (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations; and
- (ii) otherwise in accordance with the AIF's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the AIF has been managed during the financial year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the authorised AIF by the constitutional document and by the Central Bank under the powers granted to the Central Bank by the investment fund legislation; and
- (ii) otherwise in accordance with the provisions of the constitutional document and the investment fund legislation.

State Street Custodial Services (Ireland) Limited

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24 October 2019

	Shares	Fair value €	% of Net assets
Financial assets at fair value through profit or loss (2018: € 41,126,727; 99.47%)			
Collective investment schemes (2018: € 41,126,727; 99.47%)			
Ireland (2018: € 41,126,727; 99.47%)			
MGI Funds plc - Mercer Global Small Cap Equity Fund	24,026	5,681,198	14.76
MGI Funds plc - Mercer Low Volatility Equity Fund	36,006	7,434,956	19.32
MGI Funds plc - Mercer Passive Global Equity Fund - Class Z-1€	108,634	1,907,608	4.96
MGI Funds plc - Mercer Passive Global Equity Fund - Class Z-1€ Hedged	1,051,135	15,388,613	39.97
MGI Funds plc - MGI Emerging Markets Equity Fund	60,145	7,811,694	20.29
Total collective investment schemes		38,224,069	99.30
Total financial assets at fair value through profit or loss		38,224,069	99.30
Cash (2018: 0.58%)		289,801	0.75
Net current liabilities (2018: (0.05)%)		(20,813)	(0.05)
Net assets attributable to holders of redeemable participating shares		38,493,057	100.00

Country classifications are based upon country of incorporation and/or country of domicile.

	Shares	Fair value €	% of Net assets
Financial assets at fair value through profit or loss (2018: € 86,067,158; 99.28%)			
Collective investment schemes (2018: € 86,067,158; 99.28%)			
Ireland (2018: € 86,067,158; 99.28%)			
MGI Funds plc - Mercer Diversified Growth Fund	205,242	40,463,428	41.96
MGI Funds plc - Mercer Euro Nominal Bond Long Duration Fund	116,559	16,814,741	17.43
MGI Funds plc - Mercer Passive Global Equity Fund	1,355,939	23,810,285	24.69
Other Ireland	105,528	12,378,380	12.83
Total collective investment schemes		93,466,834	96.91
Total financial assets at fair value through profit or loss		93,466,834	96.91
Cash (2018: 0.75%)		3,024,188	3.14
Net current liabilities (2018: (0.03)%)		(47,340)	(0.05)
Net assets attributable to holders of redeemable participating shares		96,443,682	100.00

Country classifications are based upon country of incorporation and/or country of domicile.

Mercer PIF Fund plc
Mercer Medium Term Inflation Linked Bond Fund

Portfolio Statement
as at 30 June 2019

	Nominal Holdings 30 June 2019	Fair value 30 June 2019 €	% of Net assets	Nominal Holdings 30 June 2018	Fair value 30 June 2018 €	% of Net assets
Financial assets at fair value through profit or loss (2018: 99.16%)						
Securities (2018: 99.16%)						
Government bonds (2018: 99.16%)						
France						
France (Government of) 3.15% due 25/07/2032	69,895,500	108,054,599	10.10	67,475,612	106,105,738	9.80
France (Government of) 1.80% due 25/07/2040	280,991,544	426,674,419	39.87	283,589,030	431,726,015	39.88
		534,729,018	49.97		537,831,753	49.68
Germany						
Bundesrepublik Deutschland Inflation Linked Bond 1.75% due 15/04/2020	99,680,672	100,693,427	9.41	99,010,745	104,932,082	9.69
Bundesrepublik Deutschland Inflation Linked Bond 0.10% due 15/04/2023	96,360,923	101,575,495	9.49	97,025,067	105,167,896	9.72
Bundesrepublik Deutschland Inflation Linked Bond 0.50% due 15/04/2030	224,702,976	268,504,327	25.09	226,444,482	269,624,048	24.91
Bundesrepublik Deutschland Inflation Linked Bond 0.10% due 15/04/2046	43,203,828	56,346,433	5.27	44,860,706	55,845,074	5.16
		527,119,682	49.26		535,569,100	49.48
Total government bonds		1,061,848,700	99.23		1,073,400,853	99.16
Total securities		1,061,848,700	99.23			
Total financial assets at fair value through profit or loss		1,061,848,700	99.23			
Cash (2018: 0.30%)		1,688,497	0.16			
Net current assets (2018: 0.54%)		6,596,164	0.61			
		1,070,133,361	100.00			
Net assets attributable to holders of redeemable participating shares		1,070,133,361	100.00			

Country classifications are based upon country of incorporation and/or country of domicile.

	Fair value 30 June 2019 GB£	% of Net assets	Fair value 30 June 2018 GB£	% of Net assets
Financial assets at fair value through profit or loss (2018: 97.87%)				
Securities (2018: 93.54%)				
Asset backed securities (2018: 0.89%)				
Ireland	6,903,332	0.79	10,623,803	0.63
United Kingdom	1,586,130	0.18	4,389,399	0.26
Total asset backed securities	8,489,462	0.97	15,013,202	0.89
Corporate bonds (2018: 87.83%)				
Australia	11,719,437	1.34	35,171,431	2.08
Austria	468,571	0.05	3,130,305	0.19
Belgium	8,406,066	0.96	11,092,861	0.66
Bermuda	1,015,806	0.12	1,808,933	0.11
Canada	623,461	0.07	1,492,371	0.09
Cayman Islands	5,010,276	0.57	26,208,405	1.56
Denmark	1,294,825	0.15	4,500,974	0.27
France	42,622,999	4.85	74,784,064	4.44
Germany	4,695,461	0.54	12,614,966	0.76
Guernsey	2,124,476	0.24	3,857,317	0.23
Ireland	15,771,540	1.80	35,062,795	2.08
Italy	7,276,013	0.83	12,952,908	0.78
Japan	2,545,382	0.29	-	-
Jersey	42,073,884	4.80	74,522,368	4.43
Luxembourg	6,716,843	0.77	9,167,466	0.55
Mexico	2,795,334	0.32	10,881,029	0.65
Netherlands	40,759,849	4.65	90,731,436	5.36
New Zealand	-	-	51,569	-
Norway	396,195	0.05	3,957,708	0.24
Spain	3,245,882	0.37	3,142,904	0.19
Sweden	3,729,199	0.43	6,979,285	0.41
Switzerland	701,704	0.08	6,823,504	0.41
United Kingdom	445,386,270	50.79	829,089,818	49.23
United States of America	118,538,404	13.51	220,650,914	13.11
Total corporate bonds	767,917,877	87.58	1,478,675,331	87.83
Government bonds (2018: 4.31%)				
Australia	-	-	10,266,662	0.61
France	660,881	0.08	4,196,594	0.25
Mexico	2,328,600	0.27	5,926,506	0.35
United Kingdom	36,211,261	4.12	47,062,214	2.80
United States of America	3,314,407	0.38	5,057,773	0.30
Total government bonds	42,515,149	4.85	72,509,749	4.31
Mortgage backed securities (2018: 0.51%)				
Ireland	598,049	0.07	-	-
United Kingdom	1,327,739	0.15	8,506,351	0.51
Total mortgage backed securities	1,925,788	0.22	8,506,351	0.51
Total securities	820,848,276	93.62	1,574,704,633	93.54

						Fair value 30 June 2019 GB£	% of Net assets
Collective investment schemes (2018: GB£ 71,173,646; 4.23%)							
Ireland						26,642,089	3.04
Total collective investment schemes						26,642,089	3.04
Currency buy	Buy amount	Currency sell	Sell amount	Contract date	Unrealised gain GB£	% of Net assets	
Financial derivative instruments (2018: 0.10%)							
Open forward foreign currency contracts (2018: 0.01%)							
EUR	1*	633,688	GBP	545,759	07/08/2019	21,927	0.01
EUR	3*	5,003,393	GBP	4,464,150	07/08/2019	18,117	-
GBP	7*	704,942	USD	895,000	24/07/2019	2,491	-
GBP	5*	247,343	USD	313,000	07/08/2019	1,841	-
GBP	3*	318,371	USD	404,926	08/08/2019	779	-
GBP	5*	488,126	USD	617,000	21/08/2019	4,452	-
GBP	2*	344,888	USD	439,000	09/11/2019	1,040	-
Unrealised gain on open forward foreign currency contracts						50,647	0.01
		Notionals	Maturity date	Currency	No. of contracts long/(short)	Unrealised gain GB£	% of Net assets
Futures contracts (2018: 0.00%)							
Euro Bobl Futures	4*	4,691,531	06/09/2019	EUR	39	18,495	-
Euro OAT Futures	4*	5,015,821	06/09/2019	EUR	34	93,703	0.01
Euro-Schatz Futures	4*	2,511,790	06/09/2019	EUR	25	4,027	-
10 Year US Treasury Notes Futures	4*	2,614,274	19/09/2019	USD	26	61,029	0.01
Unrealised gain on futures contracts						177,254	0.02
Fund Receives	Fund pays	Maturity date	Currency	Notional holding	Fair value GB£	% of Net assets	
Interest rate swaps (2018: 0.03%)							
Fixed 0.87%	3*	6 Month Libor	22/12/2020	GBP	19,200,000	9,665	-
Fixed 1.06%	3*	6 Month Libor	22/12/2022	GBP	28,700,000	213,285	0.02
Fixed 1.51%	1*	6 Month Libor	22/12/2019	GBP	17,000,000	54,963	0.01
Interest rate swaps at positive fair value						277,913	0.03
Credit default swaps (2018: 0.06%)							
Total financial derivative instruments at positive fair value						505,814	0.06
Total financial assets at fair value through profit or loss						847,996,179	96.72

Mercer PIF Fund plc
Mercer UK Credit Fund

Portfolio Statement
as at 30 June 2019
(continued)

Currency buy		Buy amount	Currency sell	Sell amount	Contract date	Unrealised loss GB£	% of Net assets
Financial liabilities at fair value through profit and loss (2018: (0.32)%							
Financial derivative instruments (2018: (0.32)%							
Open forward foreign currency contracts (2018: (0.05)%							
EUR	8*	2,772,000	GBP	2,484,309	05/08/2019	(1,204)	-
GBP	4*	1,335,085	EUR	1,493,000	19/07/2019	(1,570)	-
GBP	6*	534,927	EUR	603,000	19/07/2019	(4,927)	-
GBP	5*	3,339,771	EUR	3,863,000	19/07/2019	(118,700)	(0.01)
GBP	4*	5,988,390	EUR	6,689,000	05/08/2019	(3,488)	-
GBP	3*	17,026,164	EUR	19,765,254	07/08/2019	(680,449)	(0.08)
GBP	4*	5,879,746	EUR	6,592,000	19/08/2019	(28,228)	-
GBP	3*	1,435,874	EUR	1,603,000	05/09/2019	(1,663)	-
GBP	3*	2,377,120	USD	3,103,062	08/08/2019	(56,678)	(0.01)
GBP	7*	584,000	USD	762,000	07/12/2019	(14,422)	-
Unrealised loss on open forward foreign currency contracts						(911,329)	(0.10)
Futures contracts (2018: (0.04)%							
		Notionals	Maturity date	Currency	No. of contracts long/(short)	Unrealised loss GB£	% of Net assets
Euro Bobl Futures	9*	(3,007,392)	06/09/2019	EUR	(25)	(12,663)	-
Euro Bund Futures	4*	(10,510,499)	06/09/2019	EUR	(68)	(96,733)	(0.01)
Euro Buxl 30 Year Bond Futures	9*	(3,812,614)	06/09/2019	EUR	(21)	(102,945)	(0.01)
Euro Buxl 30 Year Bond Futures	4*	(11,256,289)	06/09/2019	EUR	(62)	(149,242)	(0.02)
UK Long Gilt Futures	4*	2,084,800	26/09/2019	GBP	16	(4,500)	-
UK Long Gilt Futures	9*	(4,039,300)	26/09/2019	GBP	(31)	(47,120)	(0.01)
United States Ultra Bond Futures	4*	(1,953,229)	19/09/2019	USD	(14)	(80,133)	(0.01)
US Long Bond Futures	9*	(1,833,822)	19/09/2019	USD	(15)	(52,484)	(0.01)
5 Year US Treasury Notes Futures	4*	(4,734,790)	30/09/2019	USD	(51)	(65,269)	(0.01)
10 Year US Ultra Futures	4*	(1,953,524)	19/09/2019	USD	(18)	(50,389)	-
Unrealised loss on futures contracts						(661,478)	(0.08)
Interest rate swaps (2018: (0.11)%							
Fund Receives		Fund pays	Maturity date	Currency	Notional holding	Fair value GB£	% of Net assets
Fixed 0.77%	3*	6 Month Libor	22/12/2019	GBP	30,600,000	(13,971)	-
6 Month Libor	1*	Fixed 1.71%	26/04/2047	GBP	1,750,000	(210,502)	(0.02)
6 Month Libor	7*	Fixed 3.02%	15/01/2026	GBP	9,300,000	(1,325,346)	(0.16)
Interest rate swaps at negative fair value						(1,549,819)	(0.18)
Credit default swaps (2018: (0.12)%							
Total financial derivative instruments at negative fair value						(3,122,626)	(0.36)
Total financial liabilities at fair value through profit or loss						(3,122,626)	(0.36)
Total financial derivative instruments						(2,616,812)	(0.30)
Total investments at fair value through profit and loss						844,873,553	96.36
Cash (2018: 1.08%)						28,834,450	3.29
Net current assets (2018: 1.37%)						3,100,219	0.35
Net assets attributable to holders of redeemable participating shares						876,808,222	100.00

The following is a list of counterparties for the financial derivative instruments.

Reference	Counterparty
1*	Barclays Bank
2*	BNP Paribas
3*	Citigroup
4*	Goldman Sachs
5*	HSBC Bank
6*	JP Morgan
7*	Bank of America Merrill Lynch
8*	Morgan Stanley
9*	Royal Bank of Scotland

Country classifications are based upon country of incorporation and/or country of domicile.

The following security has been pledged by the Sub-Fund and is held by the counterparty in respect of Financial Derivative Instruments.

Security	Counterparty	Nominal	Market Value GB£
United Kingdom Gilt 4.75% due 07/12/2030	Bank of America Merrill Lynch	192,000	271,162
			271,162

Mercer PIF Fund plc
Mercer Sterling Inflation Linked LDI Bond Fund

Portfolio Statement
as at 30 June 2019

	Nominal Holdings 30 June 2019	Fair value 30 June 2019 GB£	% of Net assets	Nominal Holdings 30 June 2018	Fair value 30 June 2018 GB£	% of Net assets
Financial assets at fair value through profit or loss (2018: 99.85%)						
Securities (2018: 99.85%)						
Government bonds (2018: 99.85%)						
United Kingdom (2018: 99.85%)						
United Kingdom Gilt Inflation Linked 0.38% due 22/03/2062	32,071,452	75,306,977	32.99	48,443,006	107,102,641	33.22
United Kingdom Gilt Inflation Linked 0.13% due 22/11/2065	32,369,103	76,229,239	33.40	48,893,045	107,623,371	33.39
United Kingdom Gilt Inflation Linked 0.13% due 22/03/2068	30,770,469	76,427,691	33.48	46,477,684	107,158,949	33.24
Total government bonds		227,963,907	99.87		321,884,961	99.85
Total securities		227,963,907	99.87			
Total financial assets at fair value through profit or loss		227,963,907	99.87			
Cash (2018: 0.18%)		375,356	0.16			
Net current liabilities (2018: (0.03)%)		(75,369)	(0.03)			
Net assets attributable to holders of redeemable participating shares		228,263,894	100.00			

Country classifications are based upon country of incorporation and/or country of domicile.

	Nominal Holdings 30 June 2019	Fair value 30 June 2019 GB£	% of Net assets	Nominal Holdings 30 June 2018	Fair value 30 June 2018 GB£	% of Net assets
Financial assets at fair value through profit or loss (2018: 98.95%)						
Securities (2018: 98.95%)						
Government bonds (2018: 98.95%)						
United Kingdom (2018: 98.95%)						
United Kingdom (Government of) 4.00% due 22/01/2060	141,578,540	255,506,791	49.20	183,965,540	317,929,246	49.38
United Kingdom (Government of) 3.50% due 22/07/2068	147,473,438	258,004,780	49.69	191,626,438	319,115,507	49.57
Total government bonds		513,511,571	98.89		637,044,753	98.95
Total securities		513,511,571	98.89			
Total financial assets at fair value through profit or loss		513,511,571	98.89			
Cash (2018: 0.14%)		1,255,688	0.24			
Net current liabilities (2018: 0.91%)		4,519,342	0.87			
Net assets attributable to holders of redeemable participating shares		519,286,601	100.00			

Country classifications are based upon country of incorporation and/or country of domicile.

	Shares	Fair value €	% of Net assets
Financial assets at fair value through profit or loss (2018: € 45,529,222; 99.71%)			
Collective investment schemes (2018: € 45,529,222; 99.71%)			
Ireland (2018: € 45,529,222; 99.71%)			
MGI Funds plc - Mercer Absolute Return Fixed Income Fund	88,007	9,282,957	29.97
MGI Funds plc - Mercer Global High Yield Bond Fund	76,807	10,222,223	33.00
MGI Funds plc - MGI Emerging Markets Debt Fund	108,723	11,388,764	36.76
Total collective investment schemes		30,893,944	99.73
Total financial assets at fair value through profit or loss		30,893,944	99.73
Cash (2018: 0.33%)		88,404	0.29
Net current liabilities (2018: (0.04)%)		(4,709)	(0.02)
Net assets attributable to holders of redeemable participating shares		30,977,639	100.00

Country classifications are based upon country of incorporation and/or country of domicile.

Mercer PIF Fund plc
Mercer Euro Inflation Linked Bond Fund

Portfolio Statement
as at 30 June 2019

	Nominal Holdings 30 June 2019	Fair value 30 June 2019 €	% of Net assets	Nominal Holdings 30 June 2018	Fair value 30 June 2018 €	% of Net assets
Financial assets at fair value through profit or loss (2018: 99.51%)						
Securities (2018: 99.51%)						
Government bonds (2018: 99.51%)						
France						
France (Government of) 1.85% due 25/07/2027	4,158,514	5,205,710	6.24	3,409,752	4,354,202	6.42
France (Government of) 3.15% due 25/07/2032	2,353,060	3,637,701	4.36	2,277,113	3,580,771	5.28
France (Government of) 1.80% due 25/07/2040	2,479,094	3,764,405	4.51	2,333,232	3,552,031	5.23
Other France	8,541,488	9,620,201	11.54	5,983,419	6,786,142	10.00
		<u>22,228,017</u>	<u>26.65</u>		<u>18,273,146</u>	<u>26.93</u>
Germany						
Bundesrepublik Inflation Linked Bond 0.10% due 15/04/2026	11,602,999	12,754,828	15.29	9,757,605	10,891,634	16.05
Bundesrepublik Inflation Linked Bond 0.50% due 15/04/2030	9,488,807	11,338,460	13.59	7,329,815	8,727,500	12.86
Bundesrepublik Inflation Linked Bond 0.10% due 15/04/2046	5,999,057	7,823,970	9.38	5,056,493	6,294,601	9.28
		<u>31,917,258</u>	<u>38.26</u>		<u>25,913,735</u>	<u>38.19</u>
Italy						
Italy Buoni Poliennali Del Tesoro 2.35% due 15/09/2035	3,175,254	3,576,257	4.29	-	-	-
Other Italy	13,007,579	13,743,908	16.48	12,975,393	13,982,764	20.61
		<u>17,320,165</u>	<u>20.77</u>		<u>13,982,764</u>	<u>20.61</u>
Spain						
Spain Government Inflation Linked Bond 1.80% due 30/11/2024	3,518,357	4,054,836	4.86	3,760,668	4,386,819	6.46
Other Spain	6,479,021	7,399,188	8.87	4,537,288	4,970,743	7.32
		<u>11,454,024</u>	<u>13.73</u>		<u>9,357,562</u>	<u>13.78</u>
Total government bonds		82,919,464	99.41		67,527,207	99.51
Total securities		82,919,464	99.41			
Total financial assets at fair value through profit or loss		82,919,464	99.41			
Cash (2018: 0.06%)		167,987	0.20			
Net current assets (2018: 0.43%)		325,092	0.39			
		<u>83,412,543</u>	<u>100.00</u>			
Net assets attributable to holders of redeemable participating shares		83,412,543	100.00			

Country classifications are based upon country of incorporation and/or country of domicile.

The Directors have pleasure in submitting their Report to the Shareholders together with the audited financial statements for the financial year ended 30 June 2019.

Principal Activities

Mercer PIF Fund plc (the “Company”) is an open-ended investment company with variable capital organised under the laws of Ireland. The Company is organised in the form of an umbrella fund insofar as the share capital of the Company will be divided into different series of shares with each series of shares representing a portfolio of assets which will comprise a separate fund (each a “Sub-Fund”). The Company is authorised by the Central Bank of Ireland (the “Central Bank”) as a designated investment company pursuant to Part 24 of the Companies Act, 2014 (as amended) to market solely to professional investors and knowledgeable investors.

As at 30 June 2019, the Company consisted of twenty Sub-Funds (“the Sub-Funds”) of which eight are in operation at the financial year end (2018: twelve).

Statement of Directors’ Responsibilities

The Directors are responsible for preparing the Directors’ Report and financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its changes in net assets attributable to holders of redeemable participating shares for that year. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the Companies Act 2014 (as amended). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company. In this regard they have entrusted the assets of the Company to a trustee for safe-keeping. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors’ Report that complies with the requirements of the Companies Act 2014 (as amended).

Statement of Compliance on Corporate Governance Code

The Company has adopted in full the voluntary Code of Corporate Governance (“the Corporate Governance Code”) for Collective Investment Schemes and Management Companies issued by the Irish Funds (“IF”), the text of which is available from the IF website, www.irishfunds.ie.

The Company has been in compliance with the Corporate Governance Code during the financial year ended 30 June 2019.

Directors

The Directors, who held office on 30 June 2019 as stated below, are not required to retire by rotation under the Memorandum and Articles of Association.

The Directors are:

			Date of Appointment
Michael Dempsey	Executive	Irish	11 July 2011
Tom Finlay	Non-Executive	Irish	13 July 2006
Gráinne Alexander	Non-Executive	Irish	1 January 2019
Hooman Kaveh	Non-Executive	Irish	1 May 2019

Michael Dempsey and Tom Finlay served for the entire financial year. Gráinne Alexander and Barbara Healy were appointed to the Board of Directors on 1 January 2019 and Barbara Healy resigned on 24 June 2019. Paul Sullivan retired from the Board of Directors on 31 January 2019. Hooman Kaveh was appointed to the Board of Directors on 1 May 2019. Tom Geraghty resigned from the Board of Directors on 1 May 2019. Directors' fees (including expenses) for the financial year are stated in Note 4 to the financial statements.

Transactions involving Directors:

The Board of Directors (the "Board") are not aware of any contracts or arrangements of any significance in relation to the business of the Company in which the Directors had any interest as defined in the Companies Act, 2014 (as amended), at anytime during the financial year ended 30 June 2019 (financial year ended 30 June 2018: Nil), other than those disclosed in Note 4, Related Parties.

Directors' & Secretary's Interests

None of the Directors nor the Secretary who held office at 30 June 2019 or their families held any interest in the shares of the Company at any time during the financial year ended 30 June 2019 (financial year ended 30 June 2018: Nil).

Audit Committee

The Company has established an audit committee under Section 167 of the Companies Act, 2014 (as amended).

Employees

There were no employees of the Company for the financial year under review or the prior financial year.

Connected Party Transactions

The Central Bank's Alternative Investment Fund ("AIF") Rulebook section on "Dealings by management company, general partner, depositary, alternative investment fund manager ("AIFM"), investment manager or by delegates or group companies of these" states that any transaction carried out with the Company by the Management Company, General Partner, Depositary, AIFM, Investment Manager, or by delegates or group companies of these ("Connected Parties") must be carried out as if negotiated at arm's length. Transactions must be in the best interest of the Shareholders.

The Board of Directors of the AIFM are satisfied that there are arrangements (evidenced by written procedures) in place to ensure that the obligations set out in the AIF Rulebook are applied to all transactions with connected parties, and the Board of Directors is satisfied that transactions with connected parties entered into during the year complied with the obligations set out in this paragraph.

Business Review, Results and Future Developments

The business of the Company is reviewed in detail in the Investment Manager's Report. The results for the financial year are stated in the Statement of Comprehensive Income. The Company will continue to act as an investment vehicle as set out in its Prospectus. The analysis of the Company's key performance indicators ("KPI's") are contained in the Investment Manager's Report. The Directors do not anticipate any significant change in the structure or investment objectives of the Sub-Funds.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company are market price risk, credit risk, currency risk, interest rate risk and liquidity risk and fair value measurements which are outlined in Note 7 to the financial statements.

Brexit and associated risks

The United Kingdom (UK) held a referendum on 23 June 2016 at which the electorate voted to leave the European Union (EU). As of the date of these financial statements, there remains uncertainty as to when the UK will formally leave the EU (Brexit). The UK's future economic and political relationship with the EU (and with other non-EU countries by agreement) remains uncertain. This uncertainty is likely to generate further global currency and asset price volatility. This may negatively impact the returns of the Sub-Funds of the Company and their investments. Ongoing uncertainty could adversely impact the general economic outlook and as such, this may impact negatively on the ability of the Sub-Funds and their investments to execute their strategies effectively and may also result in increased costs to the Company. It is possible that there will be more divergence between UK and EU regulations post-Brexit, limiting what cross-border financial services can take place. The nature and extent of the impact of any Brexit related changes impacting the provision of financial services are uncertain, but may be significant. The UK and EU have reached a political agreement to include a transition period lasting until the end of 2020 in the withdrawal agreement during which EU law would continue to apply to the UK as if it were a member state (temporary permissions regime). The withdrawal agreement will only come into effect once it is approved by the European Council and the UK government and then ratified by the European and UK Parliaments. If the agreement does not come into effect, then no transition period will occur and the UK may leave the EU without any agreed terms governing its exit.

Share Capital

The net assets under management are disclosed in the Statement of Financial Position on pages 26 to 27 for 30 June 2019, (pages 28 to 29 for 30 June 2018).

Full details of the Company's share capital and changes during the financial year under review is disclosed in Note 11. Significant holdings are also disclosed in Note 11.

Dividends

See Note 12 for details of dividends declared and paid during the financial year ended 2019 and 2018.

Significant events during the year

The following share classes were launched during the financial year:

Sub-Fund	Class	Launch date
Mercer Sterling Inflation Linked LDI Bond Fund	M-5 £ Distributing	8 August 2018
Mercer Sterling Nominal LDI Bond Fund	M-5 £ Distributing	8 March 2019

The following share classes were terminated during the financial year:

Sub-Fund	Class	Termination date
MGI UK Moderate Growth Fund	Class M-7 £	24 October 2018
MGI UK Growth Fund	Class M-7 £	24 October 2018
MGI UK High Growth Fund	Class M-7 £	24 October 2018
MGI UK Growth Fund	Class I-1£	23 May 2019
MGI UK Moderate Growth Fund	Class I-1£	23 May 2019
MGI UK High Growth Fund	Class I-1£	23 May 2019
MGI UK Defensive Fund	Class I-1£	23 May 2019
Mercer UK Credit Fund	Class Z-1£	23 May 2019

The following Sub-Funds were terminated during the financial year:

Sub-Fund	Termination date
MGI UK Growth Fund	23 May 2019
MGI UK High Growth Fund	23 May 2019
MGI UK Moderate Growth Fund	23 May 2019
MGI UK Defensive Fund	23 May 2019

A revised Prospectus for Mercer PIF Fund plc and supplements to the Prospectus for each of the Sub-Funds were issued on 1 October 2018. The main changes introduced by the update related to the change from Gross to Net priced Funds, updates in leverage limits, general fees and expenses update, securitisation regulation update and incorporating addenda.

Significant events during the year (continued)

A revised M&A for Mercer PIF Fund plc was issued on 1 October 2018. The main changes introduced by the update related to the updates of liquidity terms for closed ended or open ended funds with limited liquidity and the termination of Sub-Funds provisions.

Effective 1 October 2018 any Sub-Funds where the Sub-Investment Manager fees were collected as part of the share class fee ("Gross Priced Funds") were updated such that the Sub-Investment Manager fees became a separate accrual on the Sub-Funds ("Net Priced Funds"). The main driver for this change was to increase transparency in relation to management fee charges, to facilitate passing benefits of any Sub-Investment Manager fee reductions onto clients, and to achieve one consistent, more efficient operating model across all of the Mercer Sub-Funds products. The implementation of this change involved the reduction of the Share Class Fee rate on the relevant classes to remove the Sub-Investment Manager Fee component and to commence a separate accrual for Sub-Investment Manager Fees on the Sub-Funds.

Gráinne Alexander and Barbara Healy were appointed to the Board of Directors on 1 January 2019. Paul Sullivan retired from the Board of Directors on 31 January 2019.

Revised supplements to the Prospectus for Mercer UK Credit Fund and Mercer Sterling Nominal LDI Bond Fund were issued on 11 February 2019. The main changes introduced by the updates related to the changes in Sub-Investment Managers.

Tom Geraghty resigned from the Board of Directors on 1 May 2019 and Hooman Kaveh was appointed to the Board of Directors on 1 May 2019.

Barbara Healy resigned from the Board of Directors on 24 June 2019.

Subsequent Events

See Note 14 for events since the financial year end.

Adequate Accounting Records

The Directors ensure compliance with the Company's obligation to maintain adequate accounting records by appointing competent persons to be responsible for them. The adequate accounting records are kept by State Street Fund Services (Ireland) Limited, at 78 Sir John Rogerson's Quay, Dublin 2, Ireland.

Relevant audit information

The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

Independent Auditor

KPMG, Chartered Accountants, have indicated their willingness to continue in office in accordance with Section 383(2) of the Companies Act, 2014 (as amended).

On behalf of the Board of Directors

Tom Finlay
Director

Gráinne Alexander
Director

24 October 2019

Report on the audit of the financial statements**Opinion**

We have audited the financial statements of Mercer PIF Fund plc ('the Company') for the year ended 30 June 2019, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, Statement of Cash Flows and related notes, including the summary of significant accounting policies set out in Note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 30 June 2019 and of its increase in net assets attributable to holders of redeemable participating shares for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Management and Administration section, Investment Manager's Report, Report of the Depositary to the Shareholders of Mercer PIF Fund plc, Portfolio Statements, Report of the Directors, Unaudited Information in Respect of Underlying Investments and Unaudited Supplemental Information. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Opinion on other matter prescribed by the Companies Act 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use***Responsibilities of Directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 20, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Darina Barrett

for and on behalf of

KPMG

Chartered Accountants and Statutory Audit Firm

1 Harbourmaster Place

International Financial Services Centre

Dublin 1

Ireland

24 October 2019

	Notes	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	MGI UK Moderate Growth Fund* GB£	MGI UK Growth Fund* GB£	MGI UK High Growth Fund* GB£	MGI UK Defensive Fund* GB£	Mercer Medium Term Inflation Linked Bond Fund €
Assets								
Cash and cash equivalents	2(0),7	289,801	3,024,188	9,025	7,697	7,532	7,062	1,689,446
Cash due from broker	2(0),7	-	-	-	-	-	-	-
Receivable for securities sold		-	-	-	-	-	-	54,377,116
Subscriptions receivable		-	-	-	-	-	-	19,779
Other assets		-	1,565	383	185	330	2,902	7,326,958
Financial assets at fair value through profit or loss	2(g),7	-	-	-	-	-	-	1,061,848,700
- Securities		-	-	-	-	-	-	-
- Collective investment schemes		38,224,069	93,466,834	-	-	-	-	-
- Financial derivative instruments		-	-	-	-	-	-	-
Total assets		38,513,870	96,492,587	9,408	7,882	7,862	9,964	1,125,261,999
Liabilities								
Financial liabilities at fair value through profit or loss	2(g),7	-	-	-	-	-	-	-
- Financial derivative instruments		-	-	-	-	-	-	-
Bank overdraft	2(0)	(20,813)	(31,945)	(6,992)	(6,094)	(5,765)	(7,894)	(949)
Expenses payable		-	(16,960)	(2,416)	(1,788)	(2,097)	(2,070)	(355,651)
Redemptions payable		-	-	-	-	-	-	(54,772,038)
Payable for securities purchased		-	-	-	-	-	-	-
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		(20,813)	(48,905)	(9,408)	(7,882)	(7,862)	(9,964)	(55,128,638)
Net assets attributable to holders of redeemable participating shares		38,493,057	96,443,682	-	-	-	-	1,070,133,361

*These Sub-Funds terminated on 23 May 2019.

The accompanying notes form an integral part of these financial statements.

Mercer PIF Fund plc

Statement of Financial Position as at 30 June 2019 (continued)

	Notes	Mercer UK Credit Fund GB£	Mercer Sterling Inflation Linked LDI Bond Fund GB£	Mercer Sterling Nominal LDI Bond Fund GB£	Mercer Enhanced Yield Fund €	Mercer Euro Inflation Linked Bond Fund €	Mercer PIF Fund plc €
Assets							
Cash and cash equivalents	2(i),7	26,023,280	375,356	1,255,688	88,404	167,987	36,200,416
Cash due from broker	2(i),7	2,811,170	-	-	-	-	3,141,674
Receivable for securities sold		19,850,085	-	-	-	-	76,560,939
Subscriptions receivable		-	-	-	-	-	19,779
Other assets		10,313,777	47,573	4,737,239	16,493	377,896	24,600,861
Financial assets at fair value through profit or loss	2(g),7						
- Securities		820,848,276	227,963,907	513,511,571	-	82,919,464	2,890,771,465
- Collective investment schemes		26,642,089	-	-	30,893,944	-	192,359,198
- Financial derivative instruments		505,814	-	-	-	-	565,282
Total assets		906,994,491	228,386,836	519,504,498	30,998,841	83,465,347	3,224,219,614
Liabilities							
Financial liabilities at fair value through profit or loss	2(g),7						
- Financial derivative instruments		(3,122,626)	-	-	-	-	(3,489,747)
Bank overdraft	2(i)	-	-	-	-	-	(949)
Expenses payable		(1,236,643)	(122,942)	(217,897)	(21,202)	(52,804)	(2,275,248)
Redemptions payable		(21,420,645)	-	-	-	-	(78,737,384)
Payable for securities purchased		(4,406,355)	-	-	-	-	(4,924,402)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		(30,186,269)	(122,942)	(217,897)	(21,202)	(52,804)	(89,427,730)
Net assets attributable to holders of redeemable participating shares		876,808,222	228,263,894	519,286,601	30,977,639	83,412,543	3,134,791,884

On behalf of the Board of Directors

Tom Finlay
Director

Gráinne Alexander
Director

24 October 2019

The accompanying notes form an integral part of these financial statements.

Mercer PIF Fund plc

Comparative Statement of Financial Position as at 30 June 2018

	Notes	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	MGI UK Moderate Growth Fund GB£	MGI UK Growth Fund GB£	MGI UK High Growth Fund GB£	MGI UK Defensive Fund GB£	Mercer Medium Term Inflation Linked Bond Fund €
Assets								
Cash and cash equivalents	2(0),7	237,960	650,919	44,854	185,422	95,576	15,819	3,195,654
Cash due from broker	2(0),7	-	-	-	-	-	-	-
Receivable for securities sold		-	-	-	-	-	-	-
Subscriptions receivable		9,578	1,057	-	-	-	-	2,462
Other assets		244	1,927	-	-	-	4,022	7,333,387
Financial assets at fair value through profit or loss	2(g),7	-	-	-	-	-	-	1,073,400,853
- Securities		-	-	-	-	-	-	-
- Collective investment schemes		41,126,727	86,067,158	4,058,933	17,398,349	8,572,868	1,562,286	-
- Financial derivative instruments		-	-	-	-	-	-	-
Total assets		41,374,509	86,721,061	4,103,787	17,583,771	8,668,444	1,582,127	1,083,932,356
Liabilities								
Financial liabilities at fair value through profit or loss	2(g),7	-	-	-	-	-	-	-
- Financial derivative instruments		-	-	-	-	-	-	-
Bank overdraft	2(0)	-	-	-	-	-	-	(925)
Expenses payable		(25,823)	(26,796)	(3,741)	(8,117)	(6,997)	(3,952)	(415,787)
Redemptions payable		(3,019)	-	-	-	-	-	(1,068,043)
Payable for securities purchased		-	-	-	-	-	-	-
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		(28,842)	(26,796)	(3,741)	(8,117)	(6,997)	(3,952)	(1,484,755)
Net assets attributable to holders of redeemable participating shares		41,345,667	86,694,265	4,100,046	17,575,654	8,661,447	1,578,175	1,082,447,601

The accompanying notes form an integral part of these financial statements.

Mercer PIF Fund plc

Comparative Statement of Financial Position as at 30 June 2018 (continued)

	Notes	Mercer UK Credit Fund GB£	Mercer Passive UK Equity Fund* GB£	Mercer Sterling Inflation Linked LDI Bond Fund GB£	Mercer Sterling Nominal LDI Bond Fund GB£	Mercer Enhanced Yield Fund €	Mercer Euro Inflation Linked Bond Fund €	Mercer PIF Fund plc €
Assets								
Cash and cash equivalents	2(0),7	20,000,385	74,969	580,196	933,455	149,658	39,818	29,074,050
Cash due from broker	2(0),7	5,306,198	-	-	-	-	-	6,000,450
Receivable for securities sold		13,365,432	-	-	-	-	-	15,114,138
Subscriptions receivable		-	-	-	3,329	-	-	16,862
Other assets		21,786,639	3,750	71,835	6,165,382	16,499	338,491	39,389,777
Financial assets at fair value through profit or loss	2(g),7							
- Securities		1,574,704,633	-	321,884,961	637,044,753	-	67,527,207	4,006,057,933
- Collective investment schemes		71,173,646	-	-	-	45,529,222	-	288,275,404
- Financial derivative instruments		1,757,279	-	-	-	-	-	1,987,198
Total assets		1,708,094,212	78,719	322,536,992	644,146,919	45,695,379	67,905,516	4,385,915,812
Liabilities								
Financial liabilities at fair value through profit or loss	2(g),7							
- Financial derivative instruments		(5,452,392)	-	-	-	-	-	(6,165,772)
Bank overdraft		(7,107,395)	-	-	-	-	-	(8,038,237)
Expenses payable	2(0)	(1,521,010)	(77,528)	(168,712)	(319,868)	(34,776)	(39,674)	(2,928,839)
Redemptions payable		(49,497)	(1,191)	(6,130)	-	-	(6,400)	(1,141,714)
Payable for securities purchased		(10,563,932)	-	-	-	-	-	(11,946,095)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		(24,694,226)	(78,719)	(174,842)	(319,868)	(34,776)	(46,074)	(30,220,657)
Net assets attributable to holders of redeemable participating shares		1,683,399,986	-	322,362,150	643,827,051	45,660,603	67,859,442	4,355,695,155

*Mercer Passive UK Equity Fund terminated on 14 February 2018.

The accompanying notes form an integral part of these financial statements.

Mercer PIF Fund plc

Statement of Comprehensive Income for the financial year ended 30 June 2019

	Notes	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	MGI UK Moderate Growth Fund* GB£	MGI UK Growth Fund* GB£	MGI UK High Growth Fund* GB£	MGI UK Defensive Fund* GB£	Mercer Medium Term Inflation Linked Bond Fund €
Income								
Interest income calculated using effective interest method	2(h),8	-	-	-	-	-	-	-
Rebate income	2(i)	1,041	3,510	4,171	25,706	15,556	745	-
Net income from financial instruments at FVTPL	2(i),9	1,835,415	7,399,998	197,680	683,719	263,668	105,618	21,681,653
Net investment income		1,836,456	7,403,508	201,851	709,425	279,224	106,363	21,681,653
Expenses	2(k),3	(185,292)	(238,384)	(12,825)	(66,808)	(40,192)	(3,750)	(3,707,385)
Net income from operations before finance costs		1,651,164	7,165,124	189,026	642,617	239,032	102,613	17,974,268
Finance costs								
Bank interest expense	12	(1,714)	(11,798)	-	-	-	-	(18,975)
Distributions		-	-	-	-	-	-	-
Total finance costs		(1,714)	(11,798)	-	-	-	-	(18,975)
Increase in net assets attributable to holders of redeemable participating shares before tax		1,649,450	7,153,326	189,026	642,617	239,032	102,613	17,955,293
Taxation								
Withholding tax expense	6	-	-	-	-	-	-	-
Total taxation		-	-	-	-	-	-	-
Change in net assets attributable to holders of redeemable participating shares		1,649,450	7,153,326	189,026	642,617	239,032	102,613	17,955,293

*These Sub-Funds terminated on 23 May 2019.

The accompanying notes form an integral part of these financial statements.

Mercer PIF Fund plc

Statement of Comprehensive Income for the financial year ended 30 June 2019 (continued)

	Notes	Mercer UK Credit Fund GB£	Mercer Sterling Inflation Linked LDI Bond Fund GB£	Mercer Sterling Nominal LDI Bond Fund GB£	Mercer Enhanced Yield Fund £	Mercer Euro Inflation Linked Bond Fund £	Mercer PIF Fund plc £
Income							
Interest income calculated using effective interest method	2(h),8	64,765	223	520	240	-	74,554
Rebate income	2(i)	-	-	-	-	-	56,937
Net income from financial instruments at FVTPL	2(i),9	56,855,277	26,142,907	32,533,331	1,446,639	2,693,222	167,538,152
Net investment income		56,920,042	26,143,130	32,533,851	1,446,879	2,693,222	167,669,643
Expenses	2(k),3	(9,274,565)	(1,278,014)	(2,390,664)	(204,219)	(354,978)	(19,513,648)
Net income from operations before finance costs		47,645,477	24,865,116	30,143,187	1,242,660	2,338,244	148,155,995
Finance costs							
Bank interest expense	12	(68,912)	-	(621)	(733)	(2,197)	(114,297)
Distributions		(5,385,647)	(39,104)	(25,954)	-	-	(6,183,443)
Total finance costs		(5,454,559)	(39,104)	(26,575)	(733)	(2,197)	(6,297,740)
Increase in net assets attributable to holders of redeemable participating shares before tax		42,190,918	24,826,012	30,116,612	1,241,927	2,336,047	141,858,255
Taxation							
Withholding tax expense	6	(2,720)	-	-	-	-	(3,086)
Total taxation		(2,720)	-	-	-	-	(3,086)
Change in net assets attributable to holders of redeemable participating shares		42,188,198	24,826,012	30,116,612	1,241,927	2,336,047	141,855,169

The accompanying notes form an integral part of these financial statements.

Mercer PIF Fund plc

Comparative Statement of Comprehensive Income for the financial year ended 30 June 2018

	Notes	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	MGI UK Moderate Growth Fund GB£	MGI UK Growth Fund GB£	MGI UK High Growth Fund GB£	MGI UK Defensive Fund GB£	Mercer Medium Term Inflation Linked Bond Fund €
Income								
Income from investments		-	-	-	59	-	-	11,958,678
Bank interest income		-	-	-	52	-	-	-
Rebate income	2(i)	3,337	14,635	84	250	-	-	-
Net gain on investments, foreign currency and other derivative contracts		2,768,497	3,691,182	227,717	1,234,151	791,042	32,735	62,417,113
Net investment income		2,771,834	3,705,817	227,801	1,234,512	791,042	32,735	74,375,791
Expenses	2(k),3	(255,589)	(292,056)	(14,634)	(66,246)	(39,291)	(4,293)	(3,672,474)
Net income from operations before finance costs		2,516,245	3,413,761	213,167	1,168,266	751,751	28,442	70,703,317
Finance costs								
Bank interest expense		(1,441)	(3,560)	-	-	-	-	(18,871)
Distributions	12	-	-	-	-	-	-	-
Total finance costs		(1,441)	(3,560)	-	-	-	-	(18,871)
Increase in net assets attributable to holders of redeemable participating shares before tax		2,514,804	3,410,201	213,167	1,168,266	751,751	28,442	70,684,446
Taxation								
Withholding tax expense	6	-	-	-	-	-	-	-
Total taxation		-	-	-	-	-	-	-
Change in net assets attributable to holders of redeemable participating shares		2,514,804	3,410,201	213,167	1,168,266	751,751	28,442	70,684,446

The accompanying notes form an integral part of these financial statements.

Mercer PIF Fund plc

Comparative Statement of Comprehensive Income for the financial year ended 30 June 2018 (continued)

	Notes	Mercer UK Credit Fund GB£	Mercer Passive UK Equity Fund* GB£	Mercer Sterling Inflation Linked LDI Bond Fund GB£	Mercer Sterling Nominal LDI Bond Fund GB£	Mercer Enhanced Yield Fund £	Mercer Euro Inflation Linked Bond Fund £	Mercer PIF Fund plc £
Income								
Income from investments		53,864,820	52,800	4,353,836	10,604,616	10	694,827	90,479,652
Bank interest income		41,274	-	-	-	-	-	46,696
Rebate income		-	-	-	-	-	-	18,349
Net (loss)/gain on investments, foreign currency and other derivative contracts	2(i)	(41,528,062)	51,469	2,348,244	19,890,581	(787,355)	3,088,256	51,974,386
Net investment income/(expense)		12,378,032	104,269	6,702,080	30,495,197	(787,345)	3,733,083	142,519,083
Expenses	2(k),3	(17,524,981)	(94,762)	(2,174,111)	(3,403,788)	(442,708)	(319,241)	(31,334,730)
Net (expense)/income from operations before finance costs		(5,146,949)	9,507	4,527,969	27,091,409	(1,230,053)	3,413,842	111,184,353
Finance costs								
Bank interest expense		-	-	(3,593)	(3,058)	(1,084)	(1,507)	(33,978)
Distributions	12	(7,706,357)	-	-	-	-	-	(8,707,748)
Total finance costs		(7,706,357)	-	(3,593)	(3,058)	(1,084)	(1,507)	(8,741,726)
(Decrease)/increase in net assets attributable to holders of redeemable participating shares before tax		(12,853,306)	9,507	4,524,376	27,088,351	(1,231,137)	3,412,335	102,442,627
Taxation								
Withholding tax expense	6	(47,441)	(634)	-	-	-	-	(54,322)
Total taxation		(47,441)	(634)	-	-	-	-	(54,322)
Change in net assets attributable to holders of redeemable participating shares		(12,900,747)	8,873	4,524,376	27,088,351	(1,231,137)	3,412,335	102,388,305

*Mercer Passive UK Equity Fund terminated on 14 February 2018.

The accompanying notes form an integral part of these financial statements.

Mercer PIF Fund plc

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares for the financial year ended 30 June 2019

	Notes	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	MGI UK Moderate Growth Fund* GB£	MGI UK Growth Fund* GB£	MGI UK High Growth Fund* GB£	MGI UK Defensive Fund* GB£	Mercer Medium Term Inflation Linked Bond Fund €
Net assets attributable to holders of redeemable participating shares at beginning of financial year		41,345,667	86,694,265	4,100,046	17,575,654	8,661,447	1,578,175	1,082,447,601
Proceeds from redeemable participating shares issued	11	6,449,596	11,893,268	597,448	3,462,241	1,374,571	511,860	115,232,820
Payments for redeemable participating shares redeemed	11	(10,951,656)	(9,297,177)	(4,886,520)	(2,680,512)	(10,275,050)	(2,192,648)	(145,502,353)
Changes in net assets attributable to holders of redeemable participating shares		1,649,450	7,153,326	189,026	642,617	239,032	102,613	17,955,293
Net assets attributable to holders of redeemable participating shares at end of financial year		38,493,057	96,443,682	-	-	-	-	1,070,133,361

*These Sub-Funds terminated on 23 May 2019.

The accompanying notes form an integral part of these financial statements.

Mercer PIF Fund plc

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares for the financial year ended 30 June 2019 (continued)

	Notes	Mercer UK Credit Fund GB£	Mercer Sterling Inflation Linked LDI Bond Fund GB£	Mercer Sterling Nominal LDI Bond Fund GB£	Mercer Enhanced Yield Fund €	Mercer Euro Inflation Linked Bond Fund €
Net assets attributable to holders of redeemable participating shares at beginning of financial year		1,683,399,986	322,362,150	643,827,051	45,660,603	67,859,442
Proceeds from redeemable participating shares issued	11	36,270,999	70,270,135	184,082,099	1,516,385	13,963,833
Payments for redeemable participating shares redeemed	11	(885,050,961)	(189,194,403)	(338,739,161)	(17,441,276)	(746,779)
Changes in net assets attributable to holders of redeemable participating shares		42,188,198	24,826,012	30,116,612	1,241,927	2,336,047
Net assets attributable to holders of redeemable participating shares at end of financial year		876,808,222	228,263,894	519,286,601	30,977,639	83,412,543

The accompanying notes form an integral part of these financial statements.

Mercer PIF Fund plc

Comparative Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares for the financial year ended 30 June 2018

	Notes	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	MGI UK Moderate Growth Fund GB£	MGI UK Growth Fund GB£	MGI UK High Growth Fund GB£	MGI UK Defensive Fund GB£	Mercer Medium Term Inflation Linked Bond Fund €
Net assets attributable to holders of redeemable participating shares at beginning of financial year		34,391,804	93,364,930	3,433,192	13,162,877	6,943,324	1,147,234	865,458,327
Proceeds from redeemable participating shares issued	11	11,277,154	7,781,709	668,244	3,689,427	1,361,568	556,404	198,172,857
Payments for redeemable participating shares redeemed	11	(6,838,095)	(17,862,575)	(214,557)	(444,916)	(395,196)	(153,905)	(51,868,029)
Changes in net assets attributable to holders of redeemable participating shares		2,514,804	3,410,201	213,167	1,168,266	751,751	28,442	70,684,446
Net assets attributable to holders of redeemable participating shares at end of financial year		41,345,667	86,694,265	4,100,046	17,575,654	8,661,447	1,578,175	1,082,447,601

The accompanying notes form an integral part of these financial statements.

Mercer PIF Fund plc

Comparative Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares for the financial year ended 30 June 2018 (continued)

	Notes	Mercer UK Credit Fund GBE	Mercer Passive UK Equity Fund* GBE	Mercer Sterling Inflation Linked Bond Fund GBE	Mercer Sterling Nominal LDI Bond Fund GBE	Mercer Enhanced Yield Fund €	Mercer Euro Inflation Linked Bond Fund €
Net assets attributable to holders of redeemable participating shares at beginning of financial year		1,994,823,083	3,047,310	432,354,230	486,987,328	53,672,560	57,339,295
Proceeds from redeemable participating shares issued	11	97,057,544	19,262	153,777,693	373,681,604	5,468,971	12,058,487
Payments for redeemable participating shares redeemed	11	(395,579,894)	(3,075,445)	(268,294,149)	(243,930,232)	(12,249,791)	(4,950,675)
Changes in net assets attributable to holders of redeemable participating shares		(12,900,747)	8,873	4,524,376	27,088,351	(1,231,137)	3,412,335
Net assets attributable to holders of redeemable participating shares at end of financial year		1,683,399,986	-	322,362,150	643,827,051	45,660,603	67,859,442

*Mercer Passive UK Equity Fund terminated on 14 February 2018.

The accompanying notes form an integral part of these financial statements.

Mercer PIF Fund plc

Statement of Cash Flows for the financial year ended 30 June 2019

	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	MGI UK Moderate Growth Fund** GB£	MGI UK Growth Fund** GB£	MGI UK High Growth Fund** GB£	MGI UK Defensive Fund** GB£	Mercer Medium Term Inflation Linked Bond Fund €
Cash flows from operating activities							
Change in net assets attributable to holders of redeemable participating shares	1,649,450	7,153,326	189,026	642,617	239,032	102,613	17,955,293
Adjustments for:							
Distributions paid to shareholders	-	-	-	-	-	-	-
Movement in cash due from/to broker	2,902,658	(7,399,676)	4,058,933	17,398,349	8,572,868	1,562,286	*** (97,202,079)
Movement in financial assets at fair value through profit or loss							
Operating cash flows before movements in working capital	4,552,108	(246,350)	4,247,959	18,040,966	8,811,900	1,664,899	(79,246,786)
Movement in receivables	244	362	(383)	(185)	(330)	1,120	6,429
Movement in payables	(5,010)	5,149	3,251	(2,023)	(1,232)	3,942	(60,136)
Cash (outflow)/inflow from operations	(4,766)	5,511	2,868	(2,208)	(1,562)	5,062	(53,707)
Net cash provided by/(used in) operating activities	4,547,342	(240,839)	4,250,827	18,038,758	8,810,338	1,669,961	(79,300,493)
Financing activities							
Proceeds from subscriptions	6,459,174	11,894,325	597,448	3,462,241	1,374,571	511,860	115,215,503
Payment of redemptions	(10,954,675)	(9,280,217)	(4,884,104)	(21,678,724)	(10,272,953)	(2,190,578)	*** (37,421,242)
Distributions paid to shareholders	-	-	-	-	-	-	-
Net cash (used in)/provided by financing activities	(4,495,501)	2,614,108	(4,286,656)	(18,216,483)	(8,898,382)	(1,678,718)	77,794,261
Net increase/(decrease) in cash and cash equivalents	51,841	2,373,269	(35,829)	(177,725)	(88,044)	(8,757)	(1,506,232)
Cash and cash equivalents at the beginning of the financial year	237,960	650,919	44,854	185,422	95,576	15,819	3,194,729
Cash and cash equivalents at the end of the financial year*	289,801	3,024,188	9,025	7,697	7,532	7,062	1,688,497
Cash flows from operating activities include:							
Interest received	-	-	-	-	-	-	24,050,702
Interest paid	(1,714)	(11,798)	-	-	-	-	(18,975)
Dividends received	-	-	-	-	-	-	-
Taxation paid	-	-	-	-	-	-	-

*Cash and cash equivalents include cash at bank and bank overdrafts.

**These Sub-Funds terminated on 23 May 2019.

***These amounts exclude non cash transaction of € 54,377,116. Please refer to Note 4 for more detail regarding in-specie transfer.

The accompanying notes form an integral part of the financial statements.

Mercer PIF Fund plc

Statement of Cash Flows for the financial year ended 30 June 2019 (continued)

	Mercer UK Credit Fund GB£	Mercer Sterling Inflation Linked LDI Bond Fund GB£	Mercer Sterling Nominal LDI Bond Fund GB£	Mercer Enhanced Yield Fund €	Mercer Euro Inflation Linked Bond Fund €	Mercer PIF Fund plc €
Cash flows from operating activities						
Change in net assets attributable to holders of redeemable participating shares	42,188,198	24,826,012	30,116,612	1,241,927	2,336,047	141,855,169
Adjustments for:						
Distributions paid to shareholders	5,385,647	39,104	25,954	-	-	6,183,443
Movement in cash due from/to broker	2,495,028	-	-	-	-	2,830,434
Movement in financial assets at fair value through profit or loss	785,745,684	93,921,054	123,533,182	14,635,278	(15,392,257)	1,071,443,364
Unrealised movement on derivative assets and liabilities	(1,078,301)	-	-	-	-	(1,223,257)
Operating cash flows before movements in working capital	834,736,256	118,786,170	153,675,748	15,877,205	(13,056,210)	1,221,089,153
Movement in receivables	11,472,862	24,262	1,428,143	6	(39,405)	14,634,952
Movement in payables	(284,367)	(45,770)	(101,971)	(13,574)	13,130	(634,120)
Cash inflow/(outflow) from operations	11,188,495	(21,508)	1,326,172	(13,568)	(26,275)	14,000,832
Net cash provided by/(used in) operating activities	845,924,751	118,764,662	155,001,920	15,863,637	(13,082,485)	1,235,089,985
Financing activities						
Proceeds from subscriptions	36,270,999	70,270,135	184,085,428	1,516,385	13,963,833	485,076,569
Payment of redemptions	(863,679,813)	(189,200,533)	(338,739,161)	(17,441,276)	(753,179)	(1,698,819,457)
Distributions paid to shareholders	(5,385,647)	(39,104)	(25,954)	-	-	(6,183,443)
Net cash (used in)/provided by financing activities	(832,794,461)	(118,969,502)	(154,679,687)	(15,924,891)	13,210,654	(1,219,926,331)
Net increase/(decrease) in cash and cash equivalents	13,130,290	(204,840)	322,233	(61,254)	128,169	15,163,654
Cash and cash equivalents at the beginning of the financial year	12,892,990	580,196	933,455	149,658	39,818	21,035,813
Cash and cash equivalents at the end of the financial year*	26,023,280	375,356	1,255,688	88,404	167,987	36,199,467
Cash flows from operating activities include:						
Interest received	52,990,597	3,791,928	13,121,047	240	1,746,531	105,098,179
Interest paid	(68,912)	-	(621)	(733)	(2,197)	(114,297)
Dividends received	91,582	-	-	-	-	103,893
Taxation paid	(19,216)	-	-	-	-	(21,799)

*Cash and cash equivalents include cash at bank and bank overdrafts.

The accompanying notes form an integral part of the financial statements.

Mercer PIF Fund plc

Comparative Statement of Cash Flows for the financial year ended 30 June 2018

	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	MGI UK Moderate Growth Fund GB£	MGI UK Growth Fund GB£	MGI UK High Growth Fund GB£	MGI UK Defensive Fund GB£	Mercer Medium Term Inflation Linked Bond Fund €
Cash flows from operating activities							
Change in net assets attributable to holders of redeemable participating shares	2,514,804	3,410,201	213,167	1,168,266	751,751	28,442	70,684,446
Adjustments for:							
Distributions paid to shareholders	-	-	-	-	-	-	-
Movement in cash due from/to broker	(6,919,931)	6,802,706	(653,572)	(4,353,230)	(1,696,222)	(439,397)	** (154,499,484)
Movement in financial assets at fair value through profit or loss	-	-	-	-	-	-	-
Unrealised movement on derivative assets and liabilities	-	-	-	-	-	-	-
Operating cash flows before movements in working capital	(4,405,127)	10,212,907	(440,405)	(3,184,964)	(944,471)	(410,955)	(83,815,038)
Movement in receivables	1,830	2,324	952	1,735	1,543	(2,641)	(1,046,245)
Movement in payables	(3,402)	(13,937)	(3,958)	(4,097)	(2,636)	(2,668)	35,294
Cash outflow from operations	(1,572)	(11,613)	(3,006)	(2,362)	(1,093)	(5,309)	(1,010,951)
Net cash (used in)/provided by operating activities	(4,406,699)	10,201,294	(443,411)	(3,187,326)	(945,564)	(416,264)	(84,825,989)
Financing activities							
Proceeds from subscriptions	11,366,516	8,115,109	668,244	3,689,427	1,361,568	556,404	** 137,727,082
Payment of redemptions	(6,901,258)	(17,970,262)	(214,557)	(454,634)	(395,196)	(153,905)	(50,799,986)
Distributions paid to shareholders	-	-	-	-	-	-	-
Net cash provided by/(used in) financing activities	4,465,258	(9,855,153)	453,687	3,234,793	966,372	402,499	86,927,096
Net increase/(decrease) in cash and cash equivalents	58,559	346,141	10,276	47,467	20,808	(13,765)	2,101,107
Cash and cash equivalents at the beginning of the financial year	179,401	304,778	34,578	137,955	74,768	29,584	1,093,622
Cash and cash equivalents at the end of the financial year*	237,960	650,919	44,854	185,422	95,576	15,819	3,194,729
Cash flows from operating activities include:							
Interest received	-	-	-	111	-	-	10,912,327
Interest paid	(1,441)	(3,560)	-	-	-	-	(18,871)
Dividends received	-	-	-	-	-	-	-
Taxation paid	-	-	-	-	-	-	-

*Cash and cash equivalents include cash at bank and bank overdrafts.

**These amounts exclude non cash transactions of € 60,718; 130. Please refer to note 4 for more detail regarding in-specie transactions.

The accompanying notes form an integral part of the financial statements.

Mercer PIF Fund plc

Comparative Statement of Cash Flows for the financial year ended 30 June 2018 (continued)

	Mercer UK Credit Fund GB£	Mercer Passive UK Equity Fund** GB£	Mercer Sterling Inflation Linked LDI Bond Fund GB£	Mercer Sterling Nominal LDI Bond Fund GB£	Mercer Enhanced Yield Fund £	Mercer Euro Inflation Linked Bond Fund £	Mercer PIF Fund plc £
Cash flows from operating activities							
Change in net assets attributable to holders of redeemable participating shares	(12,900,747)	8,873	4,524,376	27,088,351	(1,231,137)	3,412,335	102,388,305
Adjustments for:							
Movement in cash due from/to broker	3,678,806	-	-	-	-	-	4,156,843
Movement in financial assets at fair value through profit or loss	230,632,301	2,986,482	105,886,293	(157,144,042)	8,007,354	(10,524,230)	41,512,515
Movement in deposits with credit institutions	10,000,326	-	-	-	-	-	11,299,803
Unrealised movement on derivative assets and liabilities	958,117	-	-	-	-	-	1,082,618
Distributions paid to shareholders	7,706,357	-	-	-	-	-	8,707,748
Operating cash flows before movements in working capital	240,075,160	2,995,355	110,410,669	(130,055,691)	6,776,217	(7,111,895)	169,147,832
Movement in receivables	2,418,485	57,604	23,415	(1,379,680)	(11)	(35,193)	189,838
Movement in payables	(212,190)	54,400	(105,026)	50,237	(21,798)	(9,973)	(269,113)
Cash inflow/(outflow) from operations	2,206,295	112,004	(81,611)	(1,329,443)	(21,809)	(45,166)	(79,275)
Net cash provided by/(used in) operating activities	242,281,455	3,107,359	110,329,058	(131,385,134)	6,754,408	(7,157,061)	169,068,557
Financing activities							
Proceeds from subscriptions	97,057,544	19,262	156,724,892	375,636,894	5,468,971	12,058,487	891,926,600
Payment of redemptions	(395,619,312)	(3,074,254)	(268,288,019)	(244,419,552)	(12,271,791)	(4,977,275)	(1,124,128,966)
Distributions paid to shareholders	(7,706,357)	-	-	-	-	-	(8,707,748)
Net cash (used in)/provided by financing activities	(306,268,125)	(3,054,992)	(111,563,127)	131,417,342	(6,802,820)	7,081,212	(240,910,114)
Net (decrease)/increase in cash and cash equivalents	(63,986,670)	52,367	(1,234,069)	32,208	(48,412)	(75,849)	(71,841,557)
Cash and cash equivalents at the beginning of the financial year	76,879,660	22,602	1,814,265	901,247	198,070	115,667	92,877,370
Cash and cash equivalents at the end of the financial year*	12,892,990	74,969	580,196	933,455	149,658	39,818	21,035,813
Cash flows from operating activities include:							
Interest received	56,297,220	48	4,377,051	9,224,963	10	659,615	90,554,317
Interest paid	-	-	(3,593)	(3,058)	(1,084)	(1,507)	(33,978)
Dividends received	7,898	96,079	-	-	-	-	117,488
Taxation paid	(28,423)	(739)	-	-	-	-	(32,952)

*Cash and cash equivalents include cash at bank and bank overdrafts.

**Mercer Passive UK Equity Fund terminated on 14 February 2018.

The accompanying notes form an integral part of the financial statements.

1. Reporting entity

Mercer PIF Fund plc (the “Company”) is an open-ended investment company with variable capital organised under the laws of Ireland. The Company is organised in the form of an umbrella fund insofar as the share capital of the Company will be divided into different series of shares with each series of shares representing a portfolio of assets which will comprise a separate fund (each a “Sub-Fund”).

Mercer PIF Fund plc is the reporting entity.

2. Accounting policies

The principal accounting policies adopted by the Company are as follows:

a) Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”) and Irish statute comprising the Companies Act, 2014 (as amended).

The financial statements have been prepared on the going concern basis.

This is the first set of the Company’s annual financial statements in which IFRS 9 Financial Instruments has been applied. Changes to significant accounting policies are described below.

b) Functional and presentation currency

(i) *Functional and presentation currency of the Company*

The functional and presentation currency of the Company is the Euro as it is the currency of the primary economic environment in which the Company operates.

(ii) *Functional and presentation currency of the Sub-Funds*

Items included in the Company’s financial statements are measured using the currency of the primary economic environment in which the respective Sub-Funds operate (the “functional currency”). If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The functional currency which is either Euro or Pound Sterling is shown in the Statement of Financial Position of each of the Sub-Fund. The Sub-Funds also adopted these functional currencies as their presentation currency.

(iii) *Translation of Sub-Funds for the purposes of calculating the Company values*

For the purposes of presenting the financial statements of the Company, the Statement of Financial Position of the Sub-Funds with functional and presentation currencies other than Euro were translated to Euro at the exchange rate ruling at 30 June 2019. The Statement of Comprehensive Income, proceeds from redeemable participating shares issued, redemptions of redeemable participating shares and Statements of Cash Flows of Sub Funds with functional currencies other than the Euro were translated at the Euro average rates during the year.

(iv) *Translation and balances*

Monetary assets and liabilities denominated in currencies other than the functional currency of a particular Sub-Fund are translated to the functional currency at the closing rates of exchange at financial year end. Transactions during the year are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency gains and losses on items measured at fair value through profit or loss are included in the net gain or loss on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

c) Use of judgements and estimates

The preparation of financial statements in conformity with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions which affects the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and the disclosure of contingent assets and liabilities as at the date of the financial statements. The estimates and associated assumptions are based on historical experience and various other factors which are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities which are not readily apparent from others.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimates are revised and in any future years affected.

2. Accounting policies (continued)**c) Use of judgements and estimates (continued)***(i) Judgement*

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 2b Functional and presentation currency of the Company and the Sub-Funds and in Note 5 Interests in unconsolidated structured entities.

d) New standards, amendments and interpretations issued and effective for the financial year beginning 1 July 2018

New standards are effective for annual reporting periods beginning 1 July 2018, and have been applied in preparing these financial statements:

IFRS 9 "Financial instruments", published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on accounting for liabilities and the recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018. The Company has initially applied IFRS 9 from 1 July 2018. As permitted by the transition provisions of IFRS, comparative information throughout the financial statements has not generally been restated to reflect the requirements of the standard. Except for the changes noted in Notes 2f and 2g, the Company has consistently applied the accounting policies as set out in Note 2 to all periods presented in these financial statements. Based on the Company's assessment, this standard does not have a material impact on the Company.

IFRS 15 "Revenue from contracts with customers" establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cashflows arising from a contract with a customer. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018. The application of the standard does not result in a significant impact on the financial statements of the Company.

e) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 July 2018 and not early adopted

A number of new standards are effective for annual periods beginning after 1 July 2018 and earlier adoption is permitted; however, the Company has not early applied these new or amended standards in preparing these financial statements. Of those standards that are not yet effective, none is expected to have a material impact on the Company's financial statements in the period of initial application.

The changes under IFRS 16 "Leases" are significant and will predominantly affect lessees, the accounting for which is substantially reformed. The lessor accounting requirements contained in IFRS 16's predecessor, IAS 17 will remain largely unchanged. The main impact on lessees is that almost all leases will go on the Statement of Financial Position. This is because the Statement of Financial Position distinction between operating and finance leases is removed for lessees. Instead, under IFRS 16, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exemptions are short-term and low-value leases. The standard introduces new estimates and judgemental thresholds that affect the identification, classification and measurement of lease transactions. More extensive disclosures, both qualitative and quantitative, are also required. IFRS 16 will become effective for financial periods beginning on or after 1 January 2019. The Company does not expect the application of IFRS 16 to have a significant impact on its financial statements.

2. Accounting policies (continued)**e) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 July 2018 and not early adopted (continued)**

IFRS 17 “Insurance contracts” replaces IFRS 4. IFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. As a consequence, it is difficult for investors to compare and contrast the financial performance of otherwise similar companies. IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and insurance companies. Insurance obligations will be accounted for using current values, instead of historical cost. The information will be updated regularly, providing more useful information to users of financial statements. IFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2021. The Company does not expect the application of IFRS 17 to have a significant impact on its financial statements.

IFRIC 23 “Uncertainty over Income Tax Treatments” was issued in June 2017 and became effective for periods beginning on or after 1 January 2019. It clarifies the accounting for uncertainties in income taxes which is applied to the determination of taxable profits (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments in accordance with IAS 12. It clarifies that the Company should consider whether tax treatments should be considered independently or collectively, whether the relevant tax authority will or will not accept each tax treatment and, the requirement to reassess its judgements and estimates if facts and circumstances change. The Company does not expect the application of the IFRIC 23 to have a significant impact on its financial statements.

There are no other new standards, amendments or interpretations issued but are not yet effective that would be expected to have a significant impact on the Company.

f) Changes in significant accounting policies - Transitional effect of adopting IFRS 9

The Company has initially applied IFRS 9 from 1 July 2018. Changes resulting from the adoption of IFRS 9 are shown below.

(i) IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require:

- impairment of financial assets to be presented in a separate line item in the Statement of Comprehensive Income. Under IAS 39, impairment was recognised when losses were incurred. The Company did not previously report any incurred losses; and
- dividend and interest income generated from assets classified as FVTPL is disclosed in “Net income from financial instruments at FVTPL” in line with the amendments made by IFRS 9 to IAS 1. For the financial year ended 30 June 2018 dividend and interest income generated from assets classified as FVTPL was included in the income from investments line in the Statement of Comprehensive Income.

Additionally, the Company has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures, which are applied to disclosures for the financial year ended 30 June 2019 but have not generally been applied to comparative information.

The adoption of IFRS 9 had no material impact on the net assets attributable to holders of redeemable participating shares of the Sub-Funds.

2. Accounting policies (continued)**f) Changes in significant accounting policies - Transitional effect of adopting IFRS 9 (continued)***(i) IFRS 9 Financial Instruments (continued)**(a) Classification and measurement of financial assets and financial liabilities*

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies relating to financial liabilities and derivative financial instruments.

There has been no change to the carrying amounts of financial assets or financial liabilities under IAS 39 to the carrying amounts under IFRS 9 on transition to IFRS 9 on 1 July 2018.

(b) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI, but not investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39. As at 30 June 2019 this model did not result in additional impairment losses to the Company.

(c) Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below:

- Comparative periods have not generally been restated. Accordingly, the information presented for financial year ended 30 June 2018 does not reflect the requirements of IFRS 9, but rather those of IAS 39.

The Company has used the exemption not to restate comparative figures. The Company considered the amendments made by IFRS 9 to IAS 1 and presented dividend and interest income generated from assets classified as FVTPL in "net income from financial instruments at FVTPL" line in the current year Statement of Comprehensive Income. In prior year, dividend and interest income on financial assets at FVTPL was included in the "income from investments" line. The Company also changed the description of the line item from "bank interest" in prior year to "interest income calculated using the effective interest method" in the current year financial statements.

- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.
 - The determination of the business model within which a financial asset is held.
 - The revocation of previous designations of certain financial assets as measured at FVTPL.

g) Financial instruments*(i) Recognition and initial measurement*

Financial assets and financial liabilities at fair value through profit or loss ("FVTPL") are initially recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

Financial instruments categorised at fair value through profit or loss are measured initially at fair value, with transaction costs for such instruments being recognised immediately in the Statement of Comprehensive Income. Gains and losses arising from changes in the fair value of financial assets and liabilities at fair value through profit or loss are included in the Statement of Comprehensive Income in the year in which they arise.

2. Accounting policies (continued)**g) Financial instruments (continued)***(ii) Classification and subsequent measurement*

a) Classification of financial assets and financial liabilities - Policy before 1 July 2018

The Company has classified its financial assets and financial liabilities into the following categories:

Financial assets at fair value through profit or loss:

- Held for trading: Investments in securities, collective investment schemes and financial derivative instruments.

Financial assets at amortised cost:

- Loans and receivables: Cash and cash equivalents, cash due from broker, subscriptions receivable, receivable for securities sold and other assets.

Financial liabilities at fair value through profit or loss:

- Held for trading: Financial derivative instruments and short sale transactions.

Financial liabilities at amortised cost:

- Other liabilities: Bank overdraft, expenses payable, redemptions payable, payable for securities purchased and net assets attributable to holders of redeemable participating shares.

A financial instrument is classified as held for trading if:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term;
- on initial recognition it is part of a portfolio that is managed together and for which there is evidence of a recent pattern of short-term profit taking; or
- it is a derivative, other than a designated and effective hedging instrument.

Investments in liquidity funds are classified as investments in collective investment schemes.

b) Classification of financial assets and financial liabilities - Policy after 1 July 2018

The Company has classified its financial assets and financial liabilities into the following categories:

Financial assets mandatorily at FVTPL:

- investments in securities, collective investment schemes and financial derivative instruments with positive fair values.

Financial assets at amortised cost:

- cash and cash equivalents, cash due from broker, receivable for securities sold, subscriptions receivable and other assets.

Financial liabilities at amortised cost:

- bank overdraft, expenses payable, redemptions payable, payable for securities purchased and net assets attributable to holders of redeemable participating shares.

Financial liabilities held for trading:

- financial derivative instruments with negative fair values.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment

In main an assessment of the objectives of the business model in which a financial asset is held the Company considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;

2. Accounting policies (continued)**g) Financial instruments (continued)***(ii) Classification and subsequent measurement (continued)*

b) Classification of financial assets and financial liabilities - Policy after 1 July 2018 (continued)

Business model assessment (continued)

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. The Company has determined that it has two business models.

- Held to collect business model: this includes cash and cash equivalents, cash due from broker, subscriptions receivable, deposits with credit institutions, receivable for securities sold and other assets. These financial assets are held to collect contractual cash flows.
- Other business model: this includes debt securities, equity investments, investments in unlisted collective investment schemes, unlisted private equities and derivatives. These financial assets are managed and their performance is evaluated on a fair value basis, with frequent sales taking place.

Assessment whether contractual cash flows are Solely Payments of Principal and Interest ("SPPI")

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayments and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates)

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Company were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

(iii) Fair value measurement

"Fair Value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Sub-Funds has access at that date. The fair value of a liability reflects its non-performance risk. The fair value of financial instruments traded in active markets (such as equities) or any other regulated market (such as corporate bonds, government bonds, municipal bonds, asset backed securities, mortgage backed securities, convertible securities and credit linked notes) is based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current last traded market prices, while financial liabilities are priced at current ask prices. A market is regarded as "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Sub-Funds measure instruments quoted in an active market at current last traded market price, because this price provides a reasonable approximation of the exit price. If there is no quoted price in an active market, then the Sub-Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

2. Accounting policies (continued)**g) Financial instruments (continued)***(iii) Fair value measurement (continued)*

This includes, but is not limited to, reviewing information on stale and static prices, suspended securities and securities in liquidation and securities valued at cost. If the Investment Manager has reasonable belief that the valuation of a particular security may not reflect fair market value, the Investment Manager Valuation Committee ("VC") will meet to consider the appropriate valuation of the security in question. The VC meets on a quarterly basis and formally reviews all new fair value assessments and other pricing issues. Ad-hoc fair value approvals may be received via email to the committee members or by means of extraordinary meetings of the VC should the need arise.

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

(iv) Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

*(v) Impairment of financial assets***a) Policy before 1 July 2018**

Financial assets that are stated at cost or amortised cost are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the Statement of Comprehensive Income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the Statement of Comprehensive Income.

b) Policy after 1 July 2018

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' ("ECL") model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The Company recognises loss allowances of ECLs on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has no increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be Baa3 or higher per Moody's or BBB- or higher per Standard and Poor's.

2. Accounting policies (continued)**g) Financial instruments (continued)**

(v) *Impairment (continued)*

b) Policy after 1 July 2018 (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from the default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisations.
- Presentation of allowance for ECLs in the Statement of Financial Position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off

The gross carrying amount of financial assets is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(vi) *Derecognition*

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and not retain control of the financial asset. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Comprehensive Income.

The Company enters into transactions whereby it transfers assets recognised on its Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards include securities lending and repurchase transactions.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

2. Accounting policies (continued)**g) Financial instruments (continued)***(vii) Offsetting*

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when and only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

h) Dividend and Interest income

Dividend income is recognised in the Statement of Comprehensive Income on the date that the right to receive payment is established. For quoted equity securities this is usually the ex-dividend date. For unquoted equity securities this is usually the date when the Shareholders have approved the payment of a dividend.

Bank interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Interest income generated from assets classified as fair value through profit or loss is disclosed in Net income from financial instruments at FVTPL in line with the amendments made by IFRS 9 to IAS 1.

i) Net income from financial instruments at FVTPL

Net income from financial instruments at FVTPL includes all realised gains and losses, unrealised gains and losses from fair value changes, foreign exchange differences, dividend income and interest income on financial instruments at FVTPL. The Company records its investment transactions on trade basis. Realised gains and losses are calculated based on the average cost method.

The change in unrealised appreciation or depreciation represents a movement in fair value to cost of the investment between reporting periods. Where a security's fair value over cost increases over the period, this is recorded as a change in unrealised appreciation on investments. Where a security's fair value over cost decreases over the period, this is recorded as a change in unrealised depreciation on investments. For investments and derivatives held at the end of the prior financial year and sold in their entirety during the current financial year, the unrealised gain or loss represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the period, being €Nil.

j) Rebate Income

Rebate income is received by a Sub-Fund by virtue of its investment in the units of another investment fund where the Manager has negotiated a discounted management fee on its investment in the units of the underlying Investment Fund. Rebate income is accounted for on an accruals basis in the Statement of Comprehensive Income.

k) Operating expenses

Operating expenses recognised in the Statement of Comprehensive Income on an accrual basis.

l) Cash and cash equivalents and bank overdraft

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of short-term commitments, other than cash collateral provided in respect of derivatives and securities borrowing transactions.

m) Redeemable participating shares

Redeemable participating shares are redeemable at the Shareholder's option and are classified as financial liabilities.

The redeemable participating shares can be put back to the Sub-Funds at any Dealing Day for cash equal to a proportionate share of the Sub-Fund's net asset value. The redeemable participating shares are carried at the redemption amount that is payable at the reporting date if the shareholders exercised their right to put the share back to the Sub-Fund.

2. Accounting policies (continued)**n) Financial derivative instruments***(i) Forward foreign currency contracts*

The fair value of open forward foreign currency contracts is calculated as the difference between the contracted rate and the current forward rate that would close out the contract on the valuation date. Gains or losses arising on the settlement of forward foreign currency contracts are included in net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income. The unrealised gain/(loss) on open forward foreign currency contracts is calculated by reference to the forward price. Realised gains or losses include net gains and losses on contracts which have been settled or offset by other contracts.

(ii) Futures contracts on securities

The fair value of futures contracts is based upon daily quoted settlement prices. Changes in the value of the contract are recognised as unrealised gains or losses in the Statement of Comprehensive Income by “marking to market” the value of the contract at the reporting date. When the contract is closed, the difference between the proceeds from (or cost of) the closing transactions and the original transaction is recorded as a realised gain/(loss) in the Statement of Comprehensive Income.

(iii) Interest rate swaps, credit default swaps

Interest rate swaps and credit default swaps may be purchased or sold to enhance return, to hedge against fluctuations in securities prices, market conditions or as a substitute for the purchase or sale of securities or currencies, either for efficient portfolio management or investment purposes.

Derivatives such as interest rate swaps are used for trading purposes while credit default swaps are used for hedging purposes.

Interest rate swaps (“IRSs”) are measured initially at fair value on the date on which the derivative contract is entered into and subsequently remeasured at fair value. Fair values are obtained from counterparties or from quoted market prices in active markets, including recent market transactions, and from valuation techniques using discounted cash flow models and option pricing models as appropriate. IRSs are included in assets when the fair value is positive and in liabilities when the fair value is negative, unless there is the legal ability and intention to settle the asset and liability on a net basis. Revenues/payments arising on IRSs are included in the net gain/ (loss) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income. Swap contracts are carried at fair value based upon the fair value of the underlying assets, the risk associated with the underlying assets, and any additional provisions of the derivative contract.

Credit default swap (“CDS”) contracts are valued at fair value based on a pricing methodology utilising certain factors which include the credit risk of the reference obligations of the underlying issuers, as well as the specific terms of the contract. Certain CDS contracts entered into may include upfront fees that are paid by the buyer to the seller of the CDS contracts at the date of transaction. Such fees are reported as unrealised gains or losses in the Statement of Financial Position and as net gains and losses in the Statement of Comprehensive Income. These upfront payments represent the amounts paid or received when initially entering into the swap agreement to compensate for differences between the stated terms of the swap agreement and the prevailing market conditions and are included as realised gains or losses on the Statement of Comprehensive Income upon termination or maturity of the swap.

o) Cash due from/to broker

Cash due from/to broker is margin cash and cash collateral which is held by or due to brokers for open futures contracts or derivatives and represents the exchange traded futures contracts’ margin deposits held with brokers. This amount is the minimum deemed by the brokers and counterparties for collateral requirements and is as such restricted and is reported separately to the unrestricted cash on the Sub-Fund’s Statements of Financial Position.

2. Accounting policies (continued)**p) Cross holdings within the Company**

For the purposes of producing the combined Company total financial statements, investments by Sub-Funds within the Company in the units of other Sub-Funds within the Company, also known as "Cross Investments" must be eliminated in order to prevent double counting.

q) Collateral

A Sub-Fund's assets may be deposited by or received by the Sub-Fund for collateral purposes with counterparties in respect of OTC financial derivative instruments held on the Sub-Fund. Such assets remain in the ownership of the relevant Sub-Fund and are recorded as an asset on the Statement of Financial Position.

Cash received as collateral is recorded as an asset on the Statement of Financial Position and is valued at amortised cost. A related liability to repay the collateral is recorded as a liability on the Statement of Financial Position and is also valued at its amortised cost.

Investments pledged by the Sub-Funds as collateral are recognised at fair value in the relevant Sub-Fund's Portfolio Statements and such investments are referenced accordingly at the base of the Portfolio Statement. Securities received by the Sub-Funds as collateral from counterparties do not form part of the Net Asset Value of the Sub-Funds and are disclosed at the end of the relevant Portfolio Statement.

r) Tax

The Sub-Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the Statement of Comprehensive Income. Withholding taxes are shown as a separate item in the Statement of Comprehensive Income.

s) Other assets

Other assets do not carry any interest and are short-term in nature and are accordingly stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

t) Expenses payable

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

u) Payables for securities purchased/receivables for securities sold

Payables for securities purchased and receivables for securities sold represent purchases and sales that have been contracted for but not yet delivered by the end of the financial year.

v) Subscriptions receivable/redemptions payable

The subscription receivable/redemption payable represent amounts receivable and payable from/to investors for Sub-Fund shares issued/redeemed for which settlement has not occurred at the end of the financial year.

w) Distributions

Distributions on Distributing Share Classes with an ex-date during the financial year are included as a finance cost in the Statement of Comprehensive Income.

x) Interest payable

Interest payable is stated at its accrued value.

3. Fees and expenses**Management Fees, Sub-Investment-Managers' Fees and Voluntary Cap**

The AIFM is responsible for the payment of the Investment Manager's fee and the Distributor's fee (including reasonable out of pocket expenses) out of the Management fee. The fees and expenses of any Sub-Investment Manager, the Administrator and the Depository (including reasonable out of pocket expenses) shall be paid by the Company out of the assets of the relevant Sub-Fund with exception to MGI UK Defensive Fund, MGI UK Growth Fund, MGI UK High Growth Fund and MGI UK Moderate Growth Fund where the Sub-Investment Manager fee was paid out of the Management Fee up until the funds terminated on the 23 May 2019. Investments by Sub-Funds of the Company into funds also managed by the AIFM are not charged a management fee at the level of the underlying fund, thereby ensuring that there is no double charging of fees by the AIFM. The aggregate fees and expenses of the AIFM, Administrator, Depository, Distributor, Investment Manager and any Sub-Investment Manager will not exceed 3% per annum of the Net Assets Value ("NAV") of the Sub-Fund.

Prior to 1 October 2018, there were a number of Sub-Funds where the Sub-Investment Manager fees were collected as part of the share class fee ("Gross Priced Funds"). These Sub-Funds have been updated such that the Sub-Investment Manager fees became a separate accrual on the Sub-Funds ("Net Priced Funds") in line with the above outlined fees and expenses process.

The Company has undertaken to limit the annual expenses through the use of a Voluntary Cap. For each class launched within the launched Sub-Funds as at 30 June 2019 the Voluntary Cap as a percentage of net assets was as follows:

Sub-Fund	Share Class Description	Management Fee	Voluntary Cap	Maximum Fee
MGI Diversified Equity Fund	Class I-1 €	0.23%	0.37%	3.00%
	Class M-7 €	0.33%	0.47%	3.00%
	Class M-8 €	0.70%	0.84%	3.00%
	Class M-12 €	0.10%	0.24%	3.00%
MGI Balanced Managed Fund	Class M-7 €	0.46%	0.60%	3.00%
	Class M-8 €	0.21%	0.35%	3.00%
	Class M-9 €	0.26%	0.40%	3.00%
	Class M-10 €	0.31%	0.45%	3.00%
	Class M-14 €	0.10%	0.24%	3.00%
MGI UK Moderate Growth Fund	Class I-1 £	0.34%	0.48%	3.00%
	Class M-7 £	0.44%	0.58%	3.00%
MGI UK Growth Fund	Class I-1 £	0.40%	0.54%	3.00%
	Class M-7 £	0.50%	0.64%	3.00%
MGI UK High Growth Fund	Class I-1 £	0.50%	0.64%	3.00%
	Class M-7 £	0.60%	0.74%	3.00%
MGI UK Defensive Fund	Class I-1 £	0.27%	0.41%	3.00%
Mercer Medium Term Inflation Linked Bond Fund	Class M-1 €	0.15%	0.29%	3.00%
	Class M-3 €	0.26%	0.40%	3.00%
	Class M-4 €	0.36%	0.50%	3.00%
	Class M-6 €	0.55%	0.69%	3.00%
Mercer UK Credit Fund	Class M-1 £, Class M-1 £ Distributing	0.25%	0.39%	3.00%
	Class M-2 £	0.40%	0.54%	3.00%
	Class M-5 £	0.45%	0.59%	3.00%
	Class M-6 £	0.63%	0.77%	3.00%
	Class M-7 £	0.77%	0.91%	3.00%
	Class M-7 £ Distributing	0.22%	0.36%	3.00%
	Class Z-1 £	0.00%	0.14%	3.00%

3. Fees and expenses (continued)**Management Fees, Sub-Investment-Managers' Fees and Voluntary Cap (continued)**

Sub-Fund	Share Class Description	Management Fee	Voluntary Cap	Maximum Fee
Mercer Sterling Inflation Linked LDI Bond Fund	Class M-4 £	0.20%	0.34%	3.00%
	Class M-5 £ Distributing	0.33%	0.47%	3.00%
	Class M-7 £	0.63%	0.77%	3.00%
	Class M-9 £	0.56%	0.70%	3.00%
Mercer Sterling Nominal LDI Bond Fund	Class M-4 £	0.20%	0.34%	3.00%
	Class M-5 £ Distributing	0.33%	0.47%	3.00%
	Class M-7 £	0.63%	0.77%	3.00%
	Class M-8 £	0.77%	0.91%	3.00%
Mercer Enhanced Yield Fund	Class M-2 €	0.22%	0.36%	3.00%
	Class M-4 €	0.40%	0.54%	3.00%
	Class M-6 €	0.59%	0.73%	3.00%
Mercer Euro Inflation Linked Bond Fund	Class M-3 €	0.38%	0.52%	3.00%
	Class M-4 €	0.50%	0.64%	3.00%

To achieve this Voluntary Cap, the AIFM will absorb, either directly by waiving a portion of its fees or by reimbursement to the account of the relevant class of the Sub-Funds, any annual expenses over the applicable Voluntary Cap that may arise. As each Voluntary Cap has been agreed to by the AIFM on a voluntary basis, the AIFM may from time to time increase or decrease the Voluntary Cap in respect of any particular class of the Sub-Funds subject to a maximum of 3.00% per annum in each class of the Sub-Funds, by notice in writing to the Company in which case the Company will notify the Shareholders of the relevant class.

Audit fees

Audit fees charged by the Auditor for services rendered during the financial year ended 30 June 2019 and 30 June 2018 relate to the following:

	Financial Year ended 30 June 2019	Financial Year ended 30 June 2018
Mercer PIF Fund plc	€	€
Statutory audit (including reimbursement of fees)	31,949	39,488
Tax advisory	1,800	-
Total	33,749	39,488

VAT compliance fees charged by the Auditor for services rendered during the financial year ended 30 June 2019 were € Nil (30 June 2018: € 2,100).

The fees for statutory audit of the accounts as disclosed in the table above is exclusive of VAT. The audit fees recognised in the Statement of Comprehensive Income are inclusive of VAT. There were no other assurance services or other non-audit services in respect of the current and prior financial year.

Administrator, Depositary and Other fees

The fees and expenses of the Administrator and Depositary, State Street Fund Services (Ireland) Limited, (the "Administrator, Registrar, Transfer Agent and Depositary") (including reasonable out of pocket expenses) shall be paid by the Company out of the assets of the relevant Sub-Fund. The Company shall also reimburse the Depositary out of the assets of the relevant Sub-Fund for the reasonable fees and customary agents charges paid by the Depositary to any sub-custodian (which shall be charged at normal commercial rates) together with value added tax, if any, thereon. Administration fees incurred by the Company during the financial year amounted to € 344,160 (30 June 2018: € 874,648). Administrators fees payable by the Company at financial year end was € 49,392 (30 June 2018: € 250,222) Depositary fees incurred by the Company during the financial year amounted to € 140,818 (30 June 2018: € 305,814). Depositary fees payable by the Company at financial year end was € 20,169 (30 June 2018: € 98,609).

3. Fees and expenses (continued)**Administrator, Depositary and Other fees (continued)**

The Sub-Funds are charged Administrator fees, which includes Fund Accounting, Share Class fees, Transfer Agency, Financial and Tax Reporting fees, at fee rates ranging between 0.425bps and 1.5bps of Asset under Administration ("AUA"). The Sub-Funds are charged Depositary fees, at fee rates ranging between 0.18bps and 0.625bps of AUA.

4. Related parties

All related party transactions are on normal commercial terms, negotiated at arm's length and in the best interest of the Shareholders.

Transactions with key management personnel**Management fees**

Mercer Global Investments Management Limited has appointed Mercer Global Investments Europe Limited as Investment Manager for each of the Sub-Funds. The Investment Manager has responsibility for the on-going monitoring of investments within each of the Sub-Funds of the Company.

This includes, but is not limited to, reviewing information on stale and static prices, suspended securities and securities in liquidation and securities valued at cost. If the Investment Manager has reasonable belief that the valuation of a particular security may not reflect fair market value, the Investment Manager Valuation Committee ("VC") will meet to consider the appropriate valuation of the security in question. The VC meets on a quarterly basis and formally reviews all new fair value assessments and other pricing issues. Ad-hoc fair value approvals may be received via email to the committee members or by means of extraordinary meetings of the VC should the need arise. This committee may then make recommendations to the Board of the Investment Manager, who in turn can then review fair value pricing.

Mercer Global Investments Management Limited has been appointed as AIFM to the Company. For these services during the financial year the AIFM earned a fee of € 17,114,890 (30 June 2018: € 29,297,979). As detailed in Note 3, the AIFM had undertaken to limit the annual expenses for each class through the use of a Voluntary Cap. The application of the Voluntary Cap has resulted in a total reimbursement of € 93,941 (30 June 2018: € 107,975) which is detailed in the table below. The AIFM's fee included in expenses in the Statement of Comprehensive Income is net of the Sub-Fund reimbursement against the Management fee. The AIFM did not earn any performance fee for the financial year (30 June 2018: € Nil). The outstanding amounts payable as at the financial year end were a management fee of € 1,006,998 (30 June 2018: € 2,172,631) and a performance fee of € Nil (30 June 2018: € Nil).

Investments by Sub-Funds of the Company into funds also managed by the Investment Manager are not charged an investment management fee at the level of the underlying fund, thereby ensuring that there is no double charging of fees by the Investment Manager.

The following table details the total management fee and the total reimbursement under the Voluntary Cap per Sub-Fund.

	Management Fee		Voluntary Cap Reimbursement	
	Financial Year ended 30 June 2019	Financial Year ended 30 June 2018	Financial Year ended 30 June 2019	Financial Year ended 30 June 2018
MGI Diversified Equity Fund	€ 182,782	€ 255,590	€ 14,062	€ 16,965
MGI Balanced Managed Fund	€ 232,782	€ 292,055	€ 17,402	€ 27,900
MGI UK Moderate Growth Fund*	GB£ 12,825	GB£ 14,638	GB£ 13,441	GB£ 9,625
MGI UK Growth Fund*	GB£ 66,808	GB£ 66,247	GB£ 14,393	GB£ 11,751
MGI UK High Growth Fund*	GB£ 40,192	GB£ 39,291	GB£ 13,706	GB£ 8,913
MGI UK Defensive Fund*	GB£ 3,739	GB£ 4,294	GB£ 13,533	GB£ 10,125
Mercer Medium Term Inflation Linked Bond Fund	€ 3,403,851	€ 3,323,977	-	-
Mercer UK Credit Fund	GB£ 7,737,096	GB£ 16,517,753	-	-
Mercer Passive UK Equity Fund**	-	GB£ 16,402	-	GB£ 15,437
Mercer Sterling Inflation Linked LDI Bond	GB£ 1,186,163	GB£ 2,036,628	-	-
Mercer Sterling Nominal LDI Bond Fund	GB£ 2,235,203	GB£ 3,183,197	-	-
Mercer Enhanced Yield Fund	€ 186,812	€ 430,161	-	-
Mercer Euro Inflation Linked Bond	€ 309,995	€ 274,785	-	-

*These Sub-Funds terminated on 23 May 2019.

**Mercer Passive UK Equity Fund terminated on 14 February 2018.

4. Related parties (continued)

Transactions with key management personnel (continued)

Management fees (continued)

The following table details Mercer's rebate income and receivables per Sub-Fund. The rebate is an underlying pooled vehicles management fee rebate.

	Rebate income		Rebate receivables	
	Financial Year ended 30 June 2019	Financial Year ended 30 June 2018	Financial Year ended 30 June 2019	Financial Year ended 30 June 2018
MGI Diversified Equity Fund	€ 1,041	€ 3,337	-	€ 235
MGI Balanced Managed Fund	€ 3,510	€ 14,635	€ 115	€ 1,316
MGI UK Moderate Growth Fund*	€ 4,731	-	-	-
MGI UK Growth Fund*	€ 29,161	-	-	-
MGI UK High Growth Fund*	€ 17,647	-	-	-
MGI UK Defensive Fund*	€ 845	-	-	-
Mercer Enhanced Yield Fund	-	-	€ 16,488	-

*These Sub-Fund terminated on 23 May 2019.

Directors' fees

The Directors earned € 34,671 for the financial year ended 30 June 2019 (30 June 2018: € 31,912), of which € 2,128 was payable as at 30 June 2019 (30 June 2018: € 2,749). The Company does not bear the cost of Directors' expense reimbursements.

Michael Dempsey is business leader of Mercer Global Investments Europe Limited, the Investment Manager. Tom Geraghty was (up to his resignation from the MGIM Board) the CEO of Mercer (Ireland) Limited. Hooman Kaveh is the Chief Investment Officer for Mercer. The Manager and Investment Manager are related to Mercer (Ireland) Limited as all three entities are wholly owned subsidiaries of Mercer Ireland Holdings Limited (the "Parent").

Other related party transactions

Mercer PIF Fund plc is related to MGI Funds plc by virtue of the fact that they are managed by Mercer Global Investments Management Limited (the "Manager") and have a common Investment Manager, Mercer Global Investments Europe Limited. Mercer PIF Fund plc is further related to MGI Funds plc by virtue of the fact that they have common Directors. At the financial year end, the Company held the following related party interests:

30 June 2019

Sub-Fund with related party investment	Related Party (Sub-Fund of MGI Funds plc)	Share Class	Number of shares held 30 June 2019	Investor Sub-Fund Currency	Fair value 30 June 2019	Financial Year ended 30 June 2019	
						Purchases	Sales
MGI Diversified Equity Fund	MGI Emerging Markets Equity Fund	Z - 1 €	60,145	€	7,811,694	906,551	1,450,603
	Mercer Global Small Cap Equity Fund	Z - 1 €	24,026	€	5,681,198	203,274	943,961
	Mercer Low Volatility Equity Fund	Z - 1 €	36,006	€	7,434,956	341,951	1,774,617
	Mercer Passive Global Equity Fund	Z - 1 € Hedged	1,051,135	€	15,388,613	711,689	2,427,309
	Mercer Passive Global Equity Fund	Z - 1 €	108,634	€	1,907,608	74,683	379,626
MGI Balanced Managed Fund	Mercer Diversified Growth Fund	Z - 1 €	205,242	€	40,463,428	-	-
	Mercer Global High Yield Bond Fund	Z - 1 € Hedged	26,557	€	3,534,508	-	-
	Mercer Euro Nominal Bond Long Duration Fund	Z - 1 €	116,559	€	16,814,741	-	-
	MGI Emerging Markets Debt Fund	Z - 1 €	41,800	€	4,378,504	-	-
	Mercer Global Buy & Maintain Credit Fund	Z - 1 € Hedged	37,171	€	4,465,368	-	-
	Mercer Passive Global Equity Fund	Z - 1 €	1,355,939	€	23,810,285	-	-
Mercer Enhanced Yield Fund	Mercer Absolute Return Fixed Income Fund	Z - 1 € Hedged	88,007	€	9,282,957	659,310	6,735,950
	Mercer Global High Yield Bond Fund	Z - 1 € Hedged	76,807	€	10,222,223	1,638,192	5,668,604
	MGI Emerging Markets Debt Fund	Z - 1 €	108,723	€	11,388,764	473,300	6,447,761

4. Related parties (continued)

Other related party transactions (continued)

30 June 2018

Sub-Fund with related party investment	Related Party (Sub-Fund of MGI Funds plc)	Share Class	Number of shares held 30 June 2018	Investor Sub-Fund Currency	Fair value 30 June 2018	Financial Year ended 30 June 2018 Purchases	Sales
MGI Diversified Equity Fund	MGI Emerging Markets Equity Fund	Z - 1 €	64,712	€	8,214,524	2,026,954	843,810
	Mercer Global Small Cap Equity Fund	Z - 1 €	27,264	€	6,334,321	828,231	465,582
	Mercer Low Volatility Equity Fund	Z - 1 €	43,291	€	8,076,284	1,430,353	422,495
	Mercer Passive Global Equity Fund	Z - 1 €	126,737	€	2,039,199	260,122	82,785
	Mercer Passive Global Equity Fund	Z - 1 € Hedged	1,172,536	€	16,462,399	2,385,176	964,731
MGI Balanced Managed Fund	Mercer Diversified Growth Fund	Z - 1 €	205,242	€	37,397,114	-	3,682,243
	MGI Emerging Markets Debt Fund	Z - 1 €	41,800	€	4,011,922	-	382,587
	Mercer Euro Nominal Bond Long Duration Fund	Z - 1 €	116,559	€	15,269,175	-	2,026,199
	Mercer Global Buy & Maintain Credit Fund	Z - 1 € Hedged	37,171	€	4,193,275	-	540,335
	Mercer Global High Yield Bond Fund	Z - 1 € Hedged	26,557	€	3,378,617	-	519,378
	Mercer Passive Global Equity Fund	Z - 1 €	1,355,939	€	21,817,055	-	3,343,146
MGI UK Moderate Growth Fund	Mercer Global Buy & Maintain Credit Fund	Z - 1 £ Hedged	7,219	GB£	714,430	721,287	657,757
	MGI Global Equity Fund	Z - 1 £	4,364	GB£	1,098,782	121,162	48,443
	MGI UK Equity Fund	Z - 1 £	4,753	GB£	931,776	92,247	24,757
	MGI UK Inflation Linked Bond Fund	Z - 1 £	2,812	GB£	599,413	93,396	17,955
	MGI UK Long Gilt Fund	Z - 1 £	6,839	GB£	714,532	710,224	26,471
MGI UK Growth Fund	Mercer Global Buy & Maintain Credit Fund	Z - 1 £ Hedged	22,197	GB£	2,196,857	2,216,809	1,959,335
	MGI Global Equity Fund	Z - 1 £	27,990	GB£	7,046,968	1,189,793	53,416
	MGI UK Equity Fund	Z - 1 £	30,333	GB£	5,946,749	1,032,183	98,398
	MGI UK Long Gilt Fund	Z - 1 £	21,131	GB£	2,207,775	2,151,400	34,853
MGI UK High Growth Fund	MGI Global Equity Fund	Z - 1 £	18,587	GB£	4,679,560	684,110	161,112
	MGI UK Equity Fund	Z - 1 £	19,859	GB£	3,893,308	603,519	221,332
MGI UK Defensive Fund	MGI UK Inflation Linked Bond Fund	Z - 1 £	1,833	GB£	390,847	105,356	1,680
	MGI UK Long Gilt Fund	Z - 1 £	5,630	GB£	588,253	563,834	-
Mercer Enhanced Yield Fund	Mercer Absolute Return Fixed Income Fund	Z - 1 € Hedged	147,294	€	15,199,279	1,541,179	4,398,180
	Mercer Global High Yield Bond Fund	Z - 1 € Hedged	108,057	€	13,747,023	1,639,872	5,948,506
	MGI Emerging Markets Debt Fund	Z - 1 €	172,775	€	16,582,920	3,816,692	3,871,338

4. Related parties (continued)**Other related party transactions (continued)****In-specie transfers**

Mercer Medium Term Inflation Linked Bond Fund actioned an ex-specie transfer of assets during the financial year amounting to € 54,675,640 (2018: € 60,718,130). There is cash element in this in-specie transfer amounting to € 298,524 (2018: € Nil).

Shareholders of the Company

Please see Note 11 for details of significant Shareholders in the Company.

Cross holdings within the Company

For the purposes of producing the combined Company total financial statements, investments by Sub-Funds within the Company in the units of other Sub-Funds within the Company, also known as "Cross Investments" must be eliminated in order to prevent double counting.

In preparing the combined Company total Statement of Financial Position, the value of financial assets at fair value through profit or loss of the Company is reduced by the value of all Cross Investments as at 30 June 2019. In preparing the combined Company total Statement of Comprehensive Income, the net gain/(loss) on financial assets at fair value through profit or loss, is reduced by the amount of realised and unrealised gains and losses earned during the financial year on such cross investments.

There were no cross holdings within the Company at 30 June 2019.

The following table details the cross holdings within Mercer PIF Fund plc Sub-Funds at 30 June 2018:

Investing Sub-Fund	Sub-Fund	Share Class	Cost of investment 30 June 2018	Investing Sub-Fund Currency	Market value 30 June 2018*	Purchases*	Sales*	Net realised and movement in unrealised gain/(loss)*
MGI UK Defensive Fund	Mercer UK Credit Fund	Z - 1 £	584,632	GBP	583,186	584,632	-	(1,446)

5. Interests in unconsolidated structured entities

The Company meets the definition of an Investment Entity under IFRS 10 and therefore does not consolidate any investments. IFRS 12 require disclosures around "Unconsolidated Structured Entities".

IFRS 12 defines a structured entity as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to the administrative tasks only and the relevant activities are directed by means of contractual agreements. Disclosures are required where an interest is held in a structured entity and where, for example the investor has been involved in the setting up of the structured entity and the investor would have exposure to potential losses or costs over and above the amount actually invested.

5. Interests in unconsolidated structured entities (continued)

Where it is within their investment objectives, at 30 June 2019 and 30 June 2018 the Sub-Funds held various investments in asset backed securities ("ABS"), mortgage backed securities ("MBS") and collective investment schemes ("CIS"). The fair value of these investments is recorded in the "Securities" line on the Statement of Financial Position and the collective investment schemes are recorded in the "Collective investment schemes" line in the Statement of Financial Position. All gains and losses are recognised as part of net gain/(loss) on investments, foreign currency and other derivative contracts in the Statement of Comprehensive Income. The carrying value of these investments is equivalent to fair value, and the Sub-Fund's maximum exposure to loss from these investments is equal to their total fair value. Once a Sub-Fund has disposed of its holding in any of these investments, the Sub-Fund ceases to be exposed to any risk from that investment.

The Company has no commitments or intentions to provide financial support or other support to the structured entity.

At 30 June 2019 and 2018, there were no significant restrictions on the ability of the structured entity to transfer funds to the Company in the form of redemption of the shares held by the Company. No financial or other support was provided without contractual obligation to do so during the financial year end.

The Sub-Funds have concluded that ABS, MBS and CIS in which they invest, but that they do not consolidate, meet the definition of structured entities because:

- the voting rights in these entities are not the dominant rights in deciding who controls them, as they relate to administrative tasks only;
- each entity's activities are restricted by its Prospectus; and
- the entities have narrow and well-defined objectives to provide investment opportunities to investors.

These investments are detailed in the following table, as they have been established by the Sub-Funds' Investment Manager.

The table below sets out interests held by the Sub-Funds in unconsolidated structured entities at 30 June 2019.

Investment in collective investment schemes

MGi Balanced Managed Fund	Currency of Sub-Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
1% - 5%	€	3,328,892,950	2	40,625,026	1.22%

*Based on the latest available Net Assets of the Structured Entities where each underlying Sub-Fund is considered a structured entity.

Investment in mortgage backed securities

Sub-Fund	Currency of Sub-Fund	No. of securities held	Total debt issued by the Structured Entity	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets
Mercer UK Credit Fund	GB£	4	1,475,144,490	1,925,788	0.13%

5. Interests in unconsolidated structured entities (continued)

Investment in asset backed securities

Sub-Fund	Currency of Sub-Fund	No. of securities held	Total debt issued by the Structured Entity	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets
Mercer UK Credit Fund	GB£	3	1,096,351,124	8,489,462	0.77%

The table below sets out interests held by the Sub-Funds in unconsolidated structured entities at 30 June 2018. The maximum exposure to loss is the carrying amount of the financial assets held.

Investment in collective investment schemes

Mercer Enhanced Yield Fund	Currency of Sub-Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
1% - 5%	€	1,928,599,369	2	30,329,943	1.57%

MGI Balanced Managed Fund	Currency of Sub-Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
1% - 5%	€	1,184,210,666	1	15,269,175	1.29%

MGI UK Growth Fund	Currency of Sub-Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
10% - 20%	GB£	39,440,324	1	5,946,749	15.08%

MGI UK High Growth Fund	Currency of Sub-Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
5% - 10%	GB£	39,440,324	1	3,893,308	9.87%

*Based on the latest available Net Assets of the Structured Entities where each underlying Sub-Fund is considered a structured entity.

5. Interests in unconsolidated structured entities (continued)

MGI UK Moderate Growth Fund	Currency of Sub-Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
1% - 5%	GB£	39,440,324	1	931,776	2.36%

Investment in mortgage backed securities

Sub-Fund	Currency of Sub-Fund	No. of Investments	Total Net Assets of the underlying Structured Entity*	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
Mercer UK Credit Fund	GB£	10	7,450,722,314	8,506,351	0.51%

Investment in asset backed securities

Sub-Fund	Currency of Sub-Fund	No. of Investments	Total Net Assets of the underlying Structured Entity*	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
Mercer UK Credit Fund	GB£	5	1,390,937,585	15,013,202	0.89%

*Based on the latest available Net Assets of the Structured Entities where each underlying Sub-Fund is considered a structured entity.

6. Taxation

The Company is an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997. Therefore, the Company will not be liable to Irish tax in respect of its income and gains, other than on the occurrence of a chargeable event. A chargeable event includes any distribution payments to shareholders or any encashment, redemption or transfer of shares or the ending period for which the investment was held.

Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of shares or the ending of a 'Relevant Period'. A 'Relevant Period' is an eight year period beginning with the acquisition of the shares by the Shareholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

A gain on a chargeable event may not arise in respect of:

- (i) a shareholder who is not an Irish resident and not ordinarily resident in Ireland at the time of the chargeable event, provided the necessary signed statutory declarations are held by the Company;
- (ii) certain exempted Irish tax resident investors who have provided the Company with the necessary signed statutory declarations;
- (iii) an exchange of shares arising on a qualifying amalgamation or reconstruction of the Company with another fund;
- (iv) any transactions in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland;
- (v) certain exchanges of shares between spouses and former spouses on the occasion of judicial separation and/or divorce;
- (vi) an exchange by a Shareholder, effected by way of an arm's length bargain where no payment is made to the Shareholder of Shares in the Company for other Shares in the Company.

There were no chargeable events during the financial period under review.

6. Taxation (continued)

Capital gains, dividends and interest (if any) received on investment made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

In the absence of an appropriate declaration, the Company will be liable for Irish tax on the occurrence of a chargeable event, and the Company reserves its right to withhold such taxes from the relevant shareholders.

The Sub-Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the Statement of Comprehensive Income. Withholding taxes are shown as a separate item in the Statement of Comprehensive Income.

Withholding tax expense incurred by the Company during the financial year amounted to € 3,086 (2018: € 54,322).

7. Financial Instruments and Associated Risks

Introduction and overview

The investments of a Sub-Fund in securities and derivatives is subject to normal market fluctuations and other risks inherent in investing in securities and derivatives.

In pursuing its investment objectives, the Company holds a number of investments including:

- Bonds and other debt instruments;
- Cash and liquid resources; and
- Futures, forwards and swaps.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's aim to spread investment risk has been maintained during the financial year.

Risk Management Framework

The Company's investment activities expose it to the various types of risk which are associated with the financial instruments and markets in which it invests. The following information is not intended to be a comprehensive summary of all risks and investors should refer to the Prospectus and Supplements for a more detailed discussion of the risks inherent in investing in the Company.

The Directors review reports from the Investment Manager in relation to the Sub-Funds' performance and risk profile on a quarterly basis or more frequently as required in relation to the Company's performance and risk profile. The Investment Manager is also responsible for ensuring that the Sub-Funds of the Company are managed in accordance with the terms of each Sub-Fund's investment objective, policy, guidelines and limits as set out in the Prospectus and relevant Supplement, as well as the Investment Manager's own internal investment guidelines and limits. The Company delegates to the AIFM, who in turn delegates to the Investment Manager, responsibility for the monitoring and risk oversight for the Sub-Funds.

The Company's Depositary is responsible for independent day to day monitoring of compliance of each Sub-Fund's investment guidelines and limits, reporting any breaches to the AIFM, Investment Manager or Company, as appropriate. These guidelines and limits are set to ensure that the risk borne by each Sub-Fund is appropriate. In addition, the Investment Manager reviews and monitors risk, exposure and performance reports received from the individual Sub-Investment Managers, supplemented with internally generated analysis using data fed directly from the Depositary.

Market Price Risk

Market price risk results mainly from the uncertainty about the future prices of financial instruments held. It represents the potential loss a Sub-Fund may suffer through holding market positions in the face of market movements and changes in exchange rates.

All securities' investments present a risk of loss of capital. The Investment Manager and Sub-Investment Manager moderate this risk by ensuring a careful selection of securities and other financial instruments within the specified limits as detailed in the Prospectus and approved by the Board of Directors of the Manager.

7. Financial Instruments and Associated Risks (continued)**Market Price Risk (continued)**

Market risk is controlled and monitored through the application of pre-agreed portfolio control ranges which cover attributes such as asset allocation, duration, yield curve and liquidity. The Investment Manager uses historic data to measure market risk, which is controlled relative to the benchmark.

The following table highlights the market price risk associated with the various financial instruments held by the Company other than financial derivative instruments. The market price risk of futures is shown separately by Sub-Fund. Other financial derivative instruments do not include market price risk.

	Mercer PIF Fund plc Fair Value 30 June 2019 €	Impact of 5% price increase 30 June 2019 €	Mercer PIF Fund plc Fair Value 30 June 2018 €	Impact of 5% price increase 30 June 2018 €
Securities and CIS				
Government bonds	2,020,931,135	101,046,557	2,307,318,948	115,365,947
Corporate bonds	858,200,578	42,910,029	1,672,142,181	83,607,109
Asset backed securities	9,487,553	474,378	16,977,499	848,875
Mortgage backed securities	2,152,199	107,610	9,619,305	480,965
	<hr/>	<hr/>	<hr/>	<hr/>
Securities	2,890,771,465	144,538,574	4,006,057,933	200,302,896
Collective investment schemes	192,359,198	9,617,960	288,275,404	14,413,770
	<hr/>	<hr/>	<hr/>	<hr/>
Total	3,083,130,663	154,156,534	4,294,333,337	214,716,666
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Mercer PIF Fund plc Notional 30 June 2019 €	Impact of 5% price increase 30 June 2019 €	Mercer PIF Fund plc Notional 30 June 2018 €	Impact of 5% price increase 30 June 2018 €
Financial Derivative Instruments				
<i>Futures</i>				
Mercer UK Credit Fund	(29,261,559)	(1,463,078)	(55,128,870)	(2,756,444)

If the price of each of the Sub-Fund's underlying investments to which the Sub-Fund had exposure at 30 June 2019 and at 30 June 2018 had increased by 5% with all other variables held constant, the impact is as shown in the table above. Conversely, if the price of each of the Sub-Fund's underlying investments to which the Sub-Fund had exposure had decreased by 5%, this would have an equal but opposite effect on the net assets attributable to holders of redeemable participating shares of the Sub-Fund.

Liquidity Risk

The Company's assets comprise mainly of realisable securities and investments in collective investment schemes which in normal circumstances can be readily sold. The investee funds have the ability to redeem daily and therefore in normal circumstances, can be readily sold. The Company's main liability and exposure is to daily cash redemptions of redeemable shares. Assets from a Sub-Fund may need to be sold if insufficient cash is available to finance such redemptions. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

The Investment Manager carries out a liquidity analysis on a quarterly basis. The liquidity analysis is then reviewed by the Investment Risk Management Committee and AIFMD Risk Committee and is filed on a quarterly basis with the Central Bank of Ireland. The liquidity of pooled Sub-Funds has been derived with consideration of redemption notification, dealing and settlement terms, in line with ESMA AIFMD guidance. For segregated accounts the liquidity scoring methodology of MSCI is used based on trading volume data for equities and bid-ask spreads for fixed income assets (wider spreads indicating lower liquidity). The Company entered into a credit facility agreement with State Street Bank and Trust Company. Such facility is intended to be used for settlement mismatches, and not as substitute for lack of liquidity within the Sub-Funds of the Company.

7. Financial Instruments and Associated Risks (continued)**Liquidity Risk (continued)**

The Sub-Funds may, from time to time, invest in derivative contracts traded over the counter, which may not be traded in an organised market and may be less liquid. In addition, some of the investee funds are offshore open-ended investment funds which may be subject to redemption restrictions which only allow redemptions at specific infrequent dates with considerable notice periods. These funds can sometimes also have the ability to temporarily suspend the right of their investors to redeem their investment during periods of exceptional market conditions. As a result, the Sub-Funds may not be able to liquidate these as quickly as its cash investments at an amount which represents their fair value. However, this will be managed as per the below and would always be a small proportion of a portfolio.

The majority of assets held by the Sub-Funds are negotiable securities and investments in collective investment schemes. The ability to sell on demand ensures that the Investment Manager can efficiently alter the investment strategy as required. The ability to sell also permits the financing of any unexpected withdrawals from a portfolio. It is important that these assets are readily tradeable and the Investment Manager will ensure that assets are only held where an efficient secondary market is operating. From time to time the secondary market in any particular issue or market may become less liquid, so to minimise this risk the Investment Manager will also ensure that a portfolio is well diversified. In some circumstances the markets in which the Sub-Funds trade can be illiquid, thereby making it difficult to acquire or dispose of investments at prices quoted on the relevant exchanges. In addition, suspension by an exchange of trading in a particular security could make it impossible for positions to be realised and thereby expose the Company to losses.

The Company holds a number of investments in collective investment schemes. There were no redemption restrictions, gates or lockups in place on these investments.

Investors in the Company may redeem daily. The Company may, if it receives a request for the repurchase of shares in respect of 10% or more of the outstanding shares of any Sub-Fund, elect to restrict the total number of shares repurchased to 10% or more of the outstanding shares, in which case, redemption requests will be scaled down pro rata and the balance of outstanding redemption requests shall be treated as if they were received on each subsequent dealing day until all the shares to which the original request related have been redeemed.

During the current or prior financial year, no such redemption restrictions have been applied by the Company or by underlying investment schemes invested into by the Company.

All of the liabilities of the Sub-Funds, including the net assets attributable to redeemable participating shareholders are due within one month, with the exception of the following:

30 June 2019

Derivative financial liabilities	< 1 Month GB£	1-3 Months GB£	3 Months - 1 Year GB£	> 1 Year GB£
Mercer UK Credit Fund	GB£ (125,197)	GB£ (1,367,919)	GB£ (93,662)	GB£ (1,535,848)

30 June 2018

Derivative financial liabilities	< 1 Month GB£	1-3 Months GB£	3 Months - 1 Year GB£	> 1 Year GB£
Mercer UK Credit Fund	GB£ (316,867)	GB£ (1,204,173)	GB£ (446,040)	GB£ (3,485,312)

Interest rate swaps and credit default swaps settle on a net basis and the net inflows/outflows are represented by the unrealised gain/(loss) as disclosed in the Portfolio Statements of the relevant Sub-Funds.

The tables below analyse each Sub-Fund's financial derivative instruments that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date.

30 June 2019

Open forward foreign currency contracts	Ccy	Inflows			Outflows		3 Months - 1 Year
		< 1 Month	1-3 Months	3 Months - 1 Year	< 1 Month	1-3 Months	
Mercer UK Credit Fund	GB£	5,912,582	41,294,192	930,281	(6,035,288)	(42,018,786)	(943,663)

7. Financial Instruments and Associated Risks (continued)

Liquidity Risk (continued)

30 June 2018

Open forward foreign currency contracts	Ccy	Inflows			Outflows		
		< 1 Month	1-3 Months	3 Months - 1 Year	< 1 Month	1-3 Months	3 Months - 1 Year
Mercer UK Credit Fund	GB£	49,086,871	61,698,466	-	(49,196,593)	(62,139,529)	-

Credit Risk

The Company takes on exposure to credit risk, which is the risk that the counterparty will be unable to pay amounts in full when due.

The Company has counterparty risk in relation to transactions it enters into with brokers, bank and other third parties if the counterparty was to fail to complete any transaction to which the Company is a party. The Investment Manager conducts periodic reviews of the counterparties with whom it conducts transactions.

(i) Credit quality analysis

Cash is not exposed to credit risk except for exposure to the Depositary and Sub-Depositary.

Cash balances and bank overdrafts are held by State Street Bank, London which had a credit rating of AA- at the financial year end (30 June 2018: AA-).

Cash balances held in US Dollar bank accounts with State Street Bank, London automatically transfer into overnight deposit accounts held by State Street Cayman Trust Company Ltd., Cayman Islands, which had a credit rating of AA- at the financial year end (30 June 2018: AA-).

State Street Bank International GmbH (the "Collateral Manager/Secured Party") had a credit rating of AA- at the financial year end (30 June 2018: AA-).

Cash due from broker represents margin accounts and cash collateral balances held by the Sub-Funds at year end. The following table details the amounts held by the brokers at the financial year end.

Margin Cash

Margin cash balances at 30 June 2019 were as follows:

Counterparty	Amount	Credit Rating
Goldman Sachs	GB£ 938,435	A+
Royal Bank of Scotland	GB£ 484,077	A
UBS	GB£ 56,658	A+

Margin cash balances at 30 June 2018 were as follows:

Counterparty	Amount	Credit Rating
Goldman Sachs	GB£ 2,066,599	A+
Royal Bank of Scotland	GB£ 370,941	A-
UBS	GB£ 56,658	A+

7. Financial Instruments and Associated Risks (continued)

Credit Risk (continued)

(i) Credit quality analysis (continued)

Cash Collateral Pledged

The following amounts were pledged or held as cash collateral with the following counterparties at 30 June 2019:

Counterparty		Sub-Fund	Amount	Credit Rating
Barclays Bank	Collateral pledged	Mercer UK Credit Fund	GB£ 220,000	A
HSBC Bank	Collateral pledged	Mercer UK Credit Fund	GB£ 120,000	AA-
JP Morgan	Collateral pledged	Mercer UK Credit Fund	GB£ 10,000	A+
Bank of America Merrill Lynch	Collateral pledged	Mercer UK Credit Fund	GB£ 982,000	A+

In addition to the above, the following amounts were pledged or held as cash collateral with the following counterparties at 30 June 2018:

Counterparty		Sub-Fund	Amount	Credit Rating
Barclays Bank	Collateral pledged	Mercer UK Credit Fund	GB£ 320,000	A
Citigroup	Collateral pledged	Mercer UK Credit Fund	GB£ 520,000	BBB+
Goldman Sachs	Collateral pledged	Mercer UK Credit Fund	GB£ 160,000	A+
Bank of America Merrill Lynch	Collateral pledged	Mercer UK Credit Fund	GB£ 1,772,000	A+
Toronto Dominion Bank	Collateral pledged	Mercer UK Credit Fund	GB£ 40,000	AA-

The following are the credit ratings of the counterparties to the derivative contracts held by the Sub-Funds:

	30 June 2019	30 June 2018
Barclays Bank	A	A
BNP Paribas	A+	-
Citigroup	BBB+	A+
Goldman Sachs	A+	A+
HSBC Bank	AA-	AA-
JP Morgan	A+	A+
JP Morgan Chase Bank*	-	A-
Lloyds Bank*	-	A+
Bank of America Merrill Lynch	A+	A+
Morgan Stanley	A+	-
Royal Bank of Scotland	A	A-
Royal Bank of Canada*	-	AA-
Toronto Dominion Bank*	-	AA-
UBS London*	-	A+

*No credit ratings are presented for the counterparties that did not hold derivative contracts for the Sub-Funds as at 30 June 2019 or 30 June 2018.

(ii) Concentration of credit risk

As at 30 June 2019, the Company was invested in debt securities with the following credit quality:

The following table outlines the credit exposures Mercer Medium Term Inflation Linked Bond Fund.

30 June 2019			30 June 2018		
Mercer Medium Term Inflation Linked Bond Fund	% Holding	Value €	Mercer Medium Term Inflation Linked Bond Fund	% Holding	Value €
AAA	49.64	527,119,682	AAA	49.89	535,569,100
AA	50.36	534,729,018	AA	50.11	537,831,753
	<u>100.00</u>	<u>1,061,848,700</u>		<u>100.00</u>	<u>1,073,400,853</u>

7. Financial Instruments and Associated Risks (continued)

Credit Risk (continued)

The following table outlines the credit exposures of Mercer UK Credit Fund.

30 June 2019			30 June 2018		
Mercer UK Credit Fund	% Holding	Value GB£	Mercer UK Credit Fund	% Holding	Value GB£
AAA	3.31	27,157,988	AAA	8.71	137,169,431
AA+	0.47	3,824,521	AA+	1.07	16,881,841
AA	7.81	64,073,973	AA	5.36	84,458,463
AA-	2.87	23,579,795	AA-	4.18	65,758,251
A+	6.32	51,837,871	A+	5.00	78,761,972
A	11.23	92,168,817	A	13.01	204,802,007
A-	17.23	141,443,584	A-	14.52	228,646,560
BBB+	20.17	165,562,355	BBB+	21.89	344,550,986
BBB	20.49	168,225,102	BBB	14.91	234,840,988
BBB-	6.21	51,014,536	BBB-	5.98	94,194,292
BB+	3.13	25,670,777	BB+	2.16	33,995,974
BB	0.08	641,632	BB	0.05	798,432
B	0.13	1,095,552	B	0.15	2,381,835
NR	0.55	4,551,773	NR	3.01	47,463,601
	<u>100.00</u>	<u>820,848,276</u>		<u>100.00</u>	<u>1,574,704,633</u>

The following table outlines the credit exposures of Mercer Sterling Nominal LDI Bond Fund.

30 June 2019			30 June 2018		
Mercer Sterling Nominal LDI Bond Fund	% Holding	Value GB£	Mercer Sterling Nominal LDI Bond Fund	% Holding	Value GB£
AA	100.00%	513,511,571	AA	100.00%	637,044,753
	<u>100.00%</u>	<u>513,511,571</u>		<u>100.00%</u>	<u>637,044,753</u>

The following table outlines the credit exposures of Mercer Sterling Inflation Linked LDI Bond Fund.

30 June 2019			30 June 2018		
Mercer Sterling Inflation Linked LDI Bond Fund	% Holding	Value GB£	Mercer Sterling Inflation Linked LDI Bond Fund	% Holding	Value GB£
AA	100.00	227,963,907	AA	100.00	321,884,961
	<u>100.00</u>	<u>227,963,907</u>		<u>100.00</u>	<u>321,884,961</u>

7. Financial Instruments and Associated Risks (continued)**Credit Risk (continued)**

The following table outlines the credit exposures of Mercer Euro Inflation Linked Bond Fund.

30 June 2019			30 June 2018		
Mercer Euro Inflation Linked Bond Fund	% Holding	Value GB£	Mercer Euro Inflation Linked Bond Fund	% Holding	Value GB£
AAA	38.49	31,917,258	AAA	38.38	25,913,735
AA	26.81	22,228,017	AA	27.06	18,273,146
A-	13.81	11,454,024	A-	-	-
BBB+	-	-	BBB+	13.86	9,357,562
BBB	20.89	17,320,165	BBB	20.70	13,982,764
	<u>100.00</u>	<u>82,919,464</u>		<u>100.00</u>	<u>67,527,207</u>

(iii) Amounts arising from ECL

Impairment on cash and cash equivalents, balances due from brokers has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that these exposures have low credit risk based on the external credit ratings of the counterparties.

The Company monitors changes in credit risk on these exposures by tracking published external credit ratings of the counterparties. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published ratings, the Company supplements this by reviewing changes in bond yields, where available, credit default swap prices together with available press and regulatory information about counterparties.

12-month and lifetime probabilities of default are based on historical data supplied by Standard and Poor Credit Rating Agency for each credit rating and are recalibrated based on current CDS prices. Loss given default parameters generally reflect an assumed recovery rate of 40%. However, if the asset were credit-impaired, then the estimate of loss would be based on a specific assessment of expected cash shortfalls and on the original effective interest rate.

Offsetting**Offsetting and amounts subject to master netting arrangement and similar agreements**

The Sub-Funds have not offset any financial assets and financial liabilities in the Statement of Financial Position.

Gross amounts of recognised financial liabilities equals to net liabilities of financial liabilities presented in the Statements of Financial Position as there was no offsetting in the Statements of Financial Position.

Each Sub-Fund is a party to various master netting agreements. While the terms and conditions of these agreements may vary, all transactions under any such agreement constitute a single contractual relationship. Each party's obligation to make any payments, deliveries or other transfers in respect of any transaction under such an agreement may be netted against the other party's obligations under such agreement. A default by a party in performance with respect to one transaction under such an agreement would give the other party the right to terminate all transactions under such agreement and calculate one net amount owed from one party to the other.

7. Financial Instruments and Associated Risks (continued)

Offsetting financial assets and financial liabilities (continued)

Offsetting and amounts subject to master netting arrangement and similar agreements (continued)

The following tables present information about the offsetting of financial assets and liabilities and collateral amounts as at 30 June 2019:

Offsetting Financial Assets

Mercer UK Credit Fund 30 June 2019

Sub Investment Manager	Counterparty	Gross Financial Assets GB£	Financial Instruments available to offset GB£	Net Amount GB£	Cash collateral received GB£	Non cash collateral received GB£	Margin Cash GB£	Net amount GB£
Insight	Barclays Bank	54,963	(54,963)	-	-	-	-	-
	BNP Paribas	1,040	-	1,040	-	-	-	1,040
	Citi Group	222,950	(15,634)	207,316	-	-	-	207,316
	Goldman Sachs	177,254	(177,254)	-	-	-	-	-
	HSBC Bank	6,293	(6,293)	-	-	-	-	-
	JP Morgan	-	-	-	-	-	-	-
	Bank of America Merrill Lynch	2,491	(2,491)	-	-	-	-	-
	Morgan Stanley	-	-	-	-	-	-	-
M&G	Barclays Bank	21,927	-	21,927	-	-	-	21,927
	Citi Group	18,896	(18,896)	-	-	-	-	-
	Goldman Sachs	-	-	-	-	-	-	-
	Royal Bank of Scotland	-	-	-	-	-	-	-
		505,814	(275,531)	230,283	-	-	-	230,283

Offsetting Financial Liabilities

Mercer UK Credit Fund 30 June 2019

Sub Investment Manager	Counterparty	Gross Financial Liabilities GB£	Financial Instruments available to offset GB£	Net Amount GB£	Cash collateral pledged GB£	Non cash collateral pledged GB£	Margin Cash GB£	Net amount GB£
Insight	Barclays Bank	(210,502)	54,963	(155,539)	155,539	-	-	-
	BNP Paribas	-	-	-	-	-	-	-
	Citi Group	(15,634)	15,634	-	-	-	-	-
	Goldman Sachs	(479,552)	177,254	(302,298)	-	-	302,298	-
	HSBC Bank	(118,700)	6,293	(112,407)	112,407	-	-	-
	JP Morgan	(4,927)	-	(4,927)	4,927	-	-	-
	Bank of America Merrill Lynch	(1,339,767)	2,491	(1,337,276)	982,000	271,162	-	(84,114)
	Morgan Stanley	(1,204)	-	(1,204)	-	-	-	(1,204)
M&G	Barclays Bank	-	-	-	-	-	-	-
	Citi Group	(737,128)	18,896	(718,232)	-	-	-	(718,232)
	Goldman Sachs	(162,728)	-	(162,728)	-	-	-	(162,728)
	Royal Bank of Scotland	(52,484)	-	(52,484)	-	-	52,484	-
		(3,122,626)	275,531	(2,847,095)	1,254,873	271,162	354,782	(966,278)

7. Financial Instruments and Associated Risks (continued)

Offsetting financial assets and financial liabilities (continued)

Offsetting and amounts subject to master netting arrangement and similar agreements (continued)

Comparative information for offsetting table has not been restated as was deemed to be not material to the Sub-Funds.

The following tables present information about the offsetting of financial assets and liabilities and collateral amounts as at 30 June 2018:

Offsetting Financial Assets

Mercer UK Credit Fund 30 June 2018

Description	Net amounts of financial assets presented in the statement of financial position GB£	Amount available to offset GB£	Cash collateral received GB£	Non cash collateral received GB£	Net amount GB£
Credit Default Swaps	1,064,978	(1,064,978)	-	-	-
Forward Foreign Exchange Contracts	223,755	(118,594)	-	-	105,161
Interest Rate Swaps	424,985	(158,659)	-	-	266,326
Total	1,713,718	(1,342,231)	-	-	371,487

Offsetting Financial Liabilities

Mercer UK Credit Fund 30 June 2018

Description	Net amounts of financial liabilities presented in the statement of financial position GB£	Amount available to offset GB£	Cash collateral pledged GB£	Non cash collateral pledged GB£	Net amount GB£
Credit Default Swaps	(2,015,069)	1,064,978	885,882	-	(64,209)
Forward Foreign Exchange Contracts	(774,540)	118,594	-	-	(655,946)
Interest Rate Swaps	(1,916,283)	158,659	1,670,176	-	(87,448)
Total	(4,705,892)	1,342,231	2,556,058	-	(807,603)

Concentration Risk

The Investment Manager reviews the concentration of securities held based on industries and geographical location.

For those Sub-Funds that invest in bonds, asset backed securities and mortgage backed securities, their exposure to industries above 5% of the net asset value ("NAV") at 30 June 2019 and 30 June 2018 are set out in the tables below.

7. Financial Instruments and Associated Risks (continued)

Concentration Risk (continued)

Mercer Medium Term Inflation Linked Bond Fund's exposure to industries above 5% was as follows:

	30 June 2019	30 June 2018
	% of NAV	% of NAV
Sovereign debt	99.23	99.16

Mercer UK Credit Fund's exposure to industries above 5% was as follows:

	30 June 2019	30 June 2018
	% of NAV	% of NAV
Communications	6.47	6.69
Cyclical Consumer Goods	5.28	-
Financials	37.72	38.29
Industrial	7.49	7.73
Non-Cyclical Consumer Goods	12.02	10.84
Sovereign debt	6.53	5.26
Utilities	14.02	16.92

Mercer Sterling Inflation Linked LDI Bond Fund's exposure to industries above 5% was as follows:

	30 June 2019	30 June 2018
	% of NAV	% of NAV
Sovereign debt	99.87	99.85

Mercer Sterling Nominal LDI Bond Fund exposure to industries above 5% was as follows:

	30 June 2019	30 June 2018
	% of NAV	% of NAV
Sovereign debt	98.89	98.95

Mercer Euro Inflation Linked Bond Fund exposure to industries above 5% was as follows:

	30 June 2019	30 June 2018
	% of NAV	% of NAV
Sovereign debt	99.41	99.51

The following Sub-Funds held cross-investments as follows:

	30 June 2019	30 June 2018
	% of NAV	% of NAV
MGI Diversified Equity Fund	99.30%	99.47%
MGI Balanced Managed Fund	96.91%	99.28%
MGI Enhanced Yield Fund	99.73%	99.71%

7. Financial Instruments and Associated Risks (continued)**Foreign Currency Risk**

Foreign currency risk arises on financial instruments that are denominated in a foreign currency i.e. in a currency other than the functional currency in which they are measured. The value of the Company's investments can be affected by currency translation movements as some of the assets and income may be denominated in currencies other than the base or functional currency of that Company. Shares are issued and redeemed in British Pound and Euro. A portion of the financial assets/net assets of the Sub-Funds are denominated in currencies other than base currency with the effect that the Statement of Financial Position and total returns can be significantly affected by currency movements. The Company is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The Investment Manager has identified three principal areas where foreign currency risk could impact the Company:

- movements in exchange rates affecting the value of investments;
- movements in exchange rates affecting the income received; and
- movements in exchange rates affecting the holders of redeemable participating shares in currencies other than the operational currency of the relevant Sub-Fund.

Currency exposure is monitored closely and is considered to be part of the overall investment process. Currency forwards may be used to ensure that the currency exposure of a Sub-Fund is in line with its investment objectives. The Sub-Funds may receive income in currencies other than its base currency and the base value can be affected by movements in exchange rates. Sub-Funds with hedge share classes may receive subscriptions or pay redemptions in currencies other than its base currency.

The Investment Manager, or a Sub-Investment Manager, may hedge the foreign currency exposure of classes denominated in a currency other than the base currency of a Sub-Fund in order that investors in that class receive a return in the currency of that class substantially in line with the investment objective of the Sub-Fund. As foreign exchange hedging may be utilised for the benefit of a particular class, transactions will be clearly attributable to that class and the cost and related liabilities and/or benefits shall be for the account of that class only. Accordingly, such costs and related liabilities and/or benefits will be reflected in the net asset value per share for shares of any such class.

Per IFRS 7, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency. However, it is the Company's policy that foreign exchange risk is monitored and managed by the Sub-Investment Managers for both monetary and non-monetary assets and liabilities and that the overall exposure is reviewed by the Board of Directors.

In line with the prospectus, in some cases the Company manages the Sub-Funds' exposure to foreign exchange movements by entering into foreign exchange hedging transactions, while in others the Company elects not to hedge the foreign currency risk but take the effect of the exposure.

The table below summarises the foreign currency risk exposure of the Sub-Funds' assets and liabilities, monetary and non-monetary, and reflects the way the risk is monitored and managed. The sensitivity details the effect of a 5% increase in relevant foreign currency exchange rate. A 5% decrease in exchange rates would have an equal and opposite effect. The tables show only the Sub-Funds and currencies with a significant foreign currency risk sensitivity greater than +/- 10,000 in the relevant currency of the Sub-Funds.

30 June 2019**Mercer UK Credit Fund**

	Net monetary assets and monetary liabilities investments and other assets/liabilities GB£	Non-monetary assets investments and other assets GB£	Hedged share class exposure GB£	Non-hedged share class exposure GB£	Forwards GB£	Net exposure GB£	Sensitivity GB£
Euro	29,526,959	-	-	-	(28,845,926)	681,033	(32,430)
US Dollar	5,983,454	-	-	-	(5,125,286)	858,168	(40,865)

7. Financial Instruments and Associated Risks (continued)

Foreign Currency Risk (continued)

30 June 2018

Mercer UK Credit Fund

	Net monetary assets and monetary liabilities investments and other assets/liabilities GB£	Non-monetary assets investments and other assets GB£	Hedged share class exposure GB£	Non-hedged share class exposure GB£	Hedged share class forwards GB£	Non-hedged share class forwards GB£	Net exposure GB£	Sensitivity GB£
Australian Dollar	10,357,865	-	-	-	-	(9,055,323)	1,302,542	(62,026)
Euro	57,905,142	-	-	-	-	(57,481,376)	423,766	(20,179)
US Dollar	4,915,879	-	-	-	-	(4,019,965)	895,914	(42,663)

Interest Rate Risk

Interest rate risk profile and sensitivity analysis of financial assets at 30 June 2019 and 30 June 2018

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Company invests some of its assets in equities, investee funds and forward foreign currency contracts, none of which pay interest. As a result the Company is subject to limited risk due to fluctuations in the prevailing levels of market interest rates on these investments.

The Sub-Funds may invest in inflation-linked bonds. Inflation-linked bonds are fixed income securities whose principal value is adjusted periodically according to the rate of inflation. Index-linked gilts differ from conventional gilts in that both the semi-annual coupon payments and the principal payment are adjusted in line with movements in a specified index. They are designed to cut out the inflation risk of a bond.

The inflation-linked bonds held by the Sub-Funds are linked to movements in the below indices:

UK Government	General Index of Retail Prices in UK
France	France CPI ex-tobacco (OATi), EU HICP ex-tobacco (OAT€)
Germany	EU HICP ex Tobacco
Italy	EU HICP ex Tobacco
Spain	EU HICP

The table on page 74 summarises the interest rate sensitivity of each relevant Sub-Fund's exposure to interest rate risks. It includes each relevant Sub-Fund's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

The Sub-Funds not mentioned below are mainly investing in non-interest bearing assets or its investments have a very short time to maturity. As a result, those Sub-Funds are not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates.

The sensitivity analysis reflects how net assets attributable to holders of redeemable participating shares would have been affected by changes in the relevant risk variable that were reasonably possible at the reporting date.

A fluctuation in yield of 25 basis points is reasonably possible, considering the economic environment in which the Sub-Funds operate. The table below sets out the effect on the Sub-Fund's net assets attributable to holders of redeemable participating shares of a reasonably possible reduction of 25 basis points in yield at 30 June 2019. An increase in yield of the same amount would have resulted in a roughly equal but opposite effect to the amounts shown. The impact of such an increase or reduction has been estimated by calculating the fair value changes of the fixed-interest debt securities and other fixed-interest bearing assets less liabilities and derivatives. This impact is primarily from the decrease in the fair value of fixed income securities. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

7. Financial Instruments and Associated Risks (continued)

Interest Rate Risk (continued)

Interest rate risk profile and sensitivity analysis of financial assets at 30 June 2019 and 30 June 2018 (continued)

As at 30 June 2019

	Ccy	< 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	> 5 Years	Non-Interest Bearing	Net Assets	Impact of 25bps decrease in interest rates on NAV (%)	30 June 2019 Effective Duration (Years)
Mercer Medium Term Inflation Linked Bond Fund	€	1,689,446	-	-	100,693,427	961,155,273	6,595,215	1,070,133,361	3.25	13.01
Mercer UK Credit Fund	GB£	26,023,280	-	11,758,078	81,813,975	726,004,317	31,208,572	876,808,222	2.16	8.65
Mercer Sterling Inflation Linked LDI Bond Fund	GB£	375,356	-	-	-	227,963,907	(75,369)	228,263,894	11.31	45.25
Mercer Sterling Nominal LDI Bond Fund	GB£	1,255,688	-	-	-	513,511,571	4,519,342	519,286,601	6.78	27.10
Mercer Euro Inflation Linked Bond Fund	€	167,987	-	-	-	82,919,464	325,092	83,412,543	2.90	11.59
Mercer Enhanced Yield Fund	€	88,404	-	-	-	-	30,889,235	30,977,639	0.87	3.47
MGI UK Moderate Growth Fund*	GB£	9,025	-	-	-	-	(9,025)	-	1.82	7.28
MGI UK Growth Fund*	GB£	7,697	-	-	-	-	(7,697)	-	-	-
MGI Balanced Managed Fund	€	3,024,188	-	-	-	-	93,419,494	96,443,682	0.76	3.02
MGI UK Defensive Fund*	GB£	7,062	-	-	-	-	(7,062)	-	4.86	19.45
MGI Diversified Equity Fund	€	289,801	-	-	-	-	38,203,256	38,493,057	-	-
MGI UK High Growth Fund*	GB£	7,532	-	-	-	-	(7,532)	-	-	-

*These Sub-Funds terminated on 23 May 2019.

As at 30 June 2018

	Ccy	< 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	> 5 Years	Non-Interest Bearing	Net Assets	Impact of 25bps decrease in interest rates on NAV (%)	30 June 2018 Effective Duration (Years)
Mercer Medium Term Inflation Linked Bond Fund	€	3,195,654	-	-	210,099,978	863,300,875	5,851,094	1,082,447,601	3.45	13.80
Mercer UK Credit Fund	GB£	20,000,385	83,236	8,436,144	206,989,579	1,356,754,285	91,136,357	1,683,399,986	2.25	8.99
Mercer Sterling Inflation Linked LDI Bond Fund	GB£	580,196	-	-	-	321,884,961	(103,007)	322,362,150	11.53	46.14
Mercer Sterling Nominal LDI Bond Fund	GB£	933,455	-	-	-	637,044,753	5,848,843	643,827,051	6.82	27.28
Mercer Euro Inflation Linked Bond Fund	€	39,818	-	-	-	67,527,207	292,417	67,859,442	2.98	11.93
Mercer Enhanced Yield Fund	€	149,658	-	-	-	-	45,510,945	45,660,603	0.74	2.96
MGI UK Moderate Growth Fund	GB£	44,854	-	-	-	-	4,055,192	4,100,046	2.04	8.16
MGI UK Growth Fund	GB£	185,422	-	-	-	-	17,390,232	17,575,654	0.84	3.36
MGI Balanced Managed Fund	€	650,919	-	-	-	-	86,043,346	86,694,265	0.91	3.65
MGI UK Defensive Fund	GB£	15,819	-	-	-	-	1,562,356	1,578,175	4.23	16.93
MGI Diversified Equity Fund	€	237,960	-	-	-	-	41,107,707	41,345,667	-	-
MGI UK High Growth Fund	GB£	95,576	-	-	-	-	8,565,871	8,661,447	-	-
Mercer Passive UK Equity Fund*	GB£	74,969	-	-	-	-	(74,969)	-	-	-

*Mercer Passive UK Equity Fund terminated on 14 February 2018.

7. Financial Instruments and Associated Risks (continued)

Valuation Techniques

The fair value of the instruments that are not traded in an active market (for example, over-the-counter (“OTC”) derivatives) is estimated using valuation techniques, including use of recent arm’s length market transactions, reference to the current fair value or another investment that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provide a reliable estimate or prices obtained in actual market transactions.

Where the discounted cash flow techniques are used, estimated future cash flows are based on management’s best estimate and the discount rate used is a market rate at the reporting date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the reporting date. Fair values for unquoted equity instruments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded are estimated at the amount that the Company would receive or pay to terminate the contract at the reporting date taking into account current market conditions and the creditworthiness of the counterparties.

Financial assets include investments in collective investment schemes. The fair value of such assets is based on the underlying fund administrator’s calculation of the net asset value per share (market value of the fund’s assets less liabilities divided by the number of shares) which will be the latest bid price published by the collective investment schemes, taking into account any adjustments that may be required to account for illiquidity, low trading volumes or any such factors that may indicate that the bid price may not be fair value. The fair value of any investments in closed-ended investment funds is based on the bid prices available on the principal market for such security at the valuation date taking into account any adjustments that may be required to account for illiquidity, low trading volumes or any such factors that may indicate that the bid price may not be fair value. There were no adjustments or discounts applied in the valuation of any of the underlying investments in such collective investment schemes.

Fair Value of Financial Assets and Liabilities

The majority of the financial assets of the Company are held at fair value with the exception of deposits with credit institutions, balances due from broker and accounts receivable which are carried at amortised cost. All other assets and financial liabilities are stated at amortised cost, which approximates fair value with the exception of redeemable participating shares which are stated at their redemption amount.

IFRS 13 requires the Company to classify assets and liabilities in fair value hierarchy that reflects the significance of the inputs used in making the measurements. IFRS 13 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under IFRS 13 are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

7. Financial Instruments and Associated Risks (continued)**Fair Value of Financial Assets and Liabilities (continued)**

For each class of assets and liabilities not measured at fair value in the Statement of Financial Position but for which fair value is disclosed, IFRS 13 requires the Company to disclose the level within the fair value hierarchy which the fair value measurement would be categorised and a description of the valuation technique and inputs used in the technique.

Fair Value Hierarchy

The financial instruments at 30 June 2019 and 30 June 2018 are classified as follows:

	Level
Asset backed securities	2
Collective investment schemes	2
Credit default swaps	2
Equities	1
Government bonds	2
Corporate bonds	2
Mortgage backed securities	2
Futures contracts	1
Interest rate swaps	2
Open forward foreign currency contracts	2
Warrants	2

All other collective investment schemes held by the Company are not quoted in active markets and are classified in Level 2. The collective investment schemes classified in Level 2 were fair valued using the net asset value of the investee funds, as reported by the respective collective investment schemes' administrator. For these collective investment schemes, the Directors and Investment Manager believe the Company could have redeemed its investment at the net asset value per share at the Statement of Financial Position date.

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the financial year and are deemed to have occurred when the pricing source or methodology used to price an investment has changed which triggers a change in level as defined under IFRS 13.

There were no movements of financial instruments between Levels 1 and 2 during the financial year ended 30 June 2019.

There were no investments classified as Level 3 as at 30 June 2019.

The financial instruments not measured at FVTPL are short-term financial assets and financial liabilities whose carrying amounts approximate fair value, because of their short-term nature and, for the financial assets, high credit quality of counterparties.

Cash and cash equivalents include deposits held with banks, cash due from broker, bank overdraft and other short-term investments in an active market and they are categorised as Level 1.

Receivable for investments sold, subscriptions receivable and other assets include the contractual amounts for settlement of trades and other obligations due to the Company. Payable for investments sold, redemptions payable and other expenses payables represent the contractual amounts and obligations due by the Company for settlement of trades and expenses. All receivable and payable balances are categorised as Level 2.

The puttable value of redeemable shares is calculated based on the net difference between total assets and all other liabilities of each Sub-Fund within the Company in accordance with the Sub-Funds' offering memorandum. A demand feature is attached to these shares, as they are redeemable at the holders' option and can be put back to the Sub-Funds at any dealing date for cash equal to a proportionate share of the Sub-Fund's net asset value attributable to the share class. The fair value is based on the amount payable on demand. As such, Level 2 is deemed to be the most appropriate categorisation for net assets attributable to holders of redeemable shares.

7. Financial Instruments and Associated Risks (continued)**Emerging Markets Risk**

The Company invests in equities and collective investment schemes investing in emerging markets. It should be appreciated that liquidity and settlement risks may not provide the same degree of Shareholder protection or information to investors as would generally apply internationally.

Leverage Risk

Any leverage resulting from the use of financial derivative instruments and efficient portfolio management techniques are in accordance with the requirements of the Central Bank. Details of the leverage limits under the Gross and Commitment approaches as well as the maximum leverage calculated under both the Gross and the Commitment approaches can be found on page 103.

Brexit and associated risks

The United Kingdom (UK) held a referendum on 23 June 2016 at which the electorate voted to leave the European Union (EU). As of the date of these financial statements, there remains uncertainty as to when the UK will formally leave the EU (Brexit). The UK's future economic and political relationship with the EU (and with other non-EU countries by agreement) remains uncertain. This uncertainty is likely to generate further global currency and asset price volatility. This may negatively impact the returns of the Sub-Funds of the Company and their investments. Ongoing uncertainty could adversely impact the general economic outlook and as such, this may impact negatively on the ability of the Sub-Funds and their investments to execute their strategies effectively and may also result in increased costs to the Company. It is possible that there will be more divergence between UK and EU regulations post-Brexit, limiting what cross-border financial services can take place. The nature and extent of the impact of any Brexit related changes impacting the provision of financial services are uncertain, but may be significant. The UK and EU have reached a political agreement to include a transition period lasting until the end of 2020 in the withdrawal agreement during which EU law would continue to apply to the UK as if it were a member state (temporary permissions regime). The withdrawal agreement will only come into effect once it is approved by the European Council and the UK government and then ratified by the European and UK Parliaments. If the agreement does not come into effect, then no transition period will occur and the UK may leave the EU without any agreed terms governing its exit.

Legal, Tax and Regulatory Risk

Legal, tax and regulatory changes could occur during the duration of the Company which may adversely affect the Company. See Note 6 for details of taxation.

8. Interest income at EIR on financial assets carried at amortised cost

The following table details the amounts of interest income calculated using the effective interest method at 30 June 2019:

	Mercer UK Credit Fund GB£	Mercer Sterling Inflation Linked LDI Bond Fund GB£	Mercer Sterling Nominal LDI Bond Fund GB£	Mercer Enhanced Yield Fund €	Mercer PIF Fund plc €
Interest income at EIR on financial assets carried at amortised cost:					
- Cash and cash equivalents	101,559	223	520	240	116,294
- Broker balances/collateral balances	(36,794)	-	-	-	(41,740)
- Deposits with credit institutions	-	-	-	-	-
- Reverse repurchase agreements	-	-	-	-	-
Total interest income calculated using the effective interest method	64,765	223	520	240	74,554

None of the other Sub-Funds had any interest income at effective interest rate on financial instruments carried at amortised cost during the year.

9. Net income from financial instruments at FVTPL

The following table details the amounts of Net income from financial instruments at FVTPL at 30 June 2019:

	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	MGI UK Moderate Growth Fund* GB£	MGI UK Growth Fund* GB£	MGI UK High Growth Fund* GB£	MGI UK Defensive Fund* GB£
Net income from financial instruments at FVTPL is composed of the following:						
- Interest income on debt securities at coupon basis	-	-	-	-	-	-
- Dividend income	-	-	-	-	-	-
- Net gains and losses	1,835,415	7,399,998	197,680	683,719	263,668	105,618
Total net income from financial instruments at FVTPL	1,835,415	7,399,998	197,680	683,719	263,668	105,618
	Mercer Medium Term Inflation Linked Bond Fund €	Mercer UK Credit Fund GB£	Mercer Sterling Inflation Linked LDI Bond Fund GB£	Mercer Sterling Nominal LDI Bond Fund GB£		
Net income from financial instruments at FVTPL is composed of the following:						
- Interest income on debt securities at coupon basis	24,044,132	41,429,610	3,767,474	11,692,443		
- Dividend income	-	91,582	-	-		
- Net gains and losses	(2,362,479)	15,334,085	22,375,433	20,840,888		
Total net income from financial instruments at FVTPL	21,681,653	56,855,277	26,142,907	32,533,331		
	Mercer Enhanced Yield Fund €	Mercer Euro Inflation Linked Bond Fund €	Mercer PIF Fund plc €			
Net income from financial instruments at FVTPL is composed of the following:						
- Interest income on debt securities at coupon basis	-	1,785,923	90,367,238			
- Dividend income	-	-	103,893			
- Net gains and losses	1,446,639	907,299	77,067,021			
Total net income from financial instruments at FVTPL	1,446,639	2,693,222	167,538,152			

Please refer to pages 94 and 95 for the breakdown between realised and unrealised gains/losses.

*These Sub-Funds terminated on 23 May 2019.

10. Debtors and Creditors

All debtors and creditors amounts fall due within one financial year.

11. Share capital**Authorised share capital**

The authorised share capital of the Company is 500,000,000,002 shares of no par value divided into 2 subscriber shares of no par value and 500,000,000,000 unclassified shares of no par value. Matsack Trust Limited and Matsack Nominees Limited hold the 2 subscriber shares at 30 June 2019. The proceeds from the issue of shares shall be applied in the books of the Company to the Sub-Funds and shall be used in acquisition on behalf of the relevant Sub-Fund of its investments. The subscriber share capital does not form part of Shareholders' funds, and is disclosed in the financial statements by way of this note only. In the opinion of the Directors, this disclosure reflects the nature of the Company's business as an investment fund. All share classes carry the same rights. The amounts relating to proceeds from redeemable participating shares issued and payment for redeemable shares redeemed are reflected in the functional currency of the Sub-Fund and are inclusive of the anti-dilution charges.

Capital Management

Subscriber shares entitle the holders to attend and vote at general meetings of the Company but does not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding up. Shares entitle the holders to attend and vote at general meetings of the Company and to participate equally (subject to any differences between fees, charges and expenses applicable to different classes of shares) in the profits and assets of the Company on the terms and conditions set out in the relevant Supplement.

The Company may from time to time by ordinary resolution increase its capital, consolidate its shares or any of them into a smaller number of shares, sub-divide shares or any of them into a larger number of shares or cancel any shares not taken or agreed to be taken by any person. The Company may by special resolution from time to time reduce its share capital in any way permitted by law.

The Company's capital currently exceeds EUR 125,000 being the capital required to establish an externally managed investment Company under the AIFMD regulations.

11. Share capital (continued)

Share movement

30 June 2019

MGI Diversified Equity Fund	Class I-1 €	Class M-7 €	Class M-8 €	Class M-12 €	
Shares in issue as at 30 June 2018	136,399	28,840	51,597	38,826	
Shares issued during the financial year	14,974	6,734	2,985	20,588	
Shares redeemed during the financial year	(36,700)	(16,479)	(5,739)	(14,651)	
Shares in issue as at 30 June 2019	114,673	19,095	48,843	44,763	
	€	€	€	€	
Proceeds from redeemable participating shares issued	1,950,705	1,201,359	786,471	2,511,061	
Payment for redeemable participating shares redeemed	(4,766,059)	(2,882,686)	(1,527,622)	(1,775,289)	
MGI Balanced Managed Fund	Class M-7 €	Class M-8 €	Class M-9 €	Class M-10 €	Class M-14 €
Shares in issue as at 30 June 2018	3,750	397,495	176,382	67,168	13,129
Shares issued during the financial year	172	31,882	24,585	20,102	12,395
Shares redeemed during the financial year	(1,184)	(21,897)	(21,693)	(18,008)	(5,277)
Shares in issue as at 30 June 2019	2,738	407,480	179,274	69,262	20,247
	€	€	€	€	€
Proceeds from redeemable participating shares issued	24,249	3,798,146	4,411,730	2,300,036	1,359,106
Payment for redeemable participating shares redeemed	(170,800)	(2,577,360)	(3,871,664)	(2,098,236)	(579,116)
MGI UK Moderate Growth Fund*	Class* I-1 £	Class** M-7 £			
Shares in issue as at 30 June 2018	18,249	159			
Shares issued during the financial year	2,638	33			
Shares redeemed during the financial year	(20,887)	(192)			
Shares in issue as at 30 June 2019	-	-			
	GB£	GB£			
Proceeds from redeemable participating shares issued	590,151	7,297			
Payment for redeemable participating shares redeemed	(4,845,110)	(41,410)			

*This Sub-Fund and this share class terminated on 23 May 2019.

**These Classes terminated on 24 October 2018.

11. Share capital (continued)
Share movement (continued)
30 June 2019 (continued)

MGI UK Growth Fund*	Class* I-1 £	Class** M-7 £
Shares in issue as at 30 June 2018	78,892	376
Shares issued during the financial year	15,660	21
Shares redeemed during the financial year	(94,552)	(397)
	<hr/>	<hr/>
Shares in issue as at 30 June 2019	-	-
	<hr/>	<hr/>
	GB£	GB£
Proceeds from redeemable participating shares issued	3,457,462	4,779
Payment for redeemable participating shares redeemed	(21,598,957)	(81,555)
	<hr/>	<hr/>
MGI UK High Growth Fund*	Class* I-1 £	Class** M-7 £
Shares in issue as at 30 June 2018	38,024	1,274
Shares issued during the financial year	6,295	-
Shares redeemed during the financial year	(44,319)	(1,274)
	<hr/>	<hr/>
Shares in issue as at 30 June 2019	-	-
	<hr/>	<hr/>
	GB£	GB£
Proceeds from redeemable participating shares issued	1,374,571	-
Payment for redeemable participating shares redeemed	(10,023,010)	(252,040)
	<hr/>	<hr/>
MGI UK Defensive Fund*	Class* I-1 £	
Shares in issue as at 30 June 2018	7,647	
Shares issued during the financial year	2,456	
Shares redeemed during the financial year	(10,103)	
	<hr/>	
Shares in issue as at 30 June 2019	-	
	<hr/>	
	GB£	
Proceeds from redeemable participating shares issued	511,860	
Payment for redeemable participating shares redeemed	(2,192,648)	

*These Sub-Funds and these Classes terminated on 23 May 2019.

**These Classes terminated on 24 October 2018.

11. Share capital (continued)

Share movement (continued)

30 June 2019 (continued)

Mercer Medium Term Inflation Linked Bond Fund	Class M-1 €	Class M-3 €	Class M-4 €	Class M-6 €		
Shares in issue as at 30 June 2018	149,558	4,727,479	1,479,522	868,043		
Shares issued during the financial year	89,549	550,751	49,807	76,802		
Shares redeemed during the financial year	(4,554)	(181,351)	(393,546)	(470,826)		
	<hr/>	<hr/>	<hr/>	<hr/>		
Shares in issue as at 30 June 2019	234,553	5,096,879	1,135,783	474,019		
	<hr/>	<hr/>	<hr/>	<hr/>		
	€	€	€	€		
Proceeds from redeemable participating shares issued	13,905,976	84,541,269	6,860,135	9,925,440		
Payment for redeemable participating shares redeemed	(717,978)	(27,626,091)	(54,212,040)	(62,946,244)		
	<hr/>	<hr/>	<hr/>	<hr/>		
Mercer UK Credit Fund	Class M-1 £	Class M-1 £ Distributing	Class M-2 £	Class M-5 £	Class M-6 £	Class M-7 £
Shares in issue as at 30 June 2018	11,108	1,640,044	83,473	68,554	9,543,007	131,974
Shares issued during the financial year	-	815	20,031	2,106	102,304	300
Shares redeemed during the financial year	(2,173)	(888,849)	(23,872)	(33,607)	(5,263,229)	(76,190)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Shares in issue as at 30 June 2019	8,935	752,010	79,632	37,053	4,382,082	56,084
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	GB£	GB£	GB£	GB£	GB£	GB£
Proceeds from redeemable participating shares issued	-	88,934	3,315,732	332,235	14,834,475	38,657
Payment for redeemable participating shares redeemed	(216,891)	(96,726,695)	(3,860,348)	(5,279,070)	(768,443,970)	(9,746,435)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Mercer UK Credit Fund (continued)	Class M-7 £ Distributing	Class Z-1 £*				
Shares in issue as at 30 June 2018	684,638	5,849				
Shares issued during the financial year	176,877	1,632				
Shares redeemed during the financial year	-	(7,481)				
	<hr/>	<hr/>				
Shares in issue as at 30 June 2019	861,515	-				
	<hr/>	<hr/>				
	GB£	GB£				
Proceeds from redeemable participating shares issued	17,496,773	164,194				
Payment for redeemable participating shares redeemed	-	(777,553)				

*This class terminated 23 May 2019.

11. Share capital (continued)

Share movement (continued)

30 June 2019 (continued)

Mercer Sterling Inflation Linked LDI Bond Fund	Class M-4 £	Class* M-5 £ Distributing	Class M-7 £	Class M-9 £
Shares in issue as at 30 June 2018	553,527	-	595,321	1,333
Shares issued during the financial year	47,639	250,675	107,472	9,541
Shares redeemed during the financial year	(313,388)	(29,987)	(327,569)	(6,274)
Shares in issue as at 30 June 2019	287,778	220,688	375,224	4,600
	GB£	GB£	GB£	GB£
Proceeds from redeemable participating shares issued	13,717,091	24,911,756	29,690,783	1,950,506
Payment for redeemable participating shares redeemed	(91,226,563)	(3,389,142)	(93,315,726)	(1,262,973)
Mercer Sterling Nominal LDI Bond Fund	Class M-4 £	Class** M-5 £ Distributing	Class M-7 £	Class M-8 £
Shares in issue as at 30 June 2018	1,465,581	-	1,509,210	28,337
Shares issued during the financial year	594,212	217,498	154,748	17,642
Shares redeemed during the financial year	(769,250)	(22,960)	(806,348)	(9,277)
Shares in issue as at 30 June 2019	1,290,543	194,538	857,610	36,702
	GB£	GB£	GB£	GB£
Proceeds from redeemable participating shares issued	127,563,455	21,750,231	32,325,886	2,442,527
Payment for redeemable participating shares redeemed	(164,098,686)	(2,485,453)	(170,922,314)	(1,232,708)
Mercer Enhanced Yield Fund	Class M-2 €	Class M-4 €	Class M-6 €	
Shares in issue as at 30 June 2018	17,886	280,493	90,958	
Shares issued during the financial year	480	5,929	7,100	
Shares redeemed during the financial year	(227)	(125,641)	(23,041)	
Shares in issue as at 30 June 2019	18,139	160,781	75,017	
	€	€	€	
Proceeds from redeemable participating shares issued	58,604	720,658	737,123	
Payment for redeemable participating shares redeemed	(27,042)	(15,062,743)	(2,351,491)	

*This Class launched on 8 August 2018.

**This Class launched on 8 March 2019.

11. Share capital (continued)
Share movement (continued)
30 June 2019 (continued)

Mercer Euro Inflation Linked Bond Fund	Class M-3 €	Class M-4 €
Shares in issue as at 30 June 2018	303,936	210,674
Shares issued during the financial year	82,558	22,457
Shares redeemed during the financial year	(3,223)	(2,551)
	<hr/>	<hr/>
Shares in issue as at 30 June 2019	383,271	230,580
	<hr/>	<hr/>
	€	€
Proceeds from redeemable participating shares issued	11,250,412	2,713,420
Payment for redeemable participating shares redeemed	(439,332)	(307,446)

30 June 2018

MGI Diversified Equity Fund	Class I-1 €	Class* M-5 €	Class M-7 €	Class M-8 €	Class M-12 €
Shares in issue as at 30 June 2017	113,001	4,318	25,516	52,367	24,058
Shares issued during the financial year	48,571	17	9,155	2,855	23,471
Shares redeemed during the financial year	(25,173)	(4,335)	(5,831)	(3,625)	(8,702)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Shares in issue as at 30 June 2018	136,399	-	28,840	51,597	38,827
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	€	€	€	€	€
Proceeds from redeemable participating shares issued	6,145,532	2,719	1,607,464	757,401	2,764,038
Payment for redeemable participating shares redeemed	(3,145,402)	(721,184)	(1,008,048)	(955,457)	(1,008,004)

MGI Balanced Managed Fund	Class* M-5 €	Class M-7 €	Class M-8 €	Class M-9 €	Class M-10 €	Class M-14 €
Shares in issue as at 30 June 2017	4,852	1,522	462,750	175,681	89,806	12,947
Shares issued during the financial year	36	2,699	22,472	21,571	7,570	3,190
Shares redeemed during the financial year	(4,888)	(471)	(87,727)	(20,870)	(30,208)	(3,008)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Shares in issue as at 30 June 2018	-	3,750	397,495	176,382	67,168	13,129
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	€	€	€	€	€	€
Proceeds from redeemable participating shares issued	4,606	356,022	2,537,077	3,708,290	836,358	339,356
Payment for redeemable participating shares redeemed	(647,608)	(63,896)	(9,900,621)	(3,595,173)	(3,337,665)	(317,612)

*These Classes terminated on 11 December 2017.

11. Share capital (continued)

Share movement (continued)

30 June 2018 (continued)

MGI UK Moderate Growth Fund	Class I-1 £	Class M-7 £
Shares in issue as at 30 June 2017	16,121	202
Shares issued during the financial year	2,970	109
Shares redeemed during the financial year	(842)	(152)
	18,249	159
	GB£	GB£
Proceeds from redeemable participating shares issued	644,386	23,858
Payment for redeemable participating shares redeemed	(181,883)	(32,674)
	462,503	(8,816)
MGI UK Growth Fund	Class I-1 £	Class M-7 £
Shares in issue as at 30 June 2017	63,757	374
Shares issued during the financial year	17,012	216
Shares redeemed during the financial year	(1,877)	(214)
	78,892	376
	GB£	GB£
Proceeds from redeemable participating shares issued	3,645,075	44,352
Payment for redeemable participating shares redeemed	(399,812)	(45,104)
	3,245,263	(2,752)
MGI UK High Growth Fund	Class I-1 £	Class M-7 £
Shares in issue as at 30 June 2017	33,530	1,161
Shares issued during the financial year	6,289	156
Shares redeemed during the financial year	(1,795)	(43)
	38,024	1,274
	GB£	GB£
Proceeds from redeemable participating shares issued	1,330,984	30,584
Payment for redeemable participating shares redeemed	(385,928)	(9,268)
	945,056	21,316

11. Share capital (continued)

Share movement (continued)

30 June 2018 (continued)

MGI UK Defensive Fund						
	Class					
	I-1 £					
Shares in issue as at 30 June 2017	5,678					
Shares issued during the financial year	2,727					
Shares redeemed during the financial year	(758)					
	7,647					
	GB£					
Proceeds from redeemable participating shares issued	556,404					
Payment for redeemable participating shares redeemed	(153,905)					
Mercer Medium Term Inflation Linked Bond Fund	Class	Class	Class	Class		
	M-1 €	M-3 €	M-4 €	M-6 €		
Shares in issue as at 30 June 2017	174,385	3,685,870	1,607,901	771,343		
Shares issued during the financial year	22,306	1,128,411	61,024	142,172		
Shares redeemed during the financial year	(47,133)	(86,802)	(189,403)	(45,472)		
	149,558	4,727,479	1,479,522	868,043		
	€	€	€	€		
Proceeds from redeemable participating shares issued	3,323,607	168,586,956	8,242,867	18,019,427		
Payment for redeemable participating shares redeemed	(7,181,925)	(13,012,754)	(25,838,602)	(5,834,748)		
Mercer UK Credit Fund	Class*	Class	Class	Class	Class	Class
	M-1 £	M-1 £	M-2 £	M-5 £	M-6 £	M-7 £
		Distributing				
Shares in issue as at 30 June 2017	-	1,785,559	144,091	77,220	11,421,100	131,497
Shares issued during the financial year	12,228	1,434	52,197	4,538	583,370	477
Shares redeemed during the financial year	(1,120)	(146,949)	(112,815)	(13,204)	(2,461,463)	-
	11,108	1,640,044	83,473	68,554	9,543,007	131,974
	GB£	GB£	GB£	GB£	GB£	GB£
Proceeds from redeemable participating shares issued	1,222,780	160,167	8,384,574	727,327	85,633,485	61,597
Payment for redeemable participating shares redeemed	(111,269)	(16,294,441)	(18,241,389)	(2,095,996)	(358,836,799)	-

*The share class launched on 1 February 2018.

11. Share capital (continued)

Share movement (continued)

30 June 2018 (continued)

Mercer UK Credit Fund (continued)	Class M-7 £ Distributing	Class* Z-1 £	
Shares in issue as at 30 June 2017	681,901	-	
Shares issued during the financial year	2,737	5,849	
Shares redeemed during the financial year	-	-	
	<hr/>	<hr/>	
Shares in issue as at 30 June 2018	684,638	5,849	
	<hr/>	<hr/>	
	GB£	GB£	
Proceeds from redeemable participating shares issued	282,982	584,632	
Payment for redeemable participating shares redeemed	-	-	
	<hr/>	<hr/>	
Mercer Passive UK Equity Fund**	Class** M-8 £		
Shares in issue as at 30 June 2017	19,787		
Shares issued during the financial year	123		
Shares redeemed during the financial year	(19,910)		
	<hr/>		
Shares in issue as at 30 June 2018	-		
	<hr/>		
	GB£		
Proceeds from redeemable participating shares issued	19,262		
Payment for redeemable participating shares redeemed	(3,075,445)		
	<hr/>		
Mercer Sterling Inflation Linked LDI Bond Fund	Class M-4 £	Class M-7 £	Class M-9 £
Shares in issue as at 30 June 2017	567,404	1,007,829	3,780
Shares issued during the financial year	255,738	290,786	7
Shares redeemed during the financial year	(269,615)	(703,294)	(2,454)
	<hr/>	<hr/>	<hr/>
Shares in issue as at 30 June 2018	553,527	595,321	1,333
	<hr/>	<hr/>	<hr/>
	GB£	GB£	GB£
Proceeds from redeemable participating shares issued	75,336,382	78,439,965	1,346
Payment for redeemable participating shares redeemed	(73,790,650)	(194,004,888)	(498,611)

*The share class terminated on 23 May 2019.

**Mercer Passive UK Equity Fund terminated on 14 February 2018.

11. Share capital (continued)

Share movement (continued)

30 June 2018 (continued)

Mercer Sterling Nominal LDI Bond Fund	Class M-4 £	Class M-7 £	Class M-8 £
Shares in issue as at 30 June 2017	1,071,655	1,263,684	41,056
Shares issued during the financial year	855,696	927,352	11,560
Shares redeemed during the financial year	(461,770)	(681,826)	(24,279)
	<hr/>	<hr/>	<hr/>
Shares in issue as at 30 June 2018	1,465,581	1,509,210	28,337
	<hr/>	<hr/>	<hr/>
	GB£	GB£	GB£
Proceeds from redeemable participating shares issued	179,333,460	192,770,442	1,577,702
Payment for redeemable participating shares redeemed	(97,189,535)	(143,484,689)	(3,256,008)
	<hr/>	<hr/>	<hr/>
Mercer Enhanced Yield Fund	Class M-2 €	Class M-4 €	Class M-6 €
Shares in issue as at 30 June 2017	17,763	355,170	67,546
Shares issued during the financial year	331	13,459	35,491
Shares redeemed during the financial year	(208)	(88,136)	(12,079)
	<hr/>	<hr/>	<hr/>
Shares in issue as at 30 June 2018	17,886	280,493	90,958
	<hr/>	<hr/>	<hr/>
	€	€	€
Proceeds from redeemable participating shares issued	40,145	1,663,700	3,765,126
Payment for redeemable participating shares redeemed	(24,578)	(10,951,891)	(1,273,322)
	<hr/>	<hr/>	<hr/>
Mercer Euro Inflation Linked Bond Fund	Class M-3 €	Class M-4 €	
Shares in issue as at 30 June 2017	261,719	198,368	
Shares issued during the financial year	75,509	15,759	
Shares redeemed during the financial year	(33,292)	(3,453)	
	<hr/>	<hr/>	
Shares in issue as at 30 June 2018	303,936	210,674	
	<hr/>	<hr/>	
	€	€	
Proceeds from redeemable participating shares issued	10,197,156	1,861,331	
Payment for redeemable participating shares redeemed	(4,537,903)	(412,772)	

11. Share capital (continued)**Significant Shareholders**

The following table details the number of Shareholders with significant holdings of at least 20 per cent of the relevant Sub-Funds and the percentage of that holding as at 30 June 2019 and 30 June 2018.

Fund	Number of Significant Shareholders as at 30 June 2019	Total Holding (units) as at 30 June 2019	Aggregate Shareholding as a % of the Sub-Fund as at 30 June 2019	Number of Significant Shareholders as at 30 June 2018	Total Holding (units) as at 30 June 2018	Aggregate Shareholding as a % of the Sub-Fund as at 30 June 2018
MGI Diversified Equity Fund	2	161,426	71%	1	136,399	53%
MGI Balanced Managed Fund	1	407,480	60%	1	397,495	60%
MGI UK Moderate Growth Fund*	-	-	-	1	18,221	99%
MGI UK Growth Fund*	-	-	-	1	78,870	99%
MGI UK Defensive Fund*	-	-	-	1	7,647	100%
MGI Medium Term Inflation Linked Bond	1	1,395,727	20%	-	-	-
Mercer Enhanced Yield Fund	1	91,198	36%	2	212,474	55%
MGI UK High Growth Fund*	-	-	-	1	38,000	97%

*These Sub-Funds terminated on 23 May 2019.

12. Dividends

The following dividends were declared and paid during the financial year ended 30 June 2019:

Sub-Fund	Share Class	Distribution per Share	Ex Date
Mercer Sterling Inflation Linked LDI Bond Fund	Class M-5£ Distributing	GB£ 0.0883	1 October 2018
	Class M-5£ Distributing	GB£ 0.3660	2 January 2019
Mercer Sterling Nominal LDI Bond Fund	Class M-5 £ Distributing	GB£ 0.1194	1 April 2019
Mercer UK Credit Fund	Class M-1£ Distributing	GB£ 0.8693	2 July 2018
Mercer UK Credit Fund	Class M-7£ Distributing	GB£ 0.5856	2 July 2018
Mercer UK Credit Fund	Class M-1£ Distributing	GB£ 0.9031	1 October 2018
Mercer UK Credit Fund	Class M-7£ Distributing	GB£ 0.6184	1 October 2018
Mercer UK Credit Fund	Class M-1£ Distributing	GB£ 0.8637	2 January 2019
Mercer UK Credit Fund	Class M-7£ Distributing	GB£ 0.7856	2 January 2019
Mercer UK Credit Fund	Class M-1 £ Distributing	GB£ 0.8246	1 April 2019
Mercer UK Credit Fund	Class M-7 £ Distributing	GB£ 0.7545	1 April 2019

12. Dividends (continued)

The following dividends were declared and paid during the financial year ended 30 June 2018:

Sub-Fund	Share Class	Distribution per Share	Ex Date
Mercer UK Credit Fund	Class M-1 £ Distributing	GB£ 0.8821	3 July 2017
Mercer UK Credit Fund	Class M-7 £ Distributing	GB£ 0.5921	3 July 2017
Mercer UK Credit Fund	Class M-1 £ Distributing	GB£ 0.9014	2 October 2017
Mercer UK Credit Fund	Class M-7 £ Distributing	GB£ 0.6093	2 October 2017
Mercer UK Credit Fund	Class M-1 £ Distributing	GB£ 0.8684	2 January 2018
Mercer UK Credit Fund	Class M-7 £ Distributing	GB£ 0.5828	2 January 2018
Mercer UK Credit Fund	Class M-1 £ Distributing	GB£ 0.8300	3 April 2018
Mercer UK Credit Fund	Class M-7 £ Distributing	GB£ 0.5520	3 April 2018

13. Significant events during the year

The following share classes were launched during the financial year:

Sub-Fund	Class	Launch date
Mercer Sterling Inflation Linked LDI Bond Fund	M-5 £ Distributing	8 August 2018
Mercer Sterling Nominal LDI Bond Fund	M-5 £ Distributing	8 March 2019

The following share classes were terminated during the financial year:

Sub-Fund	Class	Termination date
MGI UK Moderate Growth Fund	Class M-7 £	24 October 2018
MGI UK Growth Fund	Class M-7 £	24 October 2018
MGI UK High Growth Fund	Class M-7 £	24 October 2018
MGI UK Moderate Growth Fund	Class I-1 £	23 May 2019
MGI UK Growth Fund	Class I-1 £	23 May 2019
MGI UK High Growth Fund	Class I-1 £	23 May 2019
MGI UK Defensive Fund	Class I-1 £	23 May 2019
Mercer UK Credit Fund	Class Z-1 £	23 May 2019

The following Sub-Funds were terminated during the financial year:

Sub-Fund	Termination date
MGI UK Growth Fund	23 May 2019
MGI UK High Growth Fund	23 May 2019
MGI UK Moderate Growth Fund	23 May 2019
MGI UK Defensive Fund	23 May 2019

A revised Prospectus for Mercer PIF Fund plc and supplements to the Prospectus for each of the Sub-Funds were issued on 1 October 2018. The main changes introduced by the update related to the change from Gross to Net priced Funds, updates in leverage limits, general fees and expenses update, securitisation regulation update and incorporating addenda.

A revised M&A for Mercer PIF Fund plc was issued on 1 October 2018. The main changes introduced by the update related to the updates of liquidity terms for closed ended or open ended funds with limited liquidity and the termination of Sub-Funds provisions.

Effective 1 October 2018 any Sub-Funds where the Sub-Investment Manager fees were collected as part of the share class fee ("Gross Priced Funds") were updated such that the Sub-Investment Manager fees became a separate accrual on the Sub-Funds ("Net Priced Funds"). The main driver for this change was to increase transparency in relation to management fee charges, to facilitate passing benefits of any Sub-Investment Manager fee reductions onto clients, and to achieve one consistent, more efficient operating model across all of the Mercer Sub-Funds products. The implementation of this change involved the reduction of the Share Class Fee rate on the relevant classes to remove the Sub-Investment Manager Fee component and to commence a separate accrual for Sub-Investment Manager Fees on the Sub-Funds.

13. Significant events during the year (continued)

Gráinne Alexander and Barbara Healy were appointed to the Board of Directors on 1 January 2019. Paul Sullivan retired from the Board of Directors on 31 January 2019.

Revised supplements to the Prospectus for Mercer UK Credit Fund and Mercer Sterling Nominal LDI Bond Fund were issued on 11 February 2019. The main changes introduced by the updates related to the changes in Sub-Investment Managers.

Tom Geraghty resigned from the Board of Directors on 1 May 2019 and Hooman Kaveh was appointed to the Board of Directors on 1 May 2019.

Barbara Healy resigned from the Board of Directors on 24 June 2019.

There have been no other significant events affecting the Company during the financial year.

14. Subsequent Events

The following distributions have been declared since the financial year end date:

Sub-Fund	Share Class	Distribution per share	Ex date
Mercer UK Credit Fund	Class M-1 £ Distributing	GB£ 0.8596	1 July 2019
	Class M-7 £ Distributing	GB£ 0.7864	1 July 2019
	Class M-1 £ Distributing	GB£ 0.8273	1 October 2019
	Class M-7 £ Distributing	GB£ 0.7576	1 October 2019
Mercer Sterling Inflation Linked LDI Bond	Class M-5 £ Distributing	GB£ 0.4142	1 July 2019
	Class M-5 £ Distributing	GB£ 0.1347	1 October 2019
Mercer Sterling Nominal LDI Bond Fund	Class M-5 £ Distributing	GB£ 0.4611	1 July 2019
	Class M-5 £ Distributing	GB£ 0.4619	1 October 2019

There have been no other significant events affecting the Company since the financial year end date.

15. Approval of financial statements

The financial statements were approved by the Board of Directors of the Company on 24 October 2019.

The table below outlines additional supplemental information regarding underlying collective investment schemes (CIS) held by the Sub-Funds of Mercer PIF Fund plc as at the 30 June 2019. The supplemental information includes (where available) the regulatory status, underlying manager name and fee information with regard to these investments.

Underlying Fund	Jurisdiction/ Regulatory Status*	Fund Manager	Share Class Management fee %	Performance* fee %	Redemption fee %
Insight Global Funds II plc - Insight LIBOR Plus Fund	Ireland	Insight Investment Management (Global) Limited	0.05%	n/a	n/a
Insight Liquidity Funds plc - ILF GBP Liquidity Fund	Ireland	Insight Investment Management (Global) Limited	n/a	n/a	n/a
MGI Funds plc - Mercer Absolute Return Fixed Income Fund	Ireland	Mercer Global Investments Management Ltd	n/a	n/a	n/a
MGI Funds plc - Mercer Diversified Growth Fund	Ireland	Mercer Global Investments Management Ltd	n/a	n/a	n/a
MGI Funds plc - Mercer Euro Nominal Bond Long Duration Fund	Ireland	Mercer Global Investments Management Ltd	n/a	n/a	n/a
MGI Funds plc - Mercer Global Buy & Maintain Credit Fund	Ireland	Mercer Global Investments Management Ltd	n/a	n/a	n/a
MGI Funds plc - Mercer Global High Yield Bond Fund	Ireland	Mercer Global Investments Management Ltd	n/a	n/a	n/a
MGI Funds plc - Mercer Global Small Cap Equity Fund	Ireland	Mercer Global Investments Management Ltd	n/a	n/a	n/a
MGI Funds plc - Mercer Low Volatility Equity Fund	Ireland	Mercer Global Investments Management Ltd	n/a	n/a	n/a
MGI Funds plc - Mercer Passive Global Equity Fund	Ireland	Mercer Global Investments Management Ltd	n/a	n/a	n/a
MGI Funds plc - MGI Emerging Markets Debt Fund	Ireland	Mercer Global Investments Management Ltd	n/a	n/a	n/a
MGI Funds plc - MGI Emerging Markets Equity Fund	Ireland	Mercer Global Investments Management Ltd	n/a	n/a	n/a

*Further information on the performance fees can be found in the relevant funds documentation.

General

Mercer PIF Fund plc (the “Company”) is an open-ended umbrella fund investment company with variable capital and with segregated liability between Sub-Funds, organised under the laws of Ireland. The Company is an Alternative Investment Fund (“AIF”) within the meaning of the Alternative Investment Fund Manager (“AIFM”) Regulations and accordingly Mercer Global Investments Management Limited has been appointed as AIFM of the Company. The Depositary is the Depositary of the Company for the purpose of the AIFM Regulations. State Street Custodial Services (Ireland) Limited were appointed Depositary, pursuant to the terms of the Depositary agreement.

The share capital of the Company will be divided into different series of shares with each series of shares representing a portfolio of assets which will comprise a separate fund (each a “Sub-Fund”). The Company is authorised by the Central Bank of Ireland (the “Central Bank”) as a designated investment company pursuant to Part 24 of the Companies Act, 2014 (as amended) to market solely to professional investors and knowledgeable investors. The investment objective of the Company is the collective investment of its funds in financial assets with the aim of spreading investment risk and giving the members of the Company the benefit of the results of the management of its Sub-Funds.

The Company’s objective to spread investment risk has been maintained during the financial year.

As at 30 June 2019 the Company comprised of twenty Sub-Funds, eight of which are in operation at 30 June 2019, and are listed below.

Name	Functional Currency	Functional Currency Symbol	Launch Date
MGI Diversified Equity Fund	Euro	€	19/08/2006
MGI Balanced Managed Fund	Euro	€	19/08/2006
MGI Global (ex UK) Equity Fund**	US Dollar	US\$	19/08/2006
MGI UK Moderate Growth Fund****	British Pound	GB£	19/08/2006
MGI UK Growth Fund****	British Pound	GB£	19/08/2006
MGI UK High Growth Fund****	British Pound	GB£	19/08/2006
MGI UK Defensive Fund****	British Pound	GB£	19/08/2006
Mercer Medium Term Inflation Linked Bond Fund	Euro	€	19/08/2006
Mercer Passive Global Equity Fund*	US Dollar	US\$	15/12/2009
MGI Moderate Growth Fund	Euro	€	n/a
MGI Europe (ex UK) Equity Fund	Euro	€	n/a
MGI Irish Equity Fund	Euro	€	n/a
MGI Retirement Fixed Income Fund	Euro	€	n/a
MGI U.S. Equity Fund*	US Dollar	US\$	n/a
Mercer UK Credit Fund	British Pound	GB£	09/03/2010
Mercer Passive UK Equity Fund***	British Pound	GB£	08/03/2010
Mercer Sterling Inflation Linked LDI Bond Fund	British Pound	GB£	24/08/2010
Mercer Sterling Nominal LDI Bond Fund	British Pound	GB£	24/08/2010
Mercer Enhanced Yield Fund	Euro	€	15/10/2010
Mercer Euro Inflation Linked Bond Fund	Euro	€	21/01/2011

*This Sub-Fund terminated on 9 June 2015.

**This Sub-Fund terminated on 28 July 2015.

***This Sub-Fund terminated on 14 February 2018.

****These Sub-Funds terminated on 23 May 2019.

Swing pricing and anti-dilution levy

To enable a Sub-Fund to recover the cost of investing Sub-Fund assets upon an investor’s subscription for shares and the cost of liquidating Sub-Fund assets upon a Shareholder’s redemption of shares and to preserve the value of the assets of the relevant Sub-Fund, each Shareholder may be subject to swing pricing or an anti-dilution levy of up to 3% of the subscription proceeds or redemption proceeds. Regarding swing pricing, the Administrator will calculate the Nav for the relevant Sub-Fund and then adjust (“swing”) the Nav by a pre-determined amount. The direction of the swing will depend on whether there are net subscriptions or redemptions in the relevant Sub-Fund on the relevant Dealing Day, while the magnitude of the swing will be based on pre-determined estimates of the average trading costs in the relevant asset class(es) in which the Sub-Fund is invested. Regarding the anti-dilution levy, if applicable, this would be paid to the Sub-Fund for the benefit of all Shareholders and would not be paid to the Alternative Investment Fund Manager (“AIFM”) or Investment Manager. The anti-dilution levy is deducted from subscription proceeds and will correspondingly reduce the number of shares purchased by the investor or will be deducted from redemption proceeds and will correspondingly reduce the amounts received by a Shareholder upon redeeming its shares from the Sub-Fund. Proceeds from redeemable participating shares are inclusive of anti-dilution charges.

Data Protection Notice

The General Data Protection Regulation (Regulation (EU) 2016/679) came into effect on 25 May 2018.

Net gain/(loss) on investments, foreign currency and other derivative contracts

All gains on securities and derivatives sold during the financial year are included in realised gain on investments and other derivative contracts while all losses realised on the sale of securities and other derivatives during the financial year are included in realised loss on investments and other derivative contracts.

30 June 2019

	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	MGI UK Moderate Growth Fund* GB£	MGI UK Growth Fund* GB£	MGI UK High Growth Fund* GB£
Realised gain on investments and other derivative contracts	1,075,996	322	1,030,166	4,787,178	3,800,910
Realised loss on investments and other derivative contracts	-	-	(699)	(2,478)	-
Change in unrealised appreciation on investments and other derivative contracts	870,159	7,399,676	6,857	19,952	-
Change in unrealised depreciation on investments and other derivative contracts	(110,740)	-	(838,630)	(4,120,898)	(3,537,195)
(Loss)/gain on foreign exchange	-	-	(14)	(35)	(47)
	<u>1,835,415</u>	<u>7,399,998</u>	<u>197,680</u>	<u>683,719</u>	<u>263,668</u>
	MGI UK Defensive Fund* GB£	Mercer Medium Term Inflation Linked Bond Fund €	Mercer UK Credit Fund GB£	Mercer Sterling Inflation Linked LDI Bond Fund GB£	Mercer Sterling Nominal LDI Bond Fund GB£
Realised gain on investments and other derivative contracts	215,486	12,087,592	50,202,985	3,294,723	2,329,002
Realised loss on investments and other derivative contracts	(489)	(822,035)	(48,674,731)	(7,563,238)	(8,396,578)
Change in unrealised appreciation on investments and other derivative contracts	1,446	2,891,125	43,926,168	26,643,921	26,908,438
Change in unrealised depreciation on investments and other derivative contracts	(110,763)	(16,519,138)	(30,198,380)	-	-
(Loss)/gain on foreign exchange	(62)	(23)	78,043	27	26
	<u>105,618</u>	<u>(2,362,479)</u>	<u>15,334,085</u>	<u>22,375,433</u>	<u>20,840,888</u>

*These Sub-Funds terminated on 23 May 2019.

Net gain/(loss) on investments, foreign currency and other derivative contracts (continued)
30 June 2019

	Mercer Enhanced Yield Fund €	Mercer Euro Inflation Linked Bond Fund €
Realised gain on investments and other derivative contracts	839,131	145,634
Realised loss on investments and other derivative contracts	(48,305)	(82,139)
Change in unrealised appreciation on investments and other derivative contracts	827,524	1,328,451
Change in unrealised depreciation on investments and other derivative contracts	(172,015)	(484,647)
(Loss)/gain on foreign exchange	304	-
	1,446,639	907,299
	1,446,639	907,299

30 June 2018

	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	MGI UK Moderate Growth Fund GB£	MGI UK Growth Fund GB£	MGI UK High Growth Fund GB£
Realised gain on investments and other derivative contracts	410,242	2,516,993	226,473	529,604	155,476
Realised loss on investments and other derivative contracts	-	-	(5,606)	(16,700)	-
Change in unrealised appreciation on investments and other derivative contracts	2,358,255	1,659,988	204,977	1,211,892	635,566
Change in unrealised depreciation on investments and other derivative contracts	-	(485,799)	(198,127)	(490,645)	-
Gain/(loss) on foreign exchange	-	-	-	-	-
	2,768,497	3,691,182	227,717	1,234,151	791,042
	2,768,497	3,691,182	227,717	1,234,151	791,042

	MGI UK Defensive Fund GB£	Mercer Medium Term Inflation Linked Bond Fund €	Mercer UK Credit Fund GB£	Mercer Passive UK Equity Fund* GB£	Mercer Sterling Inflation Linked LDI Bond Fund GB£
Realised gain on investments and other derivative contracts	191,896	6,032,100	64,975,886	725,809	2,161,967
Realised loss on investments and other derivative contracts	-	(194,647)	(42,411,344)	(107,527)	(17,202,298)
Change in unrealised appreciation on investments and other derivative contracts	31,101	58,229,584	24,966,957	79,208	17,924,548
Change in unrealised depreciation on investments and other derivative contracts	(190,267)	(1,649,946)	(88,872,507)	(645,897)	(535,986)
Gain/(loss) on foreign exchange	5	22	(187,054)	(124)	13
	32,735	62,417,113	(41,528,062)	51,469	2,348,244
	32,735	62,417,113	(41,528,062)	51,469	2,348,244

*Mercer Passive UK Equity Fund terminated on 14 February 2018.

Net gain/(loss) on investments, foreign currency and other derivative contracts (continued)

30 June 2018

	Mercer Sterling Nominal LDI Bond Fund GB£	Mercer Enhanced Yield Fund €	Mercer Euro Inflation Linked Bond Fund €
Realised gain on investments and other derivative contracts	1,166,121	1,205,773	879,027
Realised loss on investments and other derivative contracts	(5,553,048)	-	(12,325)
Change in unrealised appreciation on investments and other derivative contracts	24,277,500	(1,992,846)	2,678,423
Change in unrealised depreciation on investments and other derivative contracts	-	-	(506,869)
Gain/(loss) on foreign exchange	8	(282)	-
	<u>19,890,581</u>	<u>(787,355)</u>	<u>3,038,256</u>

Portfolio movements

A complete list of the acquisitions and disposals of investments during the financial year is available upon request from the Administrator, free of charge.

Soft commission arrangements

With effect from 3 January 2018, with the exception of minor non-monetary benefits as defined in MiFID, Sub-Investment Managers appointed by the Investment Manager are not permitted to enter into soft commission arrangements. Managers can accept research if they pay for it themselves or if they pay for it via a Research Payment Account.

Efficient Portfolio Management Techniques

The Company may employ investment techniques and instruments for efficient portfolio management of the assets of the Company or of any Sub-Fund and for short-term investment purposes under the conditions and limits set out in the Prospectus.

The Company may, for the purposes of hedging, enter into put and call options, spot and forward contracts, financial futures, stock and bond index futures contracts, repurchase agreements and securities lending agreements. In particular, a Sub-Fund may seek to hedge its investments against currency fluctuations which are adverse to its base currency by utilising currency options, futures contracts and forward foreign exchange contracts.

A Sub-Fund may also from time to time make use of exchange traded stock index and other futures contracts for the purpose of efficient portfolio management to enable it to maintain the appropriate exposure to stock markets in accordance with the relevant Investment Manager's recommended overall asset allocation.

Details of the financial derivative instruments held at 30 June 2019 can be found in the Portfolio Statements for each relevant Sub-Fund. Note 7 provides details of the risks associated with the use of financial derivative instruments.

Net asset value

MGI Diversified Equity Fund	Class I-1 €	Class* M-5 €	Class M-7 €	Class M-8 €	Class M-12 €	
Total net assets						
30 June 2019	€ 15,533,006	-	€ 3,522,010	€ 13,746,182	€ 5,691,859	
30 June 2018	€ 17,633,410	-	€ 5,082,056	€ 13,924,211	€ 4,705,990	
30 June 2017	€ 13,596,763	€ 679,936	€ 4,189,060	€ 13,214,979	€ 2,711,066	
Number of shares in issue						
30 June 2019	114,673	-	19,095	48,843	44,763	
30 June 2018	136,399	-	28,840	51,597	38,827	
30 June 2017	113,001	4,318	25,516	52,367	24,058	
Net asset value per share†						
30 June 2019	€ 135.46	-	€ 184.45	€ 281.44	€ 127.16	
30 June 2018	€ 129.28	-	€ 176.22	€ 269.87	€ 121.21	
30 June 2017	€ 120.32	€ 157.47	€ 164.18	€ 252.36	€ 112.69	
MGI Balanced Managed Fund	Class* M-5 €	Class M-7 €	Class M-8 €	Class M-9 €	Class M-10 €	Class M-14 €
Total net assets						
30 June 2019	-	€ 406,308	€ 51,149,278	€ 34,071,825	€ 8,450,852	€ 2,365,419
30 June 2018	-	€ 515,969	€ 46,150,962	€ 31,022,359	€ 7,587,826	€ 1,417,149
30 June 2017	€ 625,411	€ 201,932	€ 51,685,507	€ 29,739,627	€ 9,769,493	€ 1,342,960
Number of shares in issue						
30 June 2019	-	2,738	407,480	179,274	69,262	20,247
30 June 2018	-	3,750	397,495	176,382	67,168	13,129
30 June 2017	4,852	1,522	462,750	175,681	89,806	12,947
Net asset value per share†						
30 June 2019	-	€ 148.39	€ 125.53	€ 190.05	€ 122.01	€ 116.83
30 June 2018	-	€ 137.60	€ 116.10	€ 175.88	€ 112.97	€ 107.94
30 June 2017	€ 128.91	€ 132.70	€ 111.69	€ 169.28	€ 108.78	€ 103.73

*The share class terminated on 11 December 2017.

Net asset value (continued)

MGI UK Moderate Growth Fund**	Class I-1 £	Class* M-7 £
Total net assets		
30 June 2019	-	-
30 June 2018	GB£ 4,065,463	GB£ 34,583
30 June 2017	GB£ 3,391,472	GB£ 41,720
Number of shares in issue		
30 June 2019	-	-
30 June 2018	18,249	159
30 June 2017	16,121	202
Net asset value per share†		
30 June 2019	-	-
30 June 2018	GB£ 222.78	GB£ 217.97
30 June 2017	GB£ 210.38	GB£ 206.06

MGI UK Growth Fund***	Class I-1 £	Class* M-7 £
Total net assets		
30 June 2019	-	-
30 June 2018	GB£ 17,495,172	GB£ 80,482
30 June 2017	GB£ 13,088,771	GB£ 74,106
Number of shares in issue		
30 June 2019	-	-
30 June 2018	78,892	376
30 June 2017	63,757	374
Net asset value per share†		
30 June 2019	-	-
30 June 2018	GB£ 221.76	GB£ 213.87
30 June 2017	GB£ 205.29	GB£ 198.20

MGI UK High Growth Fund****	Class I-1 £	Class* M-7 £
Total net assets		
30 June 2019	-	-
30 June 2018	GB£ 8,393,572	GB£ 267,875
30 June 2017	GB£ 6,721,275	GB£ 222,049
Number of shares in issue		
30 June 2019	-	-
30 June 2018	38,024	1,274
30 June 2017	33,530	1,161
Net asset value per share†		
30 June 2019	-	-
30 June 2018	GB£ 220.74	GB£ 210.30
30 June 2017	GB£ 200.45	GB£ 191.18

*The share class terminated on 24 October 2018.

**MGI UK Moderate Growth Fund terminated on 23 May 2019.

***MGI UK Growth Fund terminated on 23 May 2019.

**** MGI UK High Growth Fund terminated on 23 May 2019.

Net asset value (continued)

MGI UK Defensive Fund*

	Class I-1 £
Total net assets	
30 June 2019	-
30 June 2018	GB£ 1,578,175
30 June 2017	GB£ 1,147,234
Number of shares in issue	
30 June 2019	-
30 June 2018	7,647
30 June 2017	5,678
Net asset value per share†	
30 June 2019	-
30 June 2018	GB£ 206.37
30 June 2017	GB£ 202.06

**Mercer Medium Term Inflation
Linked Bond Fund**

	Class M-1 €	Class M-3 €	Class M-4 €	Class M-6 €
Total net assets				
30 June 2019	€ 38,125,302	€ 806,281,347	€ 161,970,727	€ 63,755,985
30 June 2018	€ 23,887,150	€ 735,627,757	€ 207,753,995	€ 115,178,699
30 June 2017	€ 25,892,848	€ 533,723,284	€ 210,315,117	€ 95,527,078
Number of shares in issue				
30 June 2019	234,553	5,096,879	1,135,783	474,020
30 June 2018	149,558	4,727,479	1,479,522	868,043
30 June 2017	174,385	3,685,870	1,607,901	771,343
Net asset value per share†				
30 June 2019	€ 162.54	€ 158.19	€ 142.61	€ 134.50
30 June 2018	€ 159.72	€ 155.61	€ 140.42	€ 132.69
30 June 2017	€ 148.48	€ 144.80	€ 130.80	€ 123.85

Mercer UK Credit Fund

	Class M-1 £	Class M-1 £ Distributing	Class M-2 £	Class M-5 £	Class M-6 £	Class M-7 £
Total net assets						
30 June 2019	GB£ 943,387	GB£ 85,186,064	GB£ 13,636,123	GB£ 6,202,863	GB£ 674,830,360	GB£ 7,586,656
30 June 2018	GB£ 1,105,869	GB£ 180,819,067	GB£ 13,499,357	GB£ 10,848,084	GB£ 1,391,367,121	GB£ 16,932,522
30 June 2017	-	GB£ 202,608,223	GB£ 23,297,799	GB£ 12,240,621	GB£ 1,669,755,782	GB£ 16,968,092
Number of shares in issue						
30 June 2019	8,935	752,010	79,632	37,053	4,382,082	56,084
30 June 2018	11,108	1,640,044	83,473	68,554	9,543,007	131,974
30 June 2017	-	1,785,559	144,091	77,220	11,421,100	131,497
Net asset value per share†						
30 June 2019	GB£ 105.59	GB£ 113.28	GB£ 171.24	GB£ 167.41	GB£ 154.00	GB£ 135.27
30 June 2018	GB£ 99.55	GB£ 110.25	GB£ 161.72	GB£ 158.24	GB£ 145.80	GB£ 128.30
30 June 2017	-	GB£ 113.47	GB£ 161.69	GB£ 158.52	GB£ 146.20	GB£ 129.04

*MGI UK Defensive Fund terminated on 23 May 2019.

Net asset value (continued)

Mercer UK Credit Fund (continued)	Class M-7 £ Distributing	Class* Z-1 £		
Total net assets				
30 June 2019	GB£ 88,422,769	-		
30 June 2018	GB£ 68,244,783	GB£ 583,183		
30 June 2017	GB£ 69,952,566	-		
Number of shares in issue				
30 June 2019	861,515	-		
30 June 2018	684,638	5,849		
30 June 2017	681,901	-		
Net asset value per share†				
30 June 2019	GB£ 102.64	-		
30 June 2018	GB£ 99.68	GB£ 99.71		
30 June 2017	GB£ 102.58	-		

Mercer Sterling Inflation Linked LDI Bond Fund	Class M-4 £	Class** M-5 £ Distributing	Class M-7 £	Class M-9 £
Total net assets				
30 June 2019	GB£ 90,204,929	GB£ 23,476,212	GB£ 113,565,362	GB£ 1,017,391
30 June 2018	GB£ 157,659,271	-	GB£ 164,433,680	GB£ 269,199
30 June 2017	GB£ 158,080,860	-	GB£ 273,521,341	GB£ 752,029
Number of shares in issue				
30 June 2019	287,778	220,688	375,224	4,600
30 June 2018	553,527	-	595,321	1,333
30 June 2017	567,404	-	1,007,829	3,780
Net asset value per share†				
30 June 2019	GB£ 313.45	GB£ 106.38	GB£ 302.66	GB£ 221.15
30 June 2018	GB£ 284.83	-	GB£ 276.21	GB£ 201.88
30 June 2017	GB£ 278.60	-	GB£ 271.40	GB£ 198.97

Mercer Sterling Nominal LDI Bond Fund	Class M-4 £	Class** M-5 £ Distributing	Class M-7 £	Class M-8 £
Total net assets				
30 June 2019	GB£ 297,753,596	GB£ 20,695,385	GB£ 195,458,528	GB£ 5,379,092
30 June 2018	GB£ 316,578,157	-	GB£ 323,338,660	GB£ 3,910,234
30 June 2017	GB£ 221,415,210	-	GB£ 260,123,174	GB£ 5,448,944
Number of shares in issue				
30 June 2019	1,290,543	194,538	857,610	36,702
30 June 2018	1,465,581	-	1,509,210	28,337
30 June 2017	1,071,655	-	1,263,684	41,056
Net asset value per share†				
30 June 2019	GB£ 230.72	GB£ 106.38	GB£ 227.91	GB£ 146.56
30 June 2018	GB£ 216.01	-	GB£ 214.24	GB£ 137.99
30 June 2017	GB£ 206.61	-	GB£ 205.85	GB£ 132.72

*The share class terminated on 23 May 2019.

**The share class launched on 8 March 2019.

Net asset value (continued)

Mercer Enhanced Yield Fund	Class M-2 €	Class M-4 €	Class M-6 €
Total net assets			
30 June 2019	€ 2,256,352	€ 20,569,965	€ 8,151,322
30 June 2018	€ 2,112,116	€ 34,130,540	€ 9,417,947
30 June 2017	€ 2,147,599	€ 44,335,806	€ 7,189,155
Number of shares in issue			
30 June 2019	18,139	160,781	75,017
30 June 2018	17,886	280,493	90,958
30 June 2017	17,763	355,170	67,546
Net asset value per share†			
30 June 2019	€ 124.39	€ 127.94	€ 108.66
30 June 2018	€ 118.09	€ 121.68	€ 103.54
30 June 2017	€ 120.90	€ 124.83	€ 106.43

Mercer Euro Inflation Linked Bond Fund	Class M-3 €	Class M-4 €
Total net assets		
30 June 2019	€ 54,398,618	€ 29,013,925
30 June 2018	€ 42,012,599	€ 25,846,843
30 June 2017	€ 34,265,183	€ 23,074,112
Number of shares in issue		
30 June 2019	383,271	230,580
30 June 2018	303,936	210,674
30 June 2017	261,719	198,368
Net asset value per share†		
30 June 2019	€ 141.93	€ 125.83
30 June 2018	€ 138.23	€ 122.69
30 June 2017	€ 130.92	€ 116.32

†Dealing NAV.

Exchange rates

The applicable financial year end exchange rates were as follows:

	As at 30 June 2019 Exchange rate to €	As at 30 June 2018 Exchange rate to €
Australian Dollar	1.6228	1.5802
British Pound	0.8948	0.8843
US Dollar	1.1388	1.1676

The applicable average exchange rates were as follows:

	Financial year ended 30 June 2019 Exchange rate to €	Financial year ended 30 June 2018 Exchange rate to €
Australian Dollar	1.5949	1.5448
British Pound	0.8815	0.8850
US Dollar	1.1405	1.1955

Remuneration Policy

Report on Remuneration

As part of its authorisation as an AIFM, Mercer Global Investments Management Limited ("MGIM", the "AIFM") has implemented a Policy consistent with the European Securities and Markets Authority's ("ESMA") remuneration guidelines and in particular the provisions of Annex II of Directive 2011/61/EU.

Due to the size, nature and lack of complexity of MGIM, the Board does not regard it as proportionate to establish a remuneration committee specifically for MGIM itself given that it has no direct employees. Instead, the Mercer Group Remuneration Committee will oversee the remuneration process. MGIM has adopted a delegation model and this model leverages off the skills, experience, and knowledge of specialised staff employed by Mercer Global Investments Europe Limited ("MGIE"), as Investment Manager, and other relevant service providers who perform all of the day to day specific managerial functions. The Group Remuneration Policy is applicable to both MGIM and MGIE and is relevant to all full and part time employees whether permanent, contracting or temporary and any persons directly or indirectly linked to them by control.

The Remuneration Policy is designed to discourage risk taking that is inconsistent with the risk profile of the AIFs and is in line with the business strategy, objectives, values and interests of MGIM and the AIFs. MGIE in its capacity as Investment Manager has sub delegated portfolio management to Sub-Investment Managers. The discretion of the Sub-Investment Manager, and thus its risk taking is strictly controlled within certain pre-determined narrow parameters and/or its investment decisions are rules based. The parameters take the form of detailed investment restrictions/investment guidelines in the prospectus and/or the investment management agreement. The Sub-Investment Manager is not permitted to manage outside of these parameters and as such cannot materially affect the risk profile of the AIF. Sub-Investment Managers are not incentivised or rewarded for taking excessive risk.

Quantitative Remuneration Disclosure

MGIM is required under the AIFMD to make quantitative disclosures of remuneration. These disclosures are made in line with the AIFM's interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops the AIFM may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other Mercer range fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of MGIE; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of the AIF.

All individuals included in the aggregated figures disclosed are rewarded in line with MGIM's remuneration policy for their responsibilities across the relevant Mercer business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the AIF is included in the aggregate figures disclosed.

Members of staff and senior management of the Investment Manager typically provide both AIFMD and non-AIFMD related services in respect of multiple funds, clients and functions of the MGIM, MGIE and across the broader Mercer group. Therefore, the figures disclosed are a sum of each individual's portion of remuneration attributable to the AIF according to an objective apportionment methodology which acknowledges the multiple-service nature of the MGIE. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by MGIE to its staff which has been attributed to the AIF in respect of the financial year ending 30 June 2019 is € 563,418 (30 June 2018: € 1,020,101). This figure is comprised of fixed remuneration of € 448,483 (30 June 2018: € 784,994) and variable remuneration of € 114,934 (30 June 2018: € 235,106). There were a total of 125 (30 June 2018: 110) beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by MGIE, which has been attributed to the AIF in respect of the financial year ending 30 June 2019, to its senior management was € 352,769 (30 June 2018: € 324,335), and to members of its staff whose actions have a material impact on the risk profile of the AIF was € 78,645 (30 June 2018: € 119,294).

Leverage

Where consistent with its investment objectives and policy, a Sub-Fund may utilise a variety of exchange traded and over-the-counter ("OTC") derivative instruments as part of its investment policy or for hedging purposes.

The use of derivatives may expose a Sub-Fund to a higher degree of risk. In particular, derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard underlying bonds or equities. Derivative positions can therefore increase Sub-Fund volatility.

Leverage on a gross exposure basis is calculated by taking the sum of exposures of all positions held within a Sub-Fund, without applying netting or hedging arrangements and is expressed as a percentage of the NAV.

Leverage on a net or commitment basis is calculated by taking the absolute value of all positions held within a Sub-Fund after applying hedging and netting arrangements and is expressed as a percentage of the NAV.

The following tables detail the leverage limits under the Gross and Commitment approaches as well as the maximum leverage calculated under both the Gross and the Commitment approaches.

30 June 2019	Max Gross Approach %	Gross % NAV	Max Commitment Approach %	Commitment % NAV
Mercer Medium Term Inflation Linked Bond Fund	400	99.26	300	99.26
Mercer UK Credit Fund	400	119.35	300	122.78
Mercer Sterling Inflation Linked LDI Bond Fund	400	99.95	300	99.98
Mercer Sterling Nominal LDI Bond Fund	400	98.91	300	99.02
Mercer Euro Inflation Linked Bond Fund	400	99.45	300	99.49

The above leverage values have been calculated as at 30 June 2019.

30 June 2018	Max Gross Approach %	Gross % NAV	Max Commitment Approach %	Commitment % NAV
Mercer Medium Term Inflation Linked Bond Fund	300	99.88	200	99.93
Mercer UK Credit Fund	300	138.48	200	138.93
Mercer Sterling Inflation Linked LDI Bond Fund	300	99.87	200	99.91
Mercer Sterling Nominal LDI Bond Fund	300	99.91	200	99.93
Mercer Euro Inflation Linked Bond Fund	300	100.16	200	100.25

The above leverage values have been calculated as at 30 June 2018.

Financial derivative instruments

The Company may employ investment techniques and instruments for efficient portfolio management of the assets of the Company or of any Sub-Fund and for short-term investment purposes under the conditions and limits set out in the Prospectus. The Company may, for the purposes of hedging, enter into put and call options, spot and forward contracts, financial futures, stock and bond index futures contracts, repurchase and reverse repurchase agreements and securities lending agreements. In particular, a Sub-Fund may seek to hedge its investments against currency fluctuations which are adverse to its base currency by utilising currency options, futures contracts and open forward foreign currency contracts, and through the use of hedge share classes.

A Sub-Fund may also from time to time make use of exchange traded stock index and other futures contracts for the purpose of efficient portfolio management to enable it to maintain the appropriate exposure to stock markets in accordance with the relevant Investment Manager's recommended overall asset allocation.

Financial derivative instruments were entered into during the financial year. Note 7 provides details of the risks associated with the use of financial derivative instruments.