

Mercer PIF Fund plc

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

Interim Report and Unaudited Financial Statements

For the financial period from 1 July 2019 to 31 December 2019

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COMPANY REGISTRATION NUMBER

421024

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

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

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INDEPENDENT AUDITOR**KPMG**

Chartered Accountants
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SECRETARY**Matsack Trust Limited**

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DIRECTORS

Gráinne Alexander*†
Michael Dempsey**
Tom Finlay*†
Hooman Kaveh†
Helen O'Beirne† (appointed 13 January 2020)

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

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*These Directors are independent Directors.

**This Director is an executive Director.

†These Directors are non-executive Directors.

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 “Depositary”) are the Depositary of the Company for the purpose of the AIFM Regulations and were appointed pursuant to the terms of the Depositary agreement.

The share capital of the Company will be divided into different series of shares with each series of shares representing a portfolio of assets which will comprise a separate fund (each a “Sub-Fund”). The Company is authorised by the Central Bank of Ireland (the “Central Bank”) as a designated investment company pursuant to Part 24 Companies Act, 2014 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 period.

As at 31 December 2019 the Company comprised of twenty Sub-Funds, eight of which are in operation at 31 December 2019 and are listed below.

Name	Functional Currency	Functional Currency Symbol	Launch Date
MGI Diversified Equity Fund	Euro	€	19/08/2006
MGI Balanced Managed Fund	Euro	€	19/08/2006
MGI Global (ex UK) Equity Fund (terminated)*	US Dollar	US\$	19/08/2006
MGI UK Moderate Growth Fund (terminated)*	British Pound	GB£	19/08/2006
MGI UK Growth Fund (terminated)*	British Pound	GB£	19/08/2006
MGI UK High Growth Fund (terminated)*	British Pound	GB£	19/08/2006
MGI UK Defensive Fund (terminated)*	British Pound	GB£	19/08/2006
Mercer Medium Term Inflation Linked Bond Fund	Euro	€	19/08/2006
Mercer Passive Global Equity Fund (terminated)*	US Dollar	US\$	15/12/2009
MGI Moderate Growth Fund	Euro	€	n/a
MGI Europe (ex UK) Equity Fund	Euro	€	n/a
MGI Irish Equity Fund	Euro	€	n/a
MGI Retirement Fixed Income Fund	Euro	€	n/a
MGI U.S. Equity Fund	US Dollar	US\$	n/a
Mercer UK Credit Fund	British Pound	GB£	09/03/2010
Mercer Passive UK Equity Fund (terminated)*	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 31 December 2019.

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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.

Following the positive returns over the first half of 2019, Q3 and Q4 remained generally positive over a wide range of asset classes, with equities particularly shining in Q4. The volatility seen earlier in 2019 continued in Q3, with markets selling off heavily in August amid renewed concerns of an impending recession prompted by the inversion of the US Treasury yield curve and continued trade tensions between the US and China. Over Q4, markets were encouraged as China and the US neared agreement on a "mini trade deal" involving the cancellation and reduction of some tariffs on Chinese goods. In exchange, China agreed to buy more American goods. With the US presidential elections on the horizon, President Trump may seek to hasten the outcome of the trade war with China in a bid to boost his electoral campaign. Tensions also increased between the US and Iran at the start of 2020 following the US assassination of Qassem Soleimani, the head of the Iranian Revolutionary Guards overseas forces. Equities pulled back in early January 2020 in response with corresponding rises in gold and oil prices.

Economic data continued to paint a picture of slowing economic growth in Europe over Q3. Investment has slowed as consumers in particular and corporations adopt a wait and see approach. Concerns continue with regard to ongoing trade tensions and Brexit uncertainty. Despite these concerns, European equities posted positive returns over the second half of 2019, though lagged their global counterparts. Upside surprises from France and Italy bolstered the Eurozone economy and the easing of trade tensions towards the end of the year saw Germany avoid entering a recession. While some political tensions continue in Italy, the European Commission decided not to take disciplinary action against Italy for its breach of EU budgetary rules and the new coalition has eased tensions between Italy and the European Commission, taking a more conciliatory tone.

Q3 saw Boris Johnson voted by the Conservative Party members as the new British Prime Minister in a chaotic quarter for Brexit. Sterling fell sharply as the threat of a no deal Brexit once again loomed large on the back of Johnson's pledge to leave the EU by 31 October. The uncertainty surrounding what form Brexit will finally take acted as an economic headwind in both the Eurozone and the UK. The British economy shrank in the second quarter and returns lagged their European counterparts in Q3 as markets considered the reality of a no deal Brexit. In Q4, Boris Johnson secured a new Brexit deal with the EU and a general election in December saw his party, the Conservatives, win their biggest majority since the 1980s. UK equities had struggled over Q3 but outperformed their European counterparts in Q4 with particularly strong gains in December after the election of Johnson with such a strong majority. Sterling rose as investors welcomed the certainty provided by the Conservatives majority and the UK now looks set to leave the EU by end January 2020.

Emerging market equities underperformed in Q3 due to trade tensions, a strong US dollar and some country specific idiosyncratic factors. Q3 saw trade tensions intensify between Japan and South Korea, which weighed on Asian stock markets while Chinese industrial output slowed to its lowest rate in 17 years. Further detractors included the failure of the Indian government's budget to meet pro-growth expectations and caution over Brazilian tax and regulation reforms. Following this, Q4 saw emerging markets outperform on the back of softening trade tensions between the US and China, easing monetary policy in the US and a weaker US dollar. The People's Bank of China's (PBoC) cut bank's minimum reserve ratios, freeing up liquidity and allowing banks to lend more. This was followed by the announcement of further stimulus at the end of Q4 in an effort to stabilise domestic economic growth which was received well by investors. South Korea also benefited from the softening of trade tensions. Latin America as a whole was negatively impacted on performance for emerging market equities in Q4 as political unrest affected a number of countries including Chile, Bolivia & Colombia. In contrast, Brazil saw a rebound in its economy driven by deregulation and a number of fiscal reforms including revisions to the countries generous pension programme along with an uptick in copper prices. Emerging market debt posted solid returns over the second half of 2019 boosted by lower commodity prices and falling interest rates in the US.

After having officially ended its quantitative easing programme at the end of Q4 2018, the European Central Bank ("ECB") indicated over Q3 2019 that it would restart bond buying as economic growth and inflation continued to stall in the Eurozone. Pessimism on growth drove core Eurozone government bond yields to fall further over the course of Q3, resulting in positive returns on long dated sovereign bonds. Later in year, a more optimistic outlook on growth drove core Eurozone government bond yields to rise over the course of Q4, resulting in negative returns. The Federal Reserve cut interest rates twice over the quarter by 0.25 percentage points each at its meetings in July and September citing lower inflation expectations along with a slowing economy and trade uncertainties. The continued dovishness of both the ECB and the Federal Reserve was welcomed by investors and was reflected in the performance of corporate and high yield bonds as credit spreads contracted. A further cut of 0.25% was implemented in Q4. US Treasury yields fell over the third quarter but rose again over the fourth quarter as concerns around slowing economic growth subsided.

Mercer PIF Fund plc Overview

All performance figures shown below are calculated by the Investment Manager using pricing from State Street Fund Services (Ireland) Limited (the "Administrator"). Figures shown are gross of the Investment Manager's and underlying managers' fees and net of all other expenses including custody and administration costs depending on fund structure. Weightings shown in the below tables are the portfolios weightings as at 31 December 2019.

Investment Performance to 31 December 2019 (EUR)

MGI Diversified Equity Fund

Fund	Weight (%)	Performance over the Last Six Months	
		Fund (%)	Benchmark (%)
Mercer Passive Global Equity Fund	5.0	10.8	10.7
Mercer Passive Global Equity Fund (Hedged)	40.2	7.8	8.0
Mercer Low Volatility Equity Fund	19.4	8.8	11.1
Mercer Global Small Cap Equity Fund	15.0	9.5	10.4
MGI Emerging Markets Equity Fund	20.3	7.8	8.6
MGI Diversified Equity Fund	100.0	8.4	9.2

Performance shown is in EUR terms.

Figures may not sum to total due to rounding.

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

The MGI Diversified Equity Fund underperformed the composite benchmark by 0.8% over the last six months.

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

MGI Balanced Managed Fund

Fund	Weight (%)	Performance over the Last Six Months	
		Fund (%)	Benchmark (%)
Mercer Passive Global Equity Fund	26.6	10.8	10.7
MGI Emerging Markets Debt Fund	4.7	6.4	5.9
Mercer Global High Yield Bond Fund (Hedged)	3.7	3.4	2.9
Mercer Diversified Growth Fund	43.8	7.4	-0.3
Mercer Euro Nominal Bond Long Duration Fund	16.7	-1.4	-1.5
Mercer Global Buy & Maintain Credit Fund (Hedged)	4.6	2.3	2.3
MGI Balanced Managed Fund	100.0	6.1	1.2

Performance shown is in EUR terms.

Figures may not sum to total due to rounding.

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

The MGI Balanced Managed Fund outperformed the benchmark by 4.9% over the last six months.

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

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

Investment Performance to 31 December 2019 (EUR) (continued)

Mercer Medium Term Inflation Linked Bond Fund

Manager	Weight (%)	Performance over the Last Six Months	
		Fund (%)	Benchmark (%)
Irish Life Investment Managers	100.0	0.8	0.7
Mercer Medium Term Inflation Linked Bond Fund	100.0	0.8	0.7

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

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

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

Mercer Enhanced Yield Fund

Fund	Weight (%)	Performance over the Last Six Months	
		Fund (%)	Benchmark (%)
MGI Emerging Markets Debt Fund	34.5	6.4	5.9
Mercer Global High Yield Bond Fund (Hedged)	33.4	3.4	2.9
Mercer Absolute Return Fixed Income Fund (Hedged)	32.2	1.4	-0.3
Mercer Enhanced Yield Fund	100.0	4.1	3.0

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

The Mercer Enhanced Yield Fund outperformed the composite benchmark by 1.1% over the last six months.

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

Mercer Euro Inflation Linked Bond Fund

Manager	Weight (%)	Performance over the Last Six Months	
		Fund (%)	Benchmark (%)
Irish Life Investment Managers	100.0	2.7	2.6
Mercer Euro Inflation Linked Bond Fund	100.0	2.7	2.6

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

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

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

Investment Performance to 31 December 2019 (GBP)

Mercer UK Credit Fund

Manager	Weight (%)	Performance over the Last Six Months	
		Fund (%)	Benchmark (%)
Insight Investment Management (Global) Limited	50.0	3.7	3.3
M&G Investment Management limited	50.0	3.5	3.3
MGI UK Credit Fund	100.0	3.7	3.3

Performance shown is in GBP terms.

Figures may not sum to total due to rounding.

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

The Mercer UK Credit Fund outperformed the benchmark by 0.4% over the last six months.

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

Mercer Sterling Inflation Linked LDI Bond Fund

Manager	Weight (%)	Performance over the Last Six Months	
		Fund (%)	Benchmark (%)
Legal & General Investment Management	100.0	-3.3	-3.3
Mercer Sterling Inflation Linked LDI Bond Fund	100.0	-3.3	-3.3

Performance shown is in GBP terms.

Figures may not sum to total due to rounding.

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

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

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

Mercer Sterling Nominal LDI Bond Fund

Manager	Weight (%)	Performance over the Last Six Months	
		Fund (%)	Benchmark (%)
Legal & General Investment Management	100.0	5.7	5.7
Mercer Sterling Nominal LDI Bond Fund	100.0	5.7	5.7

Performance shown is in GBP terms.

Figures may not sum to total due to rounding.

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

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

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

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

Market Outlook

Despite markets going through a volatile quarter in Q3 2019 with a sell-off in equity markets in August followed by a recovery in September, markets ended the last quarter of 2019 on a positive note.

We expect the global economy to recover from below-trend growth rates to around trend as manufacturing picks up, easing monetary policy begins to feed through and the benefit of improvements on the trade front. Within the pickup in global growth, we expect emerging economies to do slightly better than the developed world. The growth outlook in the Eurozone continues to be mediocre, even if easing trade tensions should be a relief for the many export-oriented economies in the region.

Central banks in both the developed world and emerging countries have sustained the easing cycle, with the Federal Reserve cutting its benchmark rate one more time in October, the European Central Bank has restarted a quantitative easing program and the Bank of England remains in 'wait and see' mode. Emerging market central banks remain accommodative as well with China's cut in reserve requirement in January 2020 being the latest example. Central banks are expected to be on hold for the coming year which means that financial conditions are likely to remain loose.

Corporate profits continued to soften towards the end of 2019. With negative earnings growth for the S&P 500 over the third quarter, this was the first time since early 2016 that negative profit growth was recorded over three quarters in a row. Analysts expect earnings growth to return in Q4 after all revisions have been factored in and to pick up further over 2020 to high single digit levels. This rests on the assumption that loose financial conditions and less trade uncertainty will lead to a recovery in manufacturing. There is still material uncertainty around this scenario, such as the US presidential election this year, new disruptions on the trade front and wage pressure amid tight labour markets. As equity valuations are stretched already, even moderate earnings growth might not be enough to expand stock multiples much further over the year.

Taken together, we see an improving macro environment with downside risks having reduced but not disappeared. Growth returning towards trend, financial conditions remaining loose amid moderate inflation and earnings growth returning should be a goldilocks scenario for risk assets but rich valuations across the board make further multiple expansion harder to envisage, especially after a bumper year like 2019.

Mercer Global Investments Europe Limited

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January 2020

	Shares	Fair value €	% of Net assets
Financial assets at fair value through profit or loss (30 Jun 2019: €38,224,069; 99.30%)			
Collective investment schemes (30 Jun 2019: €38,224,069; 99.30%)			
Ireland (30 Jun 2019: €38,224,069; 99.30%)			
MGI Funds plc - Mercer Global Small Cap Equity Fund	22,727	5,872,605	14.86
MGI Funds plc - Mercer Low Volatility Equity Fund	34,056	7,634,750	19.32
MGI Funds plc - Mercer Passive Global Equity Fund - Class Z-1€	101,507	1,974,305	5.00
MGI Funds plc - Mercer Passive Global Equity Fund - Class Z-1€ Hedged	1,001,430	15,802,565	39.97
MGI Funds plc - MGI Emerging Market Equity Fund	57,077	7,977,685	20.18
Total collective investment schemes		39,261,910	99.33
Total financial assets at fair value through profit or loss		39,261,910	99.33
Cash (30 Jun 2019: 0.75%)		278,151	0.71
Net current liabilities (30 Jun 2019: (0.05)%)		(14,623)	(0.04)
Net assets attributable to holders of redeemable participating shares		39,525,438	100.00

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

	Shares	Fair value €	% of Net assets
Financial assets at fair value through profit or loss (30 Jun 2019: €93,466,834; 96.91%)			
Collective investment schemes (30 Jun 2019: €93,466,834; 96.91%)			
Ireland (30 Jun 2019: €93,466,834; 96.91%)			
MGI Funds plc - Mercer Diversified Growth Fund	205,242	43,455,854	42.56
MGI Funds plc - Mercer Euro Nominal Bond Long Duration Fund	116,559	16,574,631	16.23
MGI Funds plc - Mercer Passive Global Equity Fund	1,355,939	26,373,010	25.83
Other Ireland	-	12,880,522	12.61
Total collective investment schemes		99,284,017	97.23
Total financial assets at fair value through profit or loss		99,284,017	97.23
Cash (30 Jun 2019: 3.14%)		2,854,358	2.79
Net current liabilities (30 Jun 2019: (0.05)%)		(24,749)	(0.02)
Net assets attributable to holders of redeemable participating shares		102,113,626	100.00

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

	Nominal holdings 31 December 2019	Fair value 31 December 2019 €	% of Net assets 31 December 2019	Nominal holdings 30 June 2019	Fair value 30 June 2019 €	% of Net assets 30 June 2019
Financial assets at fair value through profit or loss (30 Jun 2019: 99.23%)						
Securities (30 Jun 2019: 99.23%)						
Government bonds (30 Jun 2019: 99.23%)						
France						
France (Government of) 3.15% due 25/07/2032	160,372,127	247,831,227	19.86	69,895,500	108,054,599	10.10
France (Government of) 1.80% due 25/07/2040	240,653,837	372,611,556	29.87	280,991,544	426,674,419	39.87
		620,442,783	49.73		534,729,018	49.97
Germany						
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	98,678,449	102,863,895	8.24	96,360,923	101,575,495	9.49
Bundesrepublik Deutschland Inflation Linked Bond 0.50% due 15/04/2030	264,654,279	314,172,153	25.18	224,702,976	268,504,327	25.09
Bundesrepublik Deutschland Inflation Linked Bond 0.10% due 15/04/2046	151,130,350	203,532,834	16.31	43,203,828	56,346,433	5.27
		620,568,882	49.73		527,119,682	49.26
Total government bonds		1,241,011,665	99.46		1,061,848,700	99.23
Total securities		1,241,011,665	99.46			
Total financial assets at fair value through profit or loss		1,241,011,665	99.46			
Cash (30 Jun 2019: 0.16%)		1,869,085	0.15			
Net current assets (30 Jun 2019: 0.61%)		4,918,787	0.39			
		6,787,872	0.54			
Total net assets attributable to holders of redeemable participating shares		1,247,799,537	100.00			

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

	Fair value 31 December 2019 GB£	% of Net assets 31 December 2019	Fair value 30 June 2019 GB£	% of Net assets 30 June 2019
Financial assets at fair value through profit or loss (30 Jun 2019: 96.72%)				
Securities (30 Jun 2019: 93.62%)				
Asset backed securities (30 Jun 2019: 0.97%)				
Ireland	5,044,653	0.80	6,903,332	0.79
United Kingdom	1,059,221	0.17	1,586,130	0.18
Total asset backed securities	6,103,874	0.97	8,489,462	0.97
Corporate bonds (30 Jun 2019: 87.58%)				
Australia	7,402,583	1.18	11,719,437	1.34
Austria	-	-	468,571	0.05
Belgium	5,350,048	0.85	8,406,066	0.96
Bermuda	271,619	0.04	1,015,806	0.12
Canada	3,759,563	0.60	623,461	0.07
Cayman Islands	1,274,215	0.20	5,010,276	0.57
Denmark	1,305,555	0.21	1,294,825	0.15
France	27,072,846	4.32	42,622,999	4.85
Germany	4,861,982	0.78	4,695,461	0.54
Guernsey	1,849,418	0.29	2,124,476	0.24
Ireland	8,178,246	1.30	15,771,540	1.80
Italy	5,311,788	0.85	7,276,013	0.83
Japan	-	-	2,545,382	0.29
Jersey	27,480,324	4.38	42,073,884	4.80
Luxembourg	7,967,128	1.27	6,716,843	0.77
Mexico	2,906,654	0.46	2,795,334	0.32
Netherlands	31,417,396	5.01	40,759,849	4.65
Norway	404,978	0.06	396,195	0.05
Spain	2,453,824	0.39	3,245,882	0.37
Sweden	2,378,335	0.38	3,729,199	0.43
Switzerland	616,590	0.10	701,704	0.08
United Kingdom	306,166,504	48.85	445,386,270	50.79
United States of America	86,550,987	13.81	118,538,404	13.51
Total corporate bonds	534,980,583	85.33	767,917,877	87.58
Government bonds (30 Jun 2019: 4.85%)				
France	654,699	0.10	660,881	0.08
Mexico	1,842,687	0.29	2,328,600	0.27
United Kingdom	37,267,135	5.96	36,211,261	4.12
United States of America	3,369,553	0.54	3,314,407	0.38
Total government bonds	43,134,074	6.89	42,515,149	4.85
Mortgage backed securities (30 Jun 2019: 0.22%)				
Ireland	529,295	0.08	598,049	0.07
United Kingdom	592,978	0.09	1,327,739	0.15
Total mortgage backed securities	1,122,273	0.17	1,925,788	0.22
Total securities	585,340,804	93.36	820,848,276	93.62
	Fair value GB£	% of Net assets		
Collective investment schemes (30 Jun 2019: GB£ 26,642,089: 3.04%)				
Ireland	20,810,974	3.32		
Total collective investment schemes	20,810,974	3.32		

Mercer PIF Fund plc
Mercer UK Credit Fund

Portfolio Statement
as at 31 December 2019
(continued)

Currency buy		Buy amount	Currency sell	Sell amount	Contract date	Unrealised gain GB£	% of Net assets
Financial derivative instruments (30 Jun 2019: 0.06%)							
Open forward foreign currency contracts (30 Jun 2019: 0.01%)							
EUR	5*	210,360	GBP	177,170	09/01/2020	1,273	-
GBP	5*	5,317,994	EUR	6,077,000	09/01/2020	167,783	0.03
GBP	2*	519,743	EUR	605,000	24/01/2020	6,749	-
GBP	6*	1,472,459	EUR	1,713,000	24/01/2020	19,966	-
GBP	5*	2,950,160	EUR	3,419,000	24/01/2020	51,109	0.01
GBP	3*	9,557,972	EUR	11,033,163	05/02/2020	198,833	0.03
GBP	5*	4,474,660	EUR	5,227,000	10/02/2020	39,938	0.01
GBP	7*	752,206	EUR	880,000	21/02/2020	5,296	-
GBP	3*	3,122,899	EUR	3,634,000	21/02/2020	38,501	0.01
GBP	2*	185,854	USD	240,000	10/01/2020	4,726	-
GBP	5*	1,716,931	USD	2,215,000	10/01/2020	45,272	0.01
GBP	7*	466,134	USD	601,000	17/01/2020	12,650	-
GBP	3*	693,463	USD	895,000	29/01/2020	18,374	-
GBP	5*	1,475,976	USD	1,906,969	06/02/2020	37,889	0.01
GBP	5*	731,458	USD	942,000	14/02/2020	21,224	-
GBP	5*	1,300,919	USD	1,685,000	20/02/2020	30,690	-
Unrealised gain on open forward foreign currency contracts						700,273	0.11
		Notionals GB£	Maturity date	Currency	No. of contracts long/(short)	Unrealised gain GB£	% of Net assets
Futures contracts (30 Jun 2019: 0.02%)							
10 Year US Ultra Futures	7*	(3,186,331)	20/03/2020	USD	(30)	37,860	0.01
5 Year US Treasury Notes Futures	7*	(4,029,001)	31/03/2020	USD	(45)	12,473	-
Euro Bobl Futures	8*	(2,943,942)	06/03/2020	EUR	(26)	17,299	-
Euro Bund Futures	7*	(11,845,809)	06/03/2020	EUR	(82)	130,846	0.02
Euro Buxl 30 Year Bond Futures	7*	(7,228,003)	06/03/2020	EUR	(43)	192,200	0.03
UK Long Gilt Futures	8*	(1,970,700)	27/03/2020	GBP	(15)	18,000	-
United States Ultra Bond Futures	7*	(1,919,748)	20/03/2020	USD	(14)	57,725	0.01
US Long Bond Futures	8*	(2,353,745)	20/03/2020	USD	(20)	52,398	0.01
Unrealised gain on futures contracts						518,801	0.08
Fund Receives		Fund pays	Maturity date	Currency	Notional holding	Fair value GB£	% of Net assets
Interest rate swaps (30 Jun 2019: 0.03%)							
12 Month SONIO	1*	Fixed 0.87%	06/11/2047	GBP	1,783,000	50,984	0.01
Fixed 0.87%	3*	6 Month Libor	22/12/2020	GBP	19,200,000	5,509	-
Interest rate swaps at positive fair value						56,493	0.01
Total financial derivative instruments at positive fair value						1,275,567	0.20
Total financial assets at fair value through profit or loss						607,427,345	96.88

Mercer PIF Fund plc
Mercer UK Credit Fund

Portfolio Statement
as at 31 December 2019
(continued)

Currency buy		Buy amount	Currency sell	Sell amount	Contract date	Unrealised loss GB£	% of Net assets
Financial liabilities at fair value through profit and loss (30 Jun 2019: (0.36)%)							
Financial derivative instruments (30 Jun 2019: (0.36)%)							
Open forward foreign currency contracts (30 Jun 2019: (0.10)%)							
EUR	3*	541,000	GBP	469,952	09/01/2020	(11,459)	(0.01)
EUR	9*	874,000	GBP	747,413	09/01/2020	(6,705)	-
EUR	7*	1,035,000	GBP	880,452	24/01/2020	(2,851)	-
EUR	1*	489,211	GBP	422,787	05/02/2020	(7,802)	-
EUR	3*	524,799	GBP	447,851	05/02/2020	(2,679)	-
EUR	4*	121,000	GBP	103,351	10/02/2020	(691)	-
GBP	5*	210,229	EUR	249,000	21/02/2020	(1,113)	-
GBP	6*	1,928,717	EUR	2,277,000	24/02/2020	(4,120)	-
Unrealised loss on open forward foreign currency contracts						(37,420)	(0.01)
		Notionals GB£	Maturity date	Currency	No. of contracts long/(short)	Unrealised loss GB£	% of Net assets
Futures contracts (30 Jun 2019: (0.08)%)							
10 Year US Treasury Notes Futures	7*	2,326,570	20/03/2020	USD	24	(20,537)	-
Euro Bobl Futures	8*	3,849,771	06/03/2020	EUR	34	(10,659)	-
Euro OAT Futures	7*	1,517,117	06/03/2020	EUR	11	(21,251)	-
Euro-Schatz Futures	7*	1,801,586	06/03/2020	EUR	19	(1,207)	-
UK Long Gilt Futures	8*	13,926,280	27/03/2020	GBP	106	(56,219)	(0.02)
Unrealised loss on futures contracts						(109,873)	(0.02)
	Protection (Bought)/ Sold	Premium (Paid)/ Received	Maturity Date	Currency	Notional holding	Fair value GB£	% of Net assets
Credit default swaps (30 Jun 2019: Nil)							
Barclays Bank	1* (Bought)	Ford Motor	20/12/2024	USD	2,307,000	(281,907)	(0.04)
BNP Paribas	2* (Bought)	Ford Motor	20/12/2024	USD	1,493,000	(182,439)	(0.03)
Credit default swaps at positive fair value						(464,346)	(0.07)
Total financial derivative instruments at negative fair value						(611,639)	(0.10)
Total financial liabilities at fair value through profit or loss						(611,639)	(0.10)
Total financial derivative instruments						663,928	0.10
Total investments at fair value through profit and loss						606,815,706	96.78
Cash (30 Jun 2019: 3.29%)						13,598,403	2.17
Net current assets (30 Jun 2019: 0.35%)						6,562,015	1.05
Net assets attributable to holders of redeemable participating shares						626,976,124	100.00

The following table outlines the geographic concentrations of financial assets at fair value through profit or loss at 30 June 2019 where the Sub-Fund is no longer invested in at 31 December 2019:

Financial liabilities at fair value through profit or loss
Financial derivative instruments at negative fair value

Interest rate swaps (0.18)%

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

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

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 31 December 2019

	Nominal holdings 31 December 2019	Fair value 31 December 2019 GB£	% of Net assets 31 December 2019	Nominal holdings 30 June 2019	Fair value 30 June 2019 GB£	% of Net assets 30 June 2019
Financial assets at fair value through profit or loss (30 Jun 2019: 99.87%)						
Securities (30 Jun 2019: 99.87%)						
Government bonds (30 Jun 2019: 99.87%)						
United Kingdom (30 Jun 2019: 99.87%)						
United Kingdom Gilt Inflation Linked 0.38% due 22/03/2062	31,082,555	70,268,333	33.09	32,071,452	75,306,977	32.99
United Kingdom Gilt Inflation Linked 0.13% due 22/11/2065	31,370,837	70,609,480	33.25	32,369,103	76,229,239	33.40
United Kingdom Gilt Inflation Linked 0.13% due 22/03/2068	29,820,533	70,931,120	33.41	30,770,469	76,427,691	33.48
Total government bonds		211,808,933	99.75		227,963,907	99.87
Total securities		211,808,933	99.75			
Total financial assets at fair value through profit or loss		211,808,933	99.75			
Cash (30 Jun 2019: 0.16%)		584,353	0.28			
Net current liabilities (30 Jun 2019: (0.03)%)		(56,440)	(0.03)			
Net assets attributable to holders of redeemable participating shares		212,336,846	100.00			

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

	Nominal holdings 31 December 2019	Fair value 31 December 2019 GB£	% of Net assets 31 December 2019	Nominal holdings 30 June 2019	Fair value 30 June 2019 GB£	% of Net assets 30 June 2019
Financial assets at fair value through profit or loss (30 Jun 2019: 98.89%)						
Securities (30 Jun 2019: 98.89%)						
Government bonds (30 Jun 2019: 98.89%)						
United Kingdom (30 Jun 2019: 98.89%)						
United Kingdom (Government of) 4.00% due 22/01/2060	98,146,540	184,682,344	49.01	141,578,540	255,506,791	49.20
United Kingdom (Government of) 3.50% due 22/07/2068	102,233,438	187,915,283	49.88	147,473,438	258,004,780	49.69
Total government bonds		372,597,627	98.89		513,511,571	98.89
Total securities		372,597,627	98.89			
Total financial assets at fair value through profit or loss		372,597,627	98.89			
Cash (30 Jun 2019: 0.24%)		1,061,086	0.28			
Net current assets (30 Jun 2019: 0.87%)		3,139,613	0.83			
Net assets attributable to holders of redeemable participating shares		376,798,326	100.00			

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

	Shares	Fair value €	% of Net assets
Financial assets at fair value through profit or loss (30 Jun 2019: €30,893,944; 99.73%)			
Collective investment schemes (30 Jun 2019: €30,893,944; 99.73%)			
Ireland (30 Jun 2019: €30,893,944; 99.73%)			
MGI Funds plc - Mercer Absolute Return Fixed Income Fund	40,475	4,317,047	32.07
MGI Funds plc - Mercer Global High Yield Bond Fund	32,458	4,476,615	33.26
MGI Funds plc - MGI Emerging Market Debt Fund	41,628	4,630,717	34.40
Total collective investment schemes		13,424,379	99.73
Total financial assets at fair value through profit or loss		13,424,379	99.73
Cash (30 Jun 2019: 0.29%)		28,078	0.20
Net current assets (30 Jun 2019: (0.02)%)		8,870	0.07
Net assets attributable to holders of redeemable participating shares		13,461,327	100.00

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

	Nominal holdings 31 December 2019	Fair value 31 December 2019 €	% of Net assets 31 December 2019	Nominal holdings 30 June 2019	Fair value 30 June 2019 €	% of Net assets 30 June 2019
Financial assets at fair value through profit or loss (30 Jun 2019: 99.41%)						
Securities (30 Jun 2019: 99.41%)						
Government bonds (30 Jun 2019: 99.41%)						
France						
France (Government of) 1.85% due 25/07/2027	5,576,092	6,896,482	6.79	4,158,514	5,205,710	6.24
France (Government of) 1.80% due 25/07/2040	3,377,592	5,229,627	5.15	2,479,094	3,764,405	4.51
Other France	-	14,960,593	14.74	-	13,257,902	15.90
		<u>27,086,702</u>	<u>26.68</u>		<u>22,228,017</u>	<u>26.65</u>
Germany						
Bundesrepublik Inflation Linked Bond 0.10% due 15/04/2026	13,337,597	14,508,638	14.29	11,602,999	12,754,828	15.29
Bundesrepublik Inflation Linked Bond 0.50% due 15/04/2030	12,514,018	14,855,441	14.64	9,488,807	11,338,460	13.59
Bundesrepublik Inflation Linked Bond 0.10% due 15/04/2046	7,289,046	9,816,428	9.67	5,999,057	7,823,970	9.38
		<u>39,180,507</u>	<u>38.60</u>		<u>31,917,258</u>	<u>38.26</u>
Italy	-	<u>20,571,759</u>	<u>20.27</u>	-	<u>17,320,165</u>	<u>20.77</u>
Spain	-	<u>14,049,543</u>	<u>13.84</u>	-	<u>11,454,024</u>	<u>13.73</u>
Total government bonds		100,888,511	99.39		82,919,464	99.41
Total securities		100,888,511	99.39			
Total financial assets at fair value through profit or loss		100,888,511	99.39			
Bank overdraft/Cash (30 Jun 2019: 0.20%)		(63,251)	(0.06)			
Net current assets (30 Jun 2019: 0.39%)		<u>681,106</u>	<u>0.67</u>			
Total net assets attributable to holders of redeemable participating shares		101,506,366	100.00			

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

Mercer PIF Fund plc

Unaudited Statement of Financial Position as at 31 December 2019

	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 €
Assets										
Cash and cash equivalents	5	278,151	2,854,358	1,869,085	12,494,634	584,353	1,061,086	28,078	-	21,718,062
Cash due from broker	5	-	-	-	1,204,601	-	-	-	-	1,421,694
Receivable for securities sold		-	-	-	263,200	-	-	-	-	310,634
Subscriptions receivable		-	-	14,701,513	-	-	-	-	434,031	15,135,544
Other assets		29	1,585	5,195,382	7,991,071	46,632	3,317,790	16,510	294,680	18,910,161
Financial assets at fair value through profit or loss	5	-	-	1,241,011,665	585,340,804	211,808,933	372,597,627	-	100,888,511	2,722,458,849
- Securities		-	-	-	20,810,974	-	-	13,424,379	-	176,531,824
- Collective investment schemes		39,261,910	99,284,017	-	1,275,567	-	-	-	-	1,505,449
- Financial derivative instruments		-	-	-	-	-	-	-	-	-
Total assets		39,540,090	102,139,960	1,262,777,645	629,380,851	212,439,918	376,976,503	13,468,967	101,617,222	2,957,992,217
Liabilities										
Financial liabilities at fair value through profit or loss	5	-	-	-	(611,639)	-	-	-	-	(721,868)
- Financial derivative instruments		-	-	-	(100,832)	-	-	-	-	(119,004)
Cash due to broker		-	-	-	-	-	-	-	(63,251)	(63,251)
Bank overdraft		-	-	(404,909)	(1,549,345)	(103,072)	(178,177)	(7,640)	(47,605)	(2,661,643)
Expenses payable		(14,652)	(26,334)	(14,573,199)	(142,911)	-	-	-	-	(14,741,865)
Payable for securities purchased		-	-	-	-	-	-	-	-	-
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		(14,652)	(26,334)	(14,978,108)	(2,404,727)	(103,072)	(178,177)	(7,640)	(110,856)	(18,307,631)
Net assets attributable to holders of redeemable participating shares		39,525,438	102,113,626	1,247,799,537	626,976,124	212,336,846	376,798,326	13,461,327	101,506,366	2,939,684,586

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 €
Assets								
Cash and cash equivalents	5	289,801	3,024,188	9,025	7,697	7,532	7,062	1,689,446
Cash due from broker	5	-	-	-	-	-	-	-
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	5	-	-	-	-	-	-	1,061,848,700
- Securities		-	-	-	-	-	-	-
- Collective investment schemes		38,224,069	93,466,834	-	-	-	-	-
- Financial derivative instruments		-	-	-	-	-	-	-
Total assets		38,513,870	96,492,587	9,408	7,882	7,862	9,964	1,125,261,999
Liabilities								
Financial liabilities at fair value through profit or loss	5	-	-	-	-	-	-	-
- Financial derivative instruments		-	-	-	-	-	-	-
Bank overdraft		-	-	-	-	-	-	(949)
Expenses payable		(20,813)	(31,945)	(6,992)	(6,094)	(5,765)	(7,894)	(355,651)
Redemptions payable		-	(16,960)	(2,416)	(1,788)	(2,097)	(2,070)	(54,772,038)
Payable for securities purchased		-	-	-	-	-	-	-
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		(20,813)	(48,905)	(9,408)	(7,882)	(7,862)	(9,964)	(55,128,638)
Net assets attributable to holders of redeemable participating shares		38,493,057	96,443,682	-	-	-	-	1,070,133,361

*These Sub-Funds terminated on 23 May 2019.

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

Mercer PIF Fund plc

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

	Notes	Mercer UK Credit Fund GB£	Mercer Sterling Inflation Linked LDI Bond Fund GB£	Mercer Sterling Nominal LDI Bond Fund GB£	Mercer Enhanced Yield Fund €	Mercer Euro Inflation Linked Bond Fund €	Mercer PIF Fund plc €
Assets							
Cash and cash equivalents	5	26,023,280	375,356	1,255,688	88,404	167,987	36,200,416
Cash due from broker	5	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	5						
- Securities		820,848,276	227,963,907	513,511,571	-	82,919,464	2,890,771,465
- Collective investment schemes		26,642,089	-	-	30,893,944	-	192,359,198
- Financial derivative instruments		505,814	-	-	-	-	565,282
Total assets		906,994,491	228,386,836	519,504,498	30,998,841	83,465,347	3,224,219,614
Liabilities							
Financial liabilities at fair value through profit or loss	5						
- Financial derivative instruments		(3,122,626)	-	-	-	-	(3,489,747)
Bank overdraft		-	-	-	-	-	(949)
Expenses payable		(1,236,643)	(122,942)	(217,897)	(21,202)	(52,804)	(2,275,248)
Redemptions payable		(21,420,645)	-	-	-	-	(78,737,384)
Payable for securities purchased		(4,406,355)	-	-	-	-	(4,924,402)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		(30,186,269)	(122,942)	(217,897)	(21,202)	(52,804)	(89,427,730)
Net assets attributable to holders of redeemable participating shares		876,808,222	228,263,894	519,286,601	30,977,639	83,412,543	3,134,791,884

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

Mercer PIF Fund plc

Unaudited Statement of Comprehensive Income for the financial period ended 31 December 2019

	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 €
Income										
Interest income calculated using effective interest method		-	-	971	25,671	87	339	64	-	30,802
Net income/(loss) from financial instruments at FVTPL		3,118,036	5,817,384	4,883,625	29,863,311	(6,209,567)	40,995,673	809,542	1,831,753	90,202,118
Net investment income/(expense)		3,118,036	5,817,384	4,884,596	29,888,982	(6,209,480)	40,996,012	809,606	1,831,753	90,232,920
Expenses	2	(76,175)	(118,656)	(1,858,400)	(2,856,065)	(519,746)	(1,004,504)	(48,751)	(226,478)	(7,324,827)
Interest expenses		-	-	-	(578)	-	-	-	-	(656)
Net income/(expense) from operations before finance costs		3,041,861	5,698,728	3,026,196	27,032,339	(6,729,226)	39,991,508	760,855	1,605,275	82,907,435
Finance costs										
Bank interest expense		(790)	(10,521)	(26,484)	(11,958)	-	(132)	(114)	(1,946)	(53,645)
Distributions	8	-	-	-	(2,588,917)	(121,147)	(179,597)	-	-	(3,307,472)
Total finance costs		(790)	(10,521)	(26,484)	(2,610,875)	(121,147)	(179,729)	(114)	(1,946)	(3,361,117)
Change in net assets attributable to holders of redeemable participating shares		3,041,071	5,688,207	2,999,712	24,421,464	(6,850,373)	39,811,779	760,741	1,603,329	79,546,318

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

Mercer PIF Fund plc

Comparative Unaudited Statement of Comprehensive Income for the financial period ended 31 December 2018

	Notes	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	MGI UK Moderate Growth Fund GB£	MGI UK Growth Fund GB£	MGI UK High Growth Fund GB£	MGI UK Defensive Fund GB£	Mercer Medium Term Inflation Linked Bond Fund €
Income								
Interest income		-	-	-	-	-	-	-
Rebate income		1,041	3,510	1,563	9,475	5,783	283	-
Net loss on investments, foreign currency and other derivative contracts		(3,475,061)	(2,779,234)	(181,930)	(1,210,722)	(765,179)	(6,680)	(35,330,410)
Net investment expense		(3,474,020)	(2,775,724)	(180,367)	(1,201,247)	(759,396)	(6,397)	(35,330,410)
Expenses	2	(109,354)	(125,472)	(7,054)	(36,428)	(22,160)	(2,244)	(1,925,102)
Net expense from operations before finance costs		(3,583,374)	(2,901,196)	(187,421)	(1,237,675)	(781,556)	(8,641)	(37,255,512)
Finance costs								
Bank interest expense		(890)	(3,982)	-	-	-	-	(6,798)
Distributions	8	-	-	-	-	-	-	-
Total finance costs		(890)	(3,982)	-	-	-	-	(6,798)
Decrease in net assets attributable to holders of redeemable participating shares before tax		(3,584,264)	(2,905,178)	(187,421)	(1,237,675)	(781,556)	(8,641)	(37,262,310)
Taxation								
Withholding tax expense	4	-	-	-	-	-	-	-
Total taxation		-	-	-	-	-	-	-
Change in net assets attributable to holders of redeemable participating shares		(3,584,264)	(2,905,178)	(187,421)	(1,237,675)	(781,556)	(8,641)	(37,262,310)

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

Mercer PIF Fund plc

Comparative Unaudited Statement of Comprehensive Income for the financial period ended 31 December 2018 (continued)

	Notes	Mercer UK Credit Fund GB£	Mercer Sterling Inflation Linked LDI Bond Fund GB£	Mercer Sterling Nominal LDI Bond Fund GB£	Mercer Enhanced Yield Fund £	Mercer Euro Inflation Linked Bond Fund £	Mercer PIF Fund plc £
Income							
Interest income		29,306	96	129	57	-	33,178
Rebate income		-	-	-	-	-	23,734
Net loss on investments, foreign currency and other derivative contracts		(10,745,740)	(9,988,326)	(17,325,161)	(393,390)	(1,422,927)	(88,509,982)
Net investment expense		(10,716,434)	(9,988,230)	(17,325,032)	(393,333)	(1,422,927)	(88,453,070)
Expenses	2	(5,685,669)	(713,465)	(1,324,003)	(132,544)	(176,124)	(11,206,845)
Net expense from operations before finance costs		(16,402,103)	(10,701,695)	(18,649,035)	(525,877)	(1,599,051)	(99,659,915)
Finance costs							
Bank interest expense		(50,469)	-	(618)	(374)	(570)	(69,912)
Distributions	8	(2,928,645)	(7,593)	-	-	-	(3,293,223)
Total finance costs		(2,979,114)	(7,593)	(618)	(374)	(570)	(3,363,135)
Decrease in net assets attributable to holders of redeemable participating shares before tax		(19,381,217)	(10,709,288)	(18,649,653)	(526,251)	(1,599,621)	(103,023,050)
Taxation							
Withholding tax expense	4	(17,007)	-	-	-	-	(19,075)
Total taxation		(17,007)	-	-	-	-	(19,075)
Change in net assets attributable to holders of redeemable participating shares		(19,398,224)	(10,709,288)	(18,649,653)	(526,251)	(1,599,621)	(103,042,125)

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

Mercer PIF Fund plc

Unaudited Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares for the financial period ended 31 December 2019

	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 €
Net assets attributable to holders of redeemable participating shares at beginning of financial period	38,493,057	96,443,682	1,070,133,361	876,808,222	228,263,894	519,286,601	30,977,639	83,412,543
Proceeds from redeemable participating shares issued	2,972,180	7,074,270	240,406,895	1,994,091	56,497,473	98,556,460	388,888	22,079,286
Payments for redeemable participating shares redeemed	(4,980,870)	(7,092,533)	(65,740,431)	(276,247,653)	(65,574,148)	(280,856,514)	(18,665,941)	(5,588,792)
Changes in net assets attributable to holders of redeemable participating shares	3,041,071	5,688,207	2,989,712	24,421,464	(6,850,373)	39,811,779	760,741	1,603,329
Net assets attributable to holders of redeemable participating shares at end of financial period	39,525,438	102,113,626	1,247,799,537	626,976,124	212,336,846	376,798,326	13,461,327	101,506,366

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

Mercer PIF Fund plc

Comparative Unaudited Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares for the financial period ended 31 December 2018

	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	MGI UK Moderate Growth Fund GB£	MGI UK Growth Fund GB£	MGI UK High Growth Fund GB£	MGI UK Defensive Fund GB£	Mercer Medium Term Inflation Linked Bond Fund €
Net assets attributable to holders of redeemable participating shares at beginning of financial period	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	3,927,341	6,101,731	332,992	1,867,802	800,295	281,202	40,758,179
Payments for redeemable participating shares redeemed	(5,550,357)	(3,986,023)	(226,513)	(785,947)	(450,962)	(182,726)	(32,552,496)
Changes in net assets attributable to holders of redeemable participating shares	(3,584,264)	(2,905,178)	(187,421)	(1,237,675)	(781,556)	(8,641)	(37,262,310)
Net assets attributable to holders of redeemable participating shares at end of financial period	36,138,387	85,954,795	4,019,104	17,419,834	8,229,224	1,668,010	1,053,390,974

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

Mercer PIF Fund plc

Comparative Unaudited Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares for the financial period ended 31 December 2018 (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 €
Net assets attributable to holders of redeemable participating shares at beginning of financial period	1,683,399,986	322,362,150	643,827,051	45,660,603	67,859,442
Proceeds from redeemable participating shares issued	14,223,379	19,545,045	94,949,481	1,116,483	8,117,181
Payments for redeemable participating shares redeemed	(614,919,477)	(90,169,244)	(215,555,931)	(16,967,176)	(496,341)
Changes in net assets attributable to holders of redeemable participating shares	(19,398,224)	(10,709,288)	(18,649,653)	(526,251)	(1,599,621)
Net assets attributable to holders of redeemable participating shares at end of financial period	1,063,305,664	241,028,663	504,570,948	29,283,659	73,880,661

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

Mercer PIF Fund plc

Unaudited Statement of Cash Flows for the financial period ended 31 December 2019

	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 €
Cash flows from operating activities									
Change in net assets attributable to holders of redeemable participating shares	3,041,071	5,688,207	2,999,712	24,421,464	(6,850,373)	39,811,779	760,741	1,603,329	79,546,318
Adjustments for:									
Distributions paid to shareholders	-	-	-	2,598,917	121,147	179,597	-	-	3,307,472
Movement in cash due from/to broker	-	-	-	1,707,401	-	-	-	-	1,947,532
Movement in financial assets at fair value through profit or loss	(1,037,841)	(5,817,183)	(110,212,650)	256,662,028	16,154,974	140,913,944	17,469,565	(17,969,047)	354,351,341
Unrealised movement on derivative assets and liabilities	-	-	-	(3,280,740)	-	-	-	-	(3,742,147)
Operating cash flows before movements in working capital	2,003,230	(128,976)	(107,212,938)	282,109,070	9,425,748	180,905,320	18,230,306	(16,365,718)	435,410,516
Movement in receivables	(29)	(20)	2,131,576	2,322,706	941	1,419,449	(17)	83,216	6,484,255
Movement in payables	(6,161)	(5,611)	49,258	312,702	(19,870)	(39,720)	(13,562)	(5,199)	307,435
Cash (outflow)/inflow from operations	(6,190)	(5,631)	2,180,834	2,635,408	(18,929)	1,379,729	(13,579)	78,017	6,791,690
Net cash provided by/(used in) operating activities	1,997,040	(134,607)	(105,032,104)	284,744,478	9,406,819	182,285,049	18,216,727	(16,287,701)	442,202,206
Financing activities									
Proceeds from subscriptions	2,972,180	7,074,270	225,725,161	1,994,091	56,497,473	98,556,460	388,888	21,645,255	438,103,883
Payment of redemptions	(4,980,870)	(7,109,493)	(120,512,469)	(297,668,298)	(65,574,148)	(280,856,514)	(18,665,941)	(5,588,792)	(891,543,273)
Distributions paid to shareholders	-	-	-	(2,598,917)	(121,147)	(179,597)	-	-	(3,307,472)
Net cash (used in)/provided by financing activities	(2,008,690)	(35,223)	105,212,692	(298,273,124)	(9,197,822)	(182,479,651)	(18,277,053)	16,056,463	(456,746,862)
Net (decrease)/increase in cash and cash equivalents	(11,650)	(169,830)	180,588	(13,528,646)	208,997	(194,602)	(60,326)	(231,238)	(14,544,656)
Cash and cash equivalents at the beginning of the financial period	289,801	3,024,188	1,688,497	26,023,280	375,356	1,255,688	88,404	167,987	36,199,467
Cash and cash equivalents at the end of the financial period*	278,151	2,854,358	1,869,085	12,494,634	584,353	1,061,086	28,078	(63,251)	21,654,811
Cash flows from operating activities include:									
Interest received	-	-	10,685,617	15,112,645	849,872	6,130,149	64	810,141	36,695,624
Interest paid	(790)	(10,521)	(26,484)	(11,958)	-	(132)	(114)	(1,946)	(53,645)
Dividends received	-	-	-	26,865	-	-	-	-	30,643
Taxation paid	-	-	-	(3,687)	-	-	-	-	(4,206)

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

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

Mercer PIF Fund plc

Comparative Unaudited Statement of Cash Flows for the financial period ended 31 December 2018

	MGI Diversified Equity Fund €	MGI Balanced Managed Fund €	MGI UK Moderate Growth Fund GB£	MGI UK Growth Fund GB£	MGI UK High Growth Fund GB£	MGI UK Defensive Fund GB£	Mercer Medium Term Inflation Linked Bond Fund €
Cash flows from operating activities							
Change in net assets attributable to holders of redeemable participating shares	(3,584,264)	(2,905,178)	(187,421)	(1,237,675)	(781,556)	(8,641)	(37,262,310)
Adjustments for:							
Movement in cash due from/to broker	-	-	-	-	-	-	-
Movement in financial assets at fair value through profit or loss	5,144,829	2,779,508	80,147	104,134	426,763	(89,025)	26,787,873
Unrealised movement on derivative assets and liabilities	-	-	-	-	-	-	-
Distributions paid to shareholders	-	-	-	-	-	-	-
Operating cash flows before movements in working capital	1,560,565	(125,670)	(107,274)	(1,133,541)	(354,793)	(97,666)	(10,474,437)
Movement in receivables	230	481	(524)	(3,163)	(1,914)	1,451	1,877,407
Movement in payables	(7,141)	3,557	6,280	8,308	6,665	6,415	(7,215)
Cash (outflow)/inflow from operations	(6,911)	4,038	5,756	5,145	4,751	7,866	1,870,192
Net cash provided by/(used in) operating activities	1,553,654	(121,632)	(101,518)	(1,128,396)	(350,042)	(89,800)	(8,604,245)
Financing activities							
Proceeds from subscriptions	3,936,919	6,102,788	332,992	1,867,802	800,295	281,202	40,760,641
Payment of redemptions	(5,553,376)	(3,936,023)	(226,513)	(759,206)	(450,962)	(182,726)	(25,652,451)
Distributions paid to shareholders	-	-	-	-	-	-	-
Net cash (used in)/provided by financing activities	(1,616,457)	2,166,765	106,479	1,108,596	349,333	98,476	15,108,190
Net (decrease)/increase in cash and cash equivalents	(62,803)	2,045,133	4,961	(19,800)	(709)	8,676	6,503,945
Cash and cash equivalents at the beginning of the financial period*	237,960	650,919	44,854	185,422	95,576	15,819	3,194,729
Cash and cash equivalents at the end of the financial period*	175,157	2,696,052	49,815	165,622	94,867	24,495	9,698,674
Supplementary information							
Interest received	-	-	-	-	-	-	16,891,919
Interest paid	(890)	(3,982)	-	-	-	-	(6,798)
Dividends received	-	-	-	-	-	-	-
Taxation paid	-	-	-	-	-	-	-

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

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

Mercer PIF Fund plc

Comparative Unaudited Statement of Cash Flows for the financial period ended 31 December 2018 (continued)

	Mercer UK Credit Fund GB£	Mercer Sterling Inflation Linked LDI Bond Fund GB£	Mercer Sterling Nominal LDI Bond Fund GB£	Mercer Enhanced Yield Fund €	Mercer Euro Inflation Linked Bond Fund €	Mercer PIF Fund plc €
Cash flows from operating activities						
Change in net assets attributable to holders of redeemable participating shares	(19,398,224)	(10,709,288)	(18,649,653)	(526,251)	(1,599,621)	(103,042,125)
Adjustments for:						
Movement in cash due from/to broker	1,530,837	-	-	-	-	1,716,955
Movement in financial assets at fair value through profit or loss	612,630,992	81,813,115	138,586,457	16,337,367	(5,943,598)	980,047,622
Unrealised movement on derivative assets and liabilities	(1,525,878)	-	-	-	-	(1,711,393)
Distributions paid to shareholders	2,928,645	7,593	-	-	-	3,293,223
Operating cash flows before movements in working capital	596,166,372	71,111,420	119,936,804	15,811,116	(7,543,219)	880,304,282
Movement in receivables	6,588,524	14,384	1,102,318	(1)	102,582	10,622,271
Movement in payables	(355,351)	(31,634)	(74,647)	(11,022)	19,640	(575,860)
Cash inflow/(outflow) from operations	6,233,173	(17,250)	1,027,671	(11,023)	122,222	10,046,411
Net cash provided by/(used in) operating activities	602,399,545	71,094,170	120,964,475	15,800,093	(7,420,997)	890,350,693
Financing activities						
Proceeds from subscriptions	13,345,438	19,123,093	94,694,762	1,116,483	8,117,181	206,003,143
Payment of redemptions	(614,968,974)	(90,059,532)	(215,555,931)	(16,967,176)	(378,214)	(1,086,762,380)
Distributions paid to shareholders	(2,928,645)	(7,593)	-	-	-	(3,293,223)
Net cash (used in)/provided by financing activities	(604,552,181)	(70,944,032)	(120,861,169)	(15,850,693)	7,738,967	(884,052,460)
Net (decrease)/increase in cash and cash equivalents	(2,152,636)	150,138	103,306	(50,600)	317,970	6,298,233
Cash and cash equivalents at the beginning of the financial period*	12,892,990	580,196	933,455	149,658	39,818	21,035,813
Cash and cash equivalents at the end of the financial period*	10,740,354	730,334	1,036,761	99,058	357,788	27,334,046
Supplementary information						
Interest received	31,076,069	2,459,911	7,287,486	57	1,136,639	63,815,365
Interest paid	(50,469)	-	(618)	(374)	(570)	(69,912)
Dividends received	37,580	-	-	-	-	42,149
Taxation paid	(12,028)	-	-	-	-	(13,490)

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

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

1. Accounting policies**(a) Basis of Preparation**

The unaudited condensed interim financial statements have been prepared on a historical cost basis except for those financial assets and financial liabilities that have been measured at fair value.

(b) Statement of compliance

These condensed interim financial statements for the financial period ended 31 December 2019 have been prepared in accordance with the international accounting standards applicable to the interim financial reporting under IAS 34, the interpretations adopted by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU"), and the Regulations.

As a result, these condensed interim financial statements do not contain all of the information and disclosures required in the full annual audited financial statements and should be read in conjunction with the annual audited financial statements for the financial year ended 30 June 2019, which have been prepared in accordance with EU endorsed International Financial Reporting Standards ("IFRS"). The condensed interim financial statements for the financial period ended 31 December 2019 are unaudited. We note that the statutory auditor's report in the annual audited financial statements for the financial year ended 30 June 2019 was unqualified.

The same accounting policies, presentation and methods of computation have been followed in these financial statements as were applied in the preparation of the Company's financial statements for the financial year ended 30 June 2019.

(c) New standards, amendments and interpretations issued and effective for the financial period beginning 1 July 2019

New standards are effective for financial period beginning 1 July 2019, and have been applied in preparing these financial statements:

IFRIC 23 "Uncertainty over Income Tax Treatments" was issued in June 2017 and became effective for periods beginning on or after 1 January 2019. It clarifies the accounting for uncertainties in income taxes which is applied to the determination of taxable profits (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments in accordance with IAS 12. It clarifies whether tax treatments should be considered independently or collectively, whether the relevant tax authority will or will not accept each tax treatment and, the requirement to reassess its judgements and estimates if facts and circumstances change. The Company has assessed the application of IFRIC 23 and there is no significant impact on its financial statements.

The changes under IFRS 16 "Leases" are significant and will predominantly affect lessees, the accounting for which is substantially reformed. The lessor accounting requirements contained in IFRS 16's predecessor, IAS 17 will remain largely unchanged. The main impact on lessees is that almost all leases will go on the Statement of Financial Position. This is because the Statement of Financial Position distinction between operating and finance leases is removed for lessees. Instead, under IFRS 16, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exemptions are short-term and low-value leases. The standard introduces new estimates and judgement thresholds that affect the identification, classification and measurement of lease transactions. More extensive disclosures, both qualitative and quantitative, are also required. IFRS 16 will become effective for annual reporting periods beginning on or after 1 January 2019. The Company has assessed the application of IFRS 16 and there is no significant impact on its financial statements.

(d) New standards, amendments and interpretations issued but not effective for the financial period beginning 1 July 2019 and not early adopted

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

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

2. 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 Net Assets Value ("NAV") of the Sub-Fund.

The Company has undertaken to limit the annual expenses through the use of a Voluntary Cap. For each class launched within the launched Sub-Funds as at 31 December 2019 the Voluntary Cap as a percentage of net assets was as follows:

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

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

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

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

3. Related parties

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

Transactions with key management personnel**Management fees**

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

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

Mercer Global Investments Management Limited has been appointed as AIFM to the Company. For these services during the financial period the AIFM earned a fee of € 6,155,732 (31 December 2018: € 10,166,682). As detailed in Note 2, the AIFM had undertaken to limit the annual expenses for each class through the use of a Voluntary Cap. The application of the Voluntary Cap has resulted in a total reimbursement of € 12,854 (31 December 2018: € 66,213) which is detailed in the table below. The AIFM's fee included in expenses in the Statement of Comprehensive Income is net of the Sub-Fund reimbursement against the Management fee. The AIFM did not earn any performance fee for the financial period (31 December 2018: € Nil). The outstanding amounts payable as at the financial period end were a management fee of € 977,144 (30 June 2019: € 1,006,998) and a performance fee of € Nil (30 June 2019: € Nil).

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

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

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

	Management Fee		Voluntary Cap Reimbursement	
	Financial Period ended 31 December 2019	Financial Period ended 31 December 2018	Financial Period ended 31 December 2019	Financial Period ended 31 December 2018
MGI Diversified Equity Fund	€ 75,963	€ 109,354	€ 4,929	€ 11,604
MGI Balanced Managed Fund	€ 118,658	€ 125,475	€ 7,925	€ 13,342
MGI UK Moderate Growth Fund*	-	GB£ 7,053	-	GB£ 8,939
MGI UK Growth Fund*	-	GB£ 36,424	-	GB£ 9,541
MGI UK High Growth Fund*	-	GB£ 22,160	-	GB£ 9,125
MGI UK Defensive Fund*	-	GB£ 2,243	-	GB£ 9,189
Mercer Medium Term Inflation Linked Bond Fund	€ 1,684,814	€ 1,786,276	-	-
Mercer UK Credit Fund	GB£ 2,114,993	GB£ 5,041,082	-	-
Mercer Sterling Inflation Linked LDI Bond Fund	GB£ 483,063	GB£ 665,126	-	-
Mercer Sterling Nominal LDI Bond Fund	GB£ 931,066	GB£ 1,247,134	-	-
Mercer Enhanced Yield Fund	€ 44,516	€ 121,737	-	-
Mercer Euro Inflation Linked Bond Fund	€ 206,295	€ 148,984	-	-

*These Sub-Funds terminated on 23 May 2019.

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

	Rebate income		Rebate receivables	
	Financial Period ended 31 December 2019	Financial Period ended 31 December 2018	Financial Period ended 31 December 2019	Financial Period ended 30 June 2019
MGI Diversified Equity Fund	-	€ 1,041	-	-
MGI Balanced Managed Fund	-	€ 3,510	€ 115	€ 115
MGI UK Moderate Growth Fund*	-	GB£ 1,563	-	-
MGI UK Growth Fund*	-	GB£ 9,475	-	-
MGI UK High Growth Fund*	-	GB£ 5,783	-	-
MGI UK Defensive Fund*	-	GB£ 283	-	-
Mercer Enhanced Yield Fund	-	-	-	€ 16,488

*These Sub-Funds terminated on 23 May 2019.

Directors' fees

Michael Dempsey is business leader of Mercer Global Investments Europe Limited, the Investment Manager. Hooman Kaveh is the Chief Investment Officer for Mercer. Michael Dempsey and Hooman Kaveh do not receive a fee for their Directorship as they are non-independent Directors. The Manager and Investment Manager are related to Mercer (Ireland) Limited as all three entities are wholly owned subsidiaries of Mercer Ireland Holdings Limited (the "Parent").

The Directors earned € 12,671 for the financial period ended 31 December 2019 (31 December 2018 € 14,792), of which € 1,931 was payable as at 31 December 2019 (30 June 2019: € 2,128). The Company does not bear the cost of Directors' expense reimbursements.

3. Related parties (continued)

Collateral Manager/Secured Party

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

Other related party transactions

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

31 December 2019

Sub-Fund with related party investment	Related Party (Sub-Fund of MGI Funds plc)	Share Class	Number of shares held 31 December 2019	Investor Sub-Fund Currency	Fair value 31 December 2019	Financial period ended 31 December 2019	
						Purchases	Sales
MGI Diversified Equity Fund	MGI Emerging Markets Equity Fund	Z - 1 €	57,077	€	7,977,685	7,224,536	683,278
	Mercer Global Small Cap Equity Fund	Z - 1 €	22,727	€	5,872,605	4,541,363	463,730
	Mercer Low Volatility Equity Fund	Z - 1 €	34,056	€	7,634,750	5,745,859	332,039
	Mercer Passive Global Equity Fund	Z - 1 €	101,507	€	1,974,305	1,466,735	105,511
	Mercer Passive Global Equity Fund	Z - 1 € Hedged	1,001,430	€	15,802,565	12,891,846	1,082,201
MGI Balanced Managed Fund	MGI Emerging Markets Debt Fund	Z - 1 €	41,800	€	4,649,783	4,007,889	-
	Mercer Diversified Growth Fund	Z - 1 €	205,242	€	43,455,854	25,385,648	-
	Mercer Global High Yield Bond Fund	Z - 1 € Hedged	26,557	€	3,662,780	2,893,170	-
	Mercer Global Buy & Maintain Credit Fund	Z - 1 € Hedged	37,171	€	4,567,959	3,901,383	-
	Mercer Passive Global Equity Fund	Z - 1 €	1,355,939	€	26,373,010	15,026,039	-
	Mercer Euro Nominal Bond Long Duration Fund	Z - 1 €	116,559	€	16,574,631	-	-
Mercer Enhanced Yield Fund	Mercer Global High Yield Bond Fund	Z - 1 € Hedged	32,458	€	4,476,615	5,088,109	1,586,373
	MGI Emerging Markets Debt Fund	Z - 1 €	41,628	€	4,630,717	5,589,875	1,968,702
	Mercer Absolute Return Fixed Income Fund	Z - 1 € Hedged	40,475	€	4,317,047	412,547	5,452,756

30 June 2019

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

3. Related parties (continued)**Other related party transactions (continued)****Transactions with connected persons**

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

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

Significant Shareholders

The following table details the number of Shareholders with significant holdings of at least 20 per cent of the relevant Sub-Funds and the percentage of that holding as at 31 December 2019 and 30 June 2019.

Fund	Number of Significant Shareholders	Total Holding (units)	Aggregate Shareholding as a % of the Sub-Fund	Number of Significant Shareholders	Total Holding (units)	Aggregate Shareholding as a % of the Sub-Fund
	as at 31 December 2019	as at 31 December 2019	as at 31 December 2019	as at 30 June 2019	as at 30 June 2019	as at 30 June 2019
MGI Diversified Equity Fund	3	203,226	93%	2	161,426	71%
MGI Balanced Managed Fund	1	405,332	59%	1	407,480	60%
Mercer Medium Term Inflation Linked Bond Fund	-	-	-	1	1,395,727	20%
Mercer Enhanced Yield Fund	1	31,022	29%	1	91,198	36%
Mercer Euro Inflation Linked Bond Fund	1	166,957	23%	-	-	-

Cross holdings

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

In preparing the combined Company total Statement of Financial Position, the value of financial assets at fair value through profit or loss of the Company is reduced by the value of all Cross Investments as at 31 December 2019. In preparing the combined Company total Statement of Comprehensive Income, the net gain/(loss) on financial assets at fair value through profit or loss, is reduced by the amount of realised and unrealised gains and losses earned during the financial period on such cross investments.

There were no cross holdings within the Company at 31 December 2019 and at 30 June 2019.

In-specie transfers**31 December 2019**

There were no in-specie transfers during the financial period ended 31 December 2019.

31 December 2018

There were no in-specie transfers during the financial period ended 31 December 2018.

4. 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 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 resident investors who have provided the Company with the necessary signed statutory declaration;
- (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.

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 tax expense incurred by the Company during the financial period amounted to € Nil (31 December 2018: € 19,075).

5. Financial Instruments and Associated Risks

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's financial statements for the financial year ended 30 June 2019.

Credit Risk

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

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

The Collateral Manager/Secured Party had a credit rating of AA- at the financial period end (30 June 2019: AA-).

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

Margin Cash

Margin cash balances at 31 December 2019 were as follows:

Counterparty	Sub-Fund	Amount	Credit Rating
Morgan Stanley	Mercer UK Credit Fund	GB£ 667,220	A+
Royal Bank of Scotland	Mercer UK Credit Fund	GB£ 60,723	A
UBS	Mercer UK Credit Fund	GB£ 56,658	A+

Margin cash balances at 30 June 2019 were as follows:

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

Cash Collateral

In addition to the above, the following amounts were pledged or held as cash collateral with the following counterparties at 31 December 2019:

Counterparty		Sub-Fund	Amount	Credit Rating
Barclays Bank	Collateral pledged	Mercer UK Credit Fund	GB£ 260,000	A
BNP Paribas	Collateral pledged	Mercer UK Credit Fund	GB£ 160,000	A+
HSBC Bank	Collateral held	Mercer UK Credit Fund	GB£ (100,832)	AA-

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

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

5. Financial Instruments and Associated Risks (continued)

Interest Rate Risk

The table below summarises the Sub-Fund's relative sensitivity to interest rate changes. Effective duration indicates the sensitivity of a portfolio to a change in interest rates. The Company has determined that a fluctuation in yield of 25 basis points is reasonably possible, considering the economic environment in which the Sub-Funds operate. The table below sets out the effect on the Sub-Funds' net assets attributable to holders of redeemable participating shares of a reasonably possible reduction of 25 basis points in yield at 31 December 2019. An increase in yield of the same amount would have resulted in a roughly equal but opposite effect to the amounts shown. The impact of such an increase or reduction has been estimated by calculating the fair value changes of the fixed-interest debt securities and other fixed-interest bearing assets less liabilities and derivatives. This impact is primarily from the change in the fair value of fixed income securities. This analysis assumes that all other variables, in particular foreign currency rates and credit spreads, remain constant.

Sub-Fund	31 December 2019	31 December 2019	30 June 2019	30 June 2019
	Impact of 25bps decrease in yield on NAV (%)		Effective Duration	
Mercer Medium Term Inflation Linked Bond Fund	3.66	14.65	3.25	13.01
Mercer UK Credit Fund	2.19	8.75	2.16	8.65
Mercer Sterling Inflation Linked LDI Bond Fund	11.16	44.64	11.31	45.25
Mercer Sterling Nominal LDI Bond Fund	6.79	27.18	6.78	27.10
Mercer Euro Inflation Linked Bond Fund	2.96	11.84	2.90	11.59
Mercer Enhanced Yield Fund	0.80	3.20	0.87	3.47
MGI UK Moderate Growth Fund*	-	-	1.82	7.28
MGI Balanced Managed Fund	0.87	3.47	0.76	3.02
MGI UK Defensive Fund*	-	-	4.86	19.45

*These Sub-Funds terminated on 23 May 2019.

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 negotiation a withdrawal agreement has now been ratified by both the European and the UK Parliament and the UK will formally leave 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 may negatively impact the returns of the Sub-Funds of the Company and their investments. Ongoing uncertainty could adversely impact the general economic outlook and as such, this may impact negatively on the ability of the Sub-Funds and their investments to execute their strategies effectively and may also result in increased costs to the Company. It is possible that there will be more divergence between UK and EU regulations post-Brexit, limiting what cross-border financial services can take place. The nature and extent of the impact of any Brexit related changes impacting the provision of financial services are uncertain, but may be significant.

5. Financial Instruments and Associated Risks (continued)

Valuation Techniques

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

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

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

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

Fair Value of Financial Assets and Liabilities

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

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

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

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

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

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

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

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.

5. Financial Instruments and Associated Risks (continued)**Fair Value Hierarchy**

The financial instruments at 31 December 2019 and 30 June 2019 are classified as follows:

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

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

There were no investments classified as Level 3 as at 31 December 2019.

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

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

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

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

Transfers between levels during the period ended 31 December 2019

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

There were no movements of financial instruments between Levels 1 and 2 during the financial period ended 31 December 2019.

6. Share capital**Authorised share capital**

The authorised share capital of the Company is 500,000,000,002 shares of no par value divided into 2 subscriber shares of no par value and 500,000,000,000 unclassified shares of no par value. Matsack Trust Limited and Matsack Nominees Limited hold the 2 subscriber shares at 31 December 2019. The proceeds from the issue of shares shall be applied in the books of the Company to the Sub-Funds and shall be used in acquisition on behalf of the relevant Sub-Fund of its investments. The subscriber share capital does not form part of Shareholders' funds, and is disclosed in the financial statements by way of this note only. In the opinion of the Directors, this disclosure reflects the nature of the Company's business as an investment fund. All share classes carry the same rights. The amounts relating to proceeds from redeemable participating shares issued and payment for redeemable shares redeemed are reflected in the functional currency of the Sub-Fund and are inclusive of the anti-dilution charges.

Capital Management

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

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

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

7. Segregated liability of Sub-Funds

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

8. Dividends

The following dividends were declared and paid during the financial period ended 31 December 2019:

Sub-Fund	Share Class	Total dividend per share class	Dividend per Share	Ex Date
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
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£ 29,738	GB£ 0.1347	1 October 2019
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

8. Dividends (continued)

The following dividends were declared and paid during the financial year ended 31 December 2018:

Sub-Fund	Share Class	Total dividend per share class	Dividend per Share	Ex Date
Mercer UK Credit Fund	Class M-1£ Distribution	GB£ 1,425,690	GB£ 0.8693	2 July 2018
	Class M-7£ Distribution	GB£ 400,924	GB£ 0.5856	2 July 2018
	Class M-1£ Distribution	GB£ 678,651	GB£ 0.9031	1 October 2018
	Class M-7£ Distribution	GB£ 423,380	GB£ 0.6184	1 October 2018
Mercer Sterling Inflation Linked LDI Bond Fund	Class M-5£ Distributing	GB£ 7,593	GB£ 0.0883	1 October 2018

9. 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-Funds account.

10. Seasonal and cyclical changes

The Company has not been subject to seasonal or cyclical changes during the period, please refer to the Investment Manager's Report for further information.

11. Significant events during the financial period

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

12. Subsequent Events

Helen O'Beirne was appointed as a non-executive Director of the Company on 13 January 2020.

An Addendum to the Prospectus of the Company was issued on 31 January 2020 incorporating updates related to the Company Board composition, Brexit, the investment objectives and policies of MGI Funds plc as well as updates of a general nature.

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

Sub-Fund	Share Class	Total dividend per share class	Dividend per Share	Ex Date
Mercer UK Credit Fund	Class M-1 £ Distributing	GB£ 620,794	GB£ 0.8251	2 January 2020
	Class M-7 £ Distributing	GB£ 517,038	GB£ 0.7552	2 January 2020
Mercer Sterling Inflation Linked LDI Bond Fund	Class M-5 £ Distributing	GB£ 16,251	GB£ 0.0692	2 January 2020
Mercer Sterling Nominal LDI Bond Fund	Class M-5 £ Distributing	GB£ 81,799	GB£ 0.4586	2 January 2020

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

13. Approval of financial statements

The financial statements were approved by the Board of Directors of the Company on 20 February 2020.

The table below outlines additional supplemental information regarding underlying collective investment schemes (CIS) held by the Sub-Funds of Mercer PIF Fund plc as at 31 December 2019. The supplemental information includes (where available) the regulatory status, underlying manager name and fee information with regard to these investments.

Underlying Fund	Jurisdiction/ Regulatory Status*	Fund Manager	Share Class Management fee %	Performance* fee %	Redemption fee %
Insight Global Funds II plc - Insight High Grade ABS Fund	Ireland	Insight Investment Management (Global) Limited	Up to 0.05%	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

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

Portfolio movements

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

Soft commissions and direct brokerage arrangements

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

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 and repurchase agreements. In particular, a Sub-Fund may seek to hedge its investments against currency fluctuations which are adverse to its base currency by utilising currency options, futures contracts and forward foreign exchange contracts.

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

Details of the financial derivative instruments held at 31 December 2019 can be found in the Portfolio Statements for each relevant Sub-Fund. Note 5 provides details of the risks associated with the use of financial derivative instruments.

Net Asset Value

MGI Diversified Equity Fund	Class I-1 €	Class M-7 €	Class M-8 €	Class M-12 €	
Total net assets					
31 December 2019	€ 15,485,778	€ 2,584,820	€ 14,165,935	€ 7,288,905	
30 June 2019	€ 15,533,006	€ 3,522,010	€ 13,746,182	€ 5,691,859	
31 December 2018	€ 14,373,395	€ 4,536,212	€ 12,453,947	€ 4,774,833	
Number of shares in issue					
31 December 2019	105,702	12,963	46,650	52,966	
30 June 2019	114,673	19,095	48,843	44,763	
31 December 2018	121,904	28,239	50,720	43,167	
Net asset value per share†					
31 December 2019	€ 146.50	€ 199.39	€ 303.67	€ 137.61	
30 June 2019	€ 135.46	€ 184.45	€ 281.44	€ 127.16	
31 December 2018	€ 117.91	€ 160.64	€ 245.54	€ 110.61	
MGI Balanced Managed Fund	Class M-7 €	Class M-8 €	Class M-9 €	Class M-10 €	Class M-14 €
Total net assets					
31 December 2019	€ 429,033	€ 53,881,853	€ 35,052,644	€ 8,724,778	€ 4,025,318
30 June 2019	€ 406,308	€ 51,149,278	€ 34,071,825	€ 8,450,852	€ 2,365,419
31 December 2018	€ 497,899	€ 44,311,492	€ 30,750,173	€ 8,492,672	€ 1,902,559
Number of shares in issue					
31 December 2019	2,734	405,332	174,202	67,557	32,517
30 June 2019	2,738	407,480	179,274	69,262	20,247
31 December 2018	3,744	394,430	180,734	77,734	18,205
Net asset value per share†					
31 December 2019	€ 156.95	€ 132.93	€ 201.22	€ 129.15	€ 123.79
30 June 2019	€ 148.39	€ 125.53	€ 190.05	€ 122.01	€ 116.83
31 December 2018	€ 132.97	€ 112.34	€ 170.14	€ 109.25	€ 104.50

Net Asset Value (continued)

MGI UK Moderate Growth Fund*	Class
	I-1 £
Total net assets	
31 December 2019	-
30 June 2019	-
31 December 2018	GB£ 4,019,104
Number of shares in issue	
31 December 2019	-
30 June 2019	-
31 December 2018	18,868
Net asset value per share†	
31 December 2019	-
30 June 2019	-
31 December 2018	GB£ 213.01

MGI UK Growth Fund*	Class
	I-1 £
Total net assets	
31 December 2019	-
30 June 2019	-
31 December 2018	GB£ 17,419,834
Number of shares in issue	
31 December 2019	-
30 June 2019	-
31 December 2018	84,125
Net asset value per share†	
31 December 2019	-
30 June 2019	-
31 December 2018	GB£ 207.07

MGI UK High Growth Fund*	Class
	I-1 £
Total net assets	
31 December 2019	-
30 June 2019	-
31 December 2018	GB£ 8,229,224
Number of shares in issue	
31 December 2019	-
30 June 2019	-
31 December 2018	40,801
Net asset value per share†	
31 December 2019	-
30 June 2019	-
31 December 2018	GB£ 201.69

MGI UK Defensive Fund*	Class
	I-1 £
Total net assets	
31 December 2019	-
30 June 2019	-
31 December 2018	GB£ 1,668,010
Number of shares in issue	
31 December 2019	-
30 June 2019	-
31 December 2018	8,112
Net asset value per share†	
31 December 2019	-
30 June 2019	-
31 December 2018	GB£ 205.63

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

Net Asset Value (continued)

Mercer Medium Term Inflation Linked Bond Fund	Class M-1 €	Class M-3 €	Class M-4 €	Class M-6 €		
Total net assets						
31 December 2019	€ 159,405,810	€ 864,495,592	€ 160,539,198	€ 63,358,937		
30 June 2019	€ 38,125,302	€ 806,281,347	€ 161,970,727	€ 63,755,985		
31 December 2018	€ 22,822,006	€ 723,421,797	€ 196,774,995	€ 110,372,176		
Number of shares in issue						
31 December 2019	973,588	5,428,332	1,118,786	468,608		
30 June 2019	234,553	5,096,879	1,135,783	474,020		
31 December 2018	147,807	4,811,579	1,451,064	862,190		
Net asset value per share†						
31 December 2019	€ 163.73	€ 159.26	€ 143.49	€ 135.21		
30 June 2019	€ 162.54	€ 158.19	€ 142.61	€ 134.50		
31 December 2018	€ 154.40	€ 150.35	€ 135.61	€ 128.01		

Mercer UK Credit Fund	Class M-1 £	Class M-1 £ Distributing	Class M-2 £	Class M-5 £	Class M-6 £	Class M-7 £
Total net assets						
31 December 2019	GB£ 910,247	GB£ 86,915,138	GB£ 14,164,248	GB£ 5,865,495	GB£ 440,864,539	GB£ 6,598,058
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
31 December 2018	GB£ 968,451	GB£ 80,816,102	GB£ 10,482,995	GB£ 11,041,005	GB£ 880,860,075	GB£ 11,819,681
Number of shares in issue						
31 December 2019	8,330	752,386	79,988	33,890	2,771,641	47,256
30 June 2019	8,935	752,010	79,632	37,053	4,382,082	56,084
31 December 2018	9,814	751,650	65,456	70,501	6,108,959	93,256
Net asset value per share†						
31 December 2019	GB£ 109.27	GB£ 115.52	GB£ 177.08	GB£ 173.07	GB£ 159.06	GB£ 139.62
30 June 2019	GB£ 105.59	GB£ 113.28	GB£ 171.24	GB£ 167.41	GB£ 154.00	GB£ 135.27
31 December 2018	GB£ 98.68	GB£ 107.52	GB£ 160.15	GB£ 156.61	GB£ 144.19	GB£ 126.74

Mercer UK Credit Fund (continued)	Class M-7 £ Distributing	Class Z-1 £
Total net assets		
31 December 2019	GB£ 71,658,399	-
30 June 2019	GB£ 88,422,769	-
31 December 2018	GB£ 66,692,753	GB£ 624,602
Number of shares in issue		
31 December 2019	684,638	-
30 June 2019	861,515	-
31 December 2018	684,638	6,309
Net asset value per share†		
31 December 2019	GB£ 104.67	-
30 June 2019	GB£ 102.64	-
31 December 2018	GB£ 97.41	GB£ 98.99

Net Asset Value (continued)

Mercer Sterling Inflation Linked LDI Bond Fund	Class M-4 £	Class M-5 £ Distributing	Class M-7 £	Class M-9 £
Total net assets				
31 December 2019	GB£ 86,247,400	GB£ 23,997,279	GB£ 101,740,379	GB£ 351,788
30 June 2019	GB£ 90,204,929	GB£ 23,476,212	GB£ 113,565,362	GB£ 1,017,391
31 December 2018	GB£ 112,101,294	GB£ 8,051,279	GB£ 119,963,022	GB£ 913,068
Number of shares in issue				
31 December 2019	284,842	234,844	348,754	1,650
30 June 2019	287,778	220,688	375,224	4,600
31 December 2018	408,666	86,098	451,974	4,710
Net asset value per share†				
31 December 2019	GB£ 302.79	GB£ 102.18	GB£ 291.73	GB£ 213.23
30 June 2019	GB£ 313.45	GB£ 106.38	GB£ 302.66	GB£ 221.15
31 December 2018	GB£ 274.31	GB£ 93.51	GB£ 265.42	GB£ 193.88

Mercer Sterling Nominal LDI Bond Fund	Class M-4 £	Class M-5 £ Distributing	Class M-7 £	Class M-8 £
Total net assets				
31 December 2019	GB£ 203,275,069	GB£ 19,866,089	GB£ 149,105,499	GB£ 4,551,669
30 June 2019	GB£ 297,753,596	GB£ 20,695,385	GB£ 195,458,528	GB£ 5,379,092
31 December 2018	GB£ 263,903,660	-	GB£ 236,583,790	GB£ 4,083,498
Number of shares in issue				
31 December 2019	834,260	178,367	620,841	29,493
30 June 2019	1,290,543	194,538	857,610	36,702
31 December 2018	1,259,722	-	1,141,164	30,600
Net asset value per share†				
31 December 2019	GB£ 243.66	GB£ 111.38	GB£ 240.17	GB£ 154.33
30 June 2019	GB£ 230.72	GB£ 106.38	GB£ 227.91	GB£ 146.56
31 December 2018	GB£ 209.49	-	GB£ 207.32	GB£ 133.45

Mercer Enhanced Yield Fund	Class M-2 €	Class M-4 €	Class M-6 €
Total net assets			
31 December 2019	€ 2,343,374	€ 6,438,272	€ 4,679,681
30 June 2019	€ 2,256,352	€ 20,569,965	€ 8,151,322
31 December 2018	€ 2,069,825	€ 19,670,504	€ 7,543,330
Number of shares in issue			
31 December 2019	18,139	48,498	41,548
30 June 2019	18,139	160,781	75,017
31 December 2018	17,664	163,072	73,562
Net asset value per share†			
31 December 2019	€ 129.19	€ 132.75	€ 112.63
30 June 2019	€ 124.39	€ 127.94	€ 108.66
31 December 2018	€ 117.18	€ 120.62	€ 102.54

Net Asset Value (continued)

Mercer Euro Inflation Linked Bond Fund	Class M-3 €	Class M-4 €
Total net assets		
31 December 2019	€ 71,814,342	€ 29,692,024
30 June 2019	€ 54,398,618	€ 29,013,925
31 December 2018	€ 48,497,665	€ 25,382,996
Number of shares in issue		
31 December 2019	493,594	230,337
30 June 2019	383,271	230,580
31 December 2018	359,013	211,824
Net asset value per share†		
31 December 2019	€ 145.49	€ 128.91
30 June 2019	€ 141.93	€ 125.83
31 December 2018	€ 135.09	€ 119.83

†Dealing NAV.

Exchange rates

The applicable financial period end exchange rates were as follows:

	As at 31 December 2019 Exchange rate to €	As at 30 June 2019 Exchange rate to €	As at 31 December 2018 Exchange rate to €
Australian Dollar	1.5968	1.6228	1.6238
British Pound	0.8473	0.8948	0.8976
US Dollar	1.1225	1.1388	1.1431

The applicable average exchange rates were as follows:

	Financial period ended 31 December 2019 Exchange rate to €	Financial year ended 30 June 2019 Exchange rate to €	Financial period ended 31 December 2018 Exchange rate to €
Australian Dollar	1.6188	1.5949	1.5938
British Pound	0.8767	0.8815	0.8916
US Dollar	1.1076	1.1405	1.1506