

# **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 2020*

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**REGISTERED OFFICE**

70 Sir John Rogerson's Quay  
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**

78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**INDEPENDENT AUDITOR****KPMG**

Chartered Accountants  
Statutory Audit Firm  
1 Harbourmaster Place  
International Financial Services Centre  
Dublin 1  
Ireland

**LEGAL ADVISER IN IRELAND****Matheson**

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**SECRETARY****Matsack Trust Limited**

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**DIRECTORS**

Gráinne Alexander\*§  
Michael Dempsey§ (resigned 31 May 2020)  
Tom Finlay\*§  
Hooman Kaveh§  
Helen O'Beirne§ (appointed 13 January 2020)  
Liam Miley\*§ (appointed 13 May 2020)  
Carmel Jordan§ (appointed 31 May 2020)

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

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**DEPOSITARY****State Street Custodial Services (Ireland) Limited**

78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**For the Sub-Funds named hereafter, no notification for distribution in Germany has been made so no units of these Sub-Funds may be publicly distributed to investors within the scope of the German Investment Act:**

MGI Diversified Equity Fund, MGI Balanced Managed Fund, Mercer Medium Term Inflation Linked Bond Fund, Mercer UK Credit Fund, Mercer Sterling Inflation Linked LDI Bond, Mercer Sterling Nominal LDI Bond Fund, Mercer Enhanced Yield Fund.

\* Independent Director.

§ Non-executive Director.

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**Introduction**

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.

Markets posted solid returns across most asset classes during Q3 2019 although we continued to see spikes in volatility over the quarter, with markets selling off heavily in August. This was amid renewed concerns of an impending recession sparked by the inversion of the US Treasury yield curve and the continued oscillation of trade tensions between the US and China. Pessimism on growth drove core Eurozone government bond yields to fall further over the course of Q3 2019, resulting in positive returns on long dated sovereign bonds. The US Federal Reserve cut interest rates twice during the quarter by 0.25 percentage points each at its meetings in July and September citing lower inflation expectations, a slowing economy and trade uncertainties. US Treasury yields also fell over the quarter on the back of these subdued inflation and slowing economic growth concerns.

Markets finished 2019 quite impressively. Q4 2019 was positive across a wide range of assets but equities shone in particular. Markets were encouraged as China and the US neared agreement on a "mini trade deal" in which America has cancelled upcoming tariffs on Chinese goods and reduced some existing tariffs. Falling interest rates and the loosening of monetary policy, particularly by the US Federal Reserve also played a role in boosting both equities and riskier bonds.

2020 has been a turbulent year for investors. Q2 2020 saw markets rebound strongly in response to massive government stimulus packages across the developed world. In a reversal of Q1 2020, Q2 was positive across almost all asset classes recouping much of the losses suffered during the first three months of the year.

The outbreak of Coronavirus ("COVID-19") put the global economy into a self-induced coma with factories, businesses and schools around the world closed to help prevent an uncontrolled spread of the disease. The US Federal Reserve implemented a number of emergency measures in an attempt to support liquidity in the markets including cutting benchmark interest rates close to zero, and launching a \$2 trillion stimulus package. Markets were comforted by the unprecedented financial stimulus package undertaken by the US Federal Reserve.

In Europe, Italy during Q1 became the new epicentre of the COVID-19 outbreak. As cases spread throughout Europe, many other countries implemented their own lockdowns. As lockdowns relaxed over Q2, purchasing manager index numbers increased significantly as businesses prepared for an uptick in demand. Investors were further soothed by the European Commission's proposal for a new 7 year budget including a €750bn post COVID-19 recovery fund. The UK finds itself in a uniquely challenging backdrop as it tries to navigate through the fiendishly complex Brexit negotiations and simultaneously try to revive the economy in the wake of COVID-19.

Emerging market equities struggled in Q1 as tight restrictions were put in place throughout China to try to contain the virus leading to the closure of factories and businesses. The effects of these closures rippled through other Asian economies. Emerging market equities did rebound in Q2, although not as strongly as their US counterparts. More than 80 economies have sought assistance from the IMF in the aftermath of COVID-19 with depressed exports, falling commodity prices and an abrupt halt to the tourism industry all combining to create an incredibly challenging backdrop for emerging markets. In Brazil and Russia, a weaker dollar and improving commodity prices boosted returns. Oil prices recovered following OPEC and Russia's agreement to extend their deal cutting back on oil production until end July in a bid to shore up prices.

Core Eurozone government bond yields were generally lower over the course of Q2 2020, resulting in positive returns on long dated sovereign bonds. Corporate and high yield bonds were also boosted by the US Federal Reserve's market intervention. Credit spreads tightened over Q2 although the rally began to taper out towards the end of the quarter as investors were concerned over an uptick in COVID-19 cases in the US. Emerging market debt returns were weaker than their developed counterparts in Q2 but benefited from a weaker dollar, recovering commodity prices and an improvement to risk sentiment.

**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 fee, net of Sub-Investment Managers' fees and of all other expenses including custody and administration costs depending on fund structure. Sub-Investment Manager figures are gross of all fees.

**Share Class Investment Performance to 30 June 2020 (EUR)**

**MGI Diversified Equity Fund**

Portfolio	Performance over the Financial Year	
	Sub-Fund (%)	Benchmark (%)
Mercer Passive Global Equity Fund	4.3	4.3
Mercer Passive Global Equity Fund (Hedged)	1.3	1.6
Mercer Low Volatility Equity Fund	0.5	4.3
Mercer Global Small Cap Equity Fund	-1.0	-3.9
MGI Emerging Markets Equity Fund	-3.5	-2.0
<b>MGI Diversified Equity Fund</b>	<b>-0.3</b>	<b>0.8</b>

Performance shown is in EUR terms.

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.

Sub-Investment Manager performance figures above do not consider allocation weights.

The MGI Diversified Equity Fund underperformed the composite benchmark by 1.1% 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**

Portfolio	Performance over the Financial Year	
	Sub-Fund (%)	Benchmark (%)
Mercer Passive Global Equity Fund	4.3	4.3
MGI Emerging Markets Debt Fund	-2.3	-1.5
Mercer Global High Yield Bond Fund (Hedged)	-1.2	-1.8
Mercer Diversified Growth Fund	-0.5	2.5
Mercer Euro Nominal Bond Long Duration Fund	3.1	3.0
Mercer Global Buy & Maintain Credit Fund (Hedged)	5.3	5.1
<b>MGI Balanced Managed Fund</b>	<b>1.5</b>	<b>2.3</b>

Performance shown is in EUR terms.

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.

Sub-Investment Manager performance figures above do not consider allocation weights.

The MGI Balanced Managed Fund underperformed the benchmark by 0.8% 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.

## Share Class Investment Performance to 30 June 2020 (EUR) (continued)

## Mercer Medium Term Inflation Linked Bond Fund

Sub-Investment Manager	Performance over the Financial Year	
	Sub-Fund (%)	Benchmark (%)
Irish Life Investment Managers Limited	0.4	0.3
<b>Mercer Medium Term Inflation Linked Bond Fund</b>	<b>0.4</b>	<b>0.3</b>

Performance shown is in EUR terms.

The benchmark for the Mercer Medium Term Inflation Linked Bond Fund is a composite with overall duration of 13-18 years.

The Mercer Medium Term Inflation Linked Bond Fund performed in line with its composite benchmark over the last year.

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

## Mercer Enhanced Yield Fund

Portfolio	Performance over the Financial Year	
	Sub-Fund (%)	Benchmark (%)
MGI Emerging Markets Debt Fund	-2.3	-1.5
Mercer Global High Yield Bond Fund (Hedged)	-1.2	-1.8
Mercer Absolute Return Fixed Income Fund (Hedged)	1.1	1.0
<b>Mercer Enhanced Yield Fund</b>	<b>0.0</b>	<b>-0.5</b>

Performance shown is in EUR terms.

The benchmark for the Mercer Enhanced Yield Fund is a composite of 26.33% FTSE EUR 1 Month Euro Deposit Index, 33.33% J.P.Morgan GBI-EM Global Diversified Index and 40.33% BofAML Global High Yield Constrained (Hedged EUR) Index. Sub-Investment Manager performance figures above do not consider allocation weights.

The Mercer Enhanced Yield Fund outperformed the composite benchmark by 0.5% 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

Sub-Investment Manager	Performance over the Financial Year	
	Sub-Fund (%)	Benchmark (%)
Irish Life Investment Managers Limited	1.4	1.3
<b>Mercer Euro Inflation Linked Bond Fund</b>	<b>1.4</b>	<b>1.3</b>

Performance shown is in EUR terms.

The benchmark for the Mercer Euro Inflation Linked Bond Fund is the Merrill Lynch EMU Direct Government HICP Linked Over 5Yr GDP Weighted Index.

The Mercer Euro Inflation Linked Bond Fund performed in line with its benchmark over the last year.

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

**Share Class Investment Performance to 30 June 2020 (GBP)**

**Mercer UK Credit Fund**

Portfolio	Performance over the Financial Year	
	Sub-Fund (%)	Benchmark (%)
Insight Investment Management (Global) Limited	8.6	7.0
M&G Investment Management Limited	8.3	7.0
<b>Mercer UK Credit Fund</b>	<b>8.4</b>	<b>7.0</b>

Performance shown is in GBP terms.

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

Sub-Investment Manager performance figures above do not consider allocation weights.

The Mercer UK Credit Fund outperformed the benchmark by 1.4% over the last year.

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

**Mercer Sterling Inflation Linked LDI Bond Fund**

Sub-Investment Manager	Performance over the Financial Year	
	Sub-Fund (%)	Benchmark (%)
BlackRock Investment Management (UK) Limited <sup>(a)</sup>	10.2	9.9
<b>Mercer Sterling Inflation Linked LDI Bond Fund<sup>(b)</sup></b>	<b>22.4</b>	<b>22.3</b>

Performance shown is in GBP terms.

The benchmark for the Mercer Sterling Inflation Linked LDI Bond Fund is the Chain link\* between BlackRock Investment Management (UK) Limited Custom Index and Legal & General Investment Management Limited Custom Index.

<sup>(a)</sup> Performance shown since inception. Inception date taken as 30 April 2020 for performance measurement purposes.

<sup>(b)</sup> Includes performance to termination for Legal & General Investment Management Limited up to 29 April 2020.

\*Chain link refers to a situation where one benchmark index was used from inception and was replaced with another benchmark index on a later date, however, benchmark figures are not revised to inception, they are chain linked.

The Mercer Sterling Inflation Linked LDI Bond Fund performed in line with its composite benchmark over the last year.

Over the one year period, the Sub-Fund disinvested from Legal & General Investment Management Limited. BlackRock Investment Management (UK) Limited was appointed as Sub-Investment Manager on the 8 April 2020.

**Share Class Investment Performance to 30 June 2020 (GBP) (continued)**

**Mercer Sterling Nominal LDI Bond Fund**

Sub-Investment Manager	Performance over the Financial Year	
	Sub-Fund (%)	Benchmark (%)
BlackRock Investment Management (UK) Limited <sup>(a)</sup>	-3.7	-3.7
<b>Mercer Sterling Nominal LDI Bond Fund<sup>(b)</sup></b>	<b>28.1</b>	<b>28.2</b>

Performance shown is in GBP terms.

The benchmark for the Mercer Sterling Nominal LDI Bond Fund is the Chain link between BlackRock Investment Management (UK) Limited Custom Index and Legal & General Investment Management Limited Custom Index.

<sup>(a)</sup> Performance shown since inception. Inception date taken as 30 April 2020 for performance measurement purposes.

<sup>(b)</sup> Includes performance to termination for Legal & General Investment Management Limited up to 29 April 2020.

The Mercer Sterling Nominal LDI Bond Fund performed in line with its composite benchmark over the last year.

Over the one year period, the Sub-Fund disinvested from Legal & General Investment Management Limited. BlackRock Investment Management (UK) Limited was appointed as Sub-Investment Manager on the 8 April 2020.

**Market Outlook**

It remains difficult to predict the magnitude of the intermediate-term impact the COVID-19 pandemic will have on global growth, but we may have seen the low point in economic activity during Q2 2020. The path forward will depend largely on whether the virus is contained or merely controlled, whether fiscal support will be sufficient, any potential rebound in business investment, and whether behavioural changes will drive structural changes to economies.

In the US, the Federal Reserve indicated that short-term rates will likely remain near zero through 2022. The US Federal Reserve also pledged to continue its bond buying programs for the foreseeable future. While some aspects of the CARES Act are set to expire in July, it seems likely that Congress will be able to reach agreement on extending certain provisions given upcoming elections in November. The EU announced the creation of a recovery fund, which could be an important step toward a fiscal union that should reduce the odds of future sovereign debt crises in Europe. The Bank of England increased the size of its quantitative easing program and the UK announced an additional fiscal stimulus package in early July 2020. Japan announced further spending initiatives on top of an already large fiscal platform. Fiscal and monetary measures have been necessary for cushioning the impact for households and avoiding financial contagion.

We believe that the global economy is likely to get back to pre-COVID-19 levels in late 2021 although significant risks remain.

**Mercer Global Investments Europe Limited**

Charlotte House  
Charlemont Street  
Dublin 2  
Ireland

September 2020

The Directors have pleasure in submitting their report to the Shareholders together with the audited financial statements for the financial year ended 30 June 2020.

### 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 2020, the Company consisted of seventeen Sub-Funds, eight of which are in operation at 30 June 2020 (30 June 2019: eight).

The Company is an umbrella fund with segregated liability between Sub-Funds.

### 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 European Union ("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 depositary 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 ("CIS") and Management Companies issued by the Irish Funds ("IF"), the text of which is available from the IF website, [www.irishfunds.ie](http://www.irishfunds.ie).

The Company has been in compliance with the Corporate Governance Code during the financial year ended 30 June 2020.

**Directors**

The Directors, who held office on 30 June 2020, as stated below, are not required to retire by rotation under the Memorandum and Articles of Association.

The Directors are:

<b>Name</b>	<b>Director Status</b>	<b>Nationality</b>	<b>Date of Appointment</b>
Tom Finlay	Non-Executive	Irish	13 July 2006
Gráinne Alexander	Non-Executive	Irish	1 January 2019
Hooman Kaveh	Non-Executive	Irish	1 May 2019
Helen O'Beirne	Non-Executive	Irish	13 January 2020
Liam Miley	Non-Executive	Irish	13 May 2020
Carmel Jordan	Non-Executive	Irish	31 May 2020

Tom Finlay, Gráinne Alexander and Hooman Kaveh served for the entire financial year. Helen O'Beirne was appointed to the Board of Directors (the "Board") on 13 January 2020. Liam Miley was appointed to the Board on 13 May 2020. Michael Dempsey resigned from the Board on 31 May 2020. Carmel Jordan was appointed to the Board on 31 May 2020. Directors' fees (including expenses) for the financial year are stated in Note 4 to the financial statements.

*Transactions involving 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 2020 (30 June 2019: Nil), other than those disclosed in Note 4 to the financial statements.

**Directors' & Secretary's Interests**

None of the Directors nor the Secretary, who held office at 30 June 2020, or their families, held any interest in the shares of the Company at any time during the financial year ended 30 June 2020 (30 June 2019: 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.

**Transactions with connected parties**

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

The Board 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 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 Board does 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 which are outlined in Note 7 to the financial statements.

**Principal Risks and Uncertainties (continued)****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). After 3 years of negotiations a withdrawal agreement has now been ratified by both the European and the UK Parliament and the UK formally left the EU (Brexit) on the 31 January 2020. What exists now is a transition period during which EU law continues to apply to the UK as if it were a member state (temporary permissions regime) and the aim is for the EU and the UK to negotiate a trade deal during this period. The transition period is scheduled to end on the 31 December 2020 at which point the UK will either start a new relationship with the EU or exit without a trade deal. Until a formal trade deal is agreed, there remains uncertainty as to the UK's future economic and political relationship with the EU (and with other non-EU countries by agreement). This uncertainty is likely to generate further global currency and asset price volatility. This could result in negatively impacting the returns of the Sub-Funds of the Company and their investments. Ongoing uncertainty could adversely impact the general economic outlook and as such, could impact negatively on the ability of the Sub-Funds and their investments to execute their strategies effectively. In addition increased costs to the Company may be incurred. 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.

**Coronavirus (“COVID-19”)**

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. On 11 March 2020 the World Health Organisation (“WHO”) officially declared the COVID-19 outbreak a pandemic. As of end-September 2020, approximately 31.5 million cases of COVID-19 have been reported, including over 1 million deaths. The virus has spread across the globe, with major outbreaks across almost every continent, resulting in a significant worldwide slowdown in economic activity. Widespread restrictions are in place in many countries, limiting the ability of people to travel, socialise and leave their homes. Global financial markets initially reacted sharply to this news, with concerns regarding the economic impact this may have on a global scale. While some sectors have since recovered, the number of people infected by the virus continues to grow meaning the full impact on the global economy and markets is not yet known. This long term impact will largely depend upon the scale and the duration of the outbreak.

The AIFM and Investment Manager both enacted their business continuity plans in March 2020 and at present continue to, where possible, work from home. They have had a Core Crisis Management Team in place from the initial stages of the outbreak that have successfully implemented activities to mitigate the impact of COVID-19 across their operations. In keeping with their Risk Management Framework, the AIFM and Investment Manager have rigorous policies and procedures in place to continuously monitor operations performance covering both internal operations and that of their delegates. The AIFM, Investment Manager and other delegates have remained operationally effective during the crisis.

While the long-term impact of COVID-19 on the Company will take longer to assess and quantify, the Investment Manager, AIFM and other delegates continue to monitor this situation closely.

**Share Capital**

The net assets under management are disclosed in the Statement of Financial Position.

Full details of the Company's share capital, including changes during the financial year under review and significant Shareholders are disclosed in Note 11 to the financial statements.

**Dividends**

Details of dividends declared and paid during the financial year ended 30 June 2020 and 30 June 2019 are disclosed in Note 12 to the financial statements.

**Significant events during the financial year***Prospectus and Supplement updates*

The following Documents were issued and updated during the financial year ended 30 June 2020:

Sub-Fund	Issue date	Update
Prospectus	31 January 2020	Updates regarding the composition of the Company Board of Directors, Brexit related updates for relevant Sub-Funds and other general updates*
	22 April 2020	Updates regarding fees and expenses (Directors' fees and voluntary cap)
	25 June 2020	Updates regarding information relating to the Company Board of Directors the description of the Manager, the Investment Manager and the Depositary
Mercer Euro Inflation Linked Bond Fund Supplement	22 April 2020	Fee disclosure update and removal of voluntary cap on annual expenses
Mercer Medium Term Inflation Linked Bond Fund Supplement	22 April 2020	Fee disclosure update and removal of voluntary cap on annual expenses
Mercer UK Credit Fund Supplement	22 April 2020	Fee disclosure update and removal of voluntary cap on annual expenses
Mercer Enhanced Yield Fund Supplement	22 April 2020	Update to include standard hedging wording and new hedged class, fee disclosure update and removal of voluntary cap on annual expenses
Mercer Sterling Inflation Linked LDI Bond Fund Supplement	7 April 2020	General updates*
	22 April 2020	Fee disclosure update
	5 May 2020	General updates*
Mercer Sterling Nominal LDI Bond Fund Supplement	7 April 2020	General updates*
	22 April 2020	Fee disclosure update and removal of voluntary cap on annual expenses
	5 May 2020	General updates*
MGI Balanced Managed Fund Supplement	22 April 2020	Update to include standard hedging wording and new hedged class, fee and voluntary cap disclosure update
MGI Diversified Equity Fund Supplement	22 April 2020	Update to include standard hedging wording and new hedged class, fee and voluntary cap disclosure update
MGI Europe (ex UK) Equity Fund Supplement	22 April 2020	Updates to reflect the Sub-Fund being closed to new subscription
MGI Global (ex UK) Equity Fund Supplement	22 April 2020	Updates to reflect the Sub-Fund being closed to new subscription
MGI UK Defensive Fund Supplement	22 April 2020	Updates to reflect the Sub-Fund being closed to new subscription
MGI UK Growth Fund Supplement	22 April 2020	Updates to reflect the Sub-Fund being closed to new subscription
MGI UK High Growth Fund Supplement	22 April 2020	Updates to reflect the Sub-Fund being closed to new subscription
MGI UK Moderate Growth Fund Supplement	22 April 2020	Updates to reflect the Sub-Fund being closed to new subscription
MGI US Equity Fund Supplement	22 April 2020	Updates to reflect the Sub-Fund being closed to new subscription
Mercer Passive Global Equity Fund Supplement	22 April 2020	Updates to reflect the Sub-Fund being closed to new subscription
Mercer Passive UK Equity Fund Supplement	22 April 2020	Updates to reflect the Sub-Fund being closed to new subscription

\*General updates include Sub-Investment Manager changes, initial noting of new Sub-Fund supplements and share class changes etc.

*COVID-19*

COVID-19 disclosure is included in Principal Risks and Uncertainties section of the Report of the Directors.

*Changes in Directorship*

Changes in Directorship during the financial year are included under the Directors section.

*Share class terminations*

The following share class terminated during the financial year ended 30 June 2020:

Sub-Fund	Class	Termination date
Mercer Enhanced Yield Fund	Class M-2 €	24 January 2020

There have been no other significant events affecting the Company during the financial year that require disclosure in the financial statements.

**Subsequent Events***Supplement updates*

The following Document was issued and updated since the financial year end date:

Sub-Fund	Issue date	Update
Mercer Enhanced Yield Fund	4 August 2020	Updates to the Fees and Expenses section of the Supplement and other general updates*.

\*General updates include Sub-Investment Manager changes, initial noting of new Sub-Fund Supplements and share class changes etc.

See Note 16 to the financial statements for other events since the financial year end.

**Adequate Accounting Records**

The Board ensures 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 (the "Administrator"), at 78 Sir John Rogerson's Quay, Dublin 2, Ireland.

**Relevant audit information**

The Board believes 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, (the "Auditor") 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

**Liam Miley**  
Director

15 October 2020

We, State Street Custodial Services (Ireland) Limited (the “Depositary”), have enquired into the conduct of Mercer Global Investments Management Limited as the authorised Alternative Investment Fund Manager (“AIFM”) in respect of Mercer PIF Fund plc (the “Company” or the “AIF”) the authorised Alternative Investment Fund, for the financial year ended 30 June 2020 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**

78 Sir John Rogerson’s Quay  
Dublin 2  
Ireland

15 October 2020

	Shares	Fair value €	% of Net assets
<b>Financial assets at fair value through profit or loss (2019: € 38,224,069; 99.30%)</b>			
<b>Collective investment schemes (2019: € 38,224,069; 99.30%)</b>			
<b>Ireland (2019: € 38,224,069; 99.30%)</b>			
MGI Funds plc - Mercer Global Small Cap Equity Fund	24,051	5,620,863	15.88
MGI Funds plc - Mercer Low Volatility Equity Fund	32,830	6,819,211	19.27
MGI Funds plc - Mercer Passive Global Equity Fund - Class Z-1€ Hedged	975,451	14,465,935	40.86
MGI Funds plc - Mercer Passive Global Equity Fund - Class Z-1€	95,666	1,750,692	4.95
MGI Funds plc - MGI Emerging Markets Equity Fund	56,937	7,116,042	20.11
<b>Total collective investment schemes</b>		<b>35,772,743</b>	<b>101.07</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>35,772,743</b>	<b>101.07</b>
Cash (2019: 0.75%)		122,502	0.35
Net current liabilities (2019: (0.05%))		(503,967)	(1.42)
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>35,391,278</b>	<b>100.00</b>

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

	Shares	Fair value €	% of Net assets
<b>Financial assets at fair value through profit and loss (2019: €93,466,834; 96.91%)</b>			
<b>Collective investment schemes (2019: €93,466,834; 96.91%)</b>			
<b>Ireland (2019: €93,466,834; 96.91%)</b>			
MGI Funds plc - Mercer Diversified Growth Fund	198,108	38,874,734	42.20
MGI Funds plc - Mercer Euro Nominal Bond Long Duration Fund	110,038	16,337,328	17.74
MGI Funds plc - Mercer Passive Global Equity Fund	1,303,488	23,853,837	25.90
Other Ireland	-	12,261,657	13.32
<b>Total collective investment schemes</b>		<b>91,327,556</b>	<b>99.16</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>91,327,556</b>	<b>99.16</b>
Cash (2019: 3.14%)		717,954	0.78
Net current assets/liabilities (2019: (0.05)%)		58,714	0.06
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>92,104,224</b>	<b>100.00</b>

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 2020**

	Nominal Holdings 30 June 2020	Fair value 30 June 2020 €	% of Net assets 30 June 2020	Nominal Holdings 30 June 2019	Fair value 30 June 2019 €	% of Net assets 30 June 2019
<b>Financial assets at fair value through profit or loss (2019: 99.23%)</b>						
<b>Securities (2019: 99.23%)</b>						
<b>Government bonds (2019: 99.23%)</b>						
<b>France</b>						
France (Government of) 3.15% due 25/07/2032	165,041,672	249,911,877	19.55	69,895,500	108,054,599	10.10
France (Government of) 1.80% due 25/07/2040	247,727,884	381,796,975	29.87	280,991,544	426,674,419	39.87
		631,708,852	49.42		534,729,018	49.97
<b>Germany</b>						
Bundesrepublik Deutschland Inflation Linked Bond 1.75% due 15/04/2020	-	-	-	99,680,672	100,693,427	9.41
Bundesrepublik Deutschland Inflation Linked Bond 0.10% due 15/04/2023	101,246,828	103,204,436	8.07	96,360,923	101,575,495	9.49
Bundesrepublik Deutschland Inflation Linked Bond 0.50% due 15/04/2030	272,350,798	319,389,866	24.99	224,702,976	268,504,327	25.09
Bundesrepublik Deutschland Inflation Linked Bond 0.10% due 15/04/2046	155,427,681	212,793,707	16.65	43,203,828	56,346,433	5.27
		635,388,009	49.71		527,119,682	49.26
<b>Total government bonds</b>		<b>1,267,096,861</b>	<b>99.13</b>		<b>1,061,848,700</b>	<b>99.23</b>
<b>Total securities</b>		<b>1,267,096,861</b>	<b>99.13</b>		<b>1,061,848,700</b>	<b>99.23</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>1,267,096,861</b>	<b>99.13</b>		<b>1,061,848,700</b>	<b>99.23</b>
Cash (2019: 0.16%)		2,627,164	0.21			
Net current assets (2019: 0.61%)		8,428,858	0.66			
		1,278,152,883	100.00			
<b>Total net assets attributable to holders of redeemable participating shares</b>		<b>1,278,152,883</b>	<b>100.00</b>			

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

	Coupon rate	Maturity date	Currency	Notional holding	Fair value 30 June 2020 GB£	% of Net assets	
<b>Deposits (2019: nil)</b>							
Royal Bank of Canada	0.05	01/07/2020	GBP	10,000,055	10,000,055	1.92	
<b>Total deposits</b>					<b>10,000,055</b>	<b>1.92</b>	
				Fair value 30 June 2020 GB£	% of Net assets 30 June 2019	Fair value 30 June 2019 GB£	% of Net assets 30 June 2019
<b>Financial assets at fair value through profit or loss (2019: 96.72%)</b>							
<b>Securities (2019: 93.62%)</b>							
<b>Asset backed securities (2019: 0.97%)</b>							
Ireland				-	-	6,903,332	0.79
United Kingdom				943,884	0.18	1,586,130	0.18
<b>Total asset backed securities</b>				<b>943,884</b>	<b>0.18</b>	<b>8,489,462</b>	<b>0.97</b>
<b>Corporate bonds (2019: 87.58%)</b>							
Australia				9,397,336	1.80	11,719,437	1.34
Austria				-	-	468,571	0.05
Belgium				3,679,854	0.71	8,406,066	0.96
Bermuda				268,777	0.05	1,015,806	0.12
Canada				3,197,401	0.61	623,461	0.07
Cayman Islands				4,161,684	0.80	5,010,276	0.57
Denmark				1,915,674	0.37	1,294,825	0.15
France				32,230,787	6.19	42,622,999	4.85
Germany				4,596,793	0.88	4,695,461	0.54
Guernsey				1,147,519	0.22	2,124,476	0.24
Ireland				6,833,573	1.31	15,771,540	1.80
Italy				5,887,878	1.13	7,276,013	0.83
Japan				877,423	0.17	2,545,382	0.29
Jersey				15,966,239	3.07	42,073,884	4.80
Luxembourg				6,914,628	1.33	6,716,843	0.77
Mexico				3,280,687	0.63	2,795,334	0.32
Netherlands				25,617,880	4.92	40,759,849	4.65
Norway				1,006,905	0.19	396,195	0.05
Spain				6,396,104	1.23	3,245,882	0.37
Sweden				2,410,585	0.46	3,729,199	0.43
Switzerland				896,374	0.17	701,704	0.08
United Arab Emirates				1,653,229	0.32	-	-
United Kingdom				237,365,901	45.58	445,386,270	50.79
United States of America				77,519,849	14.89	118,538,404	13.51
<b>Total corporate bonds</b>				<b>453,223,080</b>	<b>87.03</b>	<b>767,917,877</b>	<b>87.58</b>
<b>Government bonds (2019: 4.85%)</b>							
France				405,324	0.08	660,881	0.08
Mexico				1,287,597	0.25	2,328,600	0.27
United Kingdom				23,368,462	4.48	36,211,261	4.12
United States of America				-	-	3,314,407	0.38
<b>Total government bonds</b>				<b>25,061,383</b>	<b>4.81</b>	<b>42,515,149</b>	<b>4.85</b>
<b>Mortgage backed securities (2019: 0.22%)</b>							
Ireland				-	-	598,049	0.07
United Kingdom				1,546	-	1,327,739	0.15
<b>Total mortgage backed securities</b>				<b>1,546</b>	<b>-</b>	<b>1,925,788</b>	<b>0.22</b>
<b>Total securities</b>				<b>479,229,893</b>	<b>92.02</b>	<b>820,848,276</b>	<b>93.62</b>

	Fair value 30 June 2020 GB£	% of Net assets
<b>Collective investment schemes (2019: GB£ 26,642,089: 3.04%)</b>		
Ireland	26,549,371	5.10
<b>Total collective investment schemes</b>	<b>26,549,371</b>	<b>5.10</b>

**Financial derivative instruments (2019: 0.06%)**  
**Open forward foreign currency contracts (2019: 0.01%)**

Currency buy		Buy amount	Currency sell	Sell amount	Contract date	Unrealised gain GB£	% of Net assets
EUR	5*	1,134,000	GBP	1,023,578	01/07/2020	7,218	-
EUR	6*	2,128,000	GBP	1,908,941	01/07/2020	25,392	0.01
EUR	5*	1,326,000	GBP	1,189,603	20/07/2020	16,045	-
EUR	6*	610,000	GBP	546,442	20/07/2020	8,193	-
EUR	12*	1,079,000	GBP	960,914	20/07/2020	20,152	-
EUR	13*	2,255,000	GBP	2,023,623	20/07/2020	26,705	0.01
EUR	2*	541,805	GBP	486,544	05/08/2020	6,208	-
EUR	4*	698,904	GBP	626,263	05/08/2020	9,364	-
EUR	6*	1,970,327	GBP	1,755,243	05/08/2020	36,695	0.01
EUR	4*	520,000	GBP	465,574	06/08/2020	7,354	-
EUR	8*	484,000	GBP	435,300	06/08/2020	4,887	-
GBP	3*	3,382,550	EUR	3,689,000	14/09/2020	25,236	0.01
GBP	7*	1,196,930	USD	1,479,000	15/07/2020	39	-
GBP	4*	1,374,205	USD	1,694,000	30/07/2020	3,463	-
GBP	2*	1,729,600	USD	2,109,418	06/08/2020	22,783	0.01
GBP	6*	890,373	USD	1,100,000	06/08/2020	318	-
GBP	5*	2,504,039	USD	3,075,000	17/08/2020	16,064	-
USD	1*	1,118,000	GBP	883,769	15/07/2020	20,981	0.01
USD	3*	2,469,000	GBP	1,982,742	15/07/2020	15,314	-
USD	4*	4,089,358	GBP	3,239,903	06/08/2020	68,964	0.01
USD	6*	5,123,594	GBP	4,073,028	06/08/2020	72,681	0.01
USD	3*	721,000	GBP	575,801	17/08/2020	7,559	-
USD	7*	503,000	GBP	401,005	17/08/2020	5,972	-
USD	3*	824,000	GBP	662,620	28/08/2020	4,041	-
USD	4*	493,000	GBP	397,741	28/08/2020	1,122	-
<b>Unrealised gain on open forward foreign currency contracts</b>						<b>432,750</b>	<b>0.08</b>

**Interest rate swaps (2019: 0.03%)**

Fund Receives		Fund pays	Maturity date	Currency	Notional holding	Fair value GB£	% of Net assets
Fixed 0.87%	4*	6 Month Libor	22/12/2020	GBP	19,200,000	54,233	0.01
<b>Interest rate swaps at positive fair value</b>						<b>54,233</b>	<b>0.01</b>
<b>Total financial assets at fair value through profit or loss</b>						<b>506,266,247</b>	<b>97.21</b>

		Notional GB£	Maturity date	Currency	No. of contracts long	Unrealised gain GB£	% of Net assets
<b>Financial derivative instruments (2019: 0.06%) (continued)</b>							
<b>Futures contracts (2019: 0.02%)</b>							
Euro-Schatz Futures	9*	1,529,014	09/08/2020	EUR	15	579	-
UK Long Gilt Futures	9*	9,221,880	28/09/2020	GBP	67	76,630	0.02
10 Year US Treasury Notes Futures	9*	1,802,160	21/09/2020	USD	16	5,971	-
<b>Unrealised gain on futures contracts</b>						<b>83,180</b>	<b>0.02</b>
<b>Variation margin received on futures contracts</b>						<b>(83,180)</b>	<b>(0.02)</b>
<b>Total financial derivative instruments at positive fair value</b>						<b>486,983</b>	<b>0.09</b>

**Financial liabilities held for trading (2019: (0.36)%)**  
**Financial derivative instruments (2019: (0.36)%)**  
**Open forward foreign currency contracts (2019: (0.10)%)**

Currency buy		Buy amount	Currency sell	Sell amount	Contract date	Unrealised loss GB£	% of Net assets
GBP	6*	6,593,066	EUR	7,559,000	01/07/2020	(277,998)	(0.05)
GBP	3*	4,145,389	EUR	4,712,000	20/07/2020	(138,934)	(0.03)
GBP	6*	971,608	EUR	1,100,000	20/07/2020	(28,552)	(0.01)
GBP	8*	1,956,768	EUR	2,212,000	20/07/2020	(54,463)	(0.01)
GBP	1*	906,082	EUR	1,036,519	05/08/2020	(36,593)	(0.01)
GBP	2*	238,289	EUR	271,892	05/08/2020	(8,987)	-
GBP	6*	6,676,106	EUR	7,581,344	05/08/2020	(218,839)	(0.04)
GBP	7*	3,645,525	EUR	4,133,258	05/08/2020	(113,517)	(0.02)
GBP	3*	1,120,118	EUR	1,252,000	06/08/2020	(18,548)	-
GBP	6*	4,805,195	EUR	5,378,000	06/08/2020	(85,976)	(0.02)
GBP	1*	265,252	EUR	293,000	19/08/2020	(1,284)	-
GBP	10*	324,688	EUR	363,000	19/08/2020	(5,525)	-
GBP	1*	1,054,560	USD	1,308,000	15/07/2020	(3,949)	-
GBP	3*	1,644,728	USD	2,033,000	15/07/2020	(492)	-
GBP	2*	380,874	USD	470,989	06/08/2020	(223)	-
GBP	4*	12,950,591	USD	16,137,638	06/08/2020	(107,033)	(0.02)
GBP	12*	136,252	USD	169,000	17/08/2020	(485)	-
GBP	1*	1,919,254	USD	2,453,000	28/08/2020	(65,357)	(0.01)
USD	4*	827,140	GBP	671,967	06/08/2020	(2,694)	-
USD	6*	879,528	GBP	715,066	06/08/2020	(3,405)	-
<b>Unrealised loss on open forward foreign currency contracts</b>						<b>(1,172,854)</b>	<b>(0.22)</b>

**Interest rate swaps (2019: (0.18)%)**

Fund Receives		Fund pays	Maturity date	Currency	Notional holding	Fair value GB£	% of Net assets
12 Month SONIO	2*	Fixed 0.79%	11/06/2047	GBP	1,783,000	(310,585)	(0.06)
<b>Interest rate swaps at negative fair value</b>						<b>(310,585)</b>	<b>(0.06)</b>
<b>Total financial liabilities held for trading</b>						<b>(1,483,439)</b>	<b>(0.28)</b>

		Notional GB£	Maturity date	Currency	No. of contracts (short)	Unrealised loss GB£	% of Net assets
<b>Financial derivative instruments (2019: (0.36)%) (continued)</b>							
<b>Futures contracts (2019: (0.08)%)</b>							
Euro Bobl Futures	9*	(245,391)	08/09/2020	EUR	(2)	(909)	-
Euro Bobl Futures	11*	(3,803,564)	08/09/2020	EUR	(31)	(22,825)	-
Euro Bund Futures	9*	(4,813,654)	08/09/2020	EUR	(30)	(46,627)	(0.01)
Euro Bund Futures	11*	(2,727,737)	08/09/2020	EUR	(17)	(39,096)	(0.01)
Euro Buxl 30 Year Bond Futures	9*	(4,398,717)	08/09/2020	EUR	(22)	(76,501)	(0.02)
Euro Buxl 30 Year Bond Futures	11*	(799,767)	08/09/2020	EUR	(4)	(24,368)	-
United States Ultra Bond Futures	9*	(882,794)	21/09/2020	USD	(5)	(1,737)	-
United States Ultra Bond Futures	11*	(2,295,265)	21/09/2020	USD	(13)	(5,311)	-
US Long Bond Futures	9*	(1,878,692)	21/09/2020	USD	(13)	(11,016)	-
US Long Bond Futures	11*	(2,167,721)	21/09/2020	USD	(15)	(9,958)	-
10 Year US Ultra Futures	9*	(2,676,570)	21/09/2020	USD	(21)	(34,465)	(0.01)
10 Year US Ultra Futures	11*	(382,367)	21/09/2020	USD	(3)	(2,124)	-
5 Year US Treasury Notes Futures	9*	(4,070,642)	30/09/2020	USD	(40)	(8,851)	-
<b>Unrealised loss on futures contracts</b>						<b>(283,788)</b>	<b>(0.05)</b>
<b>Variation margin paid on futures contracts</b>						<b>283,788</b>	<b>0.05</b>
<b>Total financial derivative instruments at negative fair value</b>						<b>(1,483,439)</b>	<b>(0.28)</b>
<b>Total financial derivative instruments</b>						<b>(996,456)</b>	<b>(0.19)</b>
						<b>Fair value GB£</b>	<b>% of Net assets</b>
<b>Total investments at fair value through profit or loss/held for trading</b>						<b>504,782,808</b>	<b>96.93</b>
Cash (2019: 2.97%)						16,951,230	3.25
Net current (liabilities)/assets (2019: 0.67%)						(10,960,924)	(2.10)
<b>Net assets attributable to holders of redeemable participating shares</b>						<b>520,773,169</b>	<b>100.00</b>

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

Reference	Counterparty
1*	Bank of America Merrill Lynch
2*	Barclays Bank
3*	BNP Paribas
4*	Citigroup*
5*	Goldman Sachs
6*	HSBC Bank
7*	JP Morgan Chase Bank
8*	Lloyds Bank
9*	Morgan Stanley
10*	Royal Bank of Canada
11*	Royal Bank of Scotland
12*	Toronto Dominion Bank
13*	UBS Bank

\*Citigroup also incorporates positions held with Citibank.

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

**Mercer PIF Fund plc**  
**Mercer Sterling Inflation Linked LDI Bond Fund**

**Portfolio Statement**  
**as at 30 June 2020**

	Nominal Holdings 30 June 2020	Fair value 30 June 2020 GB£	% of Net assets 30 June 2020	Nominal Holdings 30 June 2019	Fair value 30 June 2019 GB£	% of Net assets 30 June 2019
<b>Financial assets at fair value through profit or loss (2019: 99.87%)</b>						
<b>Securities (2019: 99.87%)</b>						
<b>Government bonds (2019: 99.87%)</b>						
<b>United Kingdom (2019: 99.87%)</b>						
United Kingdom Gilt Inflation Linked 0.38% due 22/03/2062	22,520,366	62,584,098	32.39	32,071,452	75,306,977	32.99
United Kingdom Gilt Inflation Linked 0.13% due 22/11/2065	22,757,706	64,727,468	33.50	32,369,103	76,229,239	33.40
United Kingdom Gilt Inflation Linked 0.13% due 22/03/2068	21,669,931	65,668,558	33.99	30,770,469	76,427,691	33.48
<b>Total government bonds</b>		<b>192,980,124</b>	<b>99.88</b>		<b>227,963,907</b>	<b>99.87</b>
<b>Total securities</b>		<b>192,980,124</b>	<b>99.88</b>			
<b>Total financial assets at fair value through profit or loss</b>		<b>192,980,124</b>	<b>99.88</b>			
Cash (2019: 0.16%)		628,046	0.33			
Net current liabilities (2019: (0.03)%)		(401,462)	(0.21)			
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>193,206,708</b>	<b>100.00</b>			

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

**Mercer PIF Fund plc**  
**Mercer Sterling Nominal LDI Bond Fund**

**Portfolio Statement**  
**as at 30 June 2020**

	Nominal Holdings 30 June 2020	Fair value 30 June 2020 GB£	% of Net assets 30 June 2020	Nominal Holdings 30 June 2019	Fair value 30 June 2019 GB£	% of Net assets 30 June 2019
<b>Financial assets at fair value through profit or loss (2019: 98.89%)</b>						
<b>Securities (2019: 98.89%)</b>						
<b>Government bonds (2019: 98.89%)</b>						
<b>United Kingdom (2019: 98.89%)</b>						
United Kingdom (Government of) 4.00% due 22/01/2060	85,923,331	190,784,164	53.82	141,578,540	255,506,791	49.20
United Kingdom (Government of) 3.50% due 22/07/2068	85,238,089	191,845,367	54.12	147,473,438	258,004,780	49.69
<b>Total government bonds</b>		<b>382,629,531</b>	<b>107.94</b>		<b>513,511,571</b>	<b>98.89</b>
<b>Total securities</b>		<b>382,629,531</b>	<b>107.94</b>			
<b>Total financial assets at fair value through profit or loss</b>		<b>382,629,531</b>	<b>107.94</b>			
Cash (2019: 0.24%)		578,518	0.16			
Net current (liabilities)/assets (2019: 0.87%)		(28,737,272)	(8.10)			
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>354,470,777</b>	<b>100.00</b>			

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

	Shares	Fair value €	% of Net assets
<b>Financial assets at fair value through profit and loss (2019: €30,893,944; 99.73%)</b>			
<b>Collective investment schemes (2019: €30,893,944; 99.73%)</b>			
<b>Ireland (2019: €30,893,944; 99.73%)</b>			
MGI Funds plc - Mercer Absolute Return Fixed Income Fund	36,031	3,845,183	26.39
MGI Funds plc - Mercer Global High Yield Bond Fund	44,212	5,867,873	40.27
MGI Funds plc - MGI Emerging Markets Debt Fund	47,493	4,835,231	33.19
<b>Total collective investment schemes</b>		<b>14,548,287</b>	<b>99.85</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>14,548,287</b>	<b>99.85</b>
Cash (2019: 0.29%)		42,177	0.29
Net current assets/(liabilities) (2019: (0.02)%)		(20,299)	(0.14)
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>14,570,165</b>	<b>100.00</b>

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 2020**

	Nominal Holdings 30 June 2020	Fair value 30 June 2020 €	% of Net assets 30 June 2020	Nominal Holdings 30 June 2019	Fair value 30 June 2019 €	% of Net assets 30 June 2019
<b>Financial assets at fair value through profit or loss (2019: 99.41%)</b>						
<b>Securities (2019: 99.41%)</b>						
<b>Government bonds (2019: 99.41%)</b>						
<b>France</b>						
France (Government of) 1.85% due 25/07/2027	5,447,185	6,573,527	6.51	4,158,514	5,205,710	6.24
France (Government of) 1.80% due 25/07/2040	3,314,180	5,107,798	5.06	2,479,094	3,764,405	4.51
Other France	-	15,543,496	15.40	-	13,257,902	15.90
		<u>27,224,821</u>	<u>26.97</u>		<u>22,228,017</u>	<u>26.65</u>
<b>Germany</b>						
Bundesrepublik Inflation Linked Bond 0.10% due 15/04/2026	12,690,246	13,574,186	13.45	11,602,999	12,754,828	15.29
Bundesrepublik Inflation Linked Bond 0.50% due 15/04/2030	12,946,479	15,182,530	15.04	9,488,807	11,338,460	13.59
Bundesrepublik Inflation Linked Bond 0.10% due 15/04/2046	7,207,207	9,867,278	9.77	5,999,057	7,823,970	9.38
		<u>38,623,994</u>	<u>38.26</u>		<u>31,917,258</u>	<u>38.26</u>
<b>Italy</b>	18,382,042	20,557,869	20.36	16,182,833	17,320,165	20.77
<b>Spain</b>						
Spain Government Inflation Linked Bond 1.00% due 30/11/2030	5,109,409	5,848,050	5.79	2,725,519	3,188,543	3.82
Other Spain	-	8,144,463	8.07	-	8,265,481	9.91
		<u>13,992,513</u>	<u>13.86</u>		<u>11,454,024</u>	<u>13.73</u>
<b>Total government bonds</b>		<b>100,399,197</b>	<b>99.45</b>		<b>82,919,464</b>	<b>99.41</b>
<b>Total securities</b>		<b>100,399,197</b>	<b>99.45</b>			
<b>Total financial assets at fair value through profit or loss</b>		<b>100,399,197</b>	<b>99.45</b>			
Cash (2019: 0.20%)		161,177	0.16			
Net current assets (2019: 0.39%)		391,358	0.39			
		<u>100,951,732</u>	<u>100.00</u>			
<b>Total net assets attributable to holders of redeemable participating shares</b>		<b>100,951,732</b>	<b>100.00</b>			

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

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

We have audited the English language version of the financial statements of Mercer PIF Fund plc ('the Company') for the year ended 30 June 2020, 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 2020 and of its change 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 Management and Administration, 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 9, 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.

The Directors together with the Investment Manager are responsible for the maintenance and integrity of the corporate and financial information related to Mercer PIF Fund plc on the Investment Manager website. The Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

***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](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

**15 October 2020**

# Mercer PIF Fund plc

## Statement of Financial Position as at 30 June 2020

	Notes	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	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£	Mercer Enhanced Yield Fund €	Mercer Euro Inflation Linked Bond Fund €	Mercer PIF Fund plc €
<b>Assets</b>										
Cash and cash equivalents	2.7	122,502	717,954	2,627,164	17,102,053	628,046	578,518	42,177	161,177	23,812,467
Due from broker	2.7	-	-	-	2,457,716	-	-	-	-	2,703,758
Receivable for securities sold		-	-	-	59,632,055	-	-	71,997	-	65,673,818
Subscriptions receivable		-	81,719	5,799,370	-	960,701	10,353,503	-	-	18,327,958
Other assets		153	781	9,340,924	6,032,042	34,271	2,824,357	68	440,472	19,563,113
Deposits		-	-	-	10,000,055	-	-	-	-	11,001,161
Financial assets at fair value through profit or loss:	2.7	-	-	1,267,096,861	479,229,893	192,980,124	382,629,531	-	100,399,197	2,527,935,605
- Securities		-	-	-	26,549,371	-	-	14,548,287	-	170,855,815
- Collective investment schemes		35,772,743	91,327,556	-	486,983	-	-	-	-	535,735
- Financial derivative instruments		-	-	-	-	-	-	-	-	-
<b>Total assets</b>		<b>35,895,398</b>	<b>92,128,010</b>	<b>1,284,864,319</b>	<b>601,490,168</b>	<b>194,603,142</b>	<b>396,385,909</b>	<b>14,662,529</b>	<b>101,000,846</b>	<b>2,840,409,430</b>
<b>Liabilities</b>										
Financial liabilities held for trading:	2.7	-	-	-	(1,483,439)	-	-	-	-	(1,631,946)
- Financial derivative instruments		-	-	-	(200,608)	-	-	-	-	(220,691)
Due to broker		-	-	-	(150,823)	-	-	-	-	(165,922)
Bank overdraft	2	-	(23,786)	(428,856)	(806,142)	(95,656)	(157,607)	(8,613)	(49,114)	(1,690,284)
Expenses payable		(14,453)	-	(469,745)	(74,037,719)	(145,113)	(32,481,532)	-	-	(118,301,947)
Redemptions payable		(489,667)	-	(5,812,835)	(4,038,268)	(1,155,665)	(9,275,993)	-	-	(21,815,096)
Payable for securities purchased		-	-	-	-	-	-	(83,751)	-	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(504,120)</b>	<b>(23,786)</b>	<b>(6,711,436)</b>	<b>(80,716,999)</b>	<b>(1,396,434)</b>	<b>(41,915,132)</b>	<b>(92,364)</b>	<b>(49,114)</b>	<b>(143,825,886)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>35,391,278</b>	<b>92,104,224</b>	<b>1,278,152,883</b>	<b>520,773,169</b>	<b>193,206,708</b>	<b>354,470,777</b>	<b>14,570,165</b>	<b>100,951,732</b>	<b>2,696,583,544</b>

On behalf of the Board of Directors

Tom Finlay  
Director

Liam Miley  
Director

15 October 2020

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

	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 €
<b>Assets</b>								
Cash and cash equivalents	2,7	289,801	3,024,188	9,025	7,697	7,532	7,062	1,689,446
Due from broker	2,7	-	-	-	-	-	-	-
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:	2,7	-	-	-	-	-	-	1,061,848,700
- Securities		-	-	-	-	-	-	-
- Collective investment schemes		38,224,069	93,466,834	-	-	-	-	-
- Financial derivative instruments		-	-	-	-	-	-	-
<b>Total assets</b>		<b>38,513,870</b>	<b>96,492,587</b>	<b>9,408</b>	<b>7,882</b>	<b>7,862</b>	<b>9,964</b>	<b>1,125,261,999</b>
<b>Liabilities</b>								
Financial liabilities held for trading:	2,7	-	-	-	-	-	-	-
- Financial derivative instruments		-	-	-	-	-	-	-
Bank overdraft	2	(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		-	-	-	-	-	-	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(20,813)</b>	<b>(48,905)</b>	<b>(9,408)</b>	<b>(7,882)</b>	<b>(7,862)</b>	<b>(9,964)</b>	<b>(55,128,638)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>38,493,057</b>	<b>96,443,682</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,070,133,361</b>

\*These Sub-Funds terminated during the financial year ended 30 June 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 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 €
<b>Assets</b>							
Cash and cash equivalents	2,7	26,023,280	375,356	1,255,688	88,404	167,987	36,200,416
Due from broker	2,7	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:	2,7						
- 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
<b>Total assets</b>		<b>906,994,491</b>	<b>228,386,836</b>	<b>519,504,498</b>	<b>30,998,841</b>	<b>83,465,347</b>	<b>3,224,219,614</b>
<b>Liabilities</b>							
Financial liabilities held for trading:	2,7						
- Financial derivative instruments		(3,122,626)	-	-	-	-	(3,489,747)
Bank overdraft	2	-	-	-	-	-	(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)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(30,186,269)</b>	<b>(122,942)</b>	<b>(217,897)</b>	<b>(21,202)</b>	<b>(52,804)</b>	<b>(89,427,730)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>876,808,222</b>	<b>228,263,894</b>	<b>519,286,601</b>	<b>30,977,639</b>	<b>83,412,543</b>	<b>3,134,791,884</b>

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 2020

	Notes	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	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£	Mercer Enhanced Yield Fund €	Mercer Euro Inflation Linked Bond Fund €	Mercer PIF Fund plc €
<b>Income</b>										
Interest income calculated using effective interest method	2.8	-	-	971	31,413	107	502	85	-	37,540
Net (expense)/income from financial instruments at fair value through profit or loss	2.9	(103,965)	1,504,879	(216,010)	57,024,657	41,274,936	118,813,588	220,564	487,979	249,259,496
<b>Net investment (expense)/income</b>		<b>(103,965)</b>	<b>1,504,879</b>	<b>(215,039)</b>	<b>57,066,070</b>	<b>41,275,043</b>	<b>118,814,090</b>	<b>220,649</b>	<b>487,979</b>	<b>249,297,036</b>
Expenses	2.3	(144,635)	(226,696)	(3,751,225)	(4,969,509)	(1,000,324)	(1,761,855)	(102,839)	(456,347)	(13,490,775)
Interest expenses		-	-	-	(578)	-	-	-	-	(659)
<b>Net (expense)/income from operations before finance costs</b>		<b>(248,600)</b>	<b>1,278,183</b>	<b>(3,966,264)</b>	<b>52,085,983</b>	<b>40,274,719</b>	<b>117,052,235</b>	<b>117,810</b>	<b>31,632</b>	<b>235,805,602</b>
<b>Finance costs</b>										
Bank interest expense		(1,775)	(17,551)	(45,603)	(20,477)	(658)	(133)	(314)	(2,969)	(92,444)
Distributions	2, 12	-	-	-	(4,808,324)	(137,399)	(324,634)	-	-	(6,004,736)
<b>Total finance costs</b>		<b>(1,775)</b>	<b>(17,551)</b>	<b>(45,603)</b>	<b>(4,828,801)</b>	<b>(138,057)</b>	<b>(324,767)</b>	<b>(314)</b>	<b>(2,969)</b>	<b>(6,097,180)</b>
<b>(Decrease)/increase in net assets attributable to holders of redeemable participating shares before tax</b>		<b>(250,375)</b>	<b>1,260,632</b>	<b>(4,011,867)</b>	<b>47,257,182</b>	<b>40,136,662</b>	<b>116,727,468</b>	<b>117,496</b>	<b>28,663</b>	<b>229,708,422</b>
<b>Change in net assets attributable to holders of redeemable participating shares</b>		<b>(250,375)</b>	<b>1,260,632</b>	<b>(4,011,867)</b>	<b>47,257,182</b>	<b>40,136,662</b>	<b>116,727,468</b>	<b>117,496</b>	<b>28,663</b>	<b>229,708,422</b>

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 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 €
<b>Income</b>								
Interest income calculated using effective interest method	2,8	-	-	-	-	-	-	-
Rebate income	2	1,041	3,510	4,171	25,706	15,556	745	-
Net income from financial instruments at fair value through profit or loss	2,9	1,835,415	7,399,998	197,680	683,719	263,668	105,618	21,681,653
<b>Net investment income</b>		<b>1,836,456</b>	<b>7,403,508</b>	<b>201,851</b>	<b>709,425</b>	<b>279,224</b>	<b>106,363</b>	<b>21,681,653</b>
Expenses	2,3	(185,292)	(238,384)	(12,825)	(66,808)	(40,192)	(3,750)	(3,707,385)
<b>Net income from operations before finance costs</b>		<b>1,651,164</b>	<b>7,165,124</b>	<b>189,026</b>	<b>642,617</b>	<b>239,032</b>	<b>102,613</b>	<b>17,974,268</b>
<b>Finance costs</b>								
Bank interest expense	2,12	(1,714)	(11,798)	-	-	-	-	(18,975)
Distributions		-	-	-	-	-	-	-
<b>Total finance costs</b>		<b>(1,714)</b>	<b>(11,798)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,975)</b>
<b>Increase in net assets attributable to holders of redeemable participating shares before tax</b>		<b>1,649,450</b>	<b>7,153,326</b>	<b>189,026</b>	<b>642,617</b>	<b>239,032</b>	<b>102,613</b>	<b>17,955,293</b>
<b>Change in net assets attributable to holders of redeemable participating shares</b>	6	<b>1,649,450</b>	<b>7,153,326</b>	<b>189,026</b>	<b>642,617</b>	<b>239,032</b>	<b>102,613</b>	<b>17,955,293</b>

\*These Sub-Funds terminated during the financial year ended 30 June 2019.

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

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 2020

	Notes	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	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£	Mercer Enhanced Yield Fund €	Mercer Euro Inflation Linked Bond Fund €
<b>Net assets attributable to holders of redeemable participating shares at beginning of financial year</b>		<b>38,493,057</b>	<b>96,443,682</b>	<b>1,070,133,361</b>	<b>876,808,222</b>	<b>228,263,894</b>	<b>519,286,601</b>	<b>30,977,639</b>	<b>83,412,543</b>
Proceeds from redeemable participating shares issued	11	8,537,087	16,689,571	372,260,829	4,264,003	112,716,140	223,303,103	4,846,148	24,853,265
Payments for redeemable participating shares redeemed	11	(11,388,491)	(22,289,661)	(160,229,440)	(407,556,238)	(187,909,988)	(504,846,395)	(21,371,118)	(7,342,739)
Change in net assets attributable to holders of redeemable participating shares		(250,375)	1,260,632	(4,011,867)	47,257,182	40,136,662	116,727,468	117,496	28,663
<b>Net assets attributable to holders of redeemable participating shares at end of financial year</b>		<b>35,391,278</b>	<b>92,104,224</b>	<b>1,278,152,883</b>	<b>520,773,169</b>	<b>193,206,708</b>	<b>354,470,777</b>	<b>14,570,165</b>	<b>100,951,732</b>

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 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 €
<b>Net assets attributable to holders of redeemable participating shares at beginning of financial year</b>		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)	(145,502,355)
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
<b>Net assets attributable to holders of redeemable participating shares at end of financial year</b>		<b>38,493,057</b>	<b>96,443,682</b>	-	-	-	-	<b>1,070,133,361</b>

\*These Sub-Funds terminated during the financial year ended 30 June 2019.

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 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 €
<b>Net assets attributable to holders of redeemable participating shares at beginning of financial year</b>		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)
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
<b>Net assets attributable to holders of redeemable participating shares at end of financial year</b>		<b>876,808,222</b>	<b>228,263,894</b>	<b>519,286,601</b>	<b>30,977,639</b>	<b>83,412,543</b>

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 2020

	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	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£	Mercer Enhanced Yield Fund €	Mercer Euro Inflation Linked Bond Fund €	Mercer PIF Fund plc €
<b>Cash flows from operating activities</b>									
Change in net assets attributable to holders of redeemable participating shares	(250,375)	1,260,632	(4,011,867)	47,257,182	40,136,662	116,727,468	117,496	28,663	229,708,422
<b>Adjustments for:</b>									
Distributions paid to Shareholders	-	-	-	4,808,324	137,399	324,634	-	-	6,004,736
Movement in due from/to broker	-	-	-	554,062	-	-	-	-	631,266
Movement in financial assets at fair value through profit or loss	2,451,326	2,139,278	(145,058,210)	301,561,044	36,139,448	140,158,033	16,357,411	(17,479,733)	402,854,102
Movement in deposits	-	-	-	(10,000,055)	-	-	-	-	(11,393,477)
Unrealised movement on derivative assets and liabilities	-	-	-	(1,620,356)	-	-	-	-	(1,846,139)
<b>Operating cash flows before movements in working capital</b>	<b>2,200,951</b>	<b>3,399,910</b>	<b>(149,070,077)</b>	<b>342,560,201</b>	<b>76,413,509</b>	<b>257,210,135</b>	<b>16,474,907</b>	<b>(17,451,070)</b>	<b>625,958,910</b>
Movement in receivables	(153)	784	(2,013,966)	4,281,735	13,302	1,912,882	16,425	(62,576)	5,013,454
Movement in payables	(6,360)	(8,159)	73,205	(430,501)	(27,286)	(60,290)	(12,589)	(3,690)	(547,860)
<b>Cash (outflow)/inflow from operations</b>	<b>(6,513)</b>	<b>(7,375)</b>	<b>(1,940,761)</b>	<b>3,851,234</b>	<b>(13,984)</b>	<b>1,852,592</b>	<b>3,836</b>	<b>(66,266)</b>	<b>4,465,594</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>2,194,438</b>	<b>3,392,535</b>	<b>(151,010,838)</b>	<b>346,411,435</b>	<b>76,399,525</b>	<b>259,062,727</b>	<b>16,478,743</b>	<b>(17,517,336)</b>	<b>630,424,504</b>
<b>Financing activities</b>									
Proceeds from subscriptions	8,537,087	16,607,852	366,481,238	4,264,003	111,755,439	212,949,600	4,846,148	24,853,265	778,749,514
Payment of redemptions	(10,898,824)	(22,306,621)	(214,531,733)	(354,939,164)	(187,764,875)	(472,364,863)	(21,371,118)	(7,342,739)	(1,415,722,204)
Distributions paid to Shareholders	-	-	-	(4,808,324)	(137,399)	(324,634)	-	-	(6,004,736)
<b>Net cash (used in)/provided by financing activities</b>	<b>(2,361,737)</b>	<b>(5,698,769)</b>	<b>151,949,505</b>	<b>(355,483,485)</b>	<b>(76,146,835)</b>	<b>(259,739,897)</b>	<b>(16,524,970)</b>	<b>17,510,526</b>	<b>(642,977,426)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(167,299)</b>	<b>(2,306,234)</b>	<b>938,667</b>	<b>(9,072,050)</b>	<b>252,690</b>	<b>(677,170)</b>	<b>(46,227)</b>	<b>(6,810)</b>	<b>(12,552,922)</b>
Cash and cash equivalents at the beginning of the financial year	289,801	3,024,188	1,688,497	26,023,280	375,356	1,255,688	88,404	167,987	*36,199,467
<b>Cash and cash equivalents at the end of the financial year</b>	<b>122,502</b>	<b>717,954</b>	<b>2,627,164</b>	<b>16,951,230</b>	<b>628,046</b>	<b>578,518</b>	<b>42,177</b>	<b>161,177</b>	<b>23,646,545</b>
Cash and cash equivalents - Statement of Financial Position	122,502	717,954	2,627,164	17,102,053	628,046	578,518	42,177	161,177	23,812,467
Bank overdraft - Statement of Financial Position	-	-	-	(150,823)	-	-	-	-	(165,922)
<b>Cash and cash equivalents - Statement of Cash Flows</b>	<b>122,502</b>	<b>717,954</b>	<b>2,627,164</b>	<b>16,951,230</b>	<b>628,046</b>	<b>578,518</b>	<b>42,177</b>	<b>161,177</b>	<b>23,646,545</b>
<b>Cash flows from operating activities include:</b>									
Interest received	-	-	11,221,734	26,352,564	1,596,143	10,122,486	85	996,402	55,594,310
Interest paid	(1,775)	(17,551)	(45,603)	(20,477)	(658)	(133)	(314)	(2,969)	(92,444)
Dividends received	-	-	-	49,020	-	-	-	-	55,851
Taxation paid	-	-	-	-	-	-	-	-	-

\*This amount includes cash and cash equivalents of € 34,998 held on Sub-Funds that terminated during the financial year ended 30 June 2019.

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 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 €
<b>Cash flows from operating activities</b>							
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
<b>Adjustments for:</b>							
Distributions paid to Shareholders	-	-	-	-	-	-	-
Movement in 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							
<b>Operating cash flows before movements in working capital</b>	<b>4,552,108</b>	<b>(246,350)</b>	<b>4,247,959</b>	<b>18,040,966</b>	<b>8,811,900</b>	<b>1,664,899</b>	<b>(79,246,786)</b>
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)
<b>Cash (outflow)/inflow from operations</b>	<b>(4,766)</b>	<b>5,511</b>	<b>2,868</b>	<b>(2,208)</b>	<b>(1,562)</b>	<b>5,062</b>	<b>(53,707)</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>4,547,342</b>	<b>(240,839)</b>	<b>4,250,827</b>	<b>18,038,758</b>	<b>8,810,338</b>	<b>1,669,961</b>	<b>(79,300,493)</b>
<b>Financing activities</b>							
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	-	-	-	-	-	-	-
<b>Net cash (used in)/provided by financing activities</b>	<b>(4,495,501)</b>	<b>2,614,108</b>	<b>(4,286,656)</b>	<b>(18,216,483)</b>	<b>(8,898,382)</b>	<b>(1,678,718)</b>	<b>77,794,261</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>51,841</b>	<b>2,373,269</b>	<b>(35,829)</b>	<b>(177,725)</b>	<b>(88,044)</b>	<b>(8,757)</b>	<b>(1,506,232)</b>
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
<b>Cash and cash equivalents at the end of the financial year</b>	<b>289,801</b>	<b>3,024,188</b>	<b>9,025</b>	<b>7,697</b>	<b>7,532</b>	<b>7,062</b>	<b>1,688,497</b>
Cash and cash equivalents - Statement of Financial Position	289,801	3,024,188	9,025	7,697	7,532	7,062	1,689,446
Bank overdraft - Statement of Financial Position	-	-	-	-	-	-	(949)
<b>Cash and cash equivalents - Statement of Cash Flows</b>	<b>289,801</b>	<b>3,024,188</b>	<b>9,025</b>	<b>7,697</b>	<b>7,532</b>	<b>7,062</b>	<b>1,688,497</b>
<b>Cash flows from operating activities include:</b>							
Interest received	-	-	-	-	-	-	24,050,702
Interest paid	(1,714)	(11,798)	-	-	-	-	(18,975)
Dividends received	-	-	-	-	-	-	-
Taxation paid	-	-	-	-	-	-	-

\*These Sub-Funds terminated during the financial year ended 30 June 2019.

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

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 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 €
<b>Cash flows from operating activities</b>						
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
<b>Adjustments for:</b>						
Distributions paid to Shareholders	5,385,647	39,104	25,954	-	-	6,183,443
Movement in 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)
<b>Operating cash flows before movements in working capital</b>	<b>834,736,256</b>	<b>118,786,170</b>	<b>153,675,748</b>	<b>15,877,205</b>	<b>(13,056,210)</b>	<b>1,221,089,153</b>
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)
<b>Cash inflow/(outflow) from operations</b>	<b>11,188,495</b>	<b>(21,508)</b>	<b>1,326,172</b>	<b>(13,568)</b>	<b>(26,275)</b>	<b>14,000,832</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>845,924,751</b>	<b>118,764,662</b>	<b>155,001,920</b>	<b>15,863,637</b>	<b>(13,082,485)</b>	<b>1,235,089,985</b>
<b>Financing activities</b>						
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)
<b>Net cash (used in)/provided by financing activities</b>	<b>(832,794,461)</b>	<b>(118,969,502)</b>	<b>(154,679,687)</b>	<b>(15,924,891)</b>	<b>13,210,654</b>	<b>(1,219,926,331)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>13,130,290</b>	<b>(204,840)</b>	<b>322,233</b>	<b>(61,254)</b>	<b>128,169</b>	<b>15,163,654</b>
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
<b>Cash and cash equivalents at the end of the financial year</b>	<b>26,023,280</b>	<b>375,356</b>	<b>1,255,688</b>	<b>88,404</b>	<b>167,987</b>	<b>36,199,467</b>
Cash and cash equivalents - Statement of Financial Position	26,023,280	375,356	1,255,688	88,404	167,987	36,200,416
Bank overdraft - Statement of Financial Position	-	-	-	-	-	(949)
<b>Cash and cash equivalents - Statement of Cash Flows</b>	<b>26,023,280</b>	<b>375,356</b>	<b>1,255,688</b>	<b>88,404</b>	<b>167,987</b>	<b>36,199,467</b>
<b>Cash flows from operating activities include:</b>						
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)

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 IFRS as adopted by the EU and Irish statute comprising the Companies Act, 2014 (as amended).

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

### b) Functional and presentation currency

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

The functional and presentation currency of the Company is 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 € or British Pound (“GBP”) is shown in the Statement of Financial Position of each of the Sub-Funds. The Sub-Funds have 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 € were translated to € at the exchange rate ruling at 30 June 2020. The Statement of Comprehensive Income, proceeds from redeemable participating shares issued, redemptions of redeemable participating shares and Statement of Cash Flows of the Sub Funds with functional currencies other than the € were translated to € using the average exchange rates during the financial 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 financial year are translated at the rate of exchange prevailing on the date of the transaction. Average rates of exchange were used to translate transfers of shares between share classes with functional currencies other than the functional currency of the Sub-Fund, where those rates represent a reasonable approximation of actual rates. Foreign currency gains and losses are included in net (expense)/income from financial instruments at fair value through profit or loss (“FVTPL”) 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 of the Company and the Sub-Funds are included in Note 2b and Note 5 to the financial statements.

*(ii) Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ending 30 June 2020 and 30 June 2019 is included in Note 7 to the financial statements and relates to the determination of fair value of financial instruments with significant unobservable inputs.

**d) New standards, amendments and interpretations issued and effective for the financial year beginning 1 July 2019**

The following standards/interpretations are effective for annual reporting periods beginning 1 July 2019. These have been applied in preparing the Company's financial statements and have not had a significant impact on the Company.

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 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.

**e) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 July 2019 and not early adopted**

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

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

Financial assets and financial liabilities are initially recognised at FVTPL 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 at the date they are originated. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in the Statement of Comprehensive Income.

Financial assets and liabilities are measured initially at fair value. For an item not classified at FVTPL, it is measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue. Transaction costs on financial assets and financial liabilities at FVTPL are expensed immediately, while on other financial instruments they are amortised.

*(ii) Classification and subsequent measurement*

On initial recognition, the Company classifies financial assets as measured at amortised cost or FVTPL.

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 ("SPPI") on the principal amount outstanding.

*Business model assessment*

In making 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)****f) Financial instruments***(ii) Classification and subsequent measurement (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 Mercer Global Investments Europe Limited (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, due from broker, subscriptions receivable, deposits, receivable for securities sold and other assets. These financial assets are held to collect contractual cash flows.
- Other business model: this includes debt securities, investments in unlisted open-ended investment funds, unlisted private equities and financial derivative investments ("FDIs"). 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 SPPI.

For the purpose 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).

A financial liability is classified as at FVTPL if it is classified as held-for-trading, if it is an FDI or, if it is designated as such on initial recognition.

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

- Financial assets at FVTPL - investments in securities, CIS and FDIs with positive fair values.
- Financial assets at amortised cost - cash and cash equivalents, due from broker, receivable for securities sold, subscriptions receivable, deposits and other assets.
- Financial liabilities at amortised cost - due to broker, 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 - FDIs with negative fair values.

Financial assets and financial liabilities at FVTPL are subsequently measured at fair value. Net gains and losses arising from changes in the fair value of financial assets and financial liabilities at FVTPL are included in the Statement of Comprehensive Income in the year in which they arise.

Financial assets and financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest income from the financial assets measured at amortised cost are recognised in interest income calculated using effective interest method in the Statement of Comprehensive Income. Interest expense from the financial liabilities measured at amortised cost is recognised in the Statement of Comprehensive Income. Net gains and losses from the financial assets and financial liabilities measured at amortised cost are recognised in the Statement of Comprehensive Income.

**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.

## 2. Accounting policies (continued)

### f) Financial instruments (continued)

#### (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 ("ABS"), mortgage backed securities ("MBS"), 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.

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's Valuation Committee ("VC") will meet to consider the appropriate valuation of the security in question. The VC meets on a regular 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 VC 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 adjustment for any loss allowances.

#### (v) Impairment of financial assets

IFRS 9 requires an impairment assessment to be carried out on its financial assets held at amortised cost. Mercer Global Investments Management Limited (the "Alternative Investment Fund Manager" or "AIFM") has reviewed the impairment assessment of financial assets held at amortised cost. The AIFM considers the probability of default to be close to zero, as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised in the financial statements based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Company.

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 not 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 Company's historical experience and informed credit assessment and including forward-looking information.

**2. Accounting policies (continued)****f) Financial instruments (continued)***(v) Impairment of financial assets (continued)*

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.

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; and
- 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 financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired. The Company uses the average cost method to determine realised gains and losses on derecognition.

*(vii) Offsetting*

Financial assets and financial 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.

**g) Dividend and interest income/expense**

Dividend income is recognised in net income from financial instruments at FVTPL 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.

**2. Accounting policies (continued)****g) Dividend and interest income/expense (continued)**

Bank interest income and interest expense are recognised in Interest income calculated using the effective interest method and Bank interest expense, respectively in the Statement of Comprehensive Income using the effective interest method.

Interest income generated from assets classified as FVTPL is disclosed in Net income from financial instruments at FVTPL in the Statement of Comprehensive Income.

**h) 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 gain or loss 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 gain on investments. Where a security's fair value over cost decreases over the period, this is recorded as a change in unrealised loss 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.

**i) Rebate income**

Rebate income is received by a Sub-Fund by virtue of its investment in the units of another investment fund where the AIFM 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.

**j) Operating expenses**

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

**k) 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.

**l) 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 ("NAV"). 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.

**Swing Pricing**

The Directors may determine, at their discretion, to "swing" the NAV to counter the possible negative effects of dilution. Swing pricing is applied to a Sub-Fund once net subscriptions or redemptions for a Sub-Fund for a given dealing day exceeds a predetermined amount.

**Anti-Dilution levy**

An anti-dilution levy is applied to a Sub-Fund on any dealing day where there are net subscriptions or net redemptions, the Directors may determine to add or deduct, as appropriate, an anti-dilution levy, to or from the subscription or redemption amount on that dealing day in order to cover dealing costs and to preserve the value of the underlying assets of the Sub-Fund for existing shareholders.

Please see Note 11 to the financial statements for further details.

**2. Accounting policies (continued)****m) 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 income from financial instruments at FVTPL 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 Net income from financial instruments at FVTPL in the Statement of Comprehensive Income. Futures contracts are presented in the Portfolio Statements on a gross basis.

*(iii) Interest rate swaps*

Interest rate swaps ("IRS") may be purchased or sold to enhance return, to hedge against fluctuations in security 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 IRS are used for trading purposes.

IRS 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. IRS 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 IRS are included in Net income from financial instruments at FVTPL 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. Centrally cleared IRS treated as settled to market are presented in the Portfolio Statement on a gross basis.

**n) Due from/to broker**

Due from/to broker is margin cash and cash collateral which is held by or due to 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 Statement of Financial Position.

Upon entering into a centrally cleared derivative contract, the Sub-Funds are required to pledge cash or securities as collateral to a central clearinghouse, through a broker, in accordance with the initial margin requirements of the central clearinghouse. At year end, the balances of the initial margin requirements at each broker, excluding the value of any securities pledged as collateral, are recorded as due from broker in the Statement of Financial Position. Any security that has been pledged as collateral is identified as an asset in the Statement of Financial Position at FVTPL.

**o) Collateral**

A Sub-Fund's assets may be deposited by or received by the Sub-Fund for collateral purposes with counterparties in respect of Over the Counter ("OTC") FDIs held by the Sub-Fund. Such assets remain in the ownership of the relevant Sub-Fund and are recorded as an asset in the Statement of Financial Position.

Cash received as collateral is recorded as an asset in the Statement of Financial Position and is valued at amortised cost. A related liability to repay the collateral is recorded as a liability in 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 NAV of the Sub-Funds and are disclosed at the end of the relevant Portfolio Statement.

**2. Accounting policies (continued)****p) 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.

**q) 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.

**r) Expenses payable**

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

**s) 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.

**t) Subscriptions receivable/redemptions payable**

The subscription receivable/redemption payable represents 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.

**u) 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. The reinvestment of distributions if applicable, being the portion of the total distribution reinvested, are included as a share transaction in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares.

**v) 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 Depositary (including reasonable out of pocket expenses) shall be paid by the Company out of the assets of the relevant Sub-Fund. 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, Depositary, Distributor, Investment Manager and any Sub-Investment Manager will not exceed 3% per annum of the NAV of the Sub-Fund.

The Company can undertake to limit the annual expenses for certain classes through the use of a Voluntary Cap. As at 30 June 2020 and 30 June 2019 the Voluntary Cap as a percentage of net assets was as follows:

Sub-Fund	Share Class Description	30 June 2020			30 June 2019		
		Management Fee	Voluntary Cap	Maximum Fee	Management Fee	Voluntary Cap	Maximum Fee
MGI Diversified Equity Fund	Class I-1 €	0.23%	0.37%	3.00%	0.23%	0.37%	3.00%
	Class M-7 €	0.33%	0.47%	3.00%	0.33%	0.47%	3.00%
	Class M-8 €	0.70%	0.84%	3.00%	0.70%	0.84%	3.00%
	Class M-12 €	0.10%	0.24%	3.00%	0.10%	0.24%	3.00%

## 3. Fees and expenses (continued)

## Management Fees, Sub-Investment Managers' Fees and Voluntary Cap (continued)

Sub-Fund	Share Class Description	30 June 2020			30 June 2019		
		Management Fee	Voluntary Cap	Maximum Fee	Management Fee	Voluntary Cap	Maximum Fee
MGI Balanced Managed Fund	Class M-7 €	0.46%	0.60%	3.00%	0.46%	0.60%	3.00%
	Class M-8 €	0.21%	0.35%	3.00%	0.21%	0.35%	3.00%
	Class M-9 €	0.26%	0.40%	3.00%	0.26%	0.40%	3.00%
	Class M-10 €	0.31%	0.45%	3.00%	0.31%	0.45%	3.00%
	Class M-14 €	0.10%	0.24%	3.00%	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%	n/a	3.00%	0.15%	0.29%	3.00%
	Class M-3 €	0.26%	n/a	3.00%	0.26%	0.40%	3.00%
	Class M-4 €	0.36%	n/a	3.00%	0.36%	0.50%	3.00%
	Class M-6 €	0.55%	n/a	3.00%	0.55%	0.69%	3.00%
Mercer UK Credit Fund	Class M-1 £,						
	Class M-1 £ Distributing	0.25%	n/a	3.00%	0.25%	0.39%	3.00%
	Class M-2 £	0.40%	n/a	3.00%	0.40%	0.54%	3.00%
	Class M-5 £	0.45%	n/a	3.00%	0.45%	0.59%	3.00%
	Class M-6 £	0.63%	n/a	3.00%	0.63%	0.77%	3.00%
	Class M-7 £	0.77%	n/a	3.00%	0.77%	0.91%	3.00%
	Class M-7 £ Distributing	0.22%	n/a	3.00%	0.22%	0.36%	3.00%
Class Z-1 £**	-	-	-	0.00%	0.14%	3.00%	
Mercer Sterling Inflation Linked LDI Bond Fund	Class M-4 £	0.20%	0.34%	3.00%	0.20%	0.34%	3.00%
	Class M-5 £ Distributing	0.33%	0.47%	3.00%	0.33%	0.47%	3.00%
	Class M-7 £	0.63%	0.77%	3.00%	0.63%	0.77%	3.00%
	Class M-9 £	0.56%	0.70%	3.00%	0.56%	0.70%	3.00%
Mercer Sterling Nominal LDI Bond Fund	Class M-4 £	0.20%	n/a	3.00%	0.20%	0.34%	3.00%
	Class M-5 £ Distributing	0.33%	n/a	3.00%	0.33%	0.47%	3.00%
	Class M-7 £	0.63%	n/a	3.00%	0.63%	0.77%	3.00%
	Class M-8 £	0.77%	n/a	3.00%	0.77%	0.91%	3.00%
Mercer Enhanced Yield Fund	Class M-2 €	0.22%	n/a	3.00%	0.22%	0.36%	3.00%
	Class M-4 €	0.40%	n/a	3.00%	0.40%	0.54%	3.00%
	Class M-6 €	0.59%	n/a	3.00%	0.59%	0.73%	3.00%
Mercer Euro Inflation Linked Bond Fund	Class M-3 €	0.38%	n/a	3.00%	0.38%	0.52%	3.00%
	Class M-4 €	0.50%	n/a	3.00%	0.50%	0.64%	3.00%

\*These Sub-Funds terminated during the financial year ended 30 June 2019.

\*\*These share classes terminated during the financial year ended 30 June 2019.

**3. Fees and expenses (continued)****Audit fees**

Audit fees charged by the Auditor for services rendered during the financial year ended 30 June 2020 and 30 June 2019 relate to the following:

	30 June 2020	30 June 2019
	€	€
<b>Mercer PIF Fund plc</b>		
Statutory audit (including reimbursement of fees)	(24,220)	(31,949)
Tax advisory	-	(1,800)
	<hr/>	<hr/>
<b>Total</b>	<b>(24,220)</b>	<b>(33,749)</b>
	<hr/>	<hr/>

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 (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 € 277,750 (30 June 2019: € 344,160). Administration fees payable by the Company at financial year end were € 60,245 (30 June 2019: € 49,392). Depositary fees incurred by the Company during the financial year amounted to € 109,493 (30 June 2019: € 140,818). Depositary fees payable by the Company at financial year end were € 25,061 (30 June 2019: € 20,169).

The Sub-Funds are charged Administration fees, which includes fund accounting, Share Class fees, transfer agency, financial and tax reporting fees, at fee rates ranging between 0.425 basis points ("bps") and 1.5bps of the NAV based on the daily Assets under Administration ("AUA"). The Sub-Funds are charged Depositary fees, at fee rates ranging between 0.18bps and 0.625bps of the NAV based on the daily AUA.

**4. Related parties**

This note provides detail on related party transactions concerning Mercer PIF Fund plc.

**Transactions with key management personnel****Management fees**

Mercer Global Investments Management Limited, the AIFM, 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.

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 € 11,322,225 (30 June 2019: € 17,114,890). As detailed in Note 3, the AIFM has, in some instances, 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 € 24,180 (30 June 2019: € 93,941) which is detailed in the table below. The AIFM's fee, which is included within expenses in the Statement of Comprehensive Income, is net of the reimbursement. The AIFM did not earn any performance fee for the financial year (30 June 2019: € Nil). The outstanding amounts payable as at the financial year end were a management fee of € 859,918 (30 June 2019: € 1,006,998).

**4. Related parties (continued)****Transactions with key management personnel (continued)****Management fees (continued)**

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.

**Transactions with entities with significant influence**

The following table details the management fee charged during the financial year and the voluntary cap reimbursement received during the financial year by the Sub-Funds for the financial year ended 30 June 2020 and 30 June 2019.

	Management Fee		Voluntary Cap Reimbursement	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
MGI Diversified Equity Fund	(€ 144,141)	(€ 182,782)	(€ 9,995)	(€ 14,062)
MGI Balanced Managed Fund	(€ 226,452)	(€ 232,782)	(€ 14,185)	(€ 17,402)
MGI UK Moderate Growth Fund*	-	(GB£ 12,825)	-	(GB£ 13,441)
MGI UK Growth Fund*	-	(GB£ 66,808)	-	(GB£ 14,393)
MGI UK High Growth Fund*	-	(GB£ 40,192)	-	(GB£ 13,706)
MGI UK Defensive Fund*	-	(GB£ 3,739)	-	(GB£ 13,533)
Mercer Medium Term Inflation Linked Bond Fund	(€ 3,388,054)	(€ 3,403,851)	-	-
Mercer UK Credit Fund	(GB£ 3,661,296)	(GB£ 7,737,096)	-	-
Mercer Sterling Inflation Linked LDI Bond Fund	(GB£ 925,276)	(GB£ 1,186,163)	-	-
Mercer Sterling Nominal LDI Bond Fund	(GB£ 1,622,882)	(GB£ 2,235,203)	-	-
Mercer Enhanced Yield Fund	(€ 76,899)	(€ 186,812)	-	-
Mercer Euro Inflation Linked Bond Fund	(€ 412,188)	(€ 309,995)	-	-

\*These Sub-Funds terminated during the financial year ended 30 June 2019.

The following table details the Investment Manager rebate income and receivables per Sub-Fund for the financial year ended 30 June 2020 and 30 June 2019. The rebate is an underlying pooled vehicles management fee rebate.

	Rebate income		Rebate receivables	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
MGI Diversified Equity Fund	-	€ 1,041	-	-
MGI Balanced Managed Fund	-	€ 3,510	-	€ 115
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-Funds terminated during the financial year ended 30 June 2019.

**Directors' fees**

Michael Dempsey resigned from the Board during the period under review and is the business leader of Mercer Global Investments Europe Limited, the Investment Manager. Michael Dempsey did not receive a fee for his Directorship as he was a non-independent Director. Hooman Kaveh is the Chief Investment Officer for Mercer, Carmel Jordan is the International Chief Operating Officer for Mercer Global Investments Europe Ltd and Helen O'Beirne is the Head of Business Regulation and Conduct Risk for Mercer Global Investments Management Limited, the AIFM. Hooman Kaveh, Carmel Jordan and Helen O'Beirne do not receive a fee for their Directorship as non-independent Directors. The AIFM and Investment Manager are related to Mercer (Ireland) Limited (the "Parent") as all three entities are wholly owned subsidiaries of Mercer Ireland Holdings Limited.

The Directors earned € 11,929 for the financial year ended 30 June 2020 (30 June 2019: € 34,671), of which € 739 was payable as at 30 June 2020 (30 June 2019: € 2,128). The Company does not bear the cost of Directors' expense reimbursements. These are paid by the Investment Manager.

## 4. Related parties (continued)

## Collateral Manager/Secured Party

State Street Bank International GmbH (the "Collateral Manager/Secured Party"), was appointed as the Collateral Manager/Secured Party on 6 October 2017.

## Other related party transactions

The Company is related to MGI Funds plc by virtue of the fact that they are managed by Mercer Global Investments Management Limited, the AIFM, and have a common Investment Manager, Mercer Global Investments Europe Limited. The Company 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 2020

Sub-Fund with related party investment	Related Party (Sub-Fund of MGI Funds plc)	Share Class	Number of shares held 30 June 2020	Investor Sub-Fund Currency	Fair value 30 June 2020	Financial Year ended 30 June 2020	
						Purchases	Sales
<b>MGI Diversified Equity Fund</b>	Mercer Global Small Cap Equity Fund	Z - 1 €	24,051	€	5,620,863	708,140	(757,004)
	Mercer Low Volatility Equity Fund	Z - 1 €	32,830	€	6,819,211	845,797	(1,453,650)
	Mercer Passive Global Equity Fund	Z - 1 €	95,666	€	1,750,692	35,693	(268,232)
	Mercer Passive Global Equity Fund	Z - 1 € Hedged	975,451	€	14,465,935	1,738,919	(2,738,746)
	MGI Emerging Markets Equity Fund	Z - 1 €	56,937	€	7,116,042	1,091,750	(1,549,948)
<b>MGI Balanced Managed Fund</b>	Mercer Diversified Growth Fund	Z - 1 €	198,108	€	38,874,734	-	(1,355,520)
	Mercer Euro Nominal Bond Long Duration Fund	Z - 1 €	110,038	€	16,337,328	2,324,525	(3,419,975)
	Mercer Global Buy & Maintain Credit Fund	Z - 1 € Hedged	35,275	€	4,481,362	-	(209,537)
	Mercer Global High Yield Bond Fund	Z - 1 € Hedged	26,557	€	3,524,682	-	-
	Mercer Passive Global Equity Fund	Z - 1 €	1,303,488	€	23,853,837	-	(983,447)
	MGI Emerging Markets Debt Fund	Z - 1 €	41,800	€	4,255,613	-	-
<b>Mercer Enhanced Yield Fund</b>	Mercer Absolute Return Fixed Income Fund	Z - 1 € Hedged	36,031	€	3,845,183	2,060,867	(7,521,262)
	Mercer Global High Yield Bond Fund	Z - 1 € Hedged	44,212	€	5,867,873	3,112,346	(7,623,351)
	MGI Emerging Markets Debt Fund	Z - 1 €	47,493	€	4,835,231	2,503,820	(9,098,432)

## 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
<b>MGI Diversified Equity Fund</b>	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 Emerging Markets Equity Fund	Z - 1 €	60,145	€	7,811,694	906,551	(1,450,603)
<b>MGI Balanced Managed Fund</b>	Mercer Diversified Growth Fund	Z - 1 €	205,242	€	40,463,428	-	-
	Mercer Euro Nominal Bond Long Duration Fund	Z - 1 €	116,559	€	16,814,741	-	-
	Mercer Global Buy & Maintain Credit Fund	Z - 1 € Hedged	37,171	€	4,465,368	-	-
	Mercer Global High Yield Bond Fund	Z - 1 € Hedged	26,557	€	3,534,508	-	-
	Mercer Passive Global Equity Fund	Z - 1 €	1,355,939	€	23,810,285	-	-
	MGI Emerging Markets Debt Fund	Z - 1 €	41,800	€	4,378,504	-	-
<b>Mercer Enhanced Yield Fund</b>	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)****In-specie and ex-specie transfers**

There were no in-specie or ex-specie transfers at 30 June 2020.

**30 June 2019**

Mercer Medium Term Inflation Linked Bond Fund actioned an ex-specie transfer of assets during the financial year ended 30 June 2019 amounting to € 54,675,640. The cash element of the in-specie transfer amounted to € 298,524.

**Shareholders of the Company**

Significant Shareholders in the Company are disclosed in Note 11 to the financial statements.

**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.

Where it is within their investment objectives, at 30 June 2020 and 30 June 2019 the Sub-Funds held various investments in ABS, MBS and CIS. The fair value of these investments are recorded in the "Securities" line in the Statement of Financial Position and the CIS are recorded in the "Collective investment schemes" line in the Statement of Financial Position. All gains and losses are recognised as part of Net (expense)/income from financial instruments at FVTPL 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.

At 30 June 2020 and 30 June 2019, 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. The Company has no commitments or intentions to provide financial support or other support to the structured entity.

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.

The table below describes the type of unconsolidated structured entities, nature, purpose and interest held by the Sub-Funds.

Type of structured entity	Nature and purpose	Interests held by the Sub-Fund
ABS	Allow issuers to generate cash, which can be used for more lending, while giving investors in the ABS the opportunity to participate in a wide variety of income-generating assets.	Investment in ABS
MBS	An investment similar to a bond that is made up of a bundle of home loans bought from the banks that issued them. Investors in MBS receive periodic payments similar to bond coupon payments.	Investment in MBS
Investment funds	To manage assets on behalf of third party investors. These vehicles are financed through the issue of units to investors.	Investment in units issued by the funds

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

## 5. Interests in unconsolidated structured entities (continued)

The table below sets out interests greater than 1% held by the Sub-Funds in unconsolidated structured entities at 30 June 2020.

Investment in CIS				Carrying amount included in 'Financial assets at fair value through profit or loss'
MGI Diversified Equity Fund				
% of Total Net Assets held in the underlying Structured Entity	Sub-Fund Currency	Total Net Assets of the underlying Structured Entity*	No. of Investments	
1% - 5%	€	1,550,558,894	1	16,216,626

Investment in CIS				Carrying amount included in 'Financial assets at fair value through profit or loss'
MGI Balanced Managed Fund				
% of Total Net Assets held in the underlying Structured Entity	Sub-Fund Currency	Total Net Assets of the underlying Structured Entity*	No. of Investments	
1% - 5%	€	2,671,147,690	2	40,191,164

Investment in CIS				Carrying amount included in 'Financial assets at fair value through profit or loss'
Mercer UK Credit Fund				
% of Total Net Assets held in the underlying Structured Entity	Sub-Fund Currency	Total Net Assets of the underlying Structured Entity*	No. of Investments	
1% - 5%	GB£	567,332,024	1	7,341,600

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

The table below sets out the interests held by the Sub-Funds in MBS at 30 June 2020:

Investment in MBS				Carrying amount included in 'Financial assets at fair value through profit or loss'
Mercer UK Credit Fund				
% of Total Debt issued held in the underlying Structured Entity	Currency of Sub-Fund	Total debt issued by the Structured Entity	No. of securities held	
< 1%	GB£	1,215,000,000	1	1,546

The table below sets out the interests held by the Sub-Funds in ABS at 30 June 2020:

Investment in ABS				Carrying amount included in 'Financial assets at fair value through profit or loss'
Mercer UK Credit Fund				
% of Total Debt issued held in the underlying Structured Entity	Currency of Sub-Fund	Total debt issued by the Structured Entity	No. of securities held	
< 1%	GB£	697,057,000	1	943,884

**5. Interests in unconsolidated structured entities (continued)**

The table below sets out interests greater than 1% held by the Sub-Funds in unconsolidated structured entities at 30 June 2019.

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

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

The table below sets out the interests held by the Sub-Funds in MBS at 30 June 2019:

Investment in MBS				Carrying amount included in 'Financial assets at fair value through profit or loss'
Mercer UK Credit Fund				
% of Total Debt issued held in the underlying Structured Entity	Currency of Sub-Fund	Total debt issued by the Structured Entity	No. of securities held	
< 1%	GB£	1,407,201,120	2	624,772
1% - 5%	GB£	67,943,370	2	1,301,016
<b>Total</b>		<b>1,475,144,490</b>	<b>4</b>	<b>1,925,788</b>

The table below sets out the interests held by the Sub-Funds in ABS at 30 June 2019:

Investment in ABS				Carrying amount included in 'Financial assets at fair value through profit or loss'
Mercer UK Credit Fund				
% of Total Debt issued held in the underlying Structured Entity	Currency of Sub-Fund	Total debt issued by the Structured Entity	No. of securities held	
< 1%	GB£	889,774,355	2	2,769,483
1% - 5%	GB£	206,576,769	1	5,719,979
<b>Total</b>		<b>1,096,351,124</b>	<b>3</b>	<b>8,489,462</b>

**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;

**6. Taxation (continued)**

- (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.

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 € Nil (30 June 2019: € 3,086).

**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:

- CIS;
- Bonds, MBS, ABS and other debt instruments;
- Cash and liquid resources;
- Swaps, futures and forwards.

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 has maintained its aim of spreading investment risk during the financial year.

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. 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.

**Risk Management Framework**

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.

## 7. Financial Instruments and Associated Risks (continued)

### Role of the Investment Manager

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 VC will meet to consider the appropriate valuation of the security in question. The VC meets on a regular 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 VC members or by means of extraordinary meetings of the VC should the need arise. The VC may then make recommendations to the Board of the Investment Manager, who in turn can then review fair value pricing.

Further to this, the Investment Manager has responsibility for the selection and monitoring of the Sub-Investment Managers. To that end, the Investment Manager follows a well defined and rigorous due diligence review of each Sub-Investment Manager. As part of this process the Investment Manager will review the proposed use of FDIs and the Sub-Investment Managers' risk management processes ("RMP"). Additionally, Sub-Investment Managers will agree with the Investment Managers that their use of FDIs will comply with the provisions of the Sub-Fund's/Company's RMP. Any material deviations to a Sub-Investment Manager's use of FDI and RMP require the prior notification of and approval of the Investment Manager. This is a condition of the investment or currency management agreements with the Sub-Investment Managers. Each Sub-Investment Manager must complete annual compliance questionnaires and are subject to periodic compliance reviews by the Compliance Group of the Investment Manager.

The portfolio managers within the Investment Manager monitor the Sub-Funds on an ongoing basis. Any inappropriate use of FDIs (such as a non-approved FDI) or excessive exposures will typically be picked up as part of their ongoing review. Apart from ongoing review of the portfolios, the Investment Manager will receive a detailed FDI report monthly from each Sub-Investment Manager. The report will list out the FDI positions and give details of the various exposure levels. This is reviewed in detail by the Investment Manager and any issues arising are followed up with the relevant Sub-Investment Manager.

### Role of the Administrator

The Administrator provides the Company administration services and valuation of all assets and liabilities including FDIs used by the Sub-Funds at each valuation point. Any issues that are identified by the Administrator are immediately brought to the attention of the Investment Manager for further investigation.

### Role of the Depositary - Independent Compliance Monitoring

The Company's Depositary carries out a separate and independent compliance monitoring role to those carried out by the Investment Manager, investment service providers, and Administrator. As part of its fiduciary role to a regulated fund, the Depositary reviews all of the investment objectives and limits (including FDI limits) on an ongoing basis. While not appointed by the Investment Manager (the Depositary is appointed by the Company), any breaches identified by the Depositary are immediately brought to the attention of the Investment Manager for investigation and resolution.

### Role of Sub-Investment Managers

As mentioned above, discretionary investment management has been outsourced to the Sub-Investment Managers. In addition to the oversight and independent monitoring being carried out by the Investment Manager, Administrator and Depositary, each Sub-Investment Manager must have adequate controls and procedures in place to manage their respective portfolios within the limits prescribed under the AIFMD Regulations and the Central Bank guidance in respect of FDIs.

Each Sub-Investment Manager must have a robust RMP in place which is AIFMD compliant. As outlined in the various Sub-Investment Managers' RMP documents, each Sub-Investment Manager must manage its portfolio in accordance with the AIFMD Regulations and the Central Bank's guidance on FDIs. Furthermore, the Sub-Investment Managers will only use the FDIs outlined in their respective RMPs. If a Sub-Investment Manager wishes to use a FDI not covered by the existing RMP, this change will necessitate an amendment to their RMP document and, by implication, the Sub-Fund's RMP. This will require the approval of the Central Bank before the FDI can be used.

**7. Financial Instruments and Associated Risks (continued)****Permanent Risk Management Function**

The permanent risk management function is provided by the Investment Manager who is responsible for implementing and procuring the implementation by the delegates of their respective obligations under the risk management policy and procedures. The Investment Manager is responsible for ensuring compliance with the AIFMD risk limit system, including statutory limits concerning global exposure and counterparty risk. The Investment Manager provides the relevant designated person and the Directors with:

- Advice as regards the identification of the risk profile of each managed Sub-Fund;
- Reports on the consistency between the current levels of risk incurred by each managed Sub-Fund and the risk profile agreed for that Sub-Fund;
- Reports on exceptions to the compliance of each managed Sub-Fund with relevant investment guidelines and restrictions which are monitored by the Depositary and reported to the compliance team daily;
- Reports, where applicable, on the adequacy and effectiveness of the RMP, indicating in particular whether appropriate remedial measures have been taken in the event of any deficiencies; and
- Review and support of the arrangements and procedures for the valuation of OTC derivatives.

**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 Directors.

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 FDIs. The market price risk of futures is shown separately. Other FDIs are not exposed to market price risk.

	<b>Mercer PIF Fund plc Fair Value 30 June 2020</b>	<b>Impact of 5% price increase 30 June 2020</b>	<b>Mercer PIF Fund plc Fair Value 30 June 2019</b>	<b>Impact of 5% price increase 30 June 2019</b>
	€	€	€	€
<b>Securities and CIS</b>				
Government bonds	2,028,300,280	101,415,014	2,020,931,135	101,046,557
Corporate bonds	498,595,248	24,929,762	858,200,578	42,910,029
ABS	1,038,376	51,919	9,487,553	474,378
MBS	1,701	85	2,152,199	107,610
	<hr/>	<hr/>	<hr/>	<hr/>
Securities	2,527,935,605	126,396,780	2,890,771,465	144,538,574
CIS	170,855,815	8,542,791	192,359,198	9,617,960
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>Mercer PIF Fund plc Notional 30 June 2020</b>	<b>Impact of 5% price increase 30 June 2020</b>	<b>Mercer PIF Fund plc Notional 30 June 2019</b>	<b>Impact of 5% price increase 30 June 2019</b>
	€	€	€	€
<b>FDIs</b>				
Futures	(20,450,855)	(1,022,543)	(29,261,559)	(1,463,078)

If the price of each of the Sub-Fund's underlying investments to which the Sub-Fund had exposure at 30 June 2020 and at 30 June 2019 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.

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

The Company's assets comprise mainly of realisable securities and investments in CIS. 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 Fund Risk Committee. This liquidity analysis incorporates specific liability stress scenarios, which assess the ability of the asset liquidity profile to meet stressed investor redemptions, taking investor concentration into consideration. In the event that these stress tests indicate that investors' stressed liquidity requirements may exceed the asset liquidity capacity, this will be escalated and brought to the attention of the MGIM Board as a Key Risk Indicator, alongside analysis and comment as well as any remedial action proposed. The liquidity of pooled Sub-Funds has been derived with consideration of redemption notification, dealing and settlement terms, in line with the European Securities and Markets Authority ("ESMA") and AIFMD guidance. For segregated accounts, a liquidity scoring methodology is used based on trading volume data for equities and bid-ask spreads for fixed income assets. The MGIM Board has also approved a policy with respect to the application of Liquidity Management Procedures in Exceptional circumstances. The policy sets out the Liquidity Management Tools (LMTs) used both in the ordinary course of business and exceptional circumstances. The policy also outlines the course of action the MGIM Board will take in the instance of an exceptional liquidity event.

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.

The Sub-Funds may, from time to time, invest in derivative contracts traded OTC, 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 mentioned below and would always be a small proportion of a portfolio. The Company holds a number of investments in CIS. There were no redemption restrictions, gates or lockups in place on these investments.

The majority of assets held by the Sub-Funds are negotiable securities and investments in CIS. 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.

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 2020**

	1-3 Months GB£	3 Months - 1 Year GB£	> 1 Year GB£
<b>Derivative financial liabilities</b>			
Mercer UK Credit Fund	GB£ (979,051)	-	-

## 7. Financial Instruments and Associated Risks (continued)

## Liquidity Risk (continued)

## 30 June 2019

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

IRS settle on a net basis and the net inflows/outflows are represented by the unrealised gain/(loss) of the relevant Sub-Funds.

The tables below analyse each Sub-Fund's FDIs that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the financial year end date to the contractual maturity date.

## 30 June 2020

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£	29,095,983	56,001,624	-	(29,456,870)	(56,380,841)	-

## 30 June 2019

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£	5,912,582	41,294,192	930,281	(6,035,288)	(42,018,786)	(943,663)

## 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, banks and other third parties if the counterparty was to fail to complete any transaction to which the Company is a party.

The Company delegates counterparty selection and management to the Sub-Investment Managers. The Company delegates all derivative trading to the Sub-Investment Managers, who are responsible for trading within agreed investment guidelines and ensuring pre-trade compliance with applicable regulations. During the negotiation of these investment guidelines, the use of derivatives will be discussed, and if deemed appropriate, then the exact derivatives to be permitted in the Sub-Funds will be outlined. Derivative use outside of these limits is not permitted, which is monitored by daily compliance reports reviewed by the Company.

As part of the operational risk assessment ("ORA"), a due diligence is performed on each Sub-Investment Manager prior to their appointment. Counterparty controls are reviewed as part of this ORA. Each Sub-Investment Manager must achieve an acceptable ORA rating before being appointed.

## (i) Credit quality analysis

The Company has a credit risk exposure to the Depositary and sub-depositary in relation to cash.

Cash balances and bank overdrafts are held by State Street Bank, London which had a credit rating of AA- at the financial year ended 30 June 2020 (30 June 2019: 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 A- at the financial year ended 30 June 2020 (30 June 2019: A-).

State Street Bank International GmbH, the Collateral Manager/Secured Party, had a credit rating of AA- at the financial year ended 30 June 2020 (30 June 2019: AA-).

Due from broker represents margin accounts and cash collateral balances held by the Sub-Funds at the financial year end. The following table details the amounts held by the brokers at the financial year ended 30 June 2020 and 30 June 2019.

## 7. Financial Instruments and Associated Risks (continued)

## Credit Risk (continued)

## Margin Cash

Margin cash balances at 30 June 2020 and 30 June 2019 were as follows:

Credit Rating	30 June 2020	30 June 2019
	€	€
A+	1,229,762	1,112,084
A	351,215	540,989

## Cash Collateral

In addition to the above, the following amounts were pledged or held as cash collateral at 30 June 2020 and 30 June 2019:

Credit Rating	30 June 2020	30 June 2019
	€	€
AA-	-	134,108
A+	583,058	1,108,628
A	319,032	245,865

The Company is also exposed to counterparty risk on its derivative positions, being the risk that a counterparty will default or be unable to pay in full its financial obligations. Controlling credit risk is paramount in the Investment Manager's choice of counterparties. Credit risk arising from receivables from investee funds relating to redemptions or transactions awaiting settlement. Risk relating to unsettled receivables is considered small due to short settlement period involved and the due diligence permitted on the investee funds. The maximum exposure related to unsettled trades equals the amount shown in the Statement of Financial Position. There are no past due or impaired assets as at 30 June 2020 or at 30 June 2019.

The Company is exposed to credit risk on IRS. The counterparties to the IRS are shown below:

Counterparty - IRS	30 June 2020	30 June 2020	30 June 2019	30 June 2019
	€	Credit Rating	€	Credit Rating
Bank of America Merrill Lynch	-	-	(1,481,165)	A+
Barclays Bank	(341,678)	A	(173,825)	A
Citigroup	59,662	A+	233,548	A+

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

	30 June 2020	30 June 2019
Bank of America Merrill Lynch	A+	A+
Barclays Bank	A	A
BNP Paribas	A+	A+
Citigroup	A+	A+
Goldman Sachs	A+	A+
HSBC Bank	A+	AA-
JP Morgan Chase Bank	A+	A+
Lloyds Bank*	A+	-
Morgan Stanley	A+	A+
Royal Bank of Canada*	AA-	-
Royal Bank of Scotland	A	A
Toronto Dominion Bank*	AA-	-
UBS Bank	A+	-

\*No credit ratings are presented for the counterparties that did not hold derivative contracts for the Sub-Funds as at 30 June 2020 or 30 June 2019.

The following is the rating of the financial institution within which the deposits are invested.

	30 June 2020	30 June 2019
Royal Bank of Canada	AA-	-

**7. Financial Instruments and Associated Risks (continued)****Credit Risk (continued)***(ii) Concentration of credit risk*

The following table outlines the credit exposures of the Company at 30 June 2020 and 30 June 2019.

Rating	30 June 2020		30 June 2019	
	% Holding	€	% Holding	€
AAA	27.19	687,305,097	20.45	593,140,297
AA+	0.14	3,587,237	0.15	4,274,163
AA	52.96	1,338,711,508	50.33	1,459,826,769
AA-	0.38	9,650,792	0.91	26,352,028
A+	0.98	24,703,842	2.00	57,932,355
A	1.42	35,961,304	3.55	103,004,936
A-	4.55	114,849,839	5.89	170,873,500
BBB+	4.88	123,387,751	6.37	185,027,218
BBB	3.98	100,533,255	7.15	207,359,484
BBB-	2.72	68,767,398	1.97	57,012,222
BB+	0.36	9,208,933	0.99	28,688,843
BB	0.06	1,610,349	0.02	717,068
BB-	0.06	1,391,304	-	-
B	-	-	0.04	1,224,354
CCC+	0.03	860,815	-	-
NR	0.29	7,406,181	0.18	5,086,917

*(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 Investment Manager 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.

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

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.

Upon entering into a centrally cleared derivative contract the Sub-Fund may pledge cash and/or securities to a trading account as collateral to a central clearinghouse, through a broker, in accordance with the initial margin requirements of the central clearinghouse. Exchange-traded and centrally cleared derivatives contracts are valued at least daily, and as such, the net appreciation or depreciation of the derivative contracts causes the value of the respective trading account to move either above or below the initial margin requirement. On a daily basis the Sub-Funds will pay or receive cash in an amount that will bring the total value of each trading account back in line with the respective initial margin requirement. Such receipts or payments of cash are known as variation margin. The movement of variation margin between the Sub-Funds and the respective brokers usually occurs the morning after the close of a trading session, and therefore at the end of each day, the total value of a trading account may be greater or less than the initial margin requirement by an amount equal to the current day's net change in unrealised appreciation or depreciation of the derivative contracts.

At 30 June 2020 the amount that is due to be paid to, or received from the relevant brokers, on the morning after the close of a trading session is reflected as a variation margin receivable or variation margin payable, as applicable, in the Statement of Financial Position.

**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)**

For certain Sub-Funds the legal right to offset may be at the Sub-Fund level as opposed to the Sub-Investment Manager level. The following tables are prepared on a Sub-Investment Manager level to be prudent for financial reporting purposes. The Sub-Fund level in the tables represents offsetting in relation to forward foreign currency contracts with the counterparty of State Street Bank and Trust.

The following tables present information about the offsetting of financial assets and liabilities and collateral amounts as at 30 June 2020:

**Mercer UK Credit Fund**

**Offsetting Financial Assets**

Sub-Investment Manager	Counterparty	Gross	Financial	Net	Cash collateral received	Non cash collateral received	Margin Cash	Net amount
		Financial Assets	Instruments available to offset					
Insight	Bank of America Merrill Lynch	20,981	(20,981)	-	-	-	-	-
	BNP Paribas	52,149	(52,149)	-	-	-	-	-
	Citigroup	66,173	-	66,173	-	-	-	66,173
	Goldman Sachs	39,327	-	39,327	-	-	-	39,327
	HSBC Bank	33,585	(33,585)	-	-	-	-	-
	JP Morgan Chase Bank	6,010	-	6,010	-	-	-	6,010
	Lloyds Bank	4,887	(4,887)	-	-	-	-	-
	Toronto Dominion Bank	20,152	(485)	19,667	-	-	-	19,667
	UBS Bank	26,705	-	26,705	-	-	-	26,705
M&G	Barclays Bank	28,991	(9,209)	19,782	-	-	-	19,782
	Citigroup	78,328	(78,328)	-	-	-	-	-
	HSBC Bank	109,695	(109,695)	-	-	-	-	-
		<u>486,983</u>	<u>(309,319)</u>	<u>177,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,664</u>

**Offsetting Financial Liabilities**

Sub-Investment Manager	Counterparty	Gross	Financial	Net	Cash collateral pledged	Non cash collateral pledged	Margin Cash	Net amount
		Financial Liabilities	Instruments available to offset					
Insight	Bank of America Merrill Lynch	(70,590)	20,981	(49,609)	-	-	-	(49,609)
	Barclays Bank	(310,584)	-	(310,584)	290,000	-	-	(20,584)
	BNP Paribas	(157,974)	52,149	(105,825)	105,825	-	-	-
	HSBC Bank	(392,527)	33,585	(358,942)	300,000	-	-	(58,942)
	Lloyds Bank	(54,463)	4,887	(49,576)	-	-	-	(49,576)
	Royal Bank of Canada	(5,525)	-	(5,525)	-	-	-	(5,525)
	Toronto Dominion Bank	(485)	485	-	-	-	-	-
M&G	Bank of America Merrill Lynch	(36,593)	-	(36,593)	-	-	-	(36,593)
	Barclays Bank	(9,209)	9,209	-	-	-	-	-
	Citigroup	(109,728)	78,328	(31,400)	-	-	-	(31,400)
	HSBC Bank	(222,244)	109,695	(112,549)	112,549	-	-	-
	JP Morgan Chase Bank	(113,517)	-	(113,517)	-	-	-	(113,517)
		<u>(1,483,439)</u>	<u>309,319</u>	<u>(1,174,120)</u>	<u>808,374</u>	<u>-</u>	<u>-</u>	<u>(365,746)</u>

## 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:

## Mercer UK Credit Fund

## Offsetting Financial Assets

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
	Citigroup	222,950	(15,634)	207,316	-	-	-	207,316
	Goldman Sachs	177,254	(177,254)	-	-	-	-	-
	HSBC Bank	6,293	(6,293)	-	-	-	-	-
	JP Morgan Chase Bank	-	-	-	-	-	-	-
	Bank of America Merrill Lynch	2,491	(2,491)	-	-	-	-	-
M&G	Morgan Stanley	-	-	-	-	-	-	-
	Barclays Bank	21,927	-	21,927	-	-	-	21,927
	Citigroup	18,896	(18,896)	-	-	-	-	-
	Goldman Sachs	-	-	-	-	-	-	-
	Royal Bank of Scotland	-	-	-	-	-	-	-
		505,814	(275,531)	230,283	-	-	-	230,283

## Offsetting Financial Liabilities

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	-	-	-	-	-	-	-
	Citigroup	(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 Chase Bank	(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)
M&G	Morgan Stanley	(1,204)	-	(1,204)	-	-	-	(1,204)
	Barclays Bank	-	-	-	-	-	-	-
	Citigroup	(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)****Concentration Risk**

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

The Company's exposure to industries above 5% of the NAV at 30 June 2020 and 20 June 2019 is set out in the table below:

	30 June 2020 % of NAV	30 June 2019 % of NAV
Financials	7.57	11.79
Sovereign debt	75.57	62.95

**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 the 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 NAV 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 Mercer Global Investments Management Limited ("MGIM") 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.

## 7. Financial Instruments and Associated Risks (continued)

## Foreign Currency Risk (continued)

30 June 2020

## 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	24,887,821	-	-	-	(24,404,379)	483,442	(23,021)

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)

## Interest Rate Risk

## Interest rate risk profile and sensitivity analysis

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, CIS 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
Germany	EU HICP ex Tobacco
Spain	EU HICP ex Tobacco

## 7. Financial Instruments and Associated Risks (continued)

## Interest Rate Risk (continued)

## Interest rate risk profile and sensitivity analysis (continued)

The Sub-Funds hold interest bearing securities, the majority of which earn a fixed interest rate, Mercer UK Credit Fund, listed in the table below holds interest bearing securities that earn fixed and floating interest rates.

	Fixed 30 June 2020 GB£	Floating 30 June 2020 GB£	Fixed 30 June 2019 GB£	Floating 30 June 2019 GB£
Mercer UK Credit Fund	454,623,581	25,161,460	768,376,311	51,200,059

The table below 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.

The Company has determined that a fluctuation in yield of 25 bps is reasonably possible, considering the economic environment in which the Sub-Funds operate. The table below sets out the effect on the Sub-Funds' net assets attributable to holders of redeemable participating shares of a reasonably possible reduction of 25 bps in yield at 30 June 2020. 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 FDIs. This impact is primarily from the change in the fair value of fixed income securities. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

## As at 30 June 2020

	Ccy	< 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	> 5 Years	Non- Interest Bearing	Net Assets	Effective Duration (%)**	Effective Duration (Years)
MGI Diversified Equity Fund	€	122,502	-	-	-	-	35,268,776	35,391,278	-	-
MGI Balanced Managed Fund	€	717,954	-	-	-	-	91,386,270	92,104,224	-	-
Mercer Medium Term Inflation Linked Bond Fund	€	2,627,164	-	-	103,204,436	1,163,892,425	8,428,858	1,278,152,883	3.56	14.22
Mercer UK Credit Fund	GB£	26,951,285	(256,352)	202,929	59,048,273	419,978,691	14,848,343	520,773,169	2.21	8.86
Mercer Sterling Inflation Linked LDI Bond Fund	GB£	628,046	-	-	-	192,980,124	(401,462)	193,206,708	11.14	44.55
Mercer Sterling Nominal LDI Bond Fund	GB£	578,518	-	-	-	382,629,531	(28,737,272)	354,470,777	7.17	28.66
Mercer Enhanced Yield Fund	€	42,177	-	-	-	-	14,527,988	14,570,165	0.99	3.94
Mercer Euro Inflation Linked Bond Fund	€	161,177	-	-	-	100,399,197	391,358	100,951,732	2.94	11.74

\*\*Impact of 25bps decrease in interest rates on NAV.

## 7. Financial Instruments and Associated Risks (continued)

## Interest Rate Risk (continued)

## Interest rate risk profile and sensitivity analysis (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	Effective Duration (%)**	Effective Duration (Years)
MGI Diversified Equity Fund	€	289,801	-	-	-	-	38,203,256	38,493,057	-	-
MGI Balanced Managed Fund	€	3,024,188	-	-	-	-	93,419,494	96,443,682	0.76	3.02
MGI UK Moderate Growth Fund*	GB£	9,025	-	-	-	-	(9,025)	-	1.82	7.28
MGI UK Growth Fund*	GB£	7,697	-	-	-	-	(7,697)	-	-	-
MGI UK High Growth Fund*	GB£	7,532	-	-	-	-	(7,532)	-	-	-
MGI UK Defensive Fund*	GB£	7,062	-	-	-	-	(7,062)	-	4.86	19.45
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 Enhanced Yield Fund	€	88,404	-	-	-	-	30,889,235	30,977,639	0.87	3.47
Mercer Euro Inflation Linked Bond Fund	€	167,987	-	-	-	82,919,464	325,092	83,412,543	2.90	11.59

\*These Sub-Funds terminated during the financial year ended 30 June 2019.

\*\*Impact of 25bps decrease in interest rates on NAV.

## Valuation Techniques

The fair value of the instruments that are not traded in an active market (for example, 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 CIS. The fair value of such assets is based on the underlying fund administrator's calculation of the NAV 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 CIS, 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 CIS.

## 7. Financial Instruments and Associated Risks (continued)

### 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, 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.

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.

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, 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 payable 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 NAV 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)****Fair Value Hierarchy**

The financial instruments at 30 June 2020 and 30 June 2019 are classified as follows:

	Level
ABS	2
CIS	2
Government bonds	2
Corporate bonds	2
MBS	2
Futures contracts	1
IRS	2
Open forward foreign currency contracts	2

**Transfers between levels**

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

There were no movements of financial instruments between Levels 1 and 2 during the financial year ended 30 June 2020 and 30 June 2019.

There were no investments classified as Level 3 as at 30 June 2020 and 30 June 2019.

**Emerging Markets Risk**

The Company invests in equities and CIS 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.

*\*means those countries set out in the Morgan Stanley Capital International Emerging Markets Index, the JP Morgan Emerging Market Bond Index and/or such other markets as the Directors may from time to time determine.*

**Leverage Risk**

Any leverage resulting from the use of FDIs and efficient portfolio management techniques are in accordance with the requirements of the Central Bank.

Where consistent with its investment objectives and policy, a Sub-Fund may utilise a variety of exchange traded and 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.

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

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

The following leverage values have been calculated as at 30 June 2020.

30 June 2020	Max Gross Approach %	Gross % NAV	Max Commitment Approach %	Commitment % NAV
MGI Diversified Equity Fund	200	100.00	200	100.00
MGI Balanced Managed Fund	200	100.00	200	100.00
Mercer Medium Term Inflation Linked Bond Fund	400	99.14	300	99.91
Mercer UK Credit Fund	400	121.15	300	111.86
Mercer Sterling Inflation Linked LDI Bond Fund	400	99.87	300	99.93
Mercer Sterling Nominal LDI Bond Fund	400	99.16	300	99.91
Mercer Enhanced Yield Fund	200	100.00	200	100.00
Mercer Euro Inflation Linked Bond Fund	400	99.46	300	99.91

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

30 June 2019	Max Gross Approach %	Gross % NAV	Max Commitment Approach %	Commitment % NAV
MGI Diversified Equity Fund	200	100.00	200	100.00
MGI Balanced Managed Fund	200	100.00	200	100.00
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 Enhanced Yield Fund	200	100.00	200	100.00
Mercer Euro Inflation Linked Bond Fund	400	99.45	300	99.49

**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). After 3 years of negotiations a withdrawal agreement has now been ratified by both the European and the UK Parliament and the UK formally left the EU (Brexit) on the 31 January 2020. What exists now is a transition period during which EU law continues to apply to the UK as if it were a member state (temporary permissions regime) and the aim is for the EU and the UK to negotiate a trade deal during this period. The transition period is scheduled to end on the 31 December 2020 at which point the UK will either start a new relationship with the EU or exit without a trade deal. Until a formal trade deal is agreed, there remains uncertainty as to the UK's future economic and political relationship with the EU (and with other non-EU countries by agreement). This uncertainty is likely to generate further global currency and asset price volatility. This could result in negatively impacting the returns of the Sub-Funds of the Company and their investments. Ongoing uncertainty could adversely impact the general economic outlook and as such, could impact negatively on the ability of the Sub-Funds and their investments to execute their strategies effectively. In addition increased costs to the Company may be incurred. 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.

**Coronavirus ("COVID-19")**

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. On 11 March 2020 the World Health Organisation ("WHO") officially declared the COVID-19 outbreak a pandemic. As of end-September 2020, approximately 31.5 million cases of COVID-19 have been reported, including over 1 million deaths. The virus has spread across the globe, with major outbreaks across almost every continent, resulting in a significant worldwide slowdown in economic activity. Widespread restrictions are in place in many countries, limiting the ability of people to travel, socialise and leave their homes. Global financial markets initially reacted sharply to this news, with concerns regarding the economic impact this may have on a global scale. While some sectors have since recovered, the number of people infected by the virus continues to grow meaning the full impact on the global economy and markets is not yet known. This long term impact will largely depend upon the scale and the duration of the outbreak.

**7. Financial Instruments and Associated Risks (continued)****COVID-19 (continued)**

The AIFM and Investment Manager both enacted their business continuity plans in March 2020 and at present continue to, where possible, work from home. They have had a Core Crisis Management Team in place from the initial stages of the outbreak that have successfully implemented activities to mitigate the impact of COVID-19 across their operations. In keeping with their Risk Management Framework, the AIFM and Investment Manager have rigorous policies and procedures in place to continuously monitor operations performance covering both internal operations and that of their delegates. The AIFM, Investment Manager and other delegates have remained operationally effective during the crisis.

While the long-term impact of COVID-19 on the Company will take longer to assess and quantify, the Investment Manager, AIFM and other delegates continue to monitor this situation closely.

**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 to the financial statements for details of taxation.

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

The following table details the Sub-Funds with interest income calculated using the effective interest method ("EIR") at 30 June 2020:

	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£	Mercer Enhanced Yield Fund €	Mercer PIF Fund plc €
Interest income at EIR on financial assets carried at amortised cost:						
- Cash and cash equivalents	971	13,640	107	502	85	17,290
- Broker balances/collateral balances	-	8,953	-	-	-	10,201
- Deposits	-	8,820	-	-	-	10,049
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total interest income calculated using the effective interest method	971	31,413	107	502	85	37,540
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The following table details the Sub-Funds with interest income calculated using EIR 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)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total interest income calculated using the effective interest method	64,765	223	520	240	74,554
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

None of the other Sub-Funds had any interest income calculated using EIR on financial instruments carried at amortised cost during the financial year ended 30 June 2020 and 30 June 2019.

**9. Net (expense)/income from financial instruments at FVTPL**

The following table details the amounts of net (expense)/income from financial instruments at FVTPL at 30 June 2020:

	<b>MGI Diversified Equity Fund €</b>	<b>MGI Balanced Managed Fund €</b>	<b>Mercer Medium Term Inflation Linked Bond Fund €</b>	<b>Mercer UK Credit Fund GB£</b>	<b>Mercer Sterling Inflation Linked LDI Bond Fund GB£</b>	<b>Mercer Sterling Nominal LDI Bond Fund GB£</b>
Net (expense)/income from financial instruments at FVTPL is composed of the following:						
- Interest income on debt securities at coupon basis	-	-	13,229,785	22,031,980	1,581,941	8,207,562
- Dividend income	-	-	-	49,020	-	-
- Net gains and losses	(103,965)	1,504,879	(13,445,795)	34,943,657	39,692,995	110,606,026
Total net (expense)/income from financial instruments at FVTPL	(103,965)	1,504,879	(216,010)	57,024,657	41,274,936	118,813,588

	<b>Mercer Enhanced Yield Fund €</b>	<b>Mercer Euro Inflation Linked Bond Fund €</b>	<b>Mercer PIF Fund plc €</b>
Net (expense)/income from financial instruments at FVTPL is composed of the following:			
- Interest income on debt securities at coupon basis	-	1,058,581	50,543,900
- Dividend income	-	-	55,851
- Net gains and losses	220,564	(570,602)	198,659,745
Total net (expense)/income from financial instruments at FVTPL	220,564	487,979	249,259,496

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

	<b>MGI Diversified Equity Fund €</b>	<b>MGI Balanced Managed Fund €</b>	<b>MGI UK Moderate Growth Fund* GB£</b>	<b>MGI UK Growth Fund* GB£</b>	<b>MGI UK High Growth Fund* GB£</b>
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
Total net income from financial instruments at FVTPL	1,835,415	7,399,998	197,680	683,719	263,668

**9. Net income from financial instruments at FVTPL (continued)**

	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£
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	105,618	(2,362,479)	15,334,085	22,375,433	20,840,888
Total net income from financial instruments at FVTPL	105,618	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		

\*These Sub-Funds terminated during the financial year ended 30 June 2019.

Please refer to pages 87 and 88 for the breakdown between realised and unrealised gains/losses.

**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.

**Subscriber share capital**

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. Subscriber shares entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on 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. Matsack Trust Limited and Matsack Nominees Limited hold the 2 subscriber shares at 30 June 2020.

## 11. Share capital (continued)

### Redeemable share capital

The redeemable shares issued by the Sub-Fund provide an investor with the right to require redemption for cash at a value proportionate to the investor's share in the Sub-Fund's net assets at each redemption date and are classified as liabilities. The amounts relating to proceeds from redeemable participating shares issued and payment for redeemable participating shares redeemed are reflected in the functional currency of the Sub-Fund and are inclusive of the anti-dilution charges.

The rights attaching to the redeemable shares are as follows:

- Investors in the Company may redeem daily.
- All shares carry a right to receive notice of, attend and vote at general meetings.

Note 3 to the financial statements details the different expenses and fee rates charged to each share class. In the instance where a suitable management fee for a given investor is not available from the share classes listed below, a new share class may be created in the Sub-Fund in accordance with the requirements of the Central Bank and using the following share class naming convention which is consistent with the following naming convention: share class type – management fee – accumulating/distributing – currency. Any such new share class will be added to the Supplement in accordance with the requirements of the Central Bank.

The rights attached to each series or class of share may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that series or class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that series or class. The rights attaching to any series or class of shares shall not be deemed to be varied by the creation or issue of further shares ranking *pari passu* with shares already in issue, unless otherwise expressly provided by the terms of issue of those shares.

The Company may from time to time by ordinary resolution increase its capital, consolidate its shares into a smaller number of shares, sub-divide shares 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.

### Capital Management

The Company's capital includes issued ordinary shares. The capital of the Company is managed in accordance with the Company's investment objectives, policies and restrictions as outlined in the Company's Prospectus, while maintaining sufficient liquidity to meet Shareholder redemptions.

The Company does not have any externally imposed capital requirements.

### 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. In calculating the swing pricing, the NAV of a Sub-Fund is swung by a "swing factor", the Directors may, in respect of net redemptions, adjust downward the NAV per Share and may also, in respect of net subscriptions, adjust upward the NAV per Share. The Net assets attributable to holders of redeemable participating shares is inclusive of any swing adjustments applied to the Sub-Funds. 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. The Net assets attributable to holders of redeemable participating shares is inclusive of any swing adjustments applied to the Sub-Funds.

An anti-dilution levy, if applicable, would be paid to the Sub-Fund for the benefit of all Shareholders and would not be paid to the AIFM or the 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.

## 11. Share capital (continued)

## Share movement

All proceeds from redeemable participating shares issued and payments for redeemable participating shares redeemed are shown in the base currency of the Sub-Fund.

## 30 June 2020

<b>MGI Diversified Equity Fund</b>	<b>Class I-1 €</b>	<b>Class M-7 €</b>	<b>Class M-8 €</b>	<b>Class M-12 €</b>	
Shares in issue as at 30 June 2019	114,673	19,095	48,843	44,763	
Shares issued during the financial year	30,319	2,971	3,126	23,648	
Shares redeemed during the financial year	(36,148)	(10,571)	(7,427)	(19,473)	
	<hr/>	<hr/>	<hr/>	<hr/>	
Shares in issue as at 30 June 2020	108,844	11,495	44,542	48,938	
	<hr/>	<hr/>	<hr/>	<hr/>	
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	
Proceeds from redeemable participating shares issued	4,138,606	535,095	915,235	2,948,151	
Payment for redeemable participating shares redeemed	(4,914,040)	(1,992,724)	(2,134,484)	(2,347,243)	
	<hr/>	<hr/>	<hr/>	<hr/>	
<b>MGI Balanced Managed Fund</b>	<b>Class M-7 €</b>	<b>Class M-8 €</b>	<b>Class M-9 €</b>	<b>Class M-10 €</b>	<b>Class M-14 €</b>
Shares in issue as at 30 June 2019	2,738	407,480	179,274	69,262	20,247
Shares issued during the financial year	64	36,955	26,950	24,461	31,285
Shares redeemed during the financial year	(30)	(81,863)	(32,126)	(21,544)	(24,498)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Shares in issue as at 30 June 2020	2,772	362,572	174,098	72,179	27,034
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
Proceeds from redeemable participating shares issued	9,582	4,732,493	5,194,294	3,045,051	3,708,151
Payment for redeemable participating shares redeemed	(4,630)	(10,627,635)	(6,160,920)	(2,647,287)	(2,849,189)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Mercer Medium Term Inflation Linked Bond Fund</b>	<b>Class M-1 €</b>	<b>Class M-3 €</b>	<b>Class M-4 €</b>	<b>Class M-6 €</b>	
Shares in issue as at 30 June 2019	234,553	5,096,879	1,135,783	474,019	
Shares issued during the financial year	886,599	1,094,373	279,848	58,359	
Shares redeemed during the financial year	(156,314)	(648,145)	(189,091)	(26,352)	
	<hr/>	<hr/>	<hr/>	<hr/>	
Shares in issue as at 30 June 2020	964,838	5,543,107	1,226,540	506,026	
	<hr/>	<hr/>	<hr/>	<hr/>	
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	
Proceeds from redeemable participating shares issued	148,312,443	175,831,813	40,201,790	7,914,783	
Payment for redeemable participating shares redeemed	(24,971,855)	(103,931,274)	(27,730,301)	(3,596,010)	

## 11. Share capital (continued)

## Share movement (continued)

## 30 June 2020 (continued)

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 2019	8,935	752,010	79,632	37,053	4,382,082	56,084
Shares issued during the financial year	-	764	1,933	1,524	22,089	93
Shares redeemed during the financial year	(1,382)	-	(16,340)	(4,654)	(2,383,280)	(37,266)
Shares in issue as at 30 June 2020	7,553	752,774	65,225	33,923	2,020,891	18,911
	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>
Proceeds from redeemable participating shares issued	-	88,267	344,077	266,729	3,547,065	12,749
Payment for redeemable participating shares redeemed	(150,638)	-	(2,857,791)	(804,576)	(380,058,766)	(5,310,627)
<b>Mercer UK Credit Fund (continued)</b>	<b>Class M-7 £ Distributing</b>					
Shares in issue as at 30 June 2019	861,515					
Shares issued during the financial year	50					
Shares redeemed during the financial year	(176,927)					
Shares in issue as at 30 June 2020	684,638					
	<b>GB£</b>					
Proceeds from redeemable participating shares issued	5,116					
Payment for redeemable participating shares redeemed	(18,373,840)					
<b>Mercer Sterling Inflation Linked LDI Bond Fund</b>	<b>Class M-4 £</b>	<b>Class M-5 £ Distributing</b>	<b>Class M-7 £</b>	<b>Class M-9 £</b>		
Shares in issue as at 30 June 2019	287,778	220,688	375,224	4,600		
Shares issued during the financial year	112,493	107,507	200,538	1,736		
Shares redeemed during the financial year	(178,121)	(92,749)	(365,467)	(4,750)		
Shares in issue as at 30 June 2020	222,150	235,446	210,295	1,586		
	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>		
Proceeds from redeemable participating shares issued	37,888,275	11,904,559	62,538,419	384,887		
Payment for redeemable participating shares redeemed	(59,468,289)	(8,718,204)	(118,588,081)	(1,135,414)		

## 11. Share capital (continued)

## Share movement (continued)

## 30 June 2020 (continued)

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 2019	1,290,543	194,538	857,610	36,702
Shares issued during the financial year	586,874	74,230	229,609	7,338
Shares redeemed during the financial year	(1,136,317)	(105,757)	(701,093)	(32,483)
Shares transferred between classes during the financial year	(4,685)	10,331	-	-
Shares in issue as at 30 June 2020	736,415	173,342	386,126	11,557
	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>
Proceeds from redeemable participating shares issued	151,679,069	9,149,988	61,341,924	1,132,122
Payment for redeemable participating shares redeemed	(302,623,296)	(13,048,300)	(183,793,657)	(5,381,142)
<b>Mercer Enhanced Yield Fund</b>	<b>Class* M-2 €</b>	<b>Class M-4 €</b>	<b>Class M-6 €</b>	
Shares in issue as at 30 June 2019	18,139	160,781	75,017	
Shares issued during the financial year	-	24,953	13,590	
Shares redeemed during the financial year	(18,139)	(113,997)	(38,324)	
Shares in issue as at 30 June 2020	-	71,737	50,283	
	<b>€</b>	<b>€</b>	<b>€</b>	
Proceeds from redeemable participating shares issued	-	3,332,710	1,513,438	
Payment for redeemable participating shares redeemed	(2,350,788)	(14,775,344)	(4,244,986)	
<b>Mercer Euro Inflation Linked Bond Fund</b>	<b>Class M-3 €</b>	<b>Class M-4 €</b>		
Shares in issue as at 30 June 2019	383,271	230,580		
Shares issued during the financial year	156,931	11,669		
Shares redeemed during the financial year	(42,798)	(8,749)		
Shares in issue as at 30 June 2020	497,404	233,500		
	<b>€</b>	<b>€</b>		
Proceeds from redeemable participating shares issued	23,333,533	1,519,732		
Payment for redeemable participating shares redeemed	(6,221,319)	(1,121,420)		

\*The Share Class terminated during the financial year ended 30 June 2020.

## 11. Share capital (continued)

## Share movement (continued)

## 30 June 2019

<b>MGI Diversified Equity Fund</b>	<b>Class I-1 €</b>	<b>Class M-7 €</b>	<b>Class M-8 €</b>	<b>Class M-12 €</b>	
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)	
	<hr/>	<hr/>	<hr/>	<hr/>	
Shares in issue as at 30 June 2019	114,673	19,095	48,843	44,763	
	<hr/>	<hr/>	<hr/>	<hr/>	
	€	€	€	€	
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)	
	<hr/>	<hr/>	<hr/>	<hr/>	
<b>MGI Balanced Managed Fund</b>	<b>Class M-7 €</b>	<b>Class M-8 €</b>	<b>Class M-9 €</b>	<b>Class M-10 €</b>	<b>Class M-14 €</b>
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)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Shares in issue as at 30 June 2019	2,738	407,480	179,274	69,262	20,247
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	€	€	€	€	€
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)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>MGI UK Moderate Growth Fund*</b>	<b>Class* I-1 £</b>	<b>Class** M-7 £</b>			
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)			
	<hr/>	<hr/>			
Shares in issue as at 30 June 2019	-	-			
	<hr/>	<hr/>			
	GB£	GB£			
Proceeds from redeemable participating shares issued	590,151	7,297			
Payment for redeemable participating shares redeemed	(4,845,110)	(41,410)			

\*The Sub-Fund and the Share Class terminated during the financial year ended 30 June 2019.

\*\*The Share Class terminated during the financial year ended 30 June 2019.

## 11. Share capital (continued)

## Share movement (continued)

## 30 June 2019 (continued)

<b>MGI UK Growth Fund*</b>	<b>Class*</b> <b>I-1 £</b>	<b>Class**</b> <b>M-7 £</b>
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/>
	<b>GB£</b>	<b>GB£</b>
Proceeds from redeemable participating shares issued	3,457,462	4,779
Payment for redeemable participating shares redeemed	(21,598,957)	(81,555)
	<hr/>	<hr/>
	<b>GB£</b>	<b>GB£</b>
<b>MGI UK High Growth Fund*</b>	<b>Class*</b> <b>I-1 £</b>	<b>Class**</b> <b>M-7 £</b>
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/>
	<b>GB£</b>	<b>GB£</b>
Proceeds from redeemable participating shares issued	1,374,571	-
Payment for redeemable participating shares redeemed	(10,023,010)	(252,040)
	<hr/>	<hr/>
	<b>GB£</b>	<b>GB£</b>
<b>MGI UK Defensive Fund*</b>	<b>Class*</b> <b>I-1 £</b>	
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/>	
	<b>GB£</b>	
Proceeds from redeemable participating shares issued	511,860	
Payment for redeemable participating shares redeemed	(2,192,648)	
	<hr/>	

\*The Sub-Fund and the Share Class terminated during the financial year ended 30 June 2019.

\*\*The Share Class terminated during the financial year ended 30 June 2019.

## 11. Share capital (continued)

## Share movement (continued)

## 30 June 2019 (continued)

<b>Mercer Medium Term Inflation Linked Bond Fund</b>	<b>Class M-1 €</b>	<b>Class M-3 €</b>	<b>Class M-4 €</b>	<b>Class M-6 €</b>		
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/>		
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>		
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/>		
<b>Mercer UK Credit Fund</b>	<b>Class M-1 £</b>	<b>Class M-1 £ Distributing</b>	<b>Class M-2 £</b>	<b>Class M-5 £</b>	<b>Class M-6 £</b>	<b>Class M-7 £</b>
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/>
	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>
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/>
<b>Mercer UK Credit Fund (continued)</b>	<b>Class M-7 £ Distributing</b>	<b>Class Z-1 £*</b>				
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/>				
	<b>GB£</b>	<b>GB£</b>				
Proceeds from redeemable participating shares issued	17,496,773	164,194				
Payment for redeemable participating shares redeemed	-	(777,553)				

\*The Share Class terminated during the financial year ended 30 June 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
	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>
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
	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>
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	
	<b>€</b>	<b>€</b>	<b>€</b>	
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)	

\*The Share Class launched during the financial year ended 30 June 2019.

\*\*The Share Class launched during the financial year ended 30 June 2019.

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

<b>Mercer Euro Inflation Linked Bond Fund</b>	<b>Class M-3 €</b>	<b>Class M-4 €</b>
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)
	383,271	230,580
	€	€
Proceeds from redeemable participating shares issued	11,250,412	2,713,420
Payment for redeemable participating shares redeemed	(439,332)	(307,446)

**Significant Shareholders**

The following table details the number of Shareholders with significant holdings of at least 20 per cent of the relevant Sub-Fund and the percentage of that holding as at 30 June 2020 and 30 June 2019.

<b>Fund</b>	<b>Number of Significant Shareholders 30 June 2020</b>	<b>Total Holding (shares) 30 June 2020</b>	<b>Aggregate Shareholders as a % of the shares in issue 30 June 2020</b>	<b>Number of Significant Shareholders 30 June 2019</b>	<b>Total Holding (shares) 30 June 2019</b>	<b>Aggregate Shareholders as a % of the shares in issue 30 June 2019</b>
MGI Diversified Equity Fund	2	157,782	74%	2	161,426	71%
MGI Balanced Managed Fund	1	362,572	57%	1	407,480	60%
Mercer UK Credit Fund	1	752,774	21%	-	-	-
Mercer Sterling Inflation Linked LDI Bond Fund	1	139,435	21%	-	-	-
Mercer Medium Term Inflation Linked Bond Fund	-	-	-	1	1,395,727	20%
Mercer Enhanced Yield Fund	2	73,890	61%	1	91,198	36%
Mercer Euro Inflation Linked Bond Fund	1	167,142	23%	-	-	-

As at 30 June 2020 and 30 June 2019 there were no Shareholders who owned more than 20% of the Company's NAV.

**12. Dividends**

The following dividends were declared and paid during the financial year ended 30 June 2020:

<b>Sub-Fund</b>	<b>Share Class</b>	<b>Total dividend per share class</b>	<b>Dividend per Share</b>	<b>Ex-Date</b>
Mercer UK Credit Fund	Class M-1 £ Distributing	GB£ 646,427	GB£ 0.8596	1 July 2019
	Class M-7 £ Distributing	GB£ 677,496	GB£ 0.7864	1 July 2019
	Class M-1 £ Distributing	GB£ 622,288	GB£ 0.8273	1 October 2019
	Class M-7 £ Distributing	GB£ 652,706	GB£ 0.7576	1 October 2019
	Class M-1 £ Distributing	GB£ 620,793	GB£ 0.8251	2 January 2020
	Class M-7 £ Distributing	GB£ 517,038	GB£ 0.7552	2 January 2020
	Class M-1 £ Distributing	GB£ 584,456	GB£ 0.7766	1 April 2020
	Class M-7 £ Distributing	GB£ 487,120	GB£ 0.7115	1 April 2020
Mercer Sterling Inflation Linked LDI Bond Fund	Class M-5 £ Distributing	GB£ 91,409	GB£ 0.4142	1 July 2019
	Class M-5 £ Distributing	GB£ 29,739	GB£ 0.1347	1 October 2019
	Class M-5 £ Distributing	GB£ 16,251	GB£ 0.0692	2 January 2020
Mercer Sterling Nominal LDI Bond Fund	Class M-5 £ Distributing	GB£ 89,701	GB£ 0.4611	1 July 2019
	Class M-5 £ Distributing	GB£ 89,896	GB£ 0.4619	1 October 2019
	Class M-5 £ Distributing	GB£ 81,799	GB£ 0.4586	2 January 2020
	Class M-5 £ Distributing	GB£ 63,238	GB£ 0.4418	1 April 2020

**12. Dividends (continued)**

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

Sub-Fund	Share Class	Total dividend per share class	Dividend per Share	Ex-Date
Mercer Sterling Inflation Linked LDI Bond Fund	Class M-5£ Distributing	GB£ 7,592	GB£ 0.0883	1 October 2018
	Class M-5£ Distributing	GB£ 31,512	GB£ 0.3660	2 January 2019
Mercer Sterling Nominal LDI Bond Fund	Class M-5 £ Distributing	GB£ 25,954	GB£ 0.1194	1 April 2019
Mercer UK Credit Fund	Class M-1£ Distributing	GB£ 1,425,690	GB£ 0.8693	2 July 2018
	Class M-7£ Distributing	GB£ 400,924	GB£ 0.5856	2 July 2018
	Class M-1£ Distributing	GB£ 678,651	GB£ 0.9031	1 October 2018
	Class M-7£ Distributing	GB£ 423,380	GB£ 0.6184	1 October 2018
	Class M-1£ Distributing	GB£ 649,200	GB£ 0.8637	2 January 2019
	Class M-7£ Distributing	GB£ 537,851	GB£ 0.7856	2 January 2019
	Class M-1 £ Distributing	GB£ 619,957	GB£ 0.8246	1 April 2019
Class M-7 £ Distributing	GB£ 649,993	GB£ 0.7545	1 April 2019	

**13. Charges**

A number of counterparties used by the Company hold a number of charges granting first priority security interest in relation to collateral and principal broker securities relating to the relevant Sub-Fund's account.

**14. Comparative information**

The comparative amounts in these financial statements are for the financial year ended 30 June 2019. Certain restatements have been made to the prior year financial statements to conform to the current year presentation. The changes only affected the presentation of Note 7 to the financial statements which were updated to disclose Company level balances as opposed to Sub-Fund balances.

**15. Significant events during the financial year***Prospectus and Supplement updates*

The Prospectus, Supplements and other documents of the Company and the Sub-Funds have been updated during the year. Details of these updates have been outlined in the Directors report (unaudited).

*COVID-19*

COVID-19 disclosure is included in Note 7 to the financial statements.

*Changes in Directorship*

Helen O'Beirne was appointed as a non-executive Director of the Company on 13 January 2020. Liam Miley was appointed as an independent non-executive Director of the Company on 13 May 2020. Michael Dempsey resigned as a non-executive Director of the Company on 31 May 2020. Carmel Jordan was appointed as a non-executive Director of the Company on 31 May 2020.

*Share class terminations*

The following share class terminated during the financial year ended 30 June 2020:

Sub-Fund	Class	Termination date
Mercer Enhanced Yield Fund	Class M-2 €	24 January 2020

There were no other significant events affecting the Company during the financial year that require amendment to or disclosure in the financial statements.

**16. Subsequent Events***Supplement updates*

Any supplement updates subsequent to year end are detailed in the Directors Report (unaudited).

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

Sub-Fund	Share Class	Total dividend per share class	Dividend per Share	Ex-Date
Mercer UK Credit Fund	Class M-7 £ Distributing	GB£ 721,606	GB£ 0.6788	1 October 2020
Mercer Sterling Inflation Linked LDI Bond Fund	Class M-5 £ Distributing	GB£ 39,448	GB£ 0.1469	1 October 2020
Mercer Sterling Nominal LDI Bond Fund	Class M-5 £ Distributing	GB£ 146,233	GB£ 0.4334	1 October 2020

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

**17. Approval of financial statements**

The financial statements were approved by the Board of the Company on 15 October 2020.

The table below outlines additional supplemental information regarding underlying CIS held by the Sub-Funds of the Company as at the 30 June 2020. The supplemental information includes (where available) the regulatory status, underlying manager name and fee information with regard to these investments.

<b>Underlying Fund</b>	<b>Jurisdiction/ Regulatory Status*</b>	<b>Fund Manager</b>	<b>Share Class*** Management fee %</b>	<b>Performance** fee %</b>	<b>Redemption fee %</b>
BNY Mellon Global Short - Dated High Yield Bond Fund	Ireland	BNY Mellon Fund Management (Luxembourg) S.A	n/a	n/a	Up to 3%
Insight Global Funds II plc - Insight High Grade ABS Fund	Ireland	Insight Investment Management (Global) Limited	n/a	n/a	n/a
Insight Liquidity Funds plc - ILF GBP Liquidity Fund	Ireland	Insight Investment Management (Global) Limited	Up to 0.01%	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

\*The funds are regulated in the jurisdiction noted above.

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

\*\*\*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.

**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. State Street Custodial Services (Ireland) Limited (the “Depository”) are the Depository of the Company for the purpose of the AIFM Regulations and were appointed pursuant to the terms of the Depository 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.

The Company comprised of seventeen Sub-Funds, eight of which are in operation at 30 June 2020, 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 Europe (ex UK) Equity 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

\*These Sub-Funds terminated but are not de-authorised as at 30 June 2020.

**Data Protection Notice**

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

**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 commissions and directed brokerage arrangements**

With effect from 3 January 2018, with the exception of minor non-monetary benefits as defined in Markets in Financial Instruments Directive ("MiFID"), Sub-Investment Managers appointed by the Investment Manager are not permitted to enter into soft commission arrangements which would result in them receiving research for free. Managers can accept research if they pay for it themselves or if they pay for it via a Research Payment Account ("RPA") which is funded by the assets of the Sub-Fund or similar means which result in the same level of protection as the RPA method.

**Net (expense)/income from financial instruments at FVTPL**

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 2020**

	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	Mercer Medium Term Inflation Linked Bond Fund €	Mercer UK Credit Fund GB£	Mercer Sterling Inflation Linked LDI Bond Fund GB£
Realised gain on investments and other derivative contracts	1,122,151	1,831,794	38,466,408	50,980,151	27,301,255
Realised loss on investments and other derivative contracts	(16,375)	-	(8,750,098)	(17,883,841)	(2,405,427)
Change in unrealised gain on investments and other derivative contracts	5,926,033	25,438,685	7,630,530	23,108,955	14,797,191
Change in unrealised loss on investments and other derivative contracts	(7,135,774)	(25,765,600)	(50,792,613)	(21,265,673)	-
(Loss)/gain on foreign exchange	-	-	(22)	4,065	(24)
	<u>(103,965)</u>	<u>1,504,879</u>	<u>(13,445,795)</u>	<u>34,943,657</u>	<u>39,692,995</u>
	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	131,632,628	2,573,468	912,098		
Realised loss on investments and other derivative contracts	(400,647)	(50,488)	(44,483)		
Change in unrealised gain on investments and other derivative contracts	-	613,019	696,192		
Change in unrealised loss on investments and other derivative contracts	(20,625,754)	(2,915,435)	(2,134,409)		
(Loss)/gain on foreign exchange	(201)	-	-		
	<u>110,606,026</u>	<u>220,564</u>	<u>(570,602)</u>		

**Net income/(expense) from financial instruments at FVTPL (continued)**

**30 June 2019**

	<b>MGI Diversified Equity Fund €</b>	<b>MGI Balanced Managed Fund €</b>	<b>MGI UK Moderate Growth Fund* GB£</b>	<b>MGI UK Growth Fund* GB£</b>	<b>MGI UK High Growth Fund* GB£</b>
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 gain on investments and other derivative contracts	870,159	7,399,676	6,857	19,952	-
Change in unrealised loss 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>
	<b>MGI UK Defensive Fund* GB£</b>	<b>Mercer Medium Term Inflation Linked Bond Fund €</b>	<b>Mercer UK Credit Fund GB£</b>	<b>Mercer Sterling Inflation Linked LDI Bond Fund GB£</b>	<b>Mercer Sterling Nominal LDI Bond Fund GB£</b>
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 gain on investments and other derivative contracts	1,446	2,891,125	43,926,168	26,643,921	26,908,438
Change in unrealised loss 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>
	<b>Mercer Enhanced Yield Fund €</b>	<b>Mercer Euro Inflation Linked Bond Fund €</b>			
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 gain on investments and other derivative contracts	827,524	1,328,451			
Change in unrealised loss on investments and other derivative contracts	(172,015)	(484,647)			
(Loss)/gain on foreign exchange	304	-			
	<u>1,446,639</u>	<u>907,299</u>			

\*These Sub-Funds terminated during the financial year ended 30 June 2019.

**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 FDIs held at 30 June 2020 can be found in the Portfolio Statements for each relevant Sub-Fund. Note 7 to the financial statements provides details of the risks associated with the use of FDIs.

## Net Asset Value comparative tables

MGI Diversified Equity Fund	Class I-1 €	Class M-7 €	Class M-8 €	Class M-12 €	
Total NAV					
30 June 2020	€ 14,669,838	€ 2,107,355	€ 12,414,420	€ 6,199,665	
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	
Number of shares in issue					
30 June 2020	108,844	11,495	44,542	48,938	
30 June 2019	114,673	19,095	48,843	44,763	
30 June 2018	136,399	28,840	51,597	38,827	
NAV per share†					
30 June 2020	€ 134.78	€ 183.34	€ 278.71	€ 126.68	
30 June 2019	€ 135.46	€ 184.45	€ 281.44	€ 127.16	
30 June 2018	€ 129.28	€ 176.22	€ 269.87	€ 121.21	
<b>MGI Balanced Managed Fund</b>	<b>Class M-7 €</b>	<b>Class M-8 €</b>	<b>Class M-9 €</b>	<b>Class M-10 €</b>	<b>Class M-14 €</b>
Total NAV					
30 June 2020	€ 415,529	€ 46,087,777	€ 33,489,947	€ 8,909,144	€ 3,201,827
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
Number of shares in issue					
30 June 2020	2,772	362,572	174,098	72,179	27,034
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
NAV per share†					
30 June 2020	€ 149.89	€ 127.11	€ 192.36	€ 123.43	€ 118.44
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
<b>MGI UK Moderate Growth Fund*</b>	<b>Class I-1 £</b>	<b>Class M-7 £</b>			
Total NAV					
30 June 2020	-	-			
30 June 2019	-	-			
30 June 2018	GB£ 4,065,463	GB£ 34,583			
Number of shares in issue					
30 June 2020	-	-			
30 June 2019	-	-			
30 June 2018	18,249	159			
NAV per share†					
30 June 2020	-	-			
30 June 2019	-	-			
30 June 2018	GB£ 222.78	GB£ 217.97			

\*This Sub-Fund terminated during the financial year ended 30 June 2019.

†Dealing NAV.

**Net Asset Value comparative tables (continued)**

<b>MGI UK Growth Fund*</b>	<b>Class I-1 £</b>	<b>Class M-7 £</b>
Total NAV		
30 June 2020	-	-
30 June 2019	-	-
30 June 2018	GB£ 17,495,172	GB£ 80,482
Number of shares in issue		
30 June 2020	-	-
30 June 2019	-	-
30 June 2018	78,892	376
NAV per share†		
30 June 2020	-	-
30 June 2019	-	-
30 June 2018	GB£ 221.76	GB£ 213.87

<b>MGI UK High Growth Fund*</b>	<b>Class I-1 £</b>	<b>Class M-7 £</b>
Total NAV		
30 June 2020	-	-
30 June 2019	-	-
30 June 2018	GB£ 8,393,572	GB£ 267,875
Number of shares in issue		
30 June 2020	-	-
30 June 2019	-	-
30 June 2018	38,024	1,274
NAV per share†		
30 June 2020	-	-
30 June 2019	-	-
30 June 2018	GB£ 220.74	GB£ 210.30

<b>MGI UK Defensive Fund*</b>	<b>Class I-1 £</b>
Total NAV	
30 June 2020	-
30 June 2019	-
30 June 2018	GB£ 1,578,175
Number of shares in issue	
30 June 2020	-
30 June 2019	-
30 June 2018	7,647
NAV per share†	
30 June 2020	-
30 June 2019	-
30 June 2018	GB£ 206.37

\*These Sub-Funds terminated during the financial year ended 30 June 2019.

†Dealing NAV.

**Net Asset Value comparative tables (continued)**

<b>Mercer Medium Term Inflation Linked Bond Fund</b>	<b>Class M-1 €</b>	<b>Class M-3 €</b>	<b>Class M-4 €</b>	<b>Class M-6 €</b>		
Total NAV						
30 June 2020	€ 157,208,866	€ 878,024,501	€ 174,967,509	€ 67,952,007		
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		
Number of shares in issue						
30 June 2020	964,838	5,543,107	1,226,540	506,026		
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		
NAV per share†						
30 June 2020	€ 162.64	€ 158.11	€ 142.39	€ 134.04		
30 June 2019	€ 162.54	€ 158.19	€ 142.61	€ 134.50		
30 June 2018	€ 159.72	€ 155.61	€ 140.42	€ 132.69		

  

<b>Mercer UK Credit Fund</b>	<b>Class M-1 £</b>	<b>Class M-1 £ Distributing</b>	<b>Class M-2 £</b>	<b>Class M-5 £</b>	<b>Class M-6 £</b>	<b>Class M-7 £</b>
Total NAV						
30 June 2020	GB£ 862,294	GB£ 89,578,984	GB£ 12,058,436	GB£ 6,128,143	GB£ 335,577,456	GB£ 2,751,529
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
Number of shares in issue						
30 June 2020	7,553	752,774	65,225	33,923	2,020,891	18,911
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
NAV per share†						
30 June 2020	GB£ 113.50	GB£ 118.30	GB£ 183.79	GB£ 179.59	GB£ 164.91	GB£ 144.65
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

  

<b>Mercer UK Credit Fund (continued)</b>	<b>Class M-7 £ Distributing</b>	<b>Class Z-1 £</b>
Total NAV		
30 June 2020	GB£ 73,816,327	-
30 June 2019	GB£ 88,422,769	-
30 June 2018	GB£ 68,244,783	GB£ 583,183
Number of shares in issue		
30 June 2020	684,638	-
30 June 2019	861,515	-
30 June 2018	684,638	5,849
NAV per share†		
30 June 2020	GB£ 107.19	-
30 June 2019	GB£ 102.64	-
30 June 2018	GB£ 99.68	GB£ 99.71

†Dealing NAV.

## Net Asset Value comparative tables (continued)

Mercer Sterling Inflation Linked LDI Bond Fund	Class M-4 £	Class M-5 £ Distributing	Class M-7 £	Class M-9 £
Total NAV				
30 June 2020	GB£ 85,026,403	GB£ 30,372,002	GB£ 77,381,674	GB£ 426,629
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
Number of shares in issue				
30 June 2020	222,150	235,446	210,295	1,586
30 June 2019	287,778	220,688	375,224	4,600
30 June 2018	553,527	-	595,321	1,333
NAV per share†				
30 June 2020	GB£ 382.74	GB£ 129.00	GB£ 367.97	GB£ 269.06
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

Mercer Sterling Nominal LDI Bond Fund	Class M-4 £	Class M-5 £ Distributing	Class M-7 £	Class M-8 £
Total NAV				
30 June 2020	GB£ 217,158,813	GB£ 23,176,134	GB£ 111,983,736	GB£ 2,152,094
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
Number of shares in issue				
30 June 2020	736,415	173,342	386,126	11,557
30 June 2019	1,290,543	194,538	857,610	36,702
30 June 2018	1,465,581	-	1,509,210	28,337
NAV per share†				
30 June 2020	GB£ 294.72	GB£ 133.64	GB£ 289.87	GB£ 186.13
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

Mercer Enhanced Yield Fund	Class* M-2 €	Class M-4 €	Class M-6 €
Total NAV			
30 June 2020	-	€ 9,139,804	€ 5,430,361
30 June 2019	€ 2,256,352	€ 20,569,965	€ 8,151,322
30 June 2018	€ 2,112,116	€ 34,130,540	€ 9,417,947
Number of shares in issue			
30 June 2020	-	71,737	50,283
30 June 2019	18,139	160,781	75,017
30 June 2018	17,886	280,493	90,958
NAV per share†			
30 June 2020	-	€ 126.87	€ 107.54
30 June 2019	€ 124.39	€ 127.94	€ 108.66
30 June 2018	€ 118.09	€ 121.68	€ 103.54

\*The share class terminated during the financial year ended 30 June 2020, for details of the termination date please see Note 15 to the financial statements.

†Dealing NAV.

## Net Asset Value comparative tables (continued)

Mercer Euro Inflation Linked Bond Fund	Class M-3 €	Class M-4 €
Total NAV		
30 June 2020	€ 71,309,975	€ 29,641,757
30 June 2019	€ 54,398,618	€ 29,013,925
30 June 2018	€ 42,012,599	€ 25,846,843
Number of shares in issue		
30 June 2020	497,404	233,500
30 June 2019	383,271	230,580
30 June 2018	303,936	210,674
NAV per share†		
30 June 2020	€ 143.61	€ 127.16
30 June 2019	€ 141.93	€ 125.83
30 June 2018	€ 138.23	€ 122.69

†Dealing NAV.

## Exchange rates

The applicable financial year end exchange rates used were:

	As at 30 June 2020 Exchange rate to €	As at 30 June 2019 Exchange rate to €
Australian Dollar	1.6313	1.6228
British Pound	0.9090	0.8948
US Dollar	1.1232	1.1388

The applicable average exchange rates used was:

	Financial year ended 30 June 2020 Exchange rate to €	Financial year ended 30 June 2019 Exchange rate to €
British Pound	0.8777	0.8815

## Remuneration Policy

### Report on Remuneration

As part of its authorisation as an AIFM, Mercer Global Investments Management Limited ("MGIM", the "AIFM") has implemented a Remuneration 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 2020 is € 536,687 (30 June 2019: € 563,418). This figure is comprised of fixed remuneration of € 422,519 (30 June 2019: € 448,483) and variable remuneration of € 114,168 (30 June 2019: € 114,934). There were a total of 169 (30 June 2019: 125) 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 2020, to its senior management was € 346,724 (30 June 2019: € 352,769), and to members of its staff whose actions have a material impact on the risk profile of the AIF was € 83,268 (30 June 2019: € 78,645).