

# **Mercer QIF CCF**

(an open-ended umbrella common contractual fund with segregated liability between Sub-Funds)

## **Annual Report and Audited Financial Statements**

*For the year ended 30 June 2019*

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

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**INDEPENDENT AUDITOR****KPMG**

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

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

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Ireland

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

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Ireland

**DIRECTORS OF THE ALTERNATIVE INVESTMENT FUND MANAGER**

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

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

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

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

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Dublin 2  
Ireland

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

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Dublin 2  
Ireland

\*These Directors are independent Directors.

\*\*This Director is executive Director.

†These Directors are non-executive Directors.

The Sub-Funds of Mercer QIF CCF (the "Fund") 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 Fund.

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

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

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

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

### Mercer QIF CCF 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 portfolio weighting as at 30 June 2019.

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

**Mercer Return Seeking Fund 1**

<b>Portfolio</b>	<b>Weight (%)</b>
Irish Life Investment Managers Limited - Large Cap Developed Equity	69.9
Arrowstreet Capital, Limited Partnership - Small Cap Developed Equity	5.3
KBI Global Investors Ltd - Small Cap Developed Equity	5.7
Lazard Asset Management Limited - Small Cap Developed Equity	4.2
Dimensional Funds PLC - Emerging Markets Value Fund	5.2
Robeco Institutioneel - Emerging Markets Fonds	5.3
Wells Fargo (Lux) Worldwide Fund - Emerging Markets Equity Fund	4.5
<b>Mercer Return Seeking Fund 1</b>	<b>100.0</b>

Figures may not sum to total due to rounding.

<b>Fund</b>	<b>Performance over the Financial Year</b>	
	<b>Fund (%)</b>	<b>Benchmark (%)</b>
<b>Mercer Return Seeking Fund 1</b>	<b>7.8</b>	<b>6.8</b>

Performance shown is in EUR terms.

Performance of the composite benchmark was calculated using monthly rebalanced target weights.

The Mercer Return Seeking Fund 1 outperformed the composite benchmark by 1.0% over the last year.

There were no changes to the list of underlying holdings or Sub-Investment Managers during the period.

**Mercer Fundamental Indexation Global Equity CCF (Hedged)**

<b>Manager</b>	<b>Weight (%)</b>	<b>Performance over the Financial Year</b>	
		<b>Fund (%)</b>	<b>Benchmark (%)</b>
Irish Life Investment Managers Limited	100.0	7.5	7.2
<b>Mercer Fundamental Indexation Global Equity CCF (Hedged)</b>	<b>100.0</b>	<b>2.7</b>	<b>2.6</b>

Performance shown is in EUR terms.

Figures may not sum to total due to rounding.

The fund's objective is achieved by predominantly investing in a diverse portfolio of global equities using fundamentally driven indexation strategies. Over time the specific selection of reference fundamental index/indices are likely to change. Currently the benchmark is 100% Multi Factor Benchmark.

The Mercer Fundamental Indexation Global Equity CCF (Hedged) performed within acceptable tracking of its benchmark over the last year.

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

**Investment Performance to 30 June 2019 (EUR) (continued)**
**Mercer Passive Global Equity CCF**

Manager	Weight (%)	Performance over the Financial Year	
		Fund (%)	Benchmark (%)
Irish Life Investment Managers Limited	100.0	9.4	9.0
<b>Mercer Passive Global Equity CCF</b>	<b>100.0</b>	<b>9.5</b>	<b>9.0</b>

Performance shown is in EUR terms.

Figures may not sum to total due to rounding.

The fund benchmark is the MSCI World (NDR) Index.

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

The Mercer Passive Global Equity CCF outperformed the benchmark over the last year.

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

**Mercer Investment Fund 2**

Manager	Weight (%)
Alantra Asset Management (Formerly N+1)	1.6
Alliance Bernstein Limited	2.3
Barrow, Hanley, Mewhinney & Strauss LLC	6.4
BlackRock Investment Management (UK) Limited	4.6
Cooke & Bieler, L.P	2.8
Cornerstone Investment Partners LLC	6.7
Deutsche Asset & Wealth Management	2.2
DSM Capital Partners, LLC	6.1
Edinburgh Partners Limited	5.4
Falcon Point Capital, LLC	1.1
Henderson Global Investors Limited	2.3
Hotchkis and Wiley Capital Management, LLC	5.2
Independent Franchise Partners, LLP	8.0
Lansdowne Partners (UK) LLP	4.4
Monarch Partners Asset Management, LLC	1.3
Pembroke Management Ltd	1.9
Pzena Investment Management, LLC	4.6
Rice Hall James & Associates, LLC	2.8
State Street Global Advisors Limited	21.2
Threadneedle Asset Management Ltd	2.4
Wellington Management International Ltd	6.9
<b>Mercer Investment Fund 2</b>	<b>100.0</b>

Figures may not sum to total due to rounding.

Fund	Performance over the Financial Year
	Fund (%)
<b>Mercer Investment Fund 2</b>	<b>5.3</b>

Performance shown is in EUR terms.

The Mercer Investment Fund 2 returned 5.3% over the last year.

There were no changes to the list of underlying managers during the period.

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

**Mercer Investment Fund 5 CCF**

<b>Portfolio</b>	<b>Weight (%)</b>
Mercer Passive Emerging Markets Equity Fund	7.2
Mercer Passive Global Equity (Hedged)	63.2
BlackRock - iShares UK Credit Bond Index Fund	1.9
BlackRock - iShares US Corporate Bond Index Fund	14.1
BlackRock - iShares Euro Credit Bond Index Fund	3.9
BlackRock - iShares Developed Real Estate Index Sub-Fund	9.7
<b>Mercer Investment Fund 5 CCF</b>	<b>100.0</b>

Figures may not sum to total due to rounding.

<b>Fund</b>	<b>Performance over the Financial Year</b>	
	<b>Fund (%)</b>	<b>Benchmark (%)</b>
<b>Mercer Investment Fund 5 CCF</b>	<b>5.4</b>	<b>5.4</b>

Performance shown is in EUR terms.

The benchmark for the Mercer Investment Fund 5 CCF is a composite of 63% MSCI World Hedged, 7% MSCI Emerging Markets, 14% FTSE Eurodollar, 2% Markit iBoxx Sterling Non Gilt, 4% FTSE Euro Big Ex Domestic Treasury and 10% FTSE EPRA/NAREIT Developed.

The Mercer Investment Fund 5 CCF performed in line with the composite benchmark over the last year.

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

**Investment Performance to 30 June 2019 (GBP)**

**Mercer High Income UK Property CCF**

<b>Fund</b>	<b>Weight (%)</b>	<b>Performance over the Financial Year</b>	
		<b>Fund (%)</b>	<b>Benchmark (%)</b>
M&G Secured Property Fund	28.2	6.7	7.1
Lime Property Fund Unit Trust	24.5	6.6	6.3
PGIM Real Estate UK Ground Lease Fund	21.4	2.8	9.7
AXA UK Long Lease Property Fund	25.1	6.7	7.3
MGI UK Cash Fund	0.9	0.7	0.8
<b>Mercer High Income UK Property CCF</b>	<b>100.0</b>	<b>5.8</b>	<b>7.2</b>

Performance shown is in GBP terms.

Figures may not sum to total due to rounding.

The benchmark for the total fund is the FTSE A Over 15 Year Gilts Index.

The Mercer High Income UK Property CCF underperformed the benchmark by 1.4% over the last year.

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

**Investment Performance to 30 June 2019 (GBP) (continued)**

**Mercer Fundamental Indexation Global Equity CCF (Hedged)**

Manager	Weight (%)	Performance over the Financial Year	
		Fund (%)	Benchmark (%)
Irish Life Investment Managers	100.0	8.8	8.5
<b>Mercer Fundamental Indexation Global Equity CCF (Hedged)</b>	<b>100.0</b>	<b>3.7</b>	<b>3.5</b>

Performance shown is in GBP terms.

Figures may not sum to total due to rounding.

The fund's objective is achieved by predominantly investing in a diverse portfolio of global equities using fundamentally driven indexation strategies. Over time the specific selection of reference fundamental index/indices are likely to change. Currently the benchmark is 100% Multi Factor Benchmark.

The Mercer Fundamental Indexation Global Equity CCF (Hedged) performed within acceptable tracking of its benchmark over the last year.

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

**Mercer Passive Global Equity CCF (Hedged)**

Manager	Weight (%)	Performance over the Financial Year	
		Fund (%)	Benchmark (%)
Irish Life Investment Managers Limited	100.0	10.6	10.3
<b>Mercer Passive Global Equity CCF (Hedged)</b>	<b>100.0</b>	<b>5.4</b>	<b>5.1</b>

Performance shown is in GBP terms.

Figures may not sum to total due to rounding.

The fund benchmark is the MSCI World Index (NDR) Hedged Index.

The Mercer Passive Global Equity CCF (Hedged) outperformed the benchmark over the last year.

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

**Mercer Investment Fund 3 CCF**

Portfolio	Weight (%)
Mercer Passive Global Equity Fund	17.2
Mercer Passive Global Equity (Hedged) Fund	14.7
Insight Investment Management (Global) Limited	48.4
Mercer Absolute Return Fixed Income (Hedged)	0.8
Royal London Asset Management	19.0
<b>Mercer Investment Fund 3 CCF</b>	<b>100.0</b>

Figures may not sum to total due to rounding.



**Investment Performance to 30 June 2019 (GBP) (continued)**

**Mercer Investment Fund 3 CCF (continued)**

Fund	Performance over the Financial Year
	Fund (%)
<b>Mercer Investment Fund 3 CCF</b>	<b>7.7</b>

*Performance shown is in GBP terms.*

The Mercer Investment Fund 3 CCF returned 7.7% over the last year.

There were no changes to the list of underlying managers during the period.

**Mercer Investment Fund 10**

Portfolio	Weight (%)
Henderson Global Investors Limited	7.0
M&G Investment Management Limited - Corporate Bonds	19.5
PGIM Limited - Corporate Bonds	14.2
Investec Funds Series IV - Emerging Markets Equity Fund	1.6
T. Rowe Price Funds SICAV - Emerging Markets Equity Fund	1.9
Insight Investment Management (Global) Limited - LDI	28.8
Legal & General Investment Management Limited	16.2
Copper Rock Capital Partners LLC - Small Cap Equity	1.8
AXA IM - Secured Finance Fund I	2.7
Insight Investment Management (Global) Limited - Secured Finance	2.7
Mercer Absolute Return Fixed Income Fund (Hedged)	3.4
MGI UK Cash Fund	0.2
<b>Mercer Investment Fund 10</b>	<b>100.0</b>

*Figures may not sum to total due to rounding.*

Fund	Performance over the Financial Year
	Fund (%)
<b>Mercer Investment Fund 10</b>	<b>9.8</b>

*Performance shown is in GBP terms.*

The Mercer Investment Fund 10 returned 9.8% over the last year.

Over the period, the Sub-Fund disinvested from the Janus Henderson - Absolute Return Fixed Income Fund and NT Cash Fund and invested in the Mercer Absolute Return Fixed Income Fund (Hedged), AXA IM - Secured Finance Fund I, Insight Investment Management (Global) Limited - LID, Insight Investment Management (Global) Limited - Secured Finance and MGI UK Cash Fund.

## Investment Performance to 30 June 2019 (GBP) (continued)

## Mercer Investment Fund 11

Portfolio	Weight (%)
Henderson Global Investors Limited	4.2
M&G Investment Management Limited - Corporate Bonds	11.7
PGIM Limited - Corporate Bonds	13.3
Investec Funds Series IV - Emerging Markets Equity Fund	2.3
T. Rowe Price Funds SICAV - Emerging Markets Equity Fund	2.7
Insight Investment Management (Global) Limited - LDI	29.5
Legal & General Investment Management Limited	23.4
Copper Rock Capital Partners LLC - Small Cap Equity	2.5
AXA IM - Secured Finance Fund I	3.8
Insight Investment Management (Global) Limited - Secured Finance	3.8
Mercer Absolute Return Fixed Income Fund (Hedged)	2.0
MGI UK Cash Fund	0.7
<b>Mercer Investment Fund 11</b>	<b>100.0</b>

Figures may not sum to total due to rounding.

Fund	Performance over the Financial Year
	Fund (%)
<b>Mercer Investment Fund 11</b>	<b>9.1</b>

Performance shown is in GBP terms.

The Mercer Investment Fund 11 returned 9.1% over the last year.

Over the period, the Sub-Fund disinvested from the Janus Henderson - Absolute Return Fixed Income Fund and NT Cash Fund and invested in the Mercer Absolute Return Fixed Income Fund (Hedged), AXA IM - Secured Finance Fund I, Insight Investment Management (Global) Limited - LID, Insight Investment Management (Global) Limited - Secured Finance and MGI UK Cash Fund.

## Mercer Investment Fund 12

Portfolio	Weight (%)
Henderson Global Investors Limited	3.0
M&G Investment Management Limited - Corporate Bonds	8.4
PGIM Limited- Corporate Bonds	13.8
Investec Funds Series IV - Emerging Markets Equity Fund	2.6
T. Rowe Price Funds SICAV - Emerging Markets Equity Fund	3.0
Insight Investment Management (Global) Limited - LDI	28.6
Legal & General Investment Management Limited	26.2
Copper Rock Capital Partners LLC - Small Cap Equity	2.8
AXA IM - Secured Finance Fund I	4.7
Insight Investment Management (Global) Limited - Secured Finance	4.7
Mercer Absolute Return Fixed Income Fund (Hedged)	1.4
MGI UK Cash Fund	0.8
<b>Mercer Investment Fund 12</b>	<b>100.0</b>

Figures may not sum to total due to rounding.

**Investment Performance to 30 June 2019 (GBP) (continued)****Mercer Investment Fund 12 (continued)**

Fund	Performance over the Financial Year	
		Fund (%)
<b>Mercer Investment Fund 12</b>		<b>9.6</b>

Performance shown is in GBP terms.

The Mercer Investment Fund 12 returned 9.6% over the last year.

Over the period, the Sub-Fund disinvested from the Janus Henderson - Absolute Return Fixed Income Fund and NT Cash Fund and invested in the Mercer Absolute Return Fixed Income Fund (Hedged), AXA IM - Secured Finance Fund I, Insight Investment Management (Global) Limited - LID, Insight Investment Management (Global) Limited - Secured Finance and MGI UK Cash Fund.

**Investment Performance to 30 June 2019 (USD)****Mercer Investment Fund 16**

Manager	Weight (%)	Performance over the period since inception	
		Fund (%)	Benchmark (%)
AXA Investment Managers UK Limited <sup>(a)</sup>	14.9	7.1	8.3
PGIM Limited	15.1	9.3	9.1
UBS Asset Management (UK) Ltd	70.0	11.0	11.6
<b>Mercer Investment Fund 16</b>	<b>100.0</b>	<b>10.1</b>	<b>10.8</b>

Performance shown is in USD terms.

Figures may not sum to total due to rounding.

Inception date taken as 13 December 2018 for performance measurement purposes.

The benchmark for the total fund is a composite of 43% MSCI World ACWI Index and 57% Barclays custom BM until 7 February 2019 and 70% MSCI World ACWI Index and 30% Barclays custom BM thereafter.

<sup>(a)</sup>Inception date taken as 8 January 2019 for performance measurement purposes.

The Mercer Investment Fund 16 underperformed the benchmark by 0.7% over the period since inception.

Over the period, the Sub-Fund invested in AXA Investment Managers UK Limited, PGIM Limited and UBS Asset Management (UK) Ltd.

**Investment Performance to 30 June 2019 (SEK)**

**SH Pension Investment Fund**

<b>Fund</b>	<b>Weight (%)</b>
Mercer Global Small Cap Equity Fund	6.9
MGI Emerging Markets Equity Fund	7.5
Mercer Global High Yield Bond Fund (SEK Hedged)	7.0
Mercer UCITS Alternatives Strategies (Hedged)	2.3
Mercer Short Duration Global Bond Fund 1 (SEK Hedged)	7.4
AB SICAV I - Global Core Equity Portfolio	8.8
Morgan Stanley Investment Funds - Global Opportunity Fund	2.5
Vontobel Fund - Global Equity	8.3
Standard Life Investments Global SICAV - Global Corporate Bond Fund	4.7
Pareto Global Corporate Bond	7.1
Cliens Strategisk Allokering	37.5
<b>SH Pension Investment Fund</b>	<b>100.0</b>

*Figures may not sum to total due to rounding.*

<b>Fund</b>	<b>Performance over the Last Financial Year</b>
	<b>Fund (%)</b>
<b>SH Pension Investment Fund</b>	<b>3.9</b>

*Performance shown is in SEK terms.*

The SH Pension Investment Fund returned 3.9% over the last year.

Over the period, the Sub-Fund disinvested from Mercer Short Duration Global Bond Fund 2 (SEK Hedged) and invested in Standard Life Investments Global SICAV - Global Corporate Bond Fund, Pareto Global Corporate Bond and Cliens Strategisk Allokering.

**Market Outlook**

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

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

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

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

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

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

**Mercer Global Investments Europe Limited**

Charlotte House  
Charlemont Street  
Dublin 2

July 2019

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

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

### **Responsibilities of the Depositary**

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

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

### **Basis of Depositary opinion**

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

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

### **Opinion**

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

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

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

78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

24 October 2019

	Units	Fair value GB£	% of Net assets
<b>Financial assets at fair value through profit or loss (2018: 101.09%)</b>			
<b>Collective investment schemes (2018: 101.09%)</b>			
<b>Ireland (2018: 26.80%)</b>			
UK Long Lease Property Unit Trust	8,158	97,787,645	24.33
MGI UK Cash Fund	31,496	3,629,311	0.90
		<hr/>	<hr/>
		101,416,956	25.23
<b>United Kingdom (2018: 74.29%)</b>			
Lime Property Fund Unit Trust	78,257,368	92,923,439	23.12
M&G Secured Property Income Fund	936,804	114,624,538	28.52
PGIM Real Estate UK Ground Lease Fund	51,755,684	87,016,832	21.66
		<hr/>	<hr/>
		294,564,809	73.30
<b>Total collective investment schemes</b>		<b>395,981,765</b>	<b>98.53</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>395,981,765</b>	<b>98.53</b>
Cash (2018: 0.17%)		2,794,323	0.70
Net current assets (2018: (1.26)%)		3,102,295	0.77
		<hr/>	<hr/>
<b>Net assets attributable to holders of redeemable participating units</b>		<b>401,878,383</b>	<b>100.00</b>
		<hr/> <hr/>	<hr/> <hr/>

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

	Fair value 30 June 2019 €	% of Net assets	Fair value 30 June 2018 €	% of Net assets
<b>Financial assets at fair value through profit or loss (2018: 99.18%)</b>				
<b>Securities (2018: 84.46%)</b>				
<b>Equities (2018: 84.46%)</b>				
Australia	50,467,785	2.17	47,832,494	2.19
Austria	2,921,636	0.13	1,990,546	0.09
Belgium	5,707,889	0.25	6,263,076	0.29
Bermuda	2,237,953	0.10	3,039,715	0.14
Brazil	1,043,978	0.04	1,364,088	0.06
Canada	76,442,392	3.29	72,145,116	3.30
China	1,276,314	0.05	4,582,545	0.21
Denmark	12,763,472	0.55	10,741,461	0.49
Finland	7,499,619	0.32	9,014,027	0.41
France	63,157,699	2.72	59,659,018	2.73
Germany	54,372,988	2.34	59,751,925	2.74
Gibraltar	-	-	66,335	-
Greece	253,845	0.01	194,050	0.01
Hong Kong	24,257,461	1.05	20,720,019	0.95
Indonesia	-	-	2,372	-
Ireland	27,171,430	1.17	23,998,586	1.10
Isle Of Man	162,340	0.01	264,859	0.01
Israel	4,647,125	0.20	4,655,425	0.21
Italy	18,184,674	0.78	15,711,576	0.72
Japan	167,875,302	7.23	178,260,964	8.16
Jersey	-	-	226,327	0.01
Jordan	-	-	270,806	0.01
Korea	1,161,655	0.05	193,347	0.01
Luxembourg	4,909,622	0.21	5,487,145	0.25
Macau	741,722	0.03	876,600	0.04
Malta	-	-	312,128	0.01
Netherlands	31,684,762	1.37	28,259,280	1.29
New Zealand	1,651,780	0.07	2,447,378	0.11
Norway	6,895,444	0.30	6,945,567	0.32
Panama	760,831	0.03	-	-
Peru	56,971	0.00	-	-
Portugal	1,600,519	0.07	1,997,299	0.09
Puerto Rico	1,083,024	0.05	320,362	0.01
Qatar	82,480	0.00	-	-
Russia	-	-	282,646	0.01
Singapore	7,987,859	0.34	8,320,116	0.38
Spain	18,146,017	0.78	18,597,128	0.85
Sweden	20,121,821	0.87	18,911,587	0.87
Switzerland	60,825,406	2.62	48,397,475	2.22
Taiwan	-	-	836,961	0.04
Thailand	-	-	174,745	0.01
Turkey	-	-	826,599	0.04
United Kingdom	122,272,011	5.27	129,192,702	5.93
United States	1,142,199,377	49.22	1,051,113,330	48.15
<b>Total equities</b>	<b>1,942,625,203</b>	<b>83.69</b>	<b>1,844,247,725</b>	<b>84.46</b>
<b>Total securities</b>	<b>1,942,625,203</b>	<b>83.69</b>	<b>1,844,247,725</b>	<b>84.46</b>



**Mercer QIF CCF**  
**Mercer Return Seeking Fund 1**

**Portfolio Statement**  
**as at 30 June 2019**  
**(continued)**

	Units	Fair value 30 June 2019 €	% of Net assets
<b>Collective investment schemes (2018: 14.56%)</b>			
<b>Ireland (2018: 5.04%)</b>			
Dimensional Funds Plc - Emerging Markets Value Fund	5,311,292	119,026,061	5.13
<b>Luxembourg (2018: 4.40%)</b>			
Wells Fargo Lux Worldwide Fund - Emerging Markets Equity Fund	1,037,199	104,363,007	4.50
<b>Netherlands (2018: 5.01%)</b>			
Robeco Institutioneel Emerging Markets Equities Fund	984,682	120,653,124	5.19
<b>United Kingdom (2018: Nil)</b>			
KNOT Offshore Partners	6,900	115,666	-
<b>United States (2018: 0.11%)</b>			
	-	1,102,061	0.05
<b>Total collective investment schemes</b>		<b>345,259,919</b>	<b>14.87</b>

Currency buy	Buy amount	Currency sell	Sell amount	Contract date	Unrealised gain €	% of Net assets
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**Financial derivative instruments (2018: 0.16%)**

**Open forward foreign currency contracts (2018: 0.16%)**

AUD	2*	745	EUR	458	06/08/2019	-	-
CAD	2*	1,732,759	EUR	1,148,612	03/07/2019	15,776	-
CAD	2*	990	EUR	662	06/08/2019	1	-
CAD	3*	716,230	EUR	472,656	14/08/2019	7,501	-
CHF	2*	673,323	EUR	601,269	03/07/2019	5,155	-
CHF	2*	659	EUR	594	06/08/2019	-	-
CHF	3*	413,810	EUR	365,334	14/08/2019	7,548	-
DKK	2*	2,651,971	EUR	355,315	03/07/2019	3	-
DKK	2*	821	EUR	110	06/08/2019	-	-
EUR	3*	109,569	AUD	176,574	01/07/2019	761	-
EUR	3*	3,286	AUD	5,322	02/07/2019	7	-
EUR	3*	80,854	AUD	130,377	03/07/2019	517	-
EUR	2*	20,632,333	AUD	33,241,125	03/07/2019	149,505	0.01
EUR	3*	98,993	AUD	159,825	14/08/2019	708	-
EUR	3*	13,102	GBP	11,592	01/07/2019	147	-
EUR	3*	19,757	GBP	17,559	02/07/2019	133	-
EUR	2*	49,926,220	GBP	44,181,901	03/07/2019	551,026	0.02
EUR	3*	87,796	GBP	76,487	05/07/2019	2,324	-
EUR	3*	25,810	GBP	22,944	08/07/2019	173	-
EUR	3*	48,456	GBP	42,150	11/07/2019	1,364	-
EUR	3*	34,099	GBP	30,242	12/07/2019	312	-
EUR	3*	7,238	GBP	6,423	15/07/2019	63	-
EUR	3*	5,191	GBP	4,595	18/07/2019	58	-
EUR	3*	14,730	GBP	13,099	19/07/2019	99	-
EUR	3*	4,774	GBP	4,251	25/07/2019	26	-
EUR	3*	10,532	GBP	9,380	29/07/2019	58	-
EUR	3*	11,625	GBP	10,354	01/08/2019	64	-
EUR	3*	5,492	GBP	4,877	06/08/2019	47	-
EUR	3*	215,600	GBP	191,022	14/08/2019	2,423	-
EUR	2*	11,443,684	HKD	100,223,336	03/07/2019	178,683	0.01
EUR	3*	14,518	HKD	127,557	04/07/2019	181	-
EUR	3*	6,171	HKD	54,139	16/07/2019	92	-
EUR	2*	948,451	ILS	3,837,729	03/07/2019	3,592	-
EUR	2*	73,854,114	JPY	8,937,758,298	03/07/2019	1,008,528	0.04
EUR	3*	505,789	JPY	61,220,000	14/08/2019	6,946	-
EUR	3*	6,739	JPY	825,625	15/08/2019	11	-
EUR	3*	26,544	JPY	3,236,800	27/08/2019	172	-

**Mercer QIF CCF**  
**Mercer Return Seeking Fund 1**

**Portfolio Statement**  
**as at 30 June 2019**  
**(continued)**

Currency buy		Buy amount	Currency sell	Sell amount	Contract date	Unrealised gain €	% of Net assets
<b>Financial derivative instruments (2018: 0.16%) (continued)</b>							
<b>Open forward foreign currency contracts (2018: 0.16%) (continued)</b>							
EUR	3*	13,955	JPY	1,701,700	28/08/2019	90	-
EUR	3*	3,212	JPY	391,680	30/08/2019	21	-
EUR	3*	71,415	JPY	8,708,760	03/09/2019	462	-
EUR	3*	3,722	JPY	453,900	04/09/2019	24	-
EUR	3*	7,729	JPY	942,480	05/09/2019	50	-
EUR	3*	10,664	JPY	1,300,500	06/09/2019	69	-
EUR	3*	2,408	JPY	293,632	10/09/2019	15	-
EUR	3*	2,718	JPY	331,500	11/09/2019	17	-
EUR	3*	3,565	JPY	434,826	13/09/2019	23	-
EUR	2*	4,152,563	SGD	6,382,368	03/07/2019	10,419	-
EUR	3*	134,163	USD	151,568	01/07/2019	1,068	-
EUR	3*	57,612	USD	65,135	02/07/2019	416	-
EUR	3*	27,338	USD	30,837	03/07/2019	261	-
EUR	2*	563,121,197	USD	629,144,343	03/07/2019	10,705,284	0.47
EUR	3*	11,372	USD	12,873	05/07/2019	71	-
EUR	3*	53,711	USD	60,682	08/07/2019	452	-
EUR	3*	131,420	USD	148,335	10/07/2019	1,252	-
EUR	3*	4,889	USD	5,541	11/07/2019	27	-
EUR	3*	96,310	USD	108,811	12/07/2019	841	-
EUR	3*	112,044	USD	127,188	15/07/2019	478	-
EUR	3*	10,535	USD	11,950	16/07/2019	54	-
EUR	3*	2,165	USD	2,463	17/07/2019	5	-
EUR	3*	9,644	USD	10,972	18/07/2019	22	-
EUR	3*	6,460	USD	7,331	19/07/2019	32	-
EUR	3*	2,905	USD	3,310	25/07/2019	4	-
EUR	3*	17,356	USD	19,758	26/07/2019	40	-
EUR	3*	19,668	USD	22,399	31/07/2019	46	-
EUR	3*	7,586	USD	8,640	01/08/2019	18	-
EUR	3*	3,907	USD	4,414	02/08/2019	41	-
EUR	3*	3,792	USD	4,321	09/08/2019	9	-
EUR	3*	8,257	USD	9,421	12/08/2019	12	-
EUR	3*	2,489,502	USD	2,790,500	14/08/2019	47,568	-
GBP	2*	966	EUR	1,076	06/08/2019	3	-
ILS	2*	86	EUR	21	06/08/2019	-	-
JPY	3*	159,930,486	EUR	1,296,534	14/08/2019	6,638	-
NOK	2*	1,962,833	EUR	201,043	03/07/2019	1,104	-
NZD	2*	14,899	EUR	8,698	03/07/2019	89	-
NZD	2*	27	EUR	16	06/08/2019	-	-
SEK	2*	8,852,240	EUR	834,820	03/07/2019	2,977	-
<b>Unrealised gain on open forward foreign currency contracts</b>						<b>12,724,006</b>	<b>0.55</b>
		<b>Notionals €</b>	<b>Maturity date</b>	<b>Currency</b>	<b>No. of contracts long</b>	<b>Unrealised gain €</b>	<b>% of Net assets</b>
<b>Futures contracts (2018: 0.00%)</b>							
Euro Stoxx Index 50	1*	1,247,760	20/09/2019	EUR	36	33,840	-
FTSE 100 Index Futures	1*	658,836	20/09/2019	GBP	8	7,153	-
S&P 500 E Mini Index Futures	1*	7,238,986	20/09/2019	USD	56	112,487	0.01
S&P TSX 60 Index Futures	1*	394,200	19/09/2019	CAD	3	3,580	-
SPI 200 FUTURES	1*	303,133	19/09/2019	AUD	3	3,697	-
Swiss Market Index Futures	1*	354,957	20/09/2019	CHF	4	1,009	-
Topix Index Futures	1*	884,882	09/12/2019	JPY	7	7,743	-
<b>Unrealised gain on futures contracts</b>						<b>169,509</b>	<b>0.01</b>
<b>Total financial derivative instruments at positive fair value</b>						<b>12,893,515</b>	<b>0.56</b>
<b>Total financial assets at positive fair value through profit or loss</b>						<b>2,300,778,637</b>	<b>99.12</b>

**Mercer QIF CCF**  
**Mercer Return Seeking Fund 1**

**Portfolio Statement**  
**as at 30 June 2019**  
**(continued)**

Currency buy	Buy amount	Currency sell	Sell amount	Contract date	Unrealised loss €	% of Net assets	
<b>Financial liabilities at fair value through profit or loss (2018: (0.07)%)</b>							
<b>Financial derivative instruments (2018: (0.07)%)</b>							
<b>Open forward foreign currency contracts (2018: (0.06)%)</b>							
AUD	2*	1,871	EUR	1,156	03/07/2019	(3)	-
AUD	3*	561,075	EUR	345,626	14/08/2019	(591)	-
EUR	3*	20,079	AUD	32,732	09/08/2019	(55)	-
EUR	3*	4,036	AUD	6,582	15/08/2019	(11)	-
EUR	3*	4,833	AUD	7,885	28/08/2019	(13)	-
EUR	3*	5,682	AUD	9,271	29/08/2019	(15)	-
EUR	3*	19,299	AUD	31,492	30/08/2019	(52)	-
EUR	3*	5,532	AUD	9,032	09/09/2019	(15)	-
EUR	3*	8,423	AUD	13,753	11/09/2019	(23)	-
EUR	3*	18,133	CAD	27,371	02/07/2019	(260)	-
EUR	2*	30,415,655	CAD	45,902,441	03/07/2019	(430,119)	(0.02)
EUR	3*	6,005	CAD	9,019	15/07/2019	(52)	-
EUR	3*	46,201	CAD	69,073	29/07/2019	(149)	-
EUR	3*	16,407	CAD	24,559	31/07/2019	(71)	-
EUR	3*	8,717	CAD	13,057	01/08/2019	(43)	-
EUR	3*	127,526	CAD	192,940	14/08/2019	(1,819)	-
EUR	2*	26,860,473	CHF	30,098,672	03/07/2019	(247,724)	(0.01)
EUR	3*	85,264	CHF	95,500	14/08/2019	(791)	-
EUR	2*	5,260,257	DKK	39,278,856	03/07/2019	(2,421)	-
EUR	3*	8,319	GBP	7,464	02/08/2019	(14)	-
EUR	3*	58,093	GBP	52,133	08/08/2019	(99)	-
EUR	2*	2,119,845	NOK	20,706,981	03/07/2019	(12,706)	-
EUR	2*	712,065	NZD	1,219,478	03/07/2019	(7,124)	-
EUR	2*	8,277,301	SEK	87,808,725	03/07/2019	(33,121)	-
GBP	2*	1,050,779	EUR	1,187,393	03/07/2019	(13,102)	-
GBP	3*	780,675	EUR	896,730	14/08/2019	(25,511)	-
HKD	2*	8,471,565	EUR	967,659	03/07/2019	(15,464)	-
HKD	2*	2,056	EUR	231	06/08/2019	-	-
ILS	2*	216	EUR	53	07/03/2019	-	-
JPY	2*	468,768,117	EUR	3,875,205	03/07/2019	(54,595)	-
JPY	2*	189,763	EUR	1,549	06/08/2019	(2)	-
NOK	2*	420	EUR	43	06/08/2019	-	-
SEK	2*	1,769	EUR	168	06/08/2019	-	-
SGD	2*	674,044	EUR	438,768	03/07/2019	(1,315)	-
SGD	2*	128	EUR	83	06/08/2019	-	-
USD	2*	35,459,253	EUR	31,747,043	03/07/2019	(612,287)	(0.04)
USD	2*	13,303	EUR	11,665	06/08/2019	(18)	-
USD	3*	8,110,244	EUR	7,173,249	14/08/2019	(76,068)	-
<b>Unrealised loss on open forward foreign currency contracts</b>					<b>(1,535,653)</b>	<b>(0.07)</b>	
<b>Futures contracts (2018: (0.01)%)</b>					-	-	
<b>Total financial derivative instruments at negative fair value</b>					<b>(1,535,653)</b>	<b>(0.07)</b>	
<b>Total financial liabilities at fair value through profit and loss</b>					<b>(1,535,653)</b>	<b>(0.07)</b>	
<b>Total financial derivative instruments</b>					<b>11,357,862</b>	<b>0.49</b>	

	Fair value 30 June 2019 €	% of Net assets
<b>Total investments at fair value through profit and loss</b>	<b>2,299,242,984</b>	<b>99.05</b>
Cash (2018: 0.88%)	21,140,783	0.91
Net current assets (2018: 0.01%)	797,302	0.04
<b>Net assets attributable to holders of redeemable participating units</b>	<b>2,321,181,069</b>	<b>100.00</b>

The following is a list of counterparties for the open forward foreign currency contracts and futures:

Reference	Counterparty
1*	Goldman Sachs
2*	State Street Bank and Trust
3*	State Street Bank London

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

The following securities have been received by the Sub-Fund in respect of Financial Derivative Instruments.

Security	Counterparty	Nominal	Market Value €
Broadcom Inc 3.125% due 15/04/2021	State Street Bank and Trust	1,064,000	1,071,250
John Deere Capital Corp 2.481% due 09/10/2020	State Street Bank and Trust	2,562,000	2,564,298
United States Treasury Note 1.500% due 31/10/2019	State Street Bank and Trust	2,895,000	2,889,459
United States Treasury Note 1.750% due 30/09/2019	State Street Bank and Trust	3,236,000	3,232,650
United States Treasury Note 2.750% due 30/11/2020	State Street Bank and Trust	2,529,400	2,561,413
			12,319,070

	Fair value 30 June 2019 US\$	% of Net assets	Fair value 30 June 2018 US\$	% of Net assets
<b>Financial assets at fair value through profit or loss (2018: 99.67%)</b>				
<b>Securities (2018: 99.35%)</b>				
<b>Equities (2018: 99.35%)</b>				
Australia	68,818,552	4.88	15,982,624	1.37
Austria	1,220,671	0.09	2,393,131	0.20
Belgium	9,483,492	0.67	3,920,854	0.34
Bermuda	-	-	2,763,225	0.23
Canada	40,310,118	2.86	13,232,737	1.12
Denmark	24,600,908	1.74	21,547,326	1.83
Finland	-	-	5,419,224	0.46
France	6,774,122	0.48	59,101,248	5.01
Germany	4,902,348	0.35	10,521,468	0.89
Hong Kong	52,238,779	3.70	47,456,574	4.00
Ireland	40,578,824	2.88	32,808,079	2.79
Israel	5,338,917	0.38	5,397,432	0.46
Italy	19,648,948	1.39	-	-
Japan	105,373,303	7.47	135,570,801	11.49
Netherlands	12,367,610	0.88	23,921,319	2.03
New Zealand	3,703,737	0.26	-	-
Norway	6,832,222	0.48	9,261,917	0.79
Singapore	2,426,352	0.17	5,733,245	0.49
Spain	34,077,974	2.41	9,842,806	0.85
Sweden	22,224,031	1.57	5,589,496	0.47
Switzerland	85,470,836	6.06	23,330,959	1.98
United Kingdom	89,558,874	6.35	97,212,940	8.24
United States of America	753,157,089	53.36	640,248,677	54.31
<b>Total equities</b>	<b>1,389,107,707</b>	<b>98.43</b>	<b>1,171,256,082</b>	<b>99.35</b>
<b>Total securities</b>	<b>1,389,107,707</b>	<b>98.43</b>	<b>1,171,256,082</b>	<b>99.35</b>

Currency buy	Buy amount	Currency sell	Sell amount	Contract date	Unrealised gain US\$	% of Net assets	
<b>Financial derivative instruments (2018: 0.32%)</b>							
<b>Open forward foreign currency contracts (2018: 0.32%)</b>							
AUD	2*	995,522	EUR	610,795	03/07/2019	3,002	-
AUD	2*	2,406,696	GBP	1,319,393	03/07/2019	9,682	-
AUD	3*	3,020,725	USD	2,107,082	14/08/2019	15,717	-
CAD	2*	1,251,580	EUR	832,072	03/07/2019	10,161	-
CAD	2*	2,559,000	GBP	1,503,424	03/07/2019	44,834	-
CAD	3*	1,491,340	USD	1,115,440	14/08/2019	26,858	-
CHF	2*	507,777	EUR	456,249	03/07/2019	1,223	-
CHF	2*	1,241,274	GBP	983,608	03/07/2019	21,319	-
CHF	3*	1,392,548	USD	1,408,511	14/08/2019	25,413	-
DKK	2*	9,339,834	GBP	1,108,434	03/07/2019	14,409	-
EUR	2*	22,024,548	AUD	35,491,284	03/07/2019	176,752	0.01
EUR	2*	35,859,078	GBP	31,742,882	03/07/2019	438,503	0.03
EUR	2*	13,338,102	HKD	116,836,309	03/07/2019	235,663	0.02
EUR	2*	123	HKD	1,096	06/08/2019	-	-
EUR	2*	1,517,547	ILS	6,141,302	03/07/2019	6,314	-
EUR	2*	32,609,152	JPY	3,946,748,305	03/07/2019	503,268	0.04
EUR	2*	325	JPY	39,869	06/08/2019	1	-
EUR	2*	25	NOK	238	06/08/2019	-	-
EUR	2*	29	SEK	306	06/08/2019	-	-
EUR	2*	296,084	SGD	455,086	03/07/2019	836	-
EUR	2*	3	SGD	4	06/08/2019	-	-
EUR	2*	271,969,704	USD	304,092,613	03/07/2019	5,652,615	0.41
EUR	2*	4,400	USD	5,017	06/08/2019	9	-
EUR	3*	2,686,930	USD	3,039,586	14/08/2019	30,876	-

**Mercer QIF CCF**  
**Mercer Fundamental Indexation Global Equity CCF**

**Portfolio Statement**  
**as at 30 June 2019**  
**(continued)**

Currency buy	Buy amount	Currency sell	Sell amount	Contract date	Unrealised gain US\$	% of Net assets	
<b>Financial derivative instruments (2018: 0.32%) (continued)</b>							
<b>Open forward foreign currency contracts (2018: 0.32%) (continued)</b>							
GBP	2*	19,558,145	HKD	193,586,348	03/07/2019	113,887	0.01
GBP	2*	47,821,669	JPY	6,539,997,816	03/07/2019	159,129	0.01
GBP	2*	402,882,655	USD	508,872,798	03/07/2019	3,902,504	0.28
HKD	3*	11,143,650	USD	1,423,329	14/08/2019	3,321	-
ILS	2*	320,810	EUR	78,951	03/07/2019	39	-
ILS	2*	716,864	GBP	156,841	03/07/2019	1,387	-
JPY	3*	370,005,000	USD	3,400,900	14/08/2019	44,400	-
NOK	2*	4,150,775	EUR	425,791	03/07/2019	1,920	-
NOK	2*	7,550,655	GBP	684,773	03/07/2019	14,073	-
SEK	2*	4,755,273	EUR	448,909	03/07/2019	1,299	-
SEK	2*	8,756,826	GBP	731,092	03/07/2019	13,365	-
SGD	2*	123,802	GBP	71,335	03/07/2019	711	-
USD	3*	14,296	AUD	20,000	24/07/2019	250	-
USD	3*	57,381	GBP	45,014	12/07/2019	63	-
USD	3*	84,818	GBP	66,470	19/07/2019	149	-
USD	3*	30,323	JPY	3,228,300	06/09/2019	215	-
<b>Unrealised gain on open forward foreign currency contracts</b>					<b>11,474,167</b>	<b>0.81</b>	
<b>Futures contracts (2018: 0.00%)</b>							
		<b>Notionals US\$</b>	<b>Maturity date</b>	<b>Currency</b>	<b>No. of contracts long</b>	<b>Unrealised gain US\$</b>	<b>% of Net assets</b>
Euro Stoxx Index 50	1*	868,358	20/09/2019	EUR	22	13,711	-
FTSE 100 Index Futures	1*	656,497	20/09/2019	GBP	7	4,244	-
Hang Seng Index Futures	1*	547,296	30/07/2019	HKD	3	2,783	-
S&P 500 E Mini Index Futures	1*	7,949,340	20/09/2019	USD	54	31,564	-
SPI 200 Index Futures	1*	690,417	19/09/2019	AUD	6	702	-
Topix Index Futures	1*	1,007,704	12/09/2019	JPY	7	7,657	-
<b>Unrealised gain on futures contracts</b>					<b>60,661</b>	<b>-</b>	
<b>Total financial derivative instruments at positive fair value</b>					<b>11,534,828</b>	<b>0.81</b>	
<b>Total financial assets at positive fair value through profit or loss</b>					<b>1,400,642,535</b>	<b>99.24</b>	
<b>Financial liabilities at fair value through profit and loss (2018: (0.53)%)</b>							
<b>Financial derivative instruments (2018: (0.53)%)</b>							
<b>Open forward foreign currency contracts (2018: (0.52)%)</b>							
DKK	2*	4,601,318	EUR	616,508	03/07/2019	(14)	-
EUR	2*	220	AUD	359	06/08/2019	-	-
EUR	2*	11,088,004	CAD	16,732,492	03/07/2019	(176,886)	(0.01)
EUR	2*	108	CAD	161	06/08/2019	-	-
EUR	2*	11,568,650	CHF	12,961,735	03/07/2019	(119,883)	(0.01)
EUR	2*	117	CHF	129	06/08/2019	-	-
EUR	2*	7,960,963	DKK	59,445,324	03/07/2019	(4,178)	-
EUR	2*	76	DKK	570	06/08/2019	-	-
EUR	2*	299	GBP	268	06/08/2019	(2)	-
EUR	2*	15	ILS	61	06/08/2019	-	-
EUR	2*	2,767,902	NOK	27,035,382	03/07/2019	(18,671)	-
EUR	2*	3,225,072	SEK	34,211,094	03/07/2019	(14,517)	-
GBP	2*	32,130,017	AUD	58,499,306	03/07/2019	(159,396)	(0.01)
GBP	2*	16,270,121	CAD	27,732,086	03/07/2019	(514,634)	(0.04)
GBP	2*	16,981,450	CHF	21,492,315	03/07/2019	(432,123)	(0.03)
GBP	2*	11,679,612	DKK	98,520,156	03/07/2019	(167,985)	(0.01)

**Mercer QIF CCF**  
**Mercer Fundamental Indexation Global Equity CCF**

**Portfolio Statement**  
**as at 30 June 2019**  
**(continued)**

Currency buy		Buy amount	Currency sell	Sell amount	Contract date	Unrealised loss US\$	% of Net assets
<b>Financial liabilities at fair value through profit and loss (2018: (0.53)%) (continued)</b>							
<b>Financial derivative instruments (2018: (0.53)%) (continued)</b>							
<b>Open forward foreign currency contracts (2018: (0.52)%) (continued)</b>							
GBP	2*	53,348,614	EUR	60,255,738	03/07/2019	(724,729)	(0.06)
GBP	2*	2,226,997	ILS	10,181,406	03/07/2019	(20,413)	-
GBP	2*	4,056,991	NOK	44,762,690	03/07/2019	(86,687)	(0.01)
GBP	2*	4,727,309	SEK	56,654,124	03/07/2019	(89,864)	(0.01)
GBP	2*	433,919	SGD	753,532	03/07/2019	(4,688)	-
GBP	3*	2,100,740	USD	2,719,260	14/08/2019	(40,198)	-
HKD	2*	11,363,723	EUR	1,293,170	03/07/2019	(18,227)	-
HKD	2*	22,080,281	GBP	2,230,901	03/07/2019	(13,143)	-
JPY	2*	110,706,596	EUR	904,796	03/07/2019	(2,849)	-
JPY	2*	302,315,989	GBP	2,206,028	03/07/2019	(1,551)	-
JPY	3*	171,929,800	USD	1,608,215	01/07/2019	(12,431)	-
SGD	2*	67,813	EUR	44,128	03/07/2019	(134)	-
USD	3*	17,273	AUD	24,851	05/07/2019	(168)	-
USD	3*	1,484,602	AUD	2,144,325	14/08/2019	(22,311)	-
USD	3*	52,264	AUD	74,718	29/08/2019	(264)	-
USD	3*	98,253	AUD	140,461	30/08/2019	(497)	-
USD	3*	50,446	AUD	72,097	09/09/2019	(255)	-
USD	3*	22,506	CAD	30,000	02/07/2019	(452)	-
USD	3*	4,053	CAD	5,330	08/07/2019	(26)	-
USD	3*	9,166	CAD	12,051	15/07/2019	(59)	-
USD	3*	738,571	CAD	990,960	14/08/2019	(20,459)	-
USD	3*	692,947	CHF	691,620	14/08/2019	(19,223)	-
USD	2*	31,914,101	EUR	28,297,476	03/07/2019	(313,783)	(0.02)
USD	2*	2,176	EUR	1,908	06/08/2019	(3)	-
USD	3*	2,249,323	EUR	1,999,600	14/08/2019	(35,700)	-
USD	3*	83,768	GBP	66,179	01/07/2019	(458)	-
USD	2*	66,298,580	GBP	52,393,827	03/07/2019	(386,496)	(0.03)
USD	3*	88,050	GBP	69,355	02/08/2019	(355)	-
USD	3*	1,984,720	GBP	1,560,410	14/08/2019	(5,263)	-
USD	3*	131,056	HKD	1,026,717	05/07/2019	(366)	-
USD	3*	19,150	HKD	150,000	24/07/2019	(52)	-
USD	3*	909,233	HKD	7,123,250	14/08/2019	(2,710)	-
USD	3*	43,399	HKD	340,000	15/08/2019	(129)	-
USD	3*	32,128	JPY	3,570,000	24/07/2019	(1,064)	-
USD	3*	2,184,867	JPY	237,400,000	14/08/2019	(25,682)	-
<b>Unrealised loss on open forward foreign currency contracts</b>						<b>(3,458,978)</b>	<b>(0.24)</b>
<b>Futures contracts (2018: (0.01)%)</b>							
		<b>Notionals US\$</b>	<b>Maturity date</b>	<b>Currency</b>	<b>No. of contracts long</b>	<b>Unrealised loss US\$</b>	<b>% of Net assets</b>
S&P TSX 60 Index Futures	1*	448,915	19/09/2019	CAD	3	(753)	-
Swiss Market Index Futures	1*	707,395	20/09/2019	CHF	7	(821)	-
<b>Unrealised loss on futures contracts</b>						<b>(1,574)</b>	<b>-</b>
<b>Total financial derivative instruments at negative fair value</b>						<b>(3,460,552)</b>	<b>(0.24)</b>
<b>Total financial liabilities at negative fair value through profit or loss</b>						<b>(3,460,552)</b>	<b>(0.24)</b>
<b>Total financial derivative instruments</b>						<b>8,074,276</b>	<b>0.57</b>

	Fair value 30 June 2019 US\$	% of Net assets
<b>Total investments at fair value through profit and loss</b>	<b>1,397,181,983</b>	<b>99.00</b>
Cash (2018: 0.81%)	14,987,695	1.06
Net current liabilities (2018: 0.05%)	(838,575)	(0.06)
<b>Net assets attributable to holders of redeemable participating units</b>	<b>1,411,331,103</b>	<b>100.00</b>

The following is a list of counterparties for the open forward foreign currency contracts and futures:

Reference	Counterparty
1*	Goldman Sachs
2*	State Street Bank and Trust
3*	State Street Bank London

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

The following securities have been received by the Sub-Fund in respect of Financial Derivative Instruments.

Security	Counterparty	Nominal	Market Value US\$
Broadcom Inc 3.125% due 15/04/2021	State Street Bank and Trust	1,478,000	1,488,072
John Deere Capital Corp 2.481% due 09/10/2020	State Street Bank and Trust	1,188,000	1,189,065
Texas Instruments Inc 1.650% due 03/08/2019	State Street Bank and Trust	2,164,000	2,162,568
WM Wrigley Jr Co 3.375% due 21/10/2020	State Street Bank and Trust	760,000	770,543
			5,610,248



	Fair value 30 June 2019 US\$	% of Net assets	Fair value 30 June 2018 US\$	% of Net assets
<b>Financial assets at fair value through profit or loss (2018: 98.16%)</b>				
<b>Securities (2018: 98.16%)</b>				
<b>Equities (2018: 98.16%)</b>				
Australia	64,652,305	2.36	73,139,167	2.42
Austria	2,071,328	0.08	2,425,539	0.08
Belgium	8,776,321	0.32	11,305,134	0.37
Bermuda	2,249,395	0.08	3,884,933	0.13
Canada	94,791,489	3.45	104,361,945	3.45
China	272,690	0.01	261,974	0.01
Denmark	15,797,734	0.58	17,624,594	0.58
Finland	10,336,839	0.38	11,097,840	0.37
France	96,424,504	3.51	109,302,172	3.63
Germany	79,419,327	2.89	100,988,866	3.34
Hong Kong	34,835,337	1.27	35,933,273	1.19
Ireland	46,441,751	1.69	41,327,851	1.37
Isle of Man	342,677	0.01	577,096	0.02
Israel	5,125,131	0.19	5,577,191	0.18
Italy	17,134,706	0.62	20,936,992	0.69
Japan	215,456,298	7.85	255,242,230	8.45
Jersey	-	-	616,706	0.02
Luxembourg	2,772,979	0.10	3,508,262	0.12
Macau	1,233,857	0.04	1,500,183	0.05
Netherlands	44,428,889	1.62	45,786,248	1.52
New Zealand	2,474,265	0.09	2,346,269	0.08
Norway	5,846,243	0.21	8,145,093	0.27
Panama	1,301,445	0.05	-	-
Papua New Guinea	398,845	0.01	-	-
Portugal	1,438,930	0.05	1,889,648	0.06
Singapore	12,425,724	0.45	14,024,423	0.46
Spain	27,110,783	0.99	32,697,235	1.08
Sweden	22,661,774	0.83	26,430,442	0.87
Switzerland	94,994,210	3.46	96,113,760	3.18
United Kingdom	157,342,549	5.73	194,480,004	6.44
United States of America	1,621,340,469	59.07	1,743,711,104	57.73
<b>Total equities</b>	<b>2,689,898,794</b>	<b>97.99</b>	<b>2,965,236,174</b>	<b>98.16</b>
<b>Total securities</b>	<b>2,689,898,794</b>	<b>97.99</b>	<b>2,965,236,174</b>	<b>98.16</b>

Currency buy	Buy amount	Currency sell	Sell amount	Contract date	Unrealised gain US\$	% of Net assets
<b>Financial derivative instruments (2018: 0.25%)</b>						
<b>Open forward foreign currency contracts (2018: 0.25%)</b>						
AUD	2*	864,528	EUR	529,960	03/07/2019	3,134
AUD	2*	107	EUR	66	06/08/2019	-
AUD	2*	525,904	GBP	288,200	03/07/2019	2,254
AUD	3*	2,795,022	USD	1,947,012	14/08/2019	17,175
CAD	2*	3,451,505	EUR	2,289,674	03/07/2019	33,660
CAD	2*	142	EUR	95	06/08/2019	-
CAD	2*	1,818,715	GBP	1,068,887	03/07/2019	31,376
CAD	3*	3,517,520	USD	2,638,374	14/08/2019	55,885
CHF	2*	1,603,838	EUR	1,438,023	03/07/2019	7,357
CHF	2*	95	EUR	85	06/08/2019	-
CHF	2*	913,912	GBP	723,808	03/07/2019	16,204
CHF	3*	2,662,489	USD	2,678,326	14/08/2019	63,272
DKK	2*	4,619,055	EUR	618,834	03/07/2019	46
DKK	2*	118	EUR	16	06/08/2019	-
DKK	2*	2,260,144	GBP	268,185	03/07/2019	3,545
EUR	2*	29,731,665	AUD	47,901,052	03/07/2019	245,482

**Mercer QIF CCF**  
**Mercer Passive Global Equity CCF**

**Portfolio Statement**  
**as at 30 June 2019**  
**(continued)**

Currency buy		Buy amount	Currency sell	Sell amount	Contract date	Unrealised gain US\$	% of Net assets
<b>Financial derivative instruments (2018: 0.25%) (continued)</b>							
<b>Open forward foreign currency contracts (2018: 0.25%) (continued)</b>							
EUR	2*	77,095,543	GBP	68,229,330	03/07/2019	963,853	0.04
EUR	2*	16,448,959	HKD	144,051,440	03/07/2019	295,069	0.01
EUR	2*	1,366,766	ILS	5,530,236	03/07/2019	5,932	-
EUR	2*	106,131,039	JPY	12,843,580,405	03/07/2019	1,653,397	0.06
EUR	2*	5,969,371	SGD	9,174,672	03/07/2019	17,115	-
EUR	2*	819,218,257	USD	915,403,756	03/07/2019	17,600,704	0.65
EUR	2*	1,144	USD	1,304	06/08/2019	2	-
EUR	3*	7,418,157	USD	8,405,152	14/08/2019	71,873	-
GBP	2*	1,062	AUD	1,924	06/08/2019	3	-
GBP	2*	1,537	CAD	2,557	06/08/2019	1	-
GBP	2*	1,377	CHF	1,703	06/08/2019	3	-
GBP	2*	255	DKK	2,120	06/08/2019	1	-
GBP	2*	4,828	EUR	5,374	06/08/2019	16	-
GBP	2*	6,267,618	HKD	62,024,637	03/07/2019	38,059	-
GBP	2*	535	HKD	5,311	06/08/2019	3	-
GBP	2*	49	ILS	222	06/08/2019	-	-
GBP	2*	40,448,336	JPY	5,531,253,929	03/07/2019	138,134	0.01
GBP	2*	3,593	JPY	490,206	06/08/2019	18	-
GBP	2*	100	NOK	1,085	06/08/2019	1	-
GBP	2*	37	NZD	70	06/08/2019	-	-
GBP	2*	389	SEK	4,570	06/08/2019	3	-
GBP	2*	193	SGD	330	06/08/2019	1	-
GBP	2*	311,320,657	USD	393,034,244	03/07/2019	3,204,071	0.12
GBP	2*	45,000	USD	57,139	06/08/2019	231	-
ILS	2*	99,812	EUR	24,430	03/07/2019	164	-
ILS	2*	12	EUR	3	06/08/2019	-	-
ILS	2*	19,464	GBP	4,261	03/07/2019	33	-
JPY	3*	650,080,800	USD	6,004,055	14/08/2019	49,168	-
NOK	2*	3,239,584	EUR	332,021	03/07/2019	1,841	-
NOK	2*	1,531,482	GBP	138,928	03/07/2019	2,806	-
NZD	2*	47,344	EUR	27,615	03/07/2019	347	-
NZD	2*	4	EUR	2	06/08/2019	-	-
NZD	2*	29,575	GBP	15,285	03/07/2019	410	-
SEK	2*	14,490,821	EUR	1,366,633	03/07/2019	5,480	-
SEK	2*	6,812,621	GBP	568,789	03/07/2019	10,383	-
SGD	2*	513,607	GBP	296,011	03/07/2019	2,878	-
USD	3*	31,078	EUR	27,226	23/07/2019	20	-
USD	3*	29,786	GBP	23,361	02/07/2019	54	-
USD	3*	40,390	GBP	31,669	08/07/2019	72	-
USD	3*	83,256	GBP	64,346	11/07/2019	1,325	-
USD	3*	49,801	GBP	39,110	12/07/2019	-	-
USD	3*	11,082	GBP	8,692	15/07/2019	12	-
USD	3*	30,428	GBP	23,846	19/07/2019	54	-
USD	3*	11,727	GBP	9,189	06/08/2019	12	-
USD	3*	41,425	JPY	4,413,200	27/08/2019	295	-
USD	3*	24,330	JPY	2,591,820	28/08/2019	173	-
USD	3*	10,566	JPY	1,125,485	30/08/2019	75	-
USD	3*	134,371	JPY	14,308,645	03/09/2019	954	-
USD	3*	9,152	JPY	974,525	04/09/2019	65	-
USD	3*	17,574	JPY	1,871,190	05/09/2019	125	-
USD	3*	18,942	JPY	2,016,625	06/09/2019	134	-
USD	3*	5,406	JPY	575,407	10/09/2019	38	-
USD	3*	3,714	JPY	395,250	11/09/2019	26	-
USD	3*	6,838	JPY	727,668	13/09/2019	48	-
USD	3*	2,459	JPY	261,630	18/09/2019	17	-
USD	3*	3,918	JPY	416,500	27/09/2019	27	-
<b>Unrealised gain on open forward foreign currency contracts</b>						<b>24,544,916</b>	<b>0.90</b>

		Notionals US\$	Maturity date	Currency	No. of contracts long	Unrealised gain US\$	% of Net assets
<b>Futures contracts (2018: 0.00%)</b>							
Euro Stoxx Index 50	1*	3,670,786	20/09/2019	EUR	93	17,321	-
FTSE 100 Index Futures	1*	1,875,706	20/09/2019	GBP	20	8,648	-
SPI 200 Index Futures	1*	805,486	19/09/2019	AUD	7	246	-
TOPIX Index Futures	1*	2,735,196	09/12/2019	JPY	19	20,605	-
<b>Unrealised gain on futures contracts</b>						<b>46,820</b>	<b>-</b>
<b>Total financial derivative instruments at positive fair value</b>						<b>24,591,736</b>	<b>0.90</b>
<b>Total financial assets at positive fair value through profit or loss</b>						<b>2,714,490,530</b>	<b>98.89</b>
Currency buy		Buy amount	Currency sell	Sell amount	Contract date	Unrealised loss US\$	% of Net assets
<b>Financial liabilities at fair value through profit or loss (2018: (0.29)%)</b>							
<b>Financial derivative instruments (2018: (0.29)%)</b>							
<b>Open forward foreign currency contracts (2018: (0.26)%)</b>							
EUR	2*	43,703,774	CAD	65,955,569	03/07/2019	(700,141)	(0.04)
EUR	2*	38,589,487	CHF	43,243,345	03/07/2019	(407,018)	(0.01)
EUR	2*	7,559,755	DKK	56,449,386	03/07/2019	(3,958)	-
EUR	2*	3,047,183	NOK	29,764,235	03/07/2019	(20,671)	-
EUR	2*	1,022,918	NZD	1,751,929	03/07/2019	(11,717)	-
EUR	2*	11,898,345	SEK	126,221,324	03/07/2019	(54,136)	-
GBP	2*	11,280,161	AUD	20,534,788	03/07/2019	(53,810)	-
GBP	2*	16,658,891	CAD	28,407,342	03/07/2019	(536,580)	(0.02)
GBP	2*	14,710,804	CHF	18,626,957	03/07/2019	(383,010)	(0.01)
GBP	2*	2,880,951	DKK	24,308,267	03/07/2019	(42,472)	-
GBP	2*	55,234,670	EUR	62,403,055	03/07/2019	(769,794)	(0.04)
GBP	2*	509,501	ILS	2,329,512	03/07/2019	(4,715)	-
GBP	2*	1,161,038	NOK	12,814,814	03/07/2019	(25,341)	-
GBP	2*	389,963	NZD	754,690	03/07/2019	(10,568)	-
GBP	2*	4,533,341	SEK	54,341,705	03/07/2019	(87,493)	-
GBP	2*	2,274,188	SGD	3,949,821	03/07/2019	(24,967)	-
GBP	3*	3,724,443	USD	4,808,723	14/08/2019	(58,961)	-
HKD	2*	14,214,462	EUR	1,619,719	03/07/2019	(25,243)	-
HKD	2*	295	EUR	33	06/08/2019	-	-
HKD	2*	6,793,237	GBP	686,746	03/07/2019	(4,532)	-
JPY	2*	859,199,986	EUR	7,086,192	03/07/2019	(95,025)	-
JPY	2*	27,226	EUR	222	06/08/2019	-	-
JPY	2*	433,213,737	GBP	3,169,827	03/07/2019	(13,199)	-
NOK	2*	60	EUR	6	06/08/2019	-	-
SEK	2*	254	EUR	24	06/08/2019	-	-
SGD	2*	1,096,880	EUR	713,684	03/07/2019	(2,064)	-
SGD	2*	18	EUR	12	06/08/2019	-	-
USD	3*	1,060,101	AUD	1,525,700	14/08/2019	(12,077)	-
USD	3*	186,597	AUD	266,705	01/07/2019	(564)	-
USD	3*	138,464	AUD	197,944	03/07/2019	(449)	-
USD	3*	34,186	AUD	48,872	30/08/2019	(173)	-
USD	3*	30,952	AUD	44,274	09/08/2019	(157)	-
USD	3*	4,484	AUD	6,470	02/07/2019	(56)	-
USD	3*	9,702	AUD	13,866	09/09/2019	(49)	-
USD	3*	9,316	AUD	13,318	29/08/2019	(47)	-
USD	3*	9,361	AUD	13,378	11/09/2019	(47)	-
USD	3*	7,619	AUD	10,897	15/08/2019	(39)	-
USD	3*	6,920	AUD	9,893	28/08/2019	(35)	-
USD	3*	2,391	AUD	3,440	05/07/2019	(23)	-
USD	3*	1,552,651	CAD	2,086,780	14/08/2019	(45,727)	-
USD	3*	38,553	CAD	51,411	02/07/2019	(790)	-
USD	3*	76,999	CAD	101,035	29/07/2019	(368)	-

**Mercer QIF CCF**  
**Mercer Passive Global Equity CCF**

**Portfolio Statement**  
**as at 30 June 2019**  
**(continued)**

Currency buy		Buy amount	Currency sell	Sell amount	Contract date	Unrealised loss US\$	% of Net assets
<b>Financial liabilities at fair value through profit or loss (2018: (0.29)%) (continued)</b>							
<b>Financial derivative instruments (2018: (0.29)%) (continued)</b>							
<b>Open forward foreign currency contracts (2018: (0.26)%) (continued)</b>							
USD	3*	30,547	CAD	40,148	31/07/2019	(197)	-
USD	3*	12,080	CAD	15,922	01/08/2019	(113)	-
USD	3*	8,346	CAD	11,045	15/07/2019	(109)	-
USD	3*	1,483,116	CHF	1,473,100	14/08/2019	(33,753)	-
USD	3*	10,009	CHF	10,000	16/08/2019	(290)	-
USD	2*	75,308,859	EUR	67,023,050	03/07/2019	(1,023,429)	(0.05)
USD	3*	5,178,171	EUR	4,597,780	14/08/2019	(75,896)	-
USD	3*	86,682	EUR	76,507	02/08/2019	(667)	-
USD	3*	19,740	EUR	17,582	18/07/2019	(309)	-
USD	3*	17,341	EUR	15,448	11/07/2019	(265)	-
USD	3*	3,462	EUR	3,077	05/07/2019	(43)	-
USD	3*	3,704	EUR	3,288	09/07/2019	(43)	-
USD	3*	10,118	EUR	8,895	16/07/2019	(24)	-
USD	2*	3,232	EUR	2,835	06/08/2019	(6)	-
USD	2*	35,653,599	GBP	28,235,547	03/07/2019	(283,643)	(0.01)
USD	3*	2,716,262	GBP	2,140,946	14/08/2019	(14,075)	-
USD	3*	95,537	GBP	75,234	08/08/2019	(385)	-
USD	3*	16,840	GBP	13,341	29/07/2019	(162)	-
USD	3*	16,348	GBP	12,950	01/08/2019	(158)	-
USD	3*	26,112	GBP	20,629	01/07/2019	(143)	-
USD	2*	22,804	GBP	17,961	06/08/2019	(95)	-
USD	3*	7,556	GBP	5,987	25/07/2019	(73)	-
USD	3*	16,273	GBP	12,818	02/08/2019	(66)	-
USD	3*	13,980	GBP	11,028	05/07/2019	(58)	-
USD	3*	6,922	GBP	5,464	18/07/2019	(38)	-
USD	3*	26,489	HKD	207,523	05/07/2019	(74)	-
USD	3*	11,614	HKD	91,104	16/07/2019	(48)	-
USD	3*	3,743,909	JPY	403,800,000	14/08/2019	(16,073)	-
USD	3*	11,035	JPY	1,200,125	15/08/2019	(141)	-
USD	3*	2,930	JPY	318,835	06/08/2019	(38)	-
USD	3*	3,993	NZD	6,067	05/07/2019	(82)	-
<b>Unrealised loss on open forward foreign currency contracts</b>						<b>(4,846,512)</b>	<b>(0.18)</b>
<b>Futures contracts (2018: (0.03)%)</b>							
		<b>Notionals US\$</b>	<b>Maturity date</b>	<b>Currency</b>	<b>No. of contracts long</b>	<b>Unrealised gain US\$</b>	<b>% of Net assets</b>
S&P TSX 60 Index Futures	1*	1,197,107	19/09/2019	CAD	8	(5,283)	-
S&P 500 E Mini Index Futures	1*	21,198,240	20/09/2019	USD	144	(59,063)	-
Swiss Market Index Futures	1*	1,010,564	20/09/2019	CHF	10	(4,082)	-
<b>Unrealised loss on futures contracts</b>						<b>(68,428)</b>	<b>-</b>
<b>Total financial derivative instruments at negative fair value</b>						<b>(4,914,940)</b>	<b>(0.18)</b>
<b>Total financial liabilities at negative fair value through profit or loss</b>						<b>(4,914,940)</b>	<b>(0.18)</b>
<b>Total financial derivative instruments</b>						<b>19,676,796</b>	<b>0.72</b>

	Fair value 30 June 2019 US\$	% of Net assets
<b>Total investments at fair value through profit and loss</b>	<b>2,709,575,590</b>	<b>98.71</b>
Cash (2018: 1.80%)	32,758,090	1.19
Net current assets (2018: 0.08%)	2,766,187	0.10
<b>Net assets attributable to holders of redeemable participating units</b>	<b>2,745,099,867</b>	<b>100.00</b>

The following is a list of counterparties for the open forward foreign currency contracts and futures:

Reference	Counterparty
1*	Goldman Sachs
2*	State Street Bank and Trust
3*	State Street Bank London

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

The following securities have been received by the Sub-Fund in respect of Financial Derivative Instruments.

Security	Counterparty	Nominal	Market Value US\$
Bayer US Finance II LLC 2.200% due 15/07/2022	State Street Bank and Trust	4,622,000	4,474,936
Texas Instruments Inc 1.650% due 03/08/2019	State Street Bank and Trust	929,000	928,385
United States Treasury Note 1.500% due 31/10/2019	State Street Bank and Trust	3,650,000	3,643,014
United States Treasury Note 1.750% due 30/09/2019	State Street Bank and Trust	4,459,000	4,454,384
WM Wrigley Jr Co 2.900% due 21/10/2019	State Street Bank and Trust	3,572,000	3,575,159
			17,075,878

	Fair value 30 June 2019 €	% of Net assets	Fair value 30 June 2018 €	% of Net assets
<b>Financial assets at fair value through profit or loss (2018: 97.87%)</b>				
<b>Securities (2018: 97.87%)</b>				
<b>Equities (2018: 97.87%)</b>				
Australia	-	-	855,413	0.01
Austria	10,462,440	0.12	14,849,897	0.17
Belgium	75,144,676	0.83	70,456,826	0.82
Bermuda	14,463,114	0.16	26,750,596	0.31
Brazil	1,969,162	0.02	2,375,794	0.03
Canada	42,884,943	0.47	63,385,258	0.73
Cayman Islands	34,243	0.00	-	-
China	66,011,485	0.73	66,869,861	0.77
Czech Republic	8,323,720	0.09	6,975,052	0.08
Denmark	117,030,182	1.29	94,712,515	1.10
Finland	93,951,397	1.03	110,231,530	1.28
France	543,603,518	5.97	486,073,205	5.63
Germany	339,886,217	3.74	391,986,350	4.54
Iceland	4,836,289	0.05	5,595,019	0.06
India	16,455,702	0.18	13,644,023	0.16
Ireland	282,900,578	3.11	197,447,359	2.29
Israel	15,030,404	0.17	9,532,166	0.11
Italy	103,996,441	1.14	176,674,912	2.05
Japan	31,284,470	0.34	-	-
Jersey	908,776	0.01	-	-
Korea	-	-	1,830,259	0.02
Liechtenstein	-	-	1,399,404	0.02
Luxembourg	24,189,991	0.27	21,213,265	0.25
Malta	2,475,785	0.03	-	-
Monaco	42,798	-	45,990	-
Netherlands	205,000,234	2.25	202,813,746	2.35
Norway	23,375,661	0.26	81,167,035	0.94
Panama	1,606,729	0.02	-	-
Portugal	17,504,285	0.19	3,410,314	0.04
Puerto Rico	593,789	0.01	3,020,574	0.04
Singapore	41,238	-	2,503,695	0.03
South Africa	1,237,335	0.01	1,422,866	0.02
Spain	134,451,007	1.48	120,864,954	1.40
Sweden	187,016,516	2.06	227,209,037	2.63
Switzerland	425,522,063	4.68	283,955,855	3.29
Taiwan	19,982,092	0.22	-	-
Thailand	151,522	-	-	-
United Kingdom	863,905,576	9.50	965,565,727	11.19
United States	5,186,593,397	57.03	4,791,140,352	55.51
<b>Total equities</b>	<b>8,862,867,775</b>	<b>97.46</b>	<b>8,445,978,849</b>	<b>97.87</b>
<b>Total securities</b>	<b>8,862,867,775</b>	<b>97.46</b>	<b>8,445,978,849</b>	<b>97.87</b>

	Units	Fair value 30 June 2019 €	% of Net assets				
<b>Collective investment schemes (2018: 0.09%)</b>							
<b>Ireland (2018: 0.06%)</b>							
Institutional Cash Series plc - Institutional Euro Assets Liquidity Fund	8,461,381	8,446,997	0.10				
<b>United States of America (2018: 0.03%)</b>							
Fortress Transportation & Infrastructure Investors LLC	207,682	2,753,773	0.03				
<b>Total collective investment schemes</b>		<b>11,200,770</b>	<b>0.13</b>				
<b>Total financial assets at positive fair value through profit or loss</b>		<b>8,874,068,545</b>	<b>97.59</b>				
<b>Financial derivative instruments (2018: 0.00%)</b>							
<b>Warrants (2018: Nil)</b>							
	Notional holdings	Fair value 30 June 2019 €	% of Net assets				
<b>Italy</b>							
Guala Closures SPA	113,105	29,407	-				
<b>Total warrants</b>	<b>113,105</b>	<b>29,407</b>	<b>-</b>				
	Notionals €	Maturity date	Currency	No. of contracts long	Unrealised gain €	% of Net assets	
<b>Futures contracts (2018: 0.00%)</b>							
Russell 1000 Index Mini Futures	1*	5,726,728	20/09/2019	USD	80	84,339	-
<b>Unrealised gain on futures contracts</b>						<b>84,339</b>	<b>-</b>
<b>Total financial derivative instruments at positive fair value</b>						<b>113,746</b>	<b>-</b>
<b>Total financial assets at fair value through profit or loss</b>						<b>113,746</b>	<b>-</b>
<b>Total financial derivative instruments</b>						<b>113,746</b>	<b>-</b>
					Fair value 30 June 2019 €	% of Net assets	
<b>Total investments at fair value through profit and loss</b>						<b>8,874,182,291</b>	<b>97.59</b>
Cash (2018: 1.98%)						217,574,246	2.39
Net current assets (2018: (0.06)%)						1,741,806	0.02
<b>Net assets attributable to holders of redeemable participating units</b>						<b>9,093,498,343</b>	<b>100.00</b>

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

Reference	Counterparty
1*	Goldman Sachs

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

	Nominal holdings	Fair value 30 June 2019 GB£	% of Net assets	Nominal holdings	Fair value 30 June 2018 GB£	% of Net assets
<b>Financial assets at fair value through profit or loss (2018: 127.89%)</b>						
<b>Securities (2018: 92.62%)</b>						
<b>Asset backed securities (2018: 0.19%)</b>						
United Kingdom	4,277,434	4,191,894	0.39	2,010,000	1,977,849	0.19
<b>Total asset backed securities</b>		<b>4,191,894</b>	<b>0.39</b>		<b>1,977,849</b>	<b>0.19</b>
<b>Corporate bonds (2018: 20.05%)</b>						
Australia	4,243,000	4,480,768	0.42	3,450,000	3,673,207	0.36
Canada	550,000	549,087	0.05	550,000	544,917	0.05
Cayman Islands	2,956,000	3,484,711	0.33	5,456,000	6,604,186	0.65
Denmark	-	-	-	570,000	809,845	0.08
France	1,700,000	2,687,795	0.25	1,700,000	4,971,856	0.49
Germany	3,510,000	4,330,732	0.41	3,510,000	4,294,268	0.42
International	-	-	-	960,000	1,323,361	0.13
Ireland	3,793,200	4,664,277	0.44	4,306,200	5,362,332	0.52
Italy	218,000	291,968	0.03	380,000	475,994	0.05
Japan	800,000	1,085,184	0.10	800,000	1,027,088	0.10
Jersey	2,259,000	2,370,721	0.22	3,612,000	3,889,584	0.38
Luxembourg	960,000	1,342,992	0.13	-	-	-
Mexico	-	-	-	570,000	677,876	0.07
Netherlands	3,498,000	4,606,969	0.43	2,170,000	2,758,699	0.27
New Zealand	570,000	757,231	0.07	1,151,000	1,382,366	0.14
Norway	950,000	1,469,698	0.14	950,000	1,403,487	0.14
Singapore	1,100,000	1,682,852	0.16	1,100,000	1,616,368	0.16
Spain	240,000	286,957	0.03	240,000	281,050	0.03
Sweden	1,360,000	1,819,768	0.17	1,560,000	1,944,729	0.19
United Kingdom	131,233,556	165,887,877	15.53	127,514,775	155,909,214	15.23
United States of America	8,384,000	9,171,639	0.86	5,568,000	6,068,588	0.59
<b>Total corporate bonds</b>		<b>210,971,226</b>	<b>19.77</b>		<b>205,019,015</b>	<b>20.05</b>
<b>Government bonds (2018: 71.35%)</b>						
<b>France</b>	2,280,000	2,689,171	0.25	-	-	-
<b>Guernsey</b>						
Guernsey (State of) 3.38% due 12/12/2046	500,000	603,063	0.06	750,000	867,405	0.08
<b>Italy</b>						
Italy Government International Bond 6.00% due 04/08/2028	400,000	472,418	0.04	400,000	479,038	0.05
<b>Mexico</b>						
Mexico Government International Bond 5.63% due 19/03/2114	150,000	156,422	0.01	150,000	152,798	0.01
<b>United Kingdom</b>						
United Kingdom Gilt 3.25% due 22/01/2044	62,474,500	85,308,929	8.00	62,474,500	81,572,955	7.98
United Kingdom Gilt 1.50% due 22/07/2047	54,500,000	54,745,249	5.13	54,500,000	51,600,600	5.04
United Kingdom Gilt 4.00% due 22/01/2060	34,011,200	61,380,012	5.75	34,011,200	58,778,156	5.75
United Kingdom Gilt Inflation Linked 0.13% due 22/03/2026	65,151,624	77,759,114	7.29	63,220,920	73,185,169	7.16
United Kingdom Gilt Inflation Linked 0.63% due 22/03/2040	33,666,228	56,747,793	5.32	32,668,812	51,770,266	5.06
Other United Kingdom	-	445,999,987	41.80	-	411,400,198	40.22
		781,941,084	73.29		728,307,344	71.21
<b>Total government bonds</b>		<b>785,862,158</b>	<b>73.65</b>		<b>729,806,585</b>	<b>71.35</b>



**Mercer QIF CCF**  
**Mercer Investment Fund 3 CCF**

**Portfolio Statement**  
**as at 30 June 2019**  
**(continued)**

	Nominal holdings	Fair value 30 June 2019 GB£	% of Net assets	Nominal holdings	Fair value 30 June 2018 GB£	% of Net assets	
<b>Financial assets at fair value through profit or loss (2018: 127.89%) (continued)</b>							
<b>Mortgage backed securities (2018: 1.03%)</b>							
<b>Ireland (2018: Nil)</b>							
BAMS CMBS 2018-1	269,000	267,731	0.03	-	-	-	
<b>United Kingdom (2018: 1.03%)</b>	-	10,039,725	0.94	-	10,515,510	1.03	
<b>Total mortgage backed securities</b>		<b>10,307,456</b>	<b>0.97</b>		<b>10,515,510</b>	<b>1.03</b>	
<b>Total securities</b>		<b>1,011,332,734</b>	<b>94.78</b>		<b>947,318,959</b>	<b>92.62</b>	
				<b>Units</b>	<b>Fair value 30 June 2019 GB£</b>	<b>% of Net assets</b>	
<b>Collective investment schemes (2018: 34.76%)</b>							
<b>Ireland (2018: 34.76%)</b>							
Mercer QIF CCF - Mercer Passive Global Equity CCF Class Z-1 £				1,108,531	182,952,012	17.14	
Mercer QIF CCF - Mercer Passive Global Equity CCF Class Z-1 £ Hedged				1,099,021	156,368,656	14.66	
Other Ireland				-	12,594,846	1.18	
<b>Total collective investment schemes</b>					<b>351,915,514</b>	<b>32.98</b>	
<b>Financial derivative instruments (2018: 0.51%)</b>							
<b>Options purchased (2018: 0.36%)</b>							
	<b>Strike price</b>	<b>Maturity date</b>	<b>Currency</b>	<b>Notional holding</b>	<b>Fair value 30 June 2019 GB£</b>	<b>% of Net assets</b>	
Put at 10.49 GBP Tokyo Stock Price Index	2*	10.49	22/05/2020	GBP	943,572	13,135	-
Put at 766.98 GBP Euro STOXX 50 Index	4*	766.98	22/05/2020	GBP	25,816	52,124	-
Put at 1,012.83 GBP Euro STOXX 50 Index	4*	1,012.83	22/05/2020	GBP	20,438	154,790	0.01
Put at 1,702.77 GBP Tokyo Stock Price Index	2*	1,702.77	22/05/2020	GBP	5,814	53,846	0.01
Put at 2,412.1 GBP S&P 500 Total Return Index	4*	2,412.10	22/05/2020	GBP	24,253	128,882	0.01
Put at 2,412.1 GBP S&P 500 Total Return Index	3*	2,412.10	22/05/2020	GBP	746	3,966	0.01
Put at 3,549.89 GBP S&P 500 Total Return Index	3*	3,549.89	22/05/2020	GBP	17,240	236,760	0.02
Put at 4,503.88 GBP FTSE 100 Total Return Index	1*	4,503.88	22/05/2020	GBP	4,396	64,521	0.01
<b>Options purchased at fair value</b>					<b>708,024</b>	<b>0.07</b>	
<b>Interest rate swaps (2018: 0.01%)</b>							
<b>Fund Receives</b>	<b>Fund pays</b>	<b>Maturity date</b>	<b>Currency</b>	<b>Notional holding</b>	<b>Fair value 30 June 2019 GB£</b>	<b>% of Net assets</b>	
GBP 3 Month UK RPI	5*	Fixed 3.42%	30/11/2054	GBP	700,000	71,430	0.01
<b>Total interest rate swaps at positive fair value</b>					<b>71,430</b>	<b>0.01</b>	

**Mercer QIF CCF**  
**Mercer Investment Fund 3 CCF**

**Portfolio Statement**  
**as at 30 June 2019**  
**(continued)**

Fund Receives	Fund pays	Maturity date	Currency	Notional holding	Fair value 30 June 2019 GB£	% of Net assets	
<b>Total return swaps (2018: 0.14%)</b>							
GBP 6 Month Fixed	4*	Fixed 0.00%	14/05/2020	GBP	53,202,210	2,084,665	0.19
<b>Total return swaps at positive fair value</b>					<b>2,084,665</b>	<b>0.19</b>	
<b>Total financial derivative instruments at positive fair value</b>					<b>2,864,119</b>	<b>0.27</b>	
<b>Total financial assets at positive fair value through profit or loss</b>					<b>1,366,112,367</b>	<b>128.03</b>	
<b>Financial liabilities at fair value through profit or loss (2018: (12.58%))</b>							
<b>Securities sold short (2018: (7.22%))</b>							
		Counterparty		Nominal holdings	Fair value 30 June 2019 GB£	% of Net assets	
<b>United Kingdom (2018: (7.22%))</b>							
United Kingdom Gilt 1.50% due 22/07/2026		Lloyds Bank		(72,300,000)	(76,320,603)	(7.16)	
<b>Total securities sold short</b>					<b>(76,320,603)</b>	<b>(7.16)</b>	
<b>Financial derivative instruments (2018: (5.36%))</b>							
<b>Options written (2018: (3.78%))</b>							
	Strike price	Maturity date	Currency	Notional holding	Fair value 30 June 2019 GB£	% of Net assets	
Put at 8.16 GBP Tokyo Stock Price Index	2*	8.16	22/05/2020	GBP	(943,572)	(2,862)	-
Call at 16.33 GBP Tokyo Stock Price Index	2*	16.33	22/05/2020	GBP	(943,572)	(1,308,287)	(0.12)
Put at 596.54 GBP Euro STOXX 50 Index	4*	596.54	22/05/2020	GBP	(25,816)	(8,289)	-
Put at 787.76 GBP Euro STOXX 50 Index	4*	787.76	22/05/2020	GBP	(20,438)	(42,856)	-
Call at 1,190.95 GBP Euro STOXX 50 Index	4*	1,190.95	22/05/2020	GBP	(25,816)	(3,306,176)	(0.31)
Put at 1,324.38 GBP Tokyo Stock Price Index	2*	1,324.38	22/05/2020	GBP	(5,814)	(13,731)	(0.02)
Call at 1,657.11 GBP Euro STOXX 50 Index	4*	1,657.11	22/05/2020	GBP	(20,438)	(135,659)	(0.01)
Put at 1,876.08 GBP S&P 500 Total Return Index	3*	1,876.08	22/05/2020	GBP	(746)	(295)	-
Put at 1,876.08 GBP S&P 500 Total Return Index	4*	1,876.08	22/05/2020	GBP	(24,253)	(9,589)	-
Put at 2,761.03 GBP S&P 500 Total Return Index	3*	2,761.03	22/05/2020	GBP	(17,240)	(44,288)	-
Call at 2,932.55 GBP Tokyo Stock Price Index	2*	2,932.55	22/05/2020	GBP	(5,814)	(32,091)	-
Put at 3,503.02 GBP FTSE 100 Total Return Index	1*	3,503.02	22/05/2020	GBP	(4,396)	(15,600)	-
Call at 3,607.43 GBP S&P 500 Total Return Index	3*	3,607.43	22/05/2020	GBP	(746)	(832,453)	(0.08)
Call at 3,644.96 GBP S&P 500 Total Return Index	4*	3,644.96	22/05/2020	GBP	(24,253)	(26,241,077)	(2.46)
Call at 5,460.92 GBP S&P 500 Total Return Index	3*	5,460.92	22/05/2020	GBP	(17,240)	(12,625,833)	(1.18)
Call at 6,724.79 GBP FTSE 100 Total Return Index	1*	6,724.79	22/05/2020	GBP	(4,396)	(1,598,169)	(0.15)
<b>Options written at fair value</b>					<b>(46,217,255)</b>	<b>(4.33)</b>	

**Mercer QIF CCF**  
**Mercer Investment Fund 3 CCF**

**Portfolio Statement**  
**as at 30 June 2019**  
**(continued)**

<b>Fund Receives</b>	<b>Fund pays</b>	<b>Maturity date</b>	<b>Currency</b>	<b>Notional holding</b>	<b>Fair value 30 June 2019 GB£</b>	<b>% of Net assets</b>	
<b>Interest rate swaps (2018: (0.36)%)</b>							
GBP 3 Month Libor	2*	Fixed 0.00%	31/03/2020	GBP	2,000,000	(1,564,110)	(0.14)
GBP 3 Month Libor	1*	Fixed 1.58%	01/05/2044	GBP	1,500,000	(120,551)	(0.01)
GBP 6 Month UK RPI	1*	Fixed 3.56%	30/11/2033	GBP	18,800,000	(67,962)	(0.01)
GBP 6 Month UK RPI	2*	Fixed 3.56%	30/11/2033	GBP	18,800,000	(67,962)	(0.01)
GBP 6 Month UK RPI	5*	Fixed 3.59%	30/11/2040	GBP	8,100,000	(274,102)	(0.03)
GBP 6 Month UK RPI	5*	Fixed 3.47%	30/11/2045	GBP	13,600,000	(221,164)	(0.02)
GBP 6 Month Libor	1*	Fixed 1.53%	01/05/2034	GBP	4,400,000	(239,200)	(0.02)
<b>Interest rate swaps at negative fair value</b>					<b>(2,555,051)</b>	<b>(0.24)</b>	

<b>Fund Receives</b>	<b>Fund pays</b>	<b>Maturity date</b>	<b>Currency</b>	<b>Notional holding</b>	<b>Fair value 30 June 2019 GB£</b>	<b>% of Net assets</b>	
<b>Total return swaps (2018: (1.22)%)</b>							
Fixed 0.05%	2*	Goldman Sachs Risk Premia Basket Volatility Target Series 76 Excess Return Strategy Index	31/03/2020	GBP	200,000,000	(25,845,200)	(2.41)
<b>Total return swaps at negative fair value</b>					<b>(25,845,200)</b>	<b>(2.41)</b>	
<b>Total financial derivative instruments at negative fair value</b>					<b>(74,617,506)</b>	<b>(6.98)</b>	
<b>Total financial liabilities at fair value through profit or loss</b>					<b>(150,938,109)</b>	<b>(14.14)</b>	
<b>Total financial derivative instruments</b>					<b>(71,753,387)</b>	<b>(6.71)</b>	
<b>Total investments at fair value through profit and loss</b>					<b>1,215,174,258</b>	<b>113.89</b>	

**Reverse repurchase agreements (2018: 7.17%)**

<b>Par Value/ Units</b>	<b>Currency</b>	<b>Description</b>	<b>Carrying value GB£</b>	<b>% of Net assets</b>
72,300,000	GBP	Reverse repurchase agreement with Lloyds Bank, 0.70%, dated 02/05/2019 (collateral: United Kingdom Gilt, 1.50% due 22/07/2026), to be repurchased on demand at face value plus accrued interest with a stated maturity date of 06/08/2019	75,228,150	7.05
<b>Total reverse repurchase agreements</b>			<b>75,228,150</b>	<b>7.05</b>

Par Value/ Units	Currency	Description	Carrying value GB£	% of Net assets
<b>Repurchase agreements (2018: (75.50)%)</b>				
30,000,000	GBP	Repurchase agreement with National Australia Bank, 1.02%, dated 15/01/2019 (collateral: United Kingdom Gilt, 4.00% due 22/01/2060), to be repurchased on demand at face value plus accrued interest with a stated maturity date of 17/10/2019	(50,520,000)	(4.73)
42,000,000	GBP	Repurchase agreement with Toronto Dominion Bank, 0.95%, dated 08/03/2019 (collateral: United Kingdom Gilt, 3.25% due 22/01/2044), to be repurchased on demand at face value plus accrued interest with a stated maturity date of 12/08/2019	(55,209,000)	(5.17)
53,500,000	GBP	Repurchase agreement with Lloyds Bank, 0.98%, dated 13/11/2018 (collateral: United Kingdom Gilt, 1.50% due 22/07/2047), to be repurchased on demand at face value plus accrued interest with a stated maturity date of 17/07/2019	(48,652,900)	(4.56)
58,100,000	GBP	Repurchase agreement with Lloyds Bank, 0.84%, dated 02/05/2019 (collateral: United Kingdom Gilt Inflation Linked, 0.13% due 22/03/2026), to be repurchased on demand at face value plus accrued interest with a stated maturity date of 06/08/2019	(75,297,600)	(7.07)
Total repurchase agreements			(229,679,500)	(21.53)
			<b>Fair value 30 June 2019 GB£</b>	<b>% of Net assets</b>
Cash (2018: 0.38%)			4,933,028	0.47
Net current assets (2018: 0.17%)			1,330,624	0.12
<b>Net assets attributable to holders of redeemable participating units</b>			<b>1,066,986,560</b>	<b>100.00</b>

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

Reference	Counterparty
1*	Citigroup Global Markets
2*	Goldman Sachs
3*	HSBC Bank
4*	Morgan Stanley
5*	Royal Bank of Scotland

All options purchased and written are covered.

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

The following securities have been pledged by the Sub-Fund and are held by the counterparty in respect of Repurchase Agreements.

Security	Counterparty	Nominal	Market Value GB£
United Kingdom Gilt 3.25% due 22/01/2044	Toronto Dominion Bank	42,000,000	57,351,000
United Kingdom Gilt 1.50% due 22/07/2047	Lloyds Bank	53,500,000	53,740,750
United Kingdom Gilt 4.00% due 22/01/2060	National Australia Bank	30,000,000	54,141,000
United Kingdom Gilt Inflation Linked 0.13% due 22/03/2026	Lloyds Bank	58,100,000	77,359,667

The following securities have been received by the Sub-Fund as collateral in respect of Reverse Repurchase Agreements.

<b>Security</b>	<b>Counterparty</b>	<b>Nominal</b>	<b>Market Value GB£</b>
United Kingdom Gilt 1.50% due 22/07/2026	Lloyds Bank	72,300,000	76,320,603

The following securities have been pledged by the Sub-Fund and are held by the counterparty in respect of Financial Derivative Instruments.

<b>Security</b>	<b>Counterparty</b>	<b>Nominal</b>	<b>Market Value GB£</b>
United Kingdom Gilt 3.25% due 22/01/2044	HSBC Bank	856,000	1,168,868
	Morgan Stanley	4,272,000	5,833,416
	Royal Bank of Scotland	258,000	352,299
			7,354,583
United Kingdom Gilt 3.50% due 22/07/2068	Goldman Sachs	1,102,000	1,927,949
	HSBC Bank	384,000	671,808
	Morgan Stanley	692,000	1,210,654
			3,810,411
United Kingdom Gilt Inflation Linked 0.13% due 22/03/2026	Morgan Stanley	300,000	399,448
United Kingdom Gilt Inflation Linked 4.13% due 22/07/2030	Citigroup Global Markets	48,014	182,890
	Morgan Stanley	557,000	2,121,669
			2,304,559
United Kingdom Gilt Inflation Linked 0.75% due 22/03/2034	Goldman Sachs	954,000	1,795,967
	HSBC Bank	550,000	1,035,411
	Morgan Stanley	2,745,000	5,167,641
			7,999,019
United Kingdom Gilt Inflation Linked 0.13% due 22/11/2036	Morgan Stanley	677,000	1,111,277
United Kingdom Gilt Inflation Linked 0.63% due 22/03/2040	Citigroup Global Markets	696,000	1,560,983
	Goldman Sachs	5,530,000	12,402,639
	HSBC Bank	2,837,000	6,362,801
	Morgan Stanley	2,091,000	4,689,678
			25,016,101
United Kingdom Gilt Inflation Linked 0.63% due 22/11/2042	Goldman Sachs	1,312,000	3,153,537
	HSBC Bank	100,000	240,361
	Morgan Stanley	806,000	1,937,310
			5,331,208

The following securities have been pledged by the Sub-Fund and are held by the counterparty in respect of Financial Derivative Instruments. (continued)

<b>Security</b>	<b>Counterparty</b>	<b>Nominal</b>	<b>Market Value GB£</b>
United Kingdom Gilt Inflation Linked 0.13% due 22/03/2044	Citigroup Global Markets	319,000	620,895
	HSBC Bank	747,000	1,453,944
	Morgan Stanley	2,117,000	4,120,482
			6,195,321
United Kingdom Gilt Inflation Linked 0.13% due 22/03/2046	HSBC Bank	423,000	796,972
	Morgan Stanley	1,410,000	2,656,573
			3,453,545
United Kingdom Gilt Inflation Linked 0.50% due 22/03/2050	HSBC Bank	128,000	339,214
United Kingdom Gilt Inflation Linked 0.25% due 22/03/2052	Goldman Sachs	4,863,000	11,140,428
United Kingdom Gilt Inflation Linked 1.25% due 22/11/2055	HSBC Bank	319,000	1,225,529
	Morgan Stanley	387,000	1,486,770
			2,712,299
United Kingdom Gilt Inflation Linked 0.38% due 22/03/2062	HSBC Bank	300,000	860,553

The following securities have been received by the Sub-Fund and are held by the counterparty in respect of Financial Derivative Instruments.

<b>Security</b>	<b>Counterparty</b>	<b>Nominal</b>	<b>Market Value GB£</b>
United Kingdom Gilt Inflation Linked 0.63% due 22/03/2040	Citigroup Global Markets	299,000	670,595

	Units	Fair value 30 June 2019 €	% of Net assets
<b>Financial assets at fair value through profit or loss (2018: 99.90%)</b>			
<b>Collective investment schemes (2018: 99.89%)</b>			
<b>Ireland (2018: 99.89%)</b>			
BlackRock Fixed Income Dublin Funds PLC - iShares Developed Real Estate Index Fund IE	3,200,271	53,236,513	9.72
BlackRock Fixed Income Dublin Funds PLC - iShares US Corporate Bond Index Fund	7,480,600	77,072,624	14.08
Mercer QIF CCF - Mercer Passive Global Equity CCF	2,624,147	345,337,707	63.09
MGI Funds plc - Mercer Passive Emerging Markets Equity Fund	285,437	39,164,853	7.15
Other Ireland	-	31,820,186	5.81
<b>Total collective investment schemes</b>		<b>546,631,883</b>	<b>99.85</b>

**Financial derivative instruments (2018: 0.01%)**  
**Open forward foreign currency contracts (2018: 0.01%)**

Currency buy	Buy amount	Currency sell	Sell amount	Contract date	Unrealised gain €	% of Net assets
EUR	1* 10,505,624	GBP	9,296,847	03/07/2019	115,994	0.02
<b>Unrealised gain on open forward foreign currency contracts</b>					<b>115,994</b>	<b>0.02</b>
<b>Total financial derivative instruments at positive fair value</b>					<b>115,994</b>	<b>0.02</b>
<b>Total financial derivative instruments</b>					<b>115,994</b>	<b>0.02</b>

	Fair value 30 June 2019 €	% of Net assets
<b>Total financial assets at fair value through profit or loss</b>	<b>546,747,877</b>	<b>99.87</b>
Cash (2018: 0.14%)	573,439	0.10
Net current assets (2018: (0.04)%)	111,256	0.03
<b>Net assets attributable to holders of redeemable participating units</b>	<b>547,432,572</b>	<b>100.00</b>

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

Reference	Counterparty
1*	State Street Bank and Trust

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

	Units	Fair value 30 June 2019 SEK	% of Net assets
<b>Financial assets at fair value through profit or loss (2018: 99.85%)</b>			
<b>Collective investment schemes (2018: 99.85%)</b>			
<b>Ireland (2018: 84.77%)</b>			
MGI Funds plc - MGI Emerging Markets Equity Fund	324,266	328,280,535	7.49
MGI Funds plc - Mercer Global High Yield Bond Fund	298,499	307,573,515	7.01
MGI Funds plc - Mercer Global Small Cap Equity Fund	262,730	301,485,176	6.88
MGI Funds plc - Mercer Short Duration Global Bond Fund 1	311,072	325,642,404	7.43
MGI Funds plc - Mercer UCITS Alternatives Strategies	112,562	101,866,100	2.32
		<hr/>	
		1,364,847,730	31.13
<b>Luxembourg (2018: 15.08%)</b>			
AB SICAV I - Global Core Equity Portfolio	17,112	387,309,595	8.83
Pareto SICAV - Pareto Global Corporate Bond	3,077,435	311,971,247	7.12
Vontobel Fund - Global Equity	172,623	364,515,478	8.31
Other Luxembourg	-	312,995,265	7.14
		<hr/>	
		1,376,791,585	31.40
<b>Sweden (2018: Nil)</b>			
Cliens Strategisk Allokering	1,589,882	1,645,432,042	37.53
		<hr/>	
<b>Total collective investment schemes</b>		<b>4,387,071,357</b>	<b>100.06</b>
<b>Total financial assets at fair value through profit and loss</b>		<b>4,387,071,357</b>	<b>100.06</b>
Cash (2018: 0.17%)		(1,437,679)	(0.03)
Net current liabilities (2018: (0.02)%)		(998,698)	(0.03)
		<hr/>	
<b>Net assets attributable to holders of redeemable participating units</b>		<b>4,384,634,980</b>	<b>100.00</b>
		<hr/> <hr/>	

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



	Fair value 30 June 2019 GB£	% of Net assets	Fair value 30 June 2018 GB£	% of Net assets		
<b>Financial assets at fair value through profit or loss (2018: 98.78%)</b>						
<b>Securities (2018: 52.15%)</b>						
<b>Equities (2018: 17.63%)</b>						
Australia	13,206,774	0.42	13,042,698	0.44		
Austria	399,618	0.01	466,638	0.02		
Belgium	1,813,856	0.06	1,853,129	0.06		
Bermuda	1,270,804	0.04	2,302,804	0.08		
Brazil	533,183	0.02	-	-		
Canada	18,316,471	0.58	17,363,231	0.59		
China	244,705	0.01	725,501	0.02		
Curacao	-	-	1,054,151	0.04		
Denmark	2,983,306	0.10	2,656,963	0.09		
Faroe Islands	675,018	0.02	606,361	0.02		
Finland	2,093,682	0.07	1,837,237	0.06		
France	18,133,362	0.58	17,522,203	0.60		
Germany	17,137,202	0.55	17,272,660	0.59		
Hong Kong	6,687,913	0.21	5,206,341	0.18		
Ireland	8,512,923	0.27	6,296,407	0.21		
Isle of Man	57,358	-	-	-		
Israel	1,534,357	0.05	1,626,694	0.06		
Italy	4,259,099	0.14	4,013,822	0.14		
Japan	48,453,144	1.54	51,062,605	1.73		
Jersey	-	-	2,393,671	0.08		
Korea	8,295,868	0.27	9,453,498	0.32		
Liberia	-	-	199,000	0.01		
Luxembourg	682,047	0.02	586,859	0.02		
Macau	192,958	0.01	223,595	0.01		
Mauritius	-	-	16,333	-		
Netherlands	9,251,381	0.30	8,485,616	0.29		
New Zealand	573,731	0.02	422,626	0.01		
Norway	1,803,270	0.06	1,811,555	0.06		
Panama	222,710	0.01	264,314	0.01		
Papua New Guinea	-	-	99,709	-		
Peru	124,105	-	-	-		
Poland	690,322	0.02	-	-		
Portugal	242,578	0.01	254,941	0.01		
Puerto Rico	589,895	0.02	486,501	0.02		
Russia	34,350	-	-	-		
Singapore	2,346,339	0.08	2,196,095	0.07		
South Africa	-	-	131,227	-		
Spain	5,227,774	0.17	5,260,371	0.18		
Sweden	6,160,450	0.20	4,222,834	0.14		
Switzerland	17,704,866	0.57	14,080,503	0.48		
Taiwan	485,783	0.02	522,675	0.02		
United Kingdom	32,538,819	1.03	30,334,630	1.03		
United States of America	323,409,038	10.33	292,594,513	9.94		
<b>Total equities</b>	<b>556,889,059</b>	<b>17.81</b>	<b>518,950,511</b>	<b>17.63</b>		
	<b>Nominal holding</b>	<b>Fair value 30 June 2019 GB£</b>	<b>% of Net assets</b>	<b>Nominal holding</b>	<b>Fair value 30 June 2018 GB£</b>	<b>% of Net assets</b>
<b>Asset backed securities (2018: 0.06%)</b>						
<b>United Kingdom</b>						
Income Contingent Student Loans 1 2002-2006	1,714,225	1,620,435	0.05	1,795,000	1,683,159	0.06
<b>Total asset backed securities</b>		<b>1,620,435</b>	<b>0.05</b>		<b>1,683,159</b>	<b>0.06</b>

	Nominal holding	Fair value 30 June 2019 GB£	% of Net assets	Nominal holding	Fair value 30 June 2018 GB£	% of Net assets
<b>Financial assets at fair value through profit or loss (2018: 98.78%) (continued)</b>						
<b>Corporate bonds (2018: 34.40%)</b>						
Australia	41,603,000	45,475,419	1.45	37,803,000	39,478,270	1.34
Belgium	2,255,000	2,312,588	0.07	2,840,000	2,673,040	0.09
Canada	10,344,000	8,812,002	0.28	3,275,000	3,096,158	0.11
Denmark	8,220,000	10,602,716	0.34	6,665,000	8,388,899	0.28
Finland	5,100,000	4,680,257	0.15	-	-	-
France	57,761,000	68,309,373	2.18	46,326,000	53,436,068	1.82
Germany	25,076,750	25,890,594	0.83	17,532,361	18,136,517	0.62
Ireland	17,327,598	18,778,607	0.60	14,998,012	15,865,726	0.54
Italy	5,462,000	6,443,356	0.21	5,312,000	6,427,273	0.22
Japan	3,962,000	3,990,907	0.13	12,982,000	10,628,519	0.36
Luxembourg	25,501,000	23,653,200	0.76	16,239,000	14,162,292	0.48
Mexico	7,062,000	8,567,138	0.27	8,362,000	9,180,766	0.31
Netherlands	83,631,167	92,243,546	2.95	54,433,559	57,081,553	1.94
New Zealand	2,700,000	3,586,883	0.11	2,700,000	3,709,584	0.13
Norway	3,712,000	5,130,365	0.16	4,847,000	6,543,197	0.22
Spain	7,120,000	8,147,604	0.26	4,920,000	5,972,811	0.20
Sweden	13,630,000	18,246,531	0.58	10,630,000	13,662,848	0.46
Switzerland	5,455,000	4,853,754	0.16	2,005,000	1,503,943	0.05
United Kingdom	400,568,165	462,526,849	14.81	375,932,283	428,508,346	14.55
United States of America	444,446,000	415,202,821	13.29	365,526,000	314,465,728	10.68
<b>Total corporate bonds</b>		<b>1,237,454,510</b>	<b>39.59</b>		<b>1,012,921,538</b>	<b>34.40</b>
<b>Government bonds (2018: 0.02%)</b>						
<b>Belgium</b>						
Belgium (Government of) 5.70% due 28/05/2032	450,000	661,511	0.02	450,000	640,607	0.02
<b>France</b>						
	-	6,974,721	0.22	-	-	-
<b>Total government bonds</b>		<b>7,636,232</b>	<b>0.24</b>		<b>640,607</b>	<b>0.02</b>
<b>Mortgage backed securities (2018: 0.04%)</b>						
<b>United Kingdom</b>						
Canary Wharf Finance II	243,807	306,442	0.01	265,206	336,104	0.01
Finance for Residential Social Housing	455,962	776,274	0.02	469,429	845,347	0.03
<b>Total mortgage backed securities</b>		<b>1,082,716</b>	<b>0.03</b>		<b>1,181,451</b>	<b>0.04</b>
<b>Total securities</b>		<b>1,804,682,952</b>	<b>57.72</b>		<b>1,535,377,266</b>	<b>52.15</b>
				<b>Units</b>	<b>Fair value 30 June 2019 GB£</b>	<b>% of Net assets</b>
<b>Collective investment schemes (2018: 46.91%)</b>						
<b>Ireland (2018: 39.92%)</b>						
LDI Solutions Plus ICAV - LDI Active 6 Fund				17,313,707	897,267,285	28.69
Other Ireland				-	281,904,266	9.02
					1,179,171,551	37.71
<b>Luxembourg (2018: 1.85%)</b>						
T Rowe Price Funds SICAV - Emerging Markets Equity Fund				1,887,523	58,745,023	1.88

	Units	Fair value 30 June 2019 GB£	% of Net assets
<b>Collective investment schemes (2018: 46.91%) (continued)</b>			
<b>United Kingdom (2018: 5.14%)</b>			
Investec Funds Series IV -Emerging Markets Equity Fund	32,307,712	51,272,339	1.64
<b>Total collective investment schemes</b>		<b>1,289,188,913</b>	<b>41.23</b>

Currency buy	Buy amount	Currency sell	Sell amount	Contract date	Unrealised gain GB£	% of Net assets
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**Financial derivative instruments (2018: 0.03%)**

**Open forward foreign currency contracts (2018: 0.03%)**

CAD	7*	435,305	GBP	255,375	03/07/2019	6,368	-
CHF	7*	172,960	GBP	136,685	03/07/2019	2,706	-
DKK	7*	735,435	GBP	87,202	03/07/2019	969	-
EUR	3*	170,716,828	GBP	152,726,688	02/07/2019	29,156	-
EUR	7*	2,006,616	GBP	1,775,731	03/07/2019	19,829	-
EUR	5*	684,191	USD	764,288	02/07/2019	11,683	-
GBP	7*	4,042,305	HKD	40,001,487	03/07/2019	19,213	-
GBP	7*	26,517,519	JPY	3,626,132,784	03/07/2019	71,889	-
GBP	9*	95,000	JPY	13,018,895	03/07/2019	52	-
GBP	5*	138,449,906	USD	175,694,913	02/07/2019	400,967	0.01
GBP	3*	2,868,530	USD	3,643,651	02/07/2019	5,601	-
GBP	7*	174,476,281	USD	220,256,240	03/07/2019	1,423,061	0.05
GBP	2*	128,023,367	USD	161,315,659	24/07/2019	1,412,922	0.05
ILS	7*	170,927	GBP	37,388	03/07/2019	269	-
KRW	7*	501,194,875	GBP	333,308	03/07/2019	7,745	-
NOK	7*	422,705	GBP	38,316	03/07/2019	639	-
NZD	7*	7,159	GBP	3,698	03/07/2019	80	-
PLN	7*	81,379	GBP	16,803	03/07/2019	343	-
SEK	7*	2,466,539	GBP	205,854	03/07/2019	3,032	-
SGD	7*	188,427	GBP	108,548	03/07/2019	878	-
SGD	6*	176,129	USD	130,000	03/07/2019	145	-
USD	5*	180,102,852	GBP	141,501,298	02/07/2019	11,096	-

**Unrealised gain on open forward foreign currency contracts** **3,428,643** **0.11**

	Notionals GB£	Maturity date	Currency	No. of contracts long	Unrealised gain GB£	% of Net assets
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**Futures contracts (2018: 0.00%)**

FTSE 100 Index Futures	4*	221,070	20/09/2019	GBP	3	2,703	-
KOSPI2 Index Futures	4*	426,260	11/09/2019	KRW	9	6,967	-
MSCI Singapore Index	4*	109,806	30/07/2019	SGD	5	1,365	-
SPI 200 Index Futures	4*	180,827	19/09/2019	AUD	2	2,536	-

**Unrealised gain on futures contracts** **13,571** **-**

**Total financial derivative instruments at positive fair value** **3,442,214** **0.11**

**Total financial assets at positive fair value through profit or loss** **3,097,314,079** **99.06**

**Mercer QIF CCF**  
**Mercer Investment Fund 10**

**Portfolio Statement**  
**as at 30 June 2019**

Currency buy		Buy amount	Currency sell	Sell amount	Contract date	Unrealised loss GB£	% of Net assets
<b>Financial liabilities at fair value through profit or loss (2018: (0.31)%)</b>							
<b>Financial derivative instruments (2018: 0.31)%</b>							
<b>Open forward foreign currency contracts (2018: (0.31)%)</b>							
GBP	7*	7,091,945	AUD	12,910,352	03/07/2019	(26,545)	-
GBP	7*	8,885,376	CAD	15,152,083	03/07/2019	(225,367)	(0.01)
GBP	7*	8,214,918	CHF	10,402,234	03/07/2019	(168,391)	(0.01)
GBP	7*	1,739,724	DKK	14,679,489	03/07/2019	(20,202)	-
GBP	3*	151,493,725	EUR	171,401,019	02/07/2019	(1,874,328)	(0.07)
GBP	3*	152,883,065	EUR	170,716,828	02/08/2019	(25,233)	-
GBP	7*	30,512,397	EUR	34,479,623	03/07/2019	(340,652)	(0.01)
GBP	1*	3,202,771	EUR	3,720,000	07/08/2019	(129,774)	-
GBP	2*	18,013,170	EUR	20,172,232	24/07/2019	(49,549)	-
GBP	7*	628,326	ILS	2,872,824	03/07/2019	(4,577)	-
GBP	7*	4,175,032	KRW	6,277,995,080	03/07/2019	(97,010)	-
GBP	7*	889,759	NOK	9,820,727	03/07/2019	(15,269)	-
GBP	7*	356,425	NZD	689,812	03/07/2019	(7,603)	-
GBP	7*	319,690	PLN	1,549,182	03/07/2019	(6,711)	-
GBP	7*	2,983,114	SEK	35,759,292	03/07/2019	(45,262)	-
GBP	7*	1,433,567	SGD	2,489,859	03/07/2019	(12,384)	-
GBP	5*	142,398,015	USD	181,513,842	02/08/2019	(1,500)	-
GBP	8*	52,666,886	USD	68,690,000	08/08/2019	(1,208,145)	(0.04)
HKD	7*	2,891,240	GBP	292,271	03/07/2019	(1,488)	-
JPY	7*	189,333,280	GBP	1,385,177	03/07/2019	(4,356)	-
USD	3*	2,696,231	GBP	2,125,000	02/08/2019	(9,778)	-
USD	7*	11,731,799	GBP	9,295,621	03/07/2019	(78,059)	-
USD	2*	2,938,000	GBP	2,313,788	24/07/2019	(7,865)	-
<b>Unrealised loss on open forward foreign currency contracts</b>						<b>(4,360,048)</b>	<b>(0.14)</b>
<b>Futures contracts (2018: (0.00)%)</b>							
TOPIX Index Futures	4*	339,336	12/09/2019	JPY	3	(652)	-
<b>Unrealised loss on futures contracts</b>						<b>(652)</b>	<b>-</b>
<b>Total financial derivative instruments at negative fair value</b>						<b>(4,360,700)</b>	<b>(0.14)</b>
<b>Total financial liabilities at fair value through profit and loss</b>						<b>(4,360,700)</b>	<b>(0.14)</b>
<b>Total financial derivative instruments</b>						<b>(918,486)</b>	<b>(0.03)</b>
						<b>Fair value</b>	<b>% of</b>
						<b>30 June 2019</b>	<b>Net assets</b>
						<b>GB£</b>	
<b>Total investments at fair value through profit and loss</b>						<b>3,092,953,379</b>	<b>98.92</b>
Cash (2018: 0.67%)						21,158,653	0.68
Net current assets (2018: 0.55%)						12,562,678	0.40
<b>Net assets attributable to holders of redeemable participating units</b>						<b>3,126,674,710</b>	<b>100.00</b>

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

<b>Reference</b>	<b>Counterparty</b>
1*	BNP Paribas
2*	BNP Paribas Securities Services
3*	Citibank
4*	Goldman Sachs
5*	Morgan Stanley
6*	Royal Bank of Scotland
7*	State Street Bank and Trust
8*	State Street Bank, London Branch
9*	UBS

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

The following securities have been pledged by the Sub-Fund and are held by the counterparty in respect of Financial Derivative Instruments.

<b>Security</b>	<b>Counterparty</b>	<b>Nominal</b>	<b>Market Value GB£</b>
Bank of America Common Stock	State Street Bank, London Branch	19,000	4,329
Bunzl Finance Plc 2.25% due 11/06/2025	Citibank	1,837,000	1,851,980
NIE Finance Plc 2.50% due 27/10/2025	Citibank	654,000	678,162

	Fair value 30 June 2019 GB£	% of Net assets	Fair value 30 June 2018 GB£	% of Net assets
<b>Financial assets at fair value through profit or loss (2018: 99.32%)</b>				
<b>Securities (2018: 45.46%)</b>				
<b>Equities (2018: 24.92%)</b>				
Australia	10,953,424	0.61	10,783,586	0.64
Austria	313,862	0.02	383,899	0.02
Belgium	1,490,380	0.08	1,524,339	0.09
Bermuda	1,032,719	0.06	-	-
Brazil	438,039	0.02	-	-
Canada	15,258,087	0.85	14,293,846	0.83
China	200,649	0.01	608,762	0.04
Denmark	2,512,670	0.14	2,187,164	0.13
Faroe Islands	554,297	0.03	-	-
Finland	1,748,628	0.10	1,511,762	0.09
France	14,932,337	0.83	14,141,286	0.83
Germany	14,200,669	0.79	14,497,866	0.85
Hong Kong	5,553,929	0.31	4,838,823	0.28
International	-	-	277,959	0.02
Ireland	7,076,613	0.39	5,043,878	0.29
Isle of Man	47,783	0.00	-	-
Israel	1,283,288	0.07	1,325,036	0.08
Italy	3,509,873	0.20	3,526,158	0.21
Japan	39,949,818	2.22	41,892,993	2.44
Jersey	-	-	67,396	-
Korea	7,135,507	0.40	7,772,775	0.45
Luxembourg	444,023	0.02	482,853	0.03
Macau	158,764	0.01	183,912	0.01
Netherlands	7,743,714	0.43	6,916,560	0.40
New Zealand	473,024	0.03	346,752	0.02
Norway	1,534,793	0.09	1,987,340	0.12
Panama	182,806	0.01	216,955	0.01
Peru	103,420	0.01	-	-
Poland	518,757	0.03	-	-
Portugal	217,406	0.01	209,727	0.01
Puerto Rico	484,398	0.03	399,531	0.02
Russian Federation	28,339	0.00	19,048	-
Singapore	1,822,515	0.10	1,815,270	0.11
South Africa	-	-	105,808	0.01
Spain	4,375,501	0.24	4,328,886	0.25
Sweden	5,152,497	0.29	3,476,161	0.20
Switzerland	14,819,684	0.82	12,240,515	0.71
Taiwan	399,222	0.02	429,264	0.03
United Kingdom	26,997,156	1.50	26,084,419	1.52
United States of America	269,020,842	14.96	243,077,609	14.18
<b>Total equities</b>	<b>462,669,433</b>	<b>25.73</b>	<b>426,998,138</b>	<b>24.92</b>

	Nominal holding	Fair value 30 June 2019 GB£	% of Net assets	Nominal holding	Fair value 30 June 2018 GB£	% of Net assets
<b>Asset backed securities (2018: 0.03%)</b>						
<b>United Kingdom</b>						
Income Contingent Student Loans 1 2002-2006	592,100	559,704	0.03	620,000	581,370	0.03
<b>Total asset backed securities</b>		<b>559,704</b>	<b>0.03</b>		<b>581,370</b>	<b>0.03</b>

	Nominal holding	Fair value 30 June 2019 GB£	% of Net assets	Nominal holding	Fair value 30 June 2018 GB£	% of Net assets
<b>Corporate bonds (2018: 20.34%)</b>						
Australia	16,410,000	18,074,091	1.00	13,010,000	13,636,213	0.80
Belgium	1,230,000	1,261,477	0.07	985,000	927,041	0.05
Canada	5,565,000	4,738,221	0.26	1,135,000	1,072,825	0.06
Denmark	3,810,000	4,883,441	0.27	2,320,000	2,921,207	0.17
Finland	2,700,000	2,477,783	0.14	-	-	-
France	24,883,000	28,763,380	1.60	13,952,000	15,749,267	0.92
Germany	8,636,000	8,582,316	0.48	4,166,856	4,363,394	0.25
Guernsey	1,100,000	1,134,980	0.06	970,000	869,557	0.05
Ireland	7,306,312	7,706,219	0.43	3,933,049	3,927,577	0.23
Italy	2,470,000	2,923,548	0.16	1,870,000	2,262,829	0.13
Japan	733,000	806,452	0.04	4,488,000	3,606,244	0.21
Jersey	-	-	-	5,775,000	6,806,393	0.40
Luxembourg	12,161,000	11,429,713	0.64	4,764,000	3,993,399	0.23
Mexico	2,771,000	3,364,053	0.19	2,921,000	3,209,908	0.19
Netherlands	37,017,056	40,449,158	2.25	19,307,853	20,351,759	1.19
New Zealand	940,000	1,248,767	0.07	940,000	1,291,485	0.08
Norway	1,290,000	1,782,930	0.10	1,685,000	2,274,789	0.13
Spain	2,610,000	2,923,750	0.16	1,610,000	1,952,833	0.11
Sweden	5,755,000	7,624,380	0.42	3,705,000	4,755,139	0.28
Switzerland	2,945,000	2,634,507	0.15	695,000	521,317	0.03
United Kingdom	156,394,173	179,524,120	9.98	128,286,305	145,843,882	8.50
United States of America	194,937,000	180,640,268	10.05	125,984,000	108,490,305	6.33
<b>Total corporate bonds</b>		<b>512,973,554</b>	<b>28.52</b>		<b>348,827,363</b>	<b>20.34</b>
<b>Government bonds (2018: 0.14%)</b>						
<b>France</b>	-	2,429,397	0.14	-	2,399,265	0.14
<b>Total government bonds</b>		<b>2,429,397</b>	<b>0.14</b>		<b>2,399,265</b>	<b>0.14</b>
<b>Mortgage backed securities (2018: 0.03%)</b>						
<b>United Kingdom</b>						
Canary Wharf Finance II	86,173	108,311	0.01	93,737	118,796	0.01
Finance for Residential Social Housing	167,633	285,395	0.01	172,584	310,789	0.02
<b>Total mortgage backed securities</b>		<b>393,706</b>	<b>0.02</b>		<b>429,585</b>	<b>0.03</b>
<b>Total securities</b>		<b>979,025,794</b>	<b>54.44</b>		<b>779,235,721</b>	<b>45.46</b>
				<b>Units</b>	<b>Fair value 30 June 2019 GB£</b>	<b>% of Net assets</b>
<b>Collective investment schemes (2018: 53.83%)</b>						
<b>Ireland (2018: 46.79%)</b>						
LDI Solutions Plus - LDI Active 7 Fund				13,823,311	528,354,601	29.37
Other Ireland				-	186,325,487	10.37
					714,680,088	39.74
<b>Luxembourg (2018: 2.62%)</b>						
T Rowe Price Funds SICAV - Emerging Markets Equity Fund				1,550,104	48,243,589	2.68
<b>United Kingdom (2018: 4.42%)</b>						
Investec Funds Series IV -Emerging Markets Equity Fund				26,532,290	42,106,744	2.34
<b>Total collective investment schemes</b>					<b>805,030,421</b>	<b>44.76</b>

**Mercer QIF CCF**  
**Mercer Investment Fund 11**

**Portfolio Statement**  
**as at 30 June 2019**  
**(continued)**

Currency buy		Buy amount	Currency sell	Sell amount	Contract date	Unrealised gain GB£	% of Net assets
<b>Financial derivative instruments (2018: 0.03%)</b>							
<b>Open forward foreign currency contracts (2018: 0.03%)</b>							
AUD	8*	16,564	GBP	9,114	03/07/2019	19	-
CAD	8*	406,587	GBP	238,569	03/07/2019	5,907	-
CHF	8*	158,347	GBP	125,308	03/07/2019	2,306	-
DKK	8*	625,843	GBP	74,219	03/07/2019	813	-
EUR	3*	46,358,998	GBP	41,473,687	02/07/2019	7,917	-
EUR	8*	1,947,876	GBP	1,724,624	03/07/2019	18,374	-
EUR	7*	367,443	USD	410,459	02/07/2019	6,274	-
GBP	4*	41,580,081	EUR	46,358,998	02/08/2019	57,077	-
GBP	8*	3,593,048	HKD	35,555,772	03/07/2019	17,078	-
GBP	8*	23,511,337	JPY	3,215,053,067	03/07/2019	63,739	-
GBP	6*	170,000	USD	214,858	01/07/2019	1,179	-
GBP	5*	36,183,214	USD	45,867,471	02/07/2019	143,721	0.01
GBP	7*	36,839,155	USD	46,747,026	02/07/2019	108,568	0.01
GBP	3*	1,538,464	USD	1,954,181	02/07/2019	3,004	-
GBP	5*	37,333,764	USD	47,426,387	02/08/2019	127,265	0.01
GBP	7*	37,777,686	USD	48,153,857	02/08/2019	479	-
GBP	8*	151,754,145	USD	191,572,157	03/07/2019	1,237,735	0.07
GBP	2*	44,549,540	USD	56,134,571	24/07/2019	491,678	0.03
ILS	8*	153,368	GBP	33,538	03/07/2019	250	-
KRW	8*	441,372,330	GBP	293,574	03/07/2019	6,770	-
NOK	8*	391,117	GBP	35,446	03/07/2019	598	-
NZD	8*	5,883	GBP	3,039	03/07/2019	65	-
PLN	8*	68,300	GBP	14,106	03/07/2019	285	-
SEK	8*	2,183,432	GBP	182,227	03/07/2019	2,683	-
SGD	8*	162,701	GBP	93,728	03/07/2019	759	-
USD	7*	47,426,387	GBP	37,261,461	02/07/2019	2,922	-

**Unrealised gain on open forward foreign currency contracts** **2,307,465** **0.13**

		Notionals GB£	Maturity date	Currency	No. of contracts long	Unrealised gain GB£	% of Net assets
<b>Futures contracts (2018: 0.00%)</b>							
FTSE 100 Index Futures	5*	294,760	20/09/2019	GBP	4	2,655	-
MSCI Singapore Index	5*	65,884	30/07/2019	SGD	3	819	-
S&P 500 E Mini Index Futures	5*	115,667	20/09/2019	USD	1	1,874	-
SPI 200 Index Futures	5*	180,827	19/09/2019	AUD	2	2,536	-

**Unrealised gain on futures contracts** **7,884** **-**

**Total financial derivative instruments at positive fair value** **2,315,349** **0.13**

**Total financial assets at positive fair value through profit or loss** **1,786,371,564** **99.33**

Currency buy		Buy amount	Currency sell	Sell amount	Contract date	Unrealised loss GB£	% of Net assets
<b>Financial liabilities at fair value through profit or loss (2018: 0.25%)</b>							
<b>Financial derivative instruments (2018: 0.25%)</b>							
<b>Open forward foreign currency contracts (2018: 0.25%)</b>							
EUR	4*	46,358,998	GBP	41,537,662	02/07/2019	(56,058)	-
EUR	10*	930,000	GBP	835,524	02/08/2019	(2,538)	-
GBP	8*	6,240,209	AUD	11,359,830	03/07/2019	(23,356)	-
GBP	8*	7,897,704	CAD	13,467,823	03/07/2019	(200,315)	(0.01)
GBP	8*	7,262,480	CHF	9,196,199	03/07/2019	(148,868)	(0.01)



**Mercer QIF CCF**  
**Mercer Investment Fund 11**

**Portfolio Statement**  
**as at 30 June 2019**  
**(continued)**

Currency buy		Buy amount	Currency sell	Sell amount	Contract date	Unrealised loss GB£	% of Net assets
<b>Financial liabilities at fair value through profit or loss (2018: 0.25%) (continued)</b>							
<b>Financial derivative instruments (2018: 0.25%) (continued)</b>							
<b>Open forward foreign currency contracts (2018: 0.25%) (continued)</b>							
GBP	8*	1,496,298	DKK	12,625,501	03/07/2019	(17,376)	-
GBP	4*	40,726,952	EUR	46,065,220	02/07/2019	(491,782)	(0.04)
GBP	3*	41,492,161	EUR	47,020,220	02/07/2019	(581,099)	(0.04)
GBP	3*	41,516,152	EUR	46,358,998	02/08/2019	(6,852)	-
GBP	8*	27,813,726	EUR	31,430,070	03/07/2019	(310,522)	(0.02)
GBP	1*	1,110,638	EUR	1,290,000	07/08/2019	(45,002)	-
GBP	2*	6,388,054	EUR	7,153,730	24/07/2019	(17,574)	-
GBP	8*	536,428	ILS	2,452,648	03/07/2019	(3,908)	-
GBP	8*	3,726,607	KRW	5,603,698,309	03/07/2019	(86,591)	-
GBP	8*	786,083	NOK	8,676,400	03/07/2019	(13,490)	-
GBP	8*	295,866	NZD	572,608	03/07/2019	(6,312)	-
GBP	8*	281,788	PLN	1,365,510	03/07/2019	(5,915)	-
GBP	8*	2,601,973	SEK	31,190,463	03/07/2019	(39,480)	-
GBP	8*	1,236,294	SGD	2,147,230	03/07/2019	(10,680)	-
GBP	9*	18,309,675	USD	23,880,000	08/08/2019	(419,917)	(0.02)
HKD	8*	2,578,868	GBP	260,538	03/07/2019	(1,172)	-
JPY	8*	170,713,150	GBP	1,248,426	03/07/2019	(3,403)	-
USD	3*	126,362	GBP	100,000	02/07/2019	(713)	-
USD	5*	47,426,387	GBP	37,392,192	02/07/2019	(127,810)	(0.01)
USD	3*	1,060,000	GBP	835,360	02/08/2019	(3,778)	-
USD	8*	10,182,611	GBP	8,063,821	03/07/2019	(63,441)	-
USD	2*	1,019,000	GBP	802,546	24/07/2019	(2,772)	-
<b>Unrealised loss on open forward foreign currency contracts</b>						<b>(2,690,724)</b>	<b>(0.15)</b>
<b>Futures contracts (2018: (0.00)%)</b>							
TOPIX Index Futures	5*	452,448	12/09/2019	JPY	4	(868)	-
<b>Unrealised loss on futures contracts</b>						<b>(868)</b>	<b>-</b>
<b>Total financial derivative instruments at negative fair value</b>						<b>(2,691,592)</b>	<b>(0.15)</b>
<b>Total financial liabilities at fair value through profit and loss</b>						<b>(2,691,592)</b>	<b>(0.15)</b>
<b>Total financial derivative instruments</b>						<b>(376,243)</b>	<b>(0.02)</b>
						<b>Fair value</b>	<b>% of</b>
						<b>30 June 2019</b>	<b>Net assets</b>
						<b>GB£</b>	
<b>Total investments at fair value through profit and loss</b>						<b>1,783,679,972</b>	<b>99.18</b>
Cash (2018: 0.57%)						10,312,907	0.57
Net current assets (2018: 0.36%)						4,465,995	0.25
<b>Net assets attributable to holders of redeemable participating units</b>						<b>1,798,458,874</b>	<b>100.00</b>

The following is a list of counterparties for the open forward foreign currency contracts and futures:

<b>Reference</b>	<b>Counterparty</b>
1*	BNP Paribas
2*	BNP Paribas Securities Services
3*	Citibank
4*	Deutsche Bank
5*	Goldman Sachs
6*	HSBC Bank
7*	Morgan Stanley
8*	State Street Bank and Trust
9*	State Street Bank, London Branch
10*	UBS

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

The following securities have been pledged by the Sub-Fund and are held by the counterparty in respect of Financial Derivative Instruments.

<b>Security</b>	<b>Counterparty</b>	<b>Nominal</b>	<b>Market Value GB£</b>
Bunzl Finance 2.25% due 11/06/2025	Citibank	351,000	353,863
NIE Finance Plc 2.50% due 27/10/2025	Citibank	152,000	157,616
United Utilities Water 5.63% due 20/12/2027	Citibank	183,000	238,788
Verizon Communications	State Street Bank, London Branch	9,000	403,999

	Fair value 30 June 2019 GB£	% of Net assets	Fair value 30 June 2018 GB£	% of Net assets		
<b>Financial assets at fair value through profit or loss (2018: 99.42%)</b>						
<b>Securities (2018: 43.86%)</b>						
<b>Equities (2018: 28.82%)</b>						
Australia	7,466,835	0.68	7,035,467	0.69		
Austria	216,102	0.02	263,151	0.03		
Belgium	1,007,066	0.09	1,044,903	0.10		
Bermuda	698,390	0.06	333,250	0.03		
Brazil	299,562	0.03	-	-		
Canada	10,380,419	0.95	9,794,638	0.96		
Cayman Islands	13,531	-	-	-		
China	139,546	0.01	621,577	0.06		
Denmark	1,699,726	0.15	1,498,587	0.15		
Faroe Islands	379,444	0.03	-	-		
Finland	1,180,040	0.11	1,036,151	0.10		
France	10,129,007	0.92	9,882,211	0.97		
Germany	9,690,490	0.88	9,742,736	0.96		
Hong Kong	3,753,009	0.34	3,301,802	0.33		
Ireland	4,787,410	0.44	3,631,959	0.36		
Isle of Man	33,991	-	-	-		
Israel	862,034	0.08	908,346	0.09		
Italy	2,434,672	0.22	2,262,661	0.22		
Japan	27,277,953	2.49	28,693,382	2.83		
Jersey	-	-	46,211	-		
Korea	4,874,048	0.44	5,327,657	0.52		
Luxembourg	383,023	0.03	331,185	0.03		
Macau	108,441	0.01	125,713	0.01		
Netherlands	5,265,424	0.48	4,242,342	0.42		
New Zealand	322,322	0.03	237,400	0.02		
Norway	1,022,576	0.09	1,361,423	0.13		
Panama	125,748	0.01	-	-		
Peru	72,484	0.01	-	-		
Poland	354,657	0.03	-	-		
Portugal	136,775	0.01	143,745	0.01		
Puerto Rico	331,625	0.03	273,537	0.03		
Russia	19,448	-	34,928	-		
Singapore	1,398,453	0.13	1,242,201	0.12		
South Africa	-	-	72,545	0.01		
Spain	2,927,952	0.27	2,967,052	0.29		
Sweden	3,502,203	0.32	2,382,645	0.23		
Switzerland	10,035,466	0.91	8,293,110	0.82		
Taiwan	273,274	0.02	294,198	0.03		
United Kingdom	18,316,453	1.68	18,043,308	1.79		
United States of America	183,376,418	16.71	167,268,742	16.48		
<b>Total equities</b>	<b>315,296,017</b>	<b>28.71</b>	<b>292,738,763</b>	<b>28.82</b>		
	Nominal holdings	Fair value 30 June 2019 GB£	% of Net assets	Nominal holdings	Fair value 30 June 2018 GB£	% of Net assets
<b>Asset backed securities (2018: 0.02%)</b>						
Income Contingent Student Loans 1 2002-2006	257,850	243,742	0.02	270,000	253,177	0.02
<b>Total asset backed securities</b>		<b>243,742</b>	<b>0.02</b>		<b>253,177</b>	<b>0.02</b>

**Mercer QIF CCF**  
**Mercer Investment Fund 12**

**Portfolio Statement**  
**as at 30 June 2019**  
**(continued)**

	Nominal holdings	Fair value 30 June 2019 GB£	% of Net assets	Nominal holdings	Fair value 30 June 2018 GB£	% of Net assets
<b>Financial assets at fair value through profit or loss (2018: 99.42%) (continued)</b>						
<b>Securities (2018: 43.86%) (continued)</b>						
<b>Corporate bonds (2018: 14.90%)</b>						
Australia	8,621,000	8,874,998	0.81	5,660,000	5,932,803	0.58
Belgium	765,000	784,492	0.07	425,000	400,009	0.04
Canada	1,530,000	1,379,966	0.13	490,000	463,220	0.05
Cayman Islands	-	-	-	1,102,909	1,408,170	0.14
Channel Islands	-	-	-	460,000	406,817	0.04
Denmark	4,683,000	5,123,302	0.47	1,015,000	1,279,262	0.13
Finland	1,800,000	1,651,854	0.15	-	-	-
France	17,764,000	19,034,608	1.73	6,168,000	6,939,893	0.68
Germany	4,146,000	3,943,718	0.36	670,000	623,288	0.06
Guernsey	700,000	722,260	0.07	-	-	-
Ireland	3,346,000	3,699,903	0.34	1,714,120	1,717,965	0.17
Italy	2,395,000	2,442,546	0.22	820,000	992,173	0.1
Japan	1,131,000	1,099,910	0.10	1,780,000	1,430,450	0.14
Jersey	-	-	-	2,423,000	2,838,718	0.28
Luxembourg	5,887,000	5,604,025	0.51	2,127,000	1,781,022	0.18
Mexico	2,463,000	2,383,493	0.22	1,278,000	1,405,637	0.14
Netherlands	21,177,352	23,214,983	2.11	9,364,284	9,863,701	0.97
New Zealand	410,000	544,675	0.05	410,000	563,307	0.06
Norway	575,000	700,725	0.06	730,000	985,106	0.1
Spain	1,840,000	2,029,307	0.18	670,000	811,352	0.08
Sweden	4,190,000	4,985,169	0.45	1,600,000	2,053,387	0.2
Switzerland	900,000	846,725	0.08	300,000	225,029	0.02
United Kingdom	90,195,197	97,329,159	8.86	54,804,040	62,189,220	6.11
United States of America	87,921,557	84,015,328	7.65	54,636,000	47,021,387	4.63
<b>Total corporate bonds</b>		<b>270,411,146</b>	<b>24.62</b>		<b>151,331,916</b>	<b>14.90</b>
<b>Government bonds (2018: 0.10%)</b>						
<b>France</b>	-	1,044,902	0.10	-	1,031,942	0.10
<b>Total government bonds</b>		<b>1,044,902</b>	<b>0.10</b>		<b>1,031,942</b>	<b>0.10</b>
<b>Mortgage backed securities (2018: 0.02%)</b>						
<b>United Kingdom</b>	111,591	173,125	0.02	117,090	188,901	0.02
<b>Total mortgage backed securities</b>		<b>173,125</b>	<b>0.02</b>	<b>117,090</b>	<b>188,901</b>	<b>0.02</b>
<b>Total securities</b>		<b>587,168,932</b>	<b>53.47</b>		<b>445,544,699</b>	<b>43.86</b>
<b>Collective investment schemes (2018: 55.54%)</b>						
				Nominal holdings	Fair value 30 June 2019 GB£	% of Net assets
<b>Ireland (2018: 48.28%)</b>						
IGAV - LDI Solutions Plus				5,458,590	311,879,787	28.40
Other Ireland				-	128,299,581	11.68
					<b>440,179,368</b>	<b>40.08</b>
<b>Luxembourg (2018: 3.02%)</b>						
T Rowe Price Funds SICAV - Emerging Markets Equity Fund				1,061,296	33,030,511	3.01
<b>United Kingdom (2018: 4.24%)</b>						
Investec Funds Series IV - Emerging Markets Equity Fund				18,165,629	28,828,853	2.63
<b>Total collective investment schemes</b>					<b>502,038,732</b>	<b>45.72</b>

**Mercer QIF CCF**  
**Mercer Investment Fund 12**

**Portfolio Statement**  
**as at 30 June 2019**  
**(continued)**

Currency buy	Buy amount	Currency sell	Sell amount	Contract date	Unrealised gain GB£	% of Net assets	
<b>Financial assets at fair value through profit or loss (2018: 99.42%) (continued)</b>							
<b>Financial derivative instruments (2018: 0.02%)</b>							
<b>Open forward foreign currency contracts (2018: 0.02%)</b>							
AUD	7*	11,500	GBP	6,328	03/07/2019	13	-
CAD	7*	274,846	GBP	161,269	03/07/2019	3,993	-
CHF	7*	106,786	GBP	84,507	03/07/2019	1,554	-
DKK	7*	422,888	GBP	50,151	03/07/2019	550	-
EUR	3*	29,539,030	GBP	26,426,207	02/07/2019	5,045	-
EUR	7*	1,316,754	GBP	1,165,839	03/07/2019	12,418	-
EUR	6*	250,063	USD	279,337	02/07/2019	4,270	-
GBP	4*	26,493,999	EUR	29,539,030	02/08/2019	36,368	-
GBP	7*	2,427,436	HKD	24,021,206	03/07/2019	11,537	-
GBP	7*	15,898,938	JPY	2,174,097,135	03/07/2019	43,102	-
GBP	5*	23,165,939	USD	29,366,187	02/07/2019	92,016	0.01
GBP	6*	23,582,372	USD	29,924,862	02/07/2019	69,480	0.01
GBP	3*	982,630	USD	1,248,152	02/07/2019	1,918	-
GBP	7*	102,579,245	USD	129,494,500	03/07/2019	836,655	0.08
GBP	2*	19,259,350	USD	24,267,714	24/07/2019	212,557	0.02
GBP	5*	23,876,154	USD	30,330,714	02/08/2019	81,390	0.01
GBP	6*	24,157,553	USD	30,792,774	02/08/2019	299	-
ILS	7*	103,496	GBP	22,632	03/07/2019	169	-
KRW	7*	297,931,177	GBP	198,166	03/07/2019	4,570	-
NOK	7*	264,573	GBP	23,977	03/07/2019	404	-
NZD	7*	4,028	GBP	2,081	03/07/2019	45	-
PLN	7*	46,089	GBP	9,518	03/07/2019	192	-
SEK	7*	1,473,740	GBP	122,997	03/07/2019	1,811	-
SGD	7*	109,826	GBP	63,268	03/07/2019	512	-
USD	6*	30,330,714	GBP	23,829,914	02/07/2019	1,869	-
<b>Unrealised gain on open forward foreign currency contracts</b>					<b>1,422,737</b>	<b>0.13</b>	
<b>Futures contracts (2018: Nil)</b>							
		<b>Notionals GB£</b>	<b>Maturity date</b>	<b>Currency</b>	<b>No. of contracts long</b>	<b>Unrealised gain GB£</b>	<b>% of Net assets</b>
Euro Stoxx Index 50	5*	310,134	20/09/2019	EUR	10	6,919	-
FTSE 100 Index Futures	5*	368,450	20/09/2019	GBP	5	3,585	-
KOSPI 200 Index Puts	5*	47,362	09/11/2019	KRW	1	774	-
S&P 500 E Mini Index Futures	5*	578,337	20/09/2019	USD	5	7,044	-
SPI 200 Index Futures	5*	90,414	19/09/2019	AUD	1	1,268	-
<b>Unrealised gain on futures contracts</b>					<b>19,590</b>	<b>-</b>	
<b>Total financial derivative instruments at positive fair value</b>					<b>1,442,327</b>	<b>0.13</b>	
<b>Total financial assets at positive fair value through profit or loss</b>					<b>1,090,649,991</b>	<b>99.32</b>	

**Mercer QIF CCF**  
**Mercer Investment Fund 12**

**Portfolio Statement**  
**as at 30 June 2019**  
**(continued)**

Currency buy		Buy amount	Currency sell	Sell amount	Contract date	Unrealised loss GB£	% of Net assets
<b>Financial liabilities at fair value through profit or loss (2018: (0.24)%)</b>							
<b>Financial derivative instruments (2018: (0.24)%)</b>							
<b>Open forward foreign currency contracts (2018: (0.24)%)</b>							
EUR	4*	29,539,030	GBP	26,466,971	02/07/2019	(35,719)	-
EUR	9*	345,000	GBP	309,952	02/08/2019	(942)	-
GBP	7*	4,219,484	AUD	7,681,253	03/07/2019	(15,793)	-
GBP	7*	5,339,545	CAD	9,105,437	03/07/2019	(135,430)	(0.01)
GBP	7*	4,906,871	CHF	6,213,382	03/07/2019	(100,582)	(0.01)
GBP	7*	1,011,726	DKK	8,536,769	03/07/2019	(11,749)	-
GBP	4*	25,897,051	EUR	29,291,496	02/07/2019	(312,710)	(0.03)
GBP	3*	26,381,620	EUR	29,896,496	02/07/2019	(369,488)	(0.04)
GBP	7*	18,797,872	EUR	21,241,974	03/07/2019	(209,866)	(0.02)
GBP	2*	2,730,923	EUR	3,058,417	24/07/2019	(7,660)	-
GBP	3*	26,453,265	EUR	29,539,030	02/08/2019	(4,366)	-
GBP	1*	482,138	EUR	560,000	07/08/2019	(19,536)	-
GBP	7*	363,443	ILS	1,661,728	03/07/2019	(2,648)	-
GBP	7*	2,515,988	KRW	3,783,290,916	03/07/2019	(58,461)	(0.01)
GBP	7*	532,553	NOK	5,878,055	03/07/2019	(9,139)	-
GBP	7*	200,539	NZD	388,117	03/07/2019	(4,278)	-
GBP	7*	190,245	PLN	921,905	03/07/2019	(3,993)	-
GBP	7*	1,761,160	SEK	21,111,436	03/07/2019	(26,722)	-
GBP	7*	836,081	SGD	1,452,129	03/07/2019	(7,223)	-
GBP	8*	7,973,973	USD	10,400,000	08/08/2019	(182,969)	(0.02)
HKD	7*	1,740,821	GBP	175,871	03/07/2019	(790)	-
JPY	7*	115,384,227	GBP	843,803	03/07/2019	(2,298)	-
USD	6*	157,110	EUR	140,132	02/07/2019	(1,943)	-
USD	5*	30,330,714	GBP	23,913,521	02/07/2019	(81,738)	(0.01)
USD	7*	6,882,249	GBP	5,450,180	03/07/2019	(42,862)	-
USD	2*	443,000	GBP	348,833	24/07/2019	(1,139)	-
USD	3*	660,000	GBP	520,130	02/08/2019	(2,353)	-
<b>Unrealised loss on open forward foreign currency contracts</b>						<b>(1,652,397)</b>	<b>(0.15)</b>
<b>Futures contracts (2018: (0.00)%)</b>							
		Notionals GB£	Maturity date	Currency	No. of contracts long	Unrealised loss GB£	% of Net assets
TOPIX Index Futures	5*	339,336	09/12/2019	JPY	3	(650)	-
<b>Unrealised loss on futures contracts</b>						<b>(650)</b>	<b>-</b>
<b>Total financial derivative instruments at negative fair value</b>						<b>(1,653,047)</b>	<b>(0.15)</b>
<b>Total financial liabilities at fair value through profit and loss</b>						<b>(1,653,047)</b>	<b>(0.15)</b>
<b>Total financial derivative instruments</b>						<b>(210,720)</b>	<b>(0.02)</b>

	Fair value 30 June 2019 GB£	% of Net assets
<b>Total investments at fair value through profit and loss</b>	<b>1,088,996,944</b>	<b>99.17</b>
Cash	7,136,563	0.65
Net current assets	2,012,815	0.18
<b>Net assets attributable to holders of redeemable participating units</b>	<b>1,098,146,322</b>	<b>100.00</b>

The following is a list of counterparties for the open forward foreign currency contracts and futures:

Reference	Counterparty
1*	BNP Paribas
2*	BNP Paribas Securities Services, France
3*	Citibank
4*	Deutsche bank
5*	Goldman Sachs
6*	Morgan Stanley
7*	State Street Bank and Trust
8*	State Street Bank and Trust, London Branch
9*	UBS

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

The following securities have been pledged by the Sub-Fund and are held by the counterparty in respect of Financial Derivative Instruments.

Security	Counterparty	Nominal	Market Value GB£
Bunzl Finance 2.25% due 11/06/2025	Citibank	200,000	201,631
United Utilities Water 5.63% due 20/12/2027	Citibank	196,000	255,751
Verizon Communications	State Street Bank and Trust, London Branch	6,000	269,333

	Fair value 30 June 2019 US\$	% of Net assets
<b>Financial assets at fair value through profit or loss</b>		
<b>Securities</b>		
<b>Equities</b>		
Argentina	202,284	0.02
Australia	12,250,165	1.45
Austria	364,798	0.04
Belgium	1,924,029	0.23
Bermuda	453,855	0.05
Brazil	5,025,102	0.60
Canada	19,103,051	2.28
Chile	544,586	0.06
China	18,798,111	2.24
Colombia	224,891	0.03
Czech Republic	126,415	0.01
Denmark	3,476,203	0.41
Egypt	112,521	0.01
Finland	1,419,284	0.17
France	16,624,598	1.97
Germany	14,740,250	1.75
Greece	264,751	0.03
Hong Kong	10,603,470	1.26
Hungary	245,803	0.03
Indonesia	1,661,560	0.20
Ireland	7,798,539	0.92
Isle of Man	85,352	0.01
Israel	1,135,789	0.13
Italy	2,543,438	0.30
Japan	41,048,326	4.88
Korea	9,248,142	1.10
Luxembourg	366,832	0.04
Macau	203,697	0.02
Malaysia	1,448,600	0.17
Mexico	1,843,023	0.22
Netherlands	8,556,298	1.01
New Zealand	540,839	0.06
Norway	1,411,608	0.17
Panama	279,300	0.03
Peru	234,032	0.03
Philippines	1,039,637	0.12
Poland	927,365	0.11
Portugal	118,362	0.01
Qatar	709,726	0.08
Romania	74,390	0.01
Russia	3,220,507	0.38
Singapore	2,544,836	0.30
South Africa	4,017,450	0.48
Spain	4,518,684	0.54
Sweden	4,568,807	0.54
Switzerland	16,765,608	1.99
Taiwan	8,599,794	1.02
Thailand	2,093,444	0.25
Turkey	457,518	0.05
United Arab Emirates	535,595	0.06
United Kingdom	30,722,090	3.65
United States of America	308,182,664	36.56
<b>Total equities</b>	<b>574,006,019</b>	<b>68.08</b>



	Nominal holdings	Fair value 30 June 2019 US\$	% of Net assets
<b>Financial assets at fair value through profit or loss (continued)</b>			
<b>Securities</b>			
<b>Corporate bonds</b>			
Australia	6,860,000	7,868,607	0.93
Austria	300,000	386,006	0.05
Belgium	400,000	485,261	0.06
Canada	3,627,000	4,090,827	0.49
Chile	1,050,000	1,051,147	0.12
China	1,750,000	1,793,860	0.21
Denmark	1,652,000	2,152,734	0.26
Finland	800,000	1,014,053	0.12
France	12,420,000	13,822,428	1.64
Germany	2,600,000	3,004,006	0.36
Ireland	2,100,000	2,358,949	0.28
Italy	4,750,000	5,549,764	0.66
Japan	1,625,000	1,706,565	0.20
Korea	850,000	851,698	0.10
Luxembourg	2,900,000	3,471,905	0.41
Mexico	2,450,000	2,676,179	0.32
Netherlands	12,126,000	14,370,050	1.70
Norway	500,000	581,137	0.07
Panama	400,000	457,568	0.05
Spain	3,700,000	4,277,810	0.51
Sweden	1,700,000	1,837,470	0.22
Switzerland	2,300,000	2,516,400	0.30
United Kingdom	22,950,000	27,094,155	3.21
United States of America	128,498,000	139,526,840	16.54
<b>Total corporate bonds</b>		<b>242,945,419</b>	<b>28.81</b>

	Nominal holdings	Fair value 30 June 2019 US\$	% of Net assets
<b>Securities</b>			
<b>Government bonds</b>			
United States of America	4,792,000	5,090,258	0.60
<b>Total government bonds</b>		<b>5,090,258</b>	<b>0.60</b>
<b>Total securities</b>		<b>822,041,696</b>	<b>97.49</b>

**Financial derivative instruments**

**Open forward foreign currency contracts**

Currency buy	Buy amount	Currency sell	Sell amount	Contract date	Unrealised Gain/(Loss)	% of Net assets	
EUR	2*	600,000	GBP	533,387	30/08/2019	5,807	-
EUR	6*	1,936,525	USD	2,173,387	29/08/2019	42,055	0.01
EUR	3*	1,835,825	USD	2,066,719	29/08/2019	33,520	-
EUR	2*	3,700,000	USD	4,152,984	30/08/2019	80,245	0.01
GBP	5*	261,268	EUR	291,198	29/08/2019	256	-
GBP	6*	494,996	USD	626,620	29/08/2019	5,026	-
GBP	2*	550,000	USD	696,204	30/08/2019	5,659	-
<b>Unrealised gain on open forward foreign currency contracts</b>					<b>172,568</b>	<b>0.02</b>	

	Notionals US\$	Maturity date	Currency	contracts long	No. of Unrealised gain US\$	% of Net assets	
<b>Financial assets at fair value through profit or loss (continued)</b>							
<b>Financial derivative instruments</b>							
<b>Futures contracts</b>							
2 Year US Treasury Note Futures	4*	7,100,930	30/09/2019	USD	33	42,089	0.01
5 Year US Treasury Note Futures	4*	1,772,344	30/09/2019	USD	15	11,133	-
Euro Schatz Future	4*	1,406,572	06/09/2019	EUR	11	2,756	-
Euro Stoxx Index 50	8*	1,539,362	20/09/2019	EUR	39	42,193	0.01
FTSE 100 Index Futures	8*	1,031,638	20/09/2019	GBP	11	12,460	-
FTSE China A50 Index Futures	8*	702,260	30/07/2019	USD	52	10,010	-
Long Gilt Futures	7*	(1,326,663)	26/09/2019	GBP	(8)	509	-
MSCI India Index Futures	8*	6,756,545	20/09/2019	USD	97	99,561	0.01
S&P 500 E Mini Index Futures	8*	3,238,620	20/09/2019	USD	22	50,160	0.01
US Long Bond Futures	4*	6,068,156	19/09/2019	USD	39	198,214	0.02
US Ultra Bond Futures	4*	1,953,188	19/09/2019	USD	11	24,406	-
<b>Unrealised gain on futures contracts</b>					<b>493,491</b>	<b>0.06</b>	
	Fund pays	Maturity date	Currency	Notional holdings	Unrealised gain US\$	% of Net assets	
<b>Financial derivative instruments</b>							
<b>Interest rate swaps</b>							
12 Month LIBOR	3*	Fixed 1.25%	08/05/2049	GBP	150,000	14,028	-
<b>Total interest rate swaps at positive fair value</b>					<b>14,028</b>	<b>-</b>	
<b>Total financial derivative instruments at positive fair value</b>					<b>680,087</b>	<b>0.08</b>	
<b>Total financial assets at fair value through profit or loss</b>					<b>822,721,783</b>	<b>97.57</b>	
<b>Financial liabilities at fair value through profit or loss</b>							
<b>Financial derivative instruments</b>							
<b>Open forward foreign currency contracts</b>							
Currency buy	Buy amount	Currency sell	Sell amount	Contract date	Unrealised Gain/(Loss)	% of Net assets	
USD	7*	5,954,638	EUR	5,300,000	30/08/2019	(109,176)	(0.01)
USD	5*	2,488,020	EUR	2,200,000	29/08/2019	(28,845)	-
USD	1*	245,695	EUR	218,500	29/08/2019	(4,276)	-
USD	3*	1,147,148	EUR	1,005,861	29/08/2019	(3,587)	-
USD	2*	4,700,000	GBP	3,721,390	30/08/2019	(48,921)	(0.01)
USD	5*	731,123	GBP	575,000	29/08/2019	(2,613)	-
USD	3*	879,000	GBP	690,523	29/08/2019	(2,151)	-
<b>Unrealised loss on open forward foreign currency contracts</b>					<b>(199,569)</b>	<b>(0.02)</b>	

	Notionals US\$	Maturity date	Currency	No. of contracts long	Unrealised gain US\$	% of Net assets	
<b>Financial liabilities at fair value through profit or loss (continued)</b>							
<b>Financial derivative instruments</b>							
<b>Futures contracts</b>							
10 Year US Treasury Note Futures	7*	(3,199,219)	19/09/2019	USD	(25)	(61,719)	(0.01)
10 Year US Treasury Note Futures	4*	(21,882,656)	19/09/2019	USD	(171)	(433,883)	(0.05)
Euro BOBL Futures	4*	(2,143,405)	06/09/2019	EUR	(14)	(6,514)	-
Euro Bund Future	4*	(983,582)	06/09/2019	EUR	(5)	(7,345)	-
Euro Bund Future	7*	(983,582)	06/09/2019	EUR	(5)	(2,904)	-
Long Gilt Futures	4*	(829,164)	26/09/2019	GBP	(5)	(5,027)	-
TOPIX Index Futures	8*	1,295,619	09/12/2019	JPY	9	(1,346)	-
<b>Unrealised loss on futures contracts</b>					<b>(518,738)</b>	<b>(0.06)</b>	
<b>Total financial derivative instruments at negative fair value</b>					<b>(718,307)</b>	<b>(0.08)</b>	
<b>Total financial liabilities at fair value through profit or loss</b>					<b>(718,307)</b>	<b>(0.08)</b>	
<b>Total financial derivative instruments</b>					<b>(38,220)</b>	<b>-</b>	
					<b>Fair value</b>	<b>% of</b>	
					<b>30 June 2019</b>	<b>Net assets</b>	
					<b>US\$</b>		
<b>Total instruments at fair value through profit and loss</b>					<b>822,003,476</b>	<b>97.49</b>	
Cash					17,558,525	2.08	
Net current assets					3,644,104	0.43	
<b>Net assets attributable to holders of redeemable participating units</b>					<b>843,206,105</b>	<b>100.00</b>	

\*This Sub-Fund launched on 13 December 2018 therefore there are no comparatives.

The following is a list of counterparties for the open forward foreign currency contracts and futures:

Reference	Counterparty
1*	Bank of America
2*	Barclays Bank
3*	Citibank
4*	Citigroup Global Markets
5*	HSBC Bank
6*	JPMorgan Chase
7*	Royal Bank of Scotland
8*	UBS

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

The following securities have been pledged by the Sub-Fund in respect of Financial Derivative Instruments.

Security	Counterparty	Nominal	Market Value US\$
Apple 3.25% due 23/02/2026	HSBC Bank	21,000	21,975
Roche Holdings 2.38% due 29/01/2027	HSBC Bank	22,000	21,765

The Alternative Investment Fund Manager ("AIFM") is responsible for preparing the financial statements of the Sub-Funds of the CCF ("the CCF"), in accordance with applicable law and regulations.

Irish law requires the AIFM of the CCF to prepare financial statements for each financial year. The AIFM has elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

The financial statements are required to give a true and fair view of the assets, liabilities and financial position of the Sub-Funds of the CCF and of its changes in net assets attributable to holders of redeemable participating units for that period. In preparing these financial statements, the AIFM is required to:

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

The AIFM is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Sub-Funds and enable it to ensure that the financial statements are prepared in accordance with the Deed of Constitution, the Investment Funds, Companies and Miscellaneous Provisions Act 2005. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Sub-Funds. In this regard they have entrusted the assets of the Sub-Funds to a depositary for safe-keeping. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and to prevent and detect fraud and other irregularities.

**On behalf of the Directors of the AIFM**

**Tom Finlay** \_\_\_\_\_  
**Director**

**Gráinne Alexander** \_\_\_\_\_  
**Director**

**24 October 2019**

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

We have audited the financial statements of

- Mercer High Income UK Property CCF,
- Mercer Return Seeking Fund 1,
- Mercer Fundamental Indexation Global Equity CCF,
- Mercer Passive Global Equity CCF,
- Mercer Investment Fund 2,
- Mercer Investment Fund 3 CCF,
- Mercer Investment Fund 5 CCF,
- SH Pension Investment Fund,
- Mercer Investment Fund 10,
- Mercer Investment Fund 11,
- Mercer Investment Fund 12, and
- Mercer Investment Fund 16

("the Sub-Funds") of Mercer QIF CCF ("the CCF") for the year ended 30 June 2019, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units, Statement of Cash Flows and related notes, including the summary of significant accounting policies set out in Note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Sub-Funds of the CCF as at 30 June 2019 and of its changes in net assets attributable to holders of redeemable participating units for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU; and
- have been properly prepared in accordance with the Investment Funds, Companies and Miscellaneous Provisions Act 2005 (Revised).

**Basis for opinion**

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

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

**We have nothing to report on going concern**

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

**Other information**

The Manager is responsible for the other information presented in the Annual report together with the financial statements. The other information comprises the information included in the Investment Manager's Report, Statement of the AIFM's Responsibilities, Report of the Depositary to the Unitholders of Mercer QIF CCF, Portfolio Statements, Unaudited Information in Respect of Underlying Investments and Unaudited Supplemental Information. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

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

As explained more fully in the AIFM's responsibilities statement set out on page 59, the Manager is responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Sub-Funds or to cease operations, or have no realistic alternative but to do so.

***Auditor's responsibilities for the audit of the financial statements***

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

A fuller description of our responsibilities is provided on IAASA's website at [https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

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

Our report is made solely to the Sub-Funds' unitholders, as a body in accordance with Section 18 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 (Revised). Our audit work has been undertaken so that we might state to the Sub-Funds' unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Sub-Funds of the CCF and the Sub-Funds' unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Darina Barrett**

For and on behalf of

**KPMG****Chartered Accountants, Statutory Audit Firm**

1 Harbourmaster Place

International Financial Services Centre

Dublin 1

Ireland

**24 October 2019**

# Mercer QIF CCF

## Statement of Financial Position as at 30 June 2019

	Notes	Mercer High Income UK Property CCF GB£	Mercer Return Seeking Fund 1 €	Mercer Fundamental Indexation Global Equity CCF US\$	Mercer Passive Global Equity CCF US\$	Mercer Investment Fund 2 €	Mercer Investment Fund 3 CCF GB£
<b>Assets</b>							
Cash and cash equivalents	2(m),7	2,794,323	18,059,904	14,124,451	30,326,199	217,374,296	4,934,026
Cash due from broker	2(q),7	-	3,081,025	1,573,466	2,434,229	199,950	-
Other assets		3,341,873	2,726,362	1,802,086	3,439,249	13,106,476	5,325,624
Receivable for securities sold		546	1,881,835	19,097,965	18,642	16,253,563	200,000
Subscriptions receivable		-	-	5,017	207,852	-	-
Reverse repurchase agreements	2(p),7	-	-	-	-	-	75,228,150
Financial assets at fair value through profit or loss:	2(g),7	-	1,942,625,203	1,389,107,707	2,689,898,794	8,862,867,775	1,011,332,734
- Securities		395,981,765	345,259,919	-	-	11,200,770	351,915,514
- Collective investment schemes		-	12,893,515	11,534,828	24,591,736	113,746	2,864,119
- Financial derivative instruments		-	-	-	-	-	-
<b>Total assets</b>		<b>402,118,507</b>	<b>2,326,527,763</b>	<b>1,437,245,520</b>	<b>2,750,916,691</b>	<b>9,121,116,576</b>	<b>1,451,800,167</b>
<b>Liabilities</b>							
Financial liabilities at fair value through profit or loss:	2(g),7	-	-	-	-	-	(76,320,603)
- Securities sold short		-	(1,535,653)	(3,460,552)	(4,914,940)	-	(74,617,506)
- Financial derivative instruments		-	-	-	-	-	(229,679,500)
Repurchase agreements	2(p),7	-	(2,697,813)	(1,584,965)	(2,328)	(16,095,604)	(290,487)
Payable for securities purchased		-	(146)	(710,222)	-	-	(998)
Bank overdraft	2(m)	-	(261)	(19,430,224)	(20,923)	-	(2,000,000)
Redemptions payable		(261)	(886,224)	(640,511)	(733,341)	(11,522,629)	(636,315)
Expenses payable		(239,863)	(198,858)	(87,943)	(145,292)	-	(1,268,198)
Interest payable		-	-	-	-	-	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating units)</b>		<b>(240,124)</b>	<b>(5,346,694)</b>	<b>(25,914,417)</b>	<b>(5,816,824)</b>	<b>(27,618,233)</b>	<b>(384,813,607)</b>
<b>Net assets attributable to holders of redeemable participating units</b>		<b>401,878,383</b>	<b>2,321,181,069</b>	<b>1,411,331,103</b>	<b>2,745,099,867</b>	<b>9,093,498,343</b>	<b>1,066,986,560</b>
<b>On behalf of the Directors of the AIFM</b>		<b>Tom Finlay</b>	<b>Gráinne Alexander</b>				

## Mercer QIF CCF

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

	Notes	Mercer Investment Fund 5 CCF €	SH Pension Investment Fund SEK	Mercer Investment Fund 10 GB£	Mercer Investment Fund 11 GB£	Mercer Investment Fund 12 GB£	Mercer Investment Fund 16* US\$
<b>Assets</b>							
Cash and cash equivalents	2(m),7	574,056	-	20,951,864	9,635,132	6,595,065	14,757,702
Cash due from broker	2(q),7	-	-	206,789	685,632	549,355	2,850,901
Other assets		138,308	419,751	17,569,936	7,371,071	3,878,357	3,279,503
Receivable for securities sold		-	117,155,558	880,446	573,204	369,928	5,713,110
Subscriptions receivable		108,027	-	539,212	187,130	81,333	-
Financial assets at fair value through profit or loss:	2(g),7	-	-	-	-	-	-
- Securities		-	-	1,804,682,952	979,025,794	587,168,932	822,041,696
- Collective investment schemes		546,631,883	4,387,071,357	1,289,188,913	805,030,421	502,038,732	-
- Financial derivative instruments		115,994	-	3,442,214	2,315,349	1,442,327	680,087
<b>Total assets</b>		<b>547,568,268</b>	<b>4,504,646,666</b>	<b>3,137,462,326</b>	<b>1,804,823,733</b>	<b>1,102,124,029</b>	<b>849,322,999</b>
<b>Liabilities</b>							
Financial liabilities at fair value through profit or loss:	2(g),7	-	-	-	-	-	-
- Financial derivative instruments		-	-	(4,360,700)	(2,691,592)	(1,653,047)	(718,307)
Payable for securities purchased		-	(117,155,558)	(5,372,578)	(3,000,342)	(1,873,079)	(5,088,859)
Redemptions payable		(29,896)	-	-	-	-	-
Cash due to broker	2(q),7	-	-	-	(7,857)	(7,857)	(50,000)
Bank overdraft	2(m)	(617)	(1,437,679)	-	-	-	(78)
Expenses payable		(105,183)	(1,418,449)	(1,054,338)	(665,068)	(443,724)	(259,650)
Interest payable		-	-	-	-	-	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating units)</b>		<b>(135,696)</b>	<b>(120,011,686)</b>	<b>(10,787,616)</b>	<b>(6,364,859)</b>	<b>(3,977,707)</b>	<b>(6,116,894)</b>
<b>Net assets attributable to holders of redeemable participating units</b>		<b>547,432,572</b>	<b>4,384,634,980</b>	<b>3,126,674,710</b>	<b>1,798,458,874</b>	<b>1,098,146,322</b>	<b>843,206,105</b>

On behalf of the Directors of the AIFM

Tom Finlay

Gráinne Alexander

Director

Director

24 October 2019

\*This Sub-Fund launched during the financial year ended 30 June 2019 therefore there is no comparative information.

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



## Mercer QIF CCF

## Comparative Statement of Financial Position as at 30 June 2018

	Notes	Mercer High Income UK Property CCF GB£	Mercer Return Seeking Fund 1 €	Mercer Fundamental Indexation Global Equity CCF US\$	Mercer Passive Global Equity CCF US\$	Mercer Investment Fund 2 €	Mercer Investment Fund 3 CCF GB£
<b>Assets</b>							
Cash and cash equivalents	2(m),7	609,253	16,080,400	8,500,347	48,494,308	169,739,577	3,920,082
Cash due from broker	2(q),7	-	3,061,821	983,909	5,778,522	1,150,012	-
Other assets		3,241,019	2,674,063	1,101,691	3,910,721	11,249,189	5,235,969
Receivable for securities sold		-	2,696,658	-	30,051	31,784,797	-
Subscriptions receivable		-	-	459,673	25,736	-	-
Reverse repurchase agreements	2(p),7	-	-	-	-	-	73,304,970
Financial assets at fair value through profit or loss:	2(g),7	-	1,844,247,725	1,171,256,082	2,965,236,174	8,445,978,849	947,318,959
- Securities		366,110,375	317,969,884	-	-	8,036,771	355,512,313
- Collective investment schemes		-	3,532,779	3,861,869	7,643,160	-	5,218,662
- Financial derivative instruments		-	-	-	-	-	-
<b>Total assets</b>		<b>369,960,647</b>	<b>2,190,263,330</b>	<b>1,186,163,571</b>	<b>3,031,118,672</b>	<b>8,667,939,195</b>	<b>1,390,510,955</b>
<b>Liabilities</b>							
Financial liabilities at fair value through profit or loss:	2(g),7	-	-	-	-	-	(73,857,342)
- Securities sold short		-	(1,602,413)	(6,316,430)	(8,709,221)	(336,384)	(54,783,280)
- Financial derivative instruments		-	-	-	-	-	(236,589,300)
Repurchase agreements		-	(3,588,129)	-	-	(26,473,321)	-
Payable for securities purchased		(7,190,577)	-	(184,948)	(812)	-	(2,000,000)
Redemptions payable		(394,161)	-	(738,962)	(1,473,981)	-	(1,469,235)
Expenses payable		(212,853)	(1,506,336)	-	-	(11,128,056)	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating units)</b>		<b>(7,797,591)</b>	<b>(6,696,878)</b>	<b>(7,240,340)</b>	<b>(10,184,014)</b>	<b>(37,937,761)</b>	<b>(367,699,157)</b>
<b>Net assets attributable to holders of redeemable participating units</b>		<b>362,163,056</b>	<b>2,183,566,452</b>	<b>1,178,923,231</b>	<b>3,020,934,658</b>	<b>8,630,001,434</b>	<b>1,022,811,798</b>

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

## Mercer QIF CCF

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

	Notes	Mercer Investment Fund 5 CCF €	SH Pension Investment Fund* SEK	Mercer Investment Fund 10* GB£	Mercer Investment Fund 11* GB£	Mercer Investment Fund 12* GB£
<b>Assets</b>						
Cash and cash equivalents	2(m),7	690,951	7,188,253	17,982,444	9,153,380	5,304,499
Cash due from broker	2(q),7	-	-	1,619,869	595,170	264,715
Other assets		51,916	148,325	15,526,412	5,589,751	2,494,920
Receivable for securities sold		-	-	1,561,441	1,011,757	537,388
Subscriptions receivable		-	-	291,230	239,169	163,749
Financial assets at fair value through profit or loss:	2(g),7					
- Securities		-	-	1,535,377,266	779,235,721	445,544,699
- Collective investment schemes		505,287,365	4,156,893,613	1,381,082,797	922,584,532	564,197,906
- Financial derivative instruments		72,194	-	933,901	439,364	238,473
<b>Total assets</b>		<b>506,102,426</b>	<b>4,164,230,191</b>	<b>2,954,375,360</b>	<b>1,718,848,844</b>	<b>1,018,746,349</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:	2(g),7					
- Financial derivative instruments		-	-	(9,088,435)	(4,364,418)	(2,418,709)
Payable for securities purchased		-	-	(190,992)	(156,867)	(107,383)
Redemptions payable		(62,714)	-	-	-	-
Expenses payable		(173,695)	(840,088)	(977,436)	(513,598)	(298,450)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating units)</b>		<b>(236,409)</b>	<b>(840,088)</b>	<b>(10,256,863)</b>	<b>(5,034,883)</b>	<b>(2,824,542)</b>
<b>Net assets attributable to holders of redeemable participating units</b>		<b>505,866,017</b>	<b>4,163,390,103</b>	<b>2,944,118,497</b>	<b>1,713,813,961</b>	<b>1,015,921,807</b>

\*These Sub-Funds launched during the financial year ended 30 June 2018.

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

## Mercer QIF CCF

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

	Notes	Mercer High Income UK Property CCF GB£	Mercer Return Seeking Fund 1 €	Mercer Fundamental Indexation Global Equity CCF US\$	Mercer Passive Equity CCF US\$	Mercer Investment Fund 2 €	Mercer Investment Fund 3 CCF GB£
<b>Income</b>							
Interest income calculated using the effective interest rate	8	793	75,468	150,102	484,123	19,279,071	895,174
Rebate income		161,429	840,211	-	-	-	43,700
Net income from financial instruments at FVTPL	9	21,063,442	134,003,056	27,108,596	96,135,294	495,751,323	79,950,964
<b>Net investment income</b>		<b>21,225,664</b>	<b>134,918,735</b>	<b>27,258,698</b>	<b>96,619,417</b>	<b>515,030,394</b>	<b>80,889,838</b>
Expenses							
Interest expense on repurchase agreements	3	(1,247,584)	(5,041,831)	(5,447,909)	(6,952,023)	(44,607,033)	(3,110,972)
<b>Net income from operations before finance costs</b>		<b>19,978,080</b>	<b>129,876,904</b>	<b>21,810,789</b>	<b>89,667,394</b>	<b>470,423,361</b>	<b>75,359,983</b>
<b>Finance costs</b>							
Bank interest expense		(12,629)	(98,207)	(32,061)	(25,469)	(575,291)	(17,419)
<b>Total finance costs</b>		<b>(12,629)</b>	<b>(98,207)</b>	<b>(32,061)</b>	<b>(25,469)</b>	<b>(575,291)</b>	<b>(17,419)</b>
<b>Increase in net assets attributable to holders of redeemable participating units before tax</b>		<b>19,965,451</b>	<b>129,778,697</b>	<b>21,778,728</b>	<b>89,641,925</b>	<b>469,848,070</b>	<b>75,342,564</b>
<b>Taxation</b>							
Withholding tax expense	6	-	(2,665,981)	(1,636,779)	(6,406,675)	(14,928,863)	(20,140)
<b>Total taxation</b>		<b>-</b>	<b>(2,665,981)</b>	<b>(1,636,779)</b>	<b>(6,406,675)</b>	<b>(14,928,863)</b>	<b>(20,140)</b>
<b>Change in net assets attributable to holders of redeemable participating units</b>		<b>19,965,451</b>	<b>127,112,716</b>	<b>20,141,949</b>	<b>83,235,250</b>	<b>454,919,187</b>	<b>75,322,424</b>
<b>On behalf of the Directors of the AIFM</b>			<b>Tom Finlay</b>		<b>Gráinne Alexander</b>		
			<b>Director</b>				<b>24 October 2019</b>

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

## Mercer QIF CCF

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

	Notes	Mercer Investment Fund 5 CCF €	SH Pension Investment Fund SEK	Mercer Investment Fund 10 GB£	Mercer Investment Fund 11 GB£	Mercer Investment Fund 12 GB£	Mercer Investment Fund 16* US\$
<b>Income</b>							
Interest income calculated using the effective interest rate	8	-	891,493	93,328	64,491	32,790	80,839
Rebate income		105,128	4,859,664	370,054	276,196	183,155	-
Net income from financial instruments at FVTPL	9	27,899,739	163,362,371	282,444,927	153,374,686	97,850,715	59,153,561
Securities lending income	2(x)	-	-	-	-	-	32,617
<b>Net investment income</b>		<b>28,004,867</b>	<b>169,113,528</b>	<b>282,908,309</b>	<b>153,715,373</b>	<b>98,066,660</b>	<b>59,267,017</b>
Expenses	3	(501,995)	(8,613,553)	(4,370,027)	(2,527,699)	(1,557,265)	(473,907)
<b>Net income from operations before finance costs</b>		<b>27,502,872</b>	<b>160,499,975</b>	<b>278,538,282</b>	<b>151,187,674</b>	<b>96,509,395</b>	<b>58,793,110</b>
<b>Finance costs</b>							
Bank interest expense		(5,401)	(970,287)	(20,193)	(24,561)	(9,009)	(20,356)
<b>Total finance costs</b>		<b>(5,401)</b>	<b>(970,287)</b>	<b>(20,193)</b>	<b>(24,561)</b>	<b>(9,009)</b>	<b>(20,356)</b>
<b>Increase in net assets attributable to holders of redeemable participating units before tax</b>		<b>27,497,471</b>	<b>159,529,688</b>	<b>278,518,089</b>	<b>151,163,113</b>	<b>96,500,386</b>	<b>58,772,754</b>
<b>Taxation</b>							
Withholding tax expense	6	-	-	(1,013,019)	(785,578)	(529,743)	(566,649)
<b>Total taxation</b>		<b>-</b>	<b>-</b>	<b>(1,013,019)</b>	<b>(785,578)</b>	<b>(529,743)</b>	<b>(566,649)</b>
<b>Change in net assets attributable to holders of redeemable participating units</b>		<b>27,497,471</b>	<b>159,529,688</b>	<b>277,505,070</b>	<b>150,377,535</b>	<b>95,970,643</b>	<b>58,206,105</b>

On behalf of the Directors of the AIFM

Tom Finlay

Gráinne Alexander

Director \_\_\_\_\_

24 October 2019

\*This Sub-Fund launched during the financial year ended 30 June 2019 therefore there is no comparative information.

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

## Mercer QIF CCF

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

	Mercer High Income UK Property CCF GB£	Mercer Return Seeking Fund 1 €	Mercer Fundamental Indexation Global Equity CCF US\$	Mercer Passive Equity Global Equity CCF US\$	Mercer Investment Fund 2 €	Mercer Investment Fund 3 CCF GB£
<b>Income</b>						
Income from investments	12,236,036	41,692,390	29,543,854	78,489,843	176,357,544	6,773,678
Bank interest	8,268	9,050	18,164	144,504	323,953	247
Rebate income	159,684	722,403	-	-	-	17,047
Net gain on financial assets at fair value through profit or loss	14,917,878	116,055,935	122,371,594	313,648,695	506,972,155	33,025,651
<b>Net investment income</b>	<b>27,321,866</b>	<b>158,479,778</b>	<b>151,933,612</b>	<b>392,283,042</b>	<b>683,653,652</b>	<b>39,816,623</b>
Expenses	(1,210,620)	(6,317,833)	(5,356,709)	(13,837,205)	(43,558,749)	(2,829,983)
Interest expense on repurchase agreements	-	-	-	-	-	(1,541,968)
<b>Net income from operations before finance costs</b>	<b>26,111,246</b>	<b>152,161,945</b>	<b>146,576,903</b>	<b>378,445,837</b>	<b>640,094,903</b>	<b>35,444,672</b>
<b>Finance costs</b>						
Bank interest expense	-	(142,007)	(10,736)	(18,100)	(557,529)	(40,585)
<b>Total finance costs</b>	<b>-</b>	<b>(142,007)</b>	<b>(10,736)</b>	<b>(18,100)</b>	<b>(557,529)</b>	<b>(40,585)</b>
<b>Increase in net assets attributable to holders of redeemable participating units before tax</b>	<b>26,111,246</b>	<b>152,019,938</b>	<b>146,566,167</b>	<b>378,427,737</b>	<b>639,537,374</b>	<b>35,404,087</b>
<b>Taxation</b>						
Withholding tax expense	-	(3,621,931)	(1,879,224)	(5,811,521)	(25,848,520)	(38,573)
Capital gains tax	-	(17,343)	-	-	-	-
Stamp duty	-	(1,017)	-	(2,905)	24,849	-
<b>Total taxation</b>	<b>-</b>	<b>(3,640,291)</b>	<b>(1,879,224)</b>	<b>(5,814,426)</b>	<b>(25,823,671)</b>	<b>(38,573)</b>
<b>Change in net assets attributable to holders of redeemable participating units</b>	<b>26,111,246</b>	<b>148,379,647</b>	<b>144,686,943</b>	<b>372,613,311</b>	<b>613,713,703</b>	<b>35,365,514</b>

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

## Mercer QIF CCF

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

	Mercer Investment Fund 5 CCF €	SH Pension Investment Fund* SEK	Mercer Investment Fund 10* GB£	Mercer Investment Fund 11* GB£	Mercer Investment Fund 12* GB£	Notes
<b>Income</b>						
Income from investments	-	-	10,828,110	3,534,478	415,886	
Bank interest	271	-	16,586	3,284	1,937	
Rebate income	140,809	2,746,568	207,313	135,389	86,890	
Net gain/(loss) on financial assets at fair value through profit or loss	27,320,957	(10,884,315)	29,669,068	18,070,422	12,128,462	
<b>Net investment income/(expense)</b>	<b>27,462,037</b>	<b>(8,137,747)</b>	<b>40,721,077</b>	<b>21,743,573</b>	<b>12,633,175</b>	
Expenses	(719,667)	(3,378,314)	(1,809,044)	(923,858)	(522,953)	3
<b>Net income/(expense) from operations before finance costs</b>	<b>26,742,370</b>	<b>(11,516,061)</b>	<b>38,912,033</b>	<b>20,819,715</b>	<b>12,110,222</b>	
<b>Finance costs</b>						
Bank interest expense	(4,730)	(70,600)	(1,829)	(554)	(208)	
<b>Total finance costs</b>	<b>(4,730)</b>	<b>(70,600)</b>	<b>(1,829)</b>	<b>(554)</b>	<b>(208)</b>	
<b>Increase/(decrease) in net assets attributable to holders of redeemable participating units before tax</b>	<b>26,737,640</b>	<b>(11,586,661)</b>	<b>38,910,204</b>	<b>20,819,161</b>	<b>12,110,014</b>	
<b>Taxation</b>						
Withholding tax expense	-	-	(187,642)	(114,447)	(69,289)	6
Stamp duty	-	-	(13,030)	(10,729)	(7,335)	6
<b>Total taxation</b>	<b>-</b>	<b>-</b>	<b>(200,672)</b>	<b>(125,176)</b>	<b>(76,624)</b>	
<b>Change in net assets attributable to holders of redeemable participating units</b>	<b>26,737,640</b>	<b>(11,586,661)</b>	<b>38,709,532</b>	<b>20,693,985</b>	<b>12,033,390</b>	

\*These Sub-Funds launched during the financial year ended 30 June 2018.

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

## Mercer QIF CCF

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

	Mercer High Income UK Property CCF GB£	Mercer Return Seeking Fund 1 €	Mercer Fundamental Indexation Global Equity CCF US\$	Mercer Passive Global Equity CCF US\$	Mercer Investment Fund 2 €	Mercer Investment Fund 3 CCF GB£
<b>Net assets attributable to holders of redeemable participating units at beginning of year</b>	<b>362,163,056</b>	<b>2,183,566,452</b>	<b>1,178,923,231</b>	<b>3,020,934,658</b>	<b>8,630,001,434</b>	<b>1,022,811,798</b>
Proceeds from redeemable participating units issued	143,177,264	62,163,306	633,734,634	332,651,559	8,577,722	452,338
Payments for redeemable participating units redeemed	(123,427,388)	(51,661,405)	(421,468,711)	(691,721,600)	-	(31,600,000)
Changes in net assets attributable to holders of redeemable participating units	19,965,451	127,112,716	20,141,949	83,235,250	454,919,187	75,322,424
<b>Net assets attributable to holders of redeemable participating units at end of year</b>	<b>401,878,383</b>	<b>2,321,181,069</b>	<b>1,411,331,103</b>	<b>2,745,099,867</b>	<b>9,093,498,343</b>	<b>1,066,986,560</b>

#### Notes

11 Proceeds from redeemable participating units issued

11 Payments for redeemable participating units redeemed

Changes in net assets attributable to holders of redeemable participating units

**Net assets attributable to holders of redeemable participating units at end of year**

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

## Mercer QIF CCF

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

	Notes	Mercer Investment Fund 5 CCF €	SH Pension Investment Fund SEK	Mercer Investment Fund 10 GB£	Mercer Investment Fund 11 GB£	Mercer Investment Fund 12 GB£	Mercer Investment Fund 16* US\$
<b>Net assets attributable to holders of redeemable participating units at beginning of year</b>		<b>505,866,017</b>	<b>4,163,390,103</b>	<b>2,944,118,497</b>	<b>1,713,813,961</b>	<b>1,015,921,807</b>	<b>-</b>
Proceeds from redeemable participating units issued	11	39,828,986	261,715,189	80,889,211	37,818,769	27,513,096	785,000,000
Payments for redeemable participating units redeemed	11	(25,759,902)	(200,000,000)	(175,838,068)	(103,551,391)	(41,259,224)	-
Changes in net assets attributable to holders of redeemable participating units		27,497,471	159,529,688	277,505,070	150,377,535	95,970,643	58,206,105
<b>Net assets attributable to holders of redeemable participating units at end of year</b>		<b>547,432,572</b>	<b>4,384,634,980</b>	<b>3,126,674,710</b>	<b>1,798,458,874</b>	<b>1,098,146,322</b>	<b>843,206,105</b>

\*This Sub-Fund launched during the financial year ended 30 June 2019 therefore there is no comparative information.

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



## Mercer QIF CCF

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

	Mercer High Income UK Property CCF GB£	Mercer Return Seeking Fund 1 €	Mercer Fundamental Indexation Global Equity CCF US\$	Mercer Passive Equity CCF US\$	Mercer Investment Fund 2 €	Mercer Investment Fund 3 CCF GB£
<b>Net assets attributable to holders of redeemable participating units at beginning of year</b>	<b>335,996,571</b>	<b>1,829,422,757</b>	<b>1,090,326,776</b>	<b>3,252,282,931</b>	<b>8,008,689,233</b>	<b>1,017,487,954</b>
Proceeds from redeemable participating units issued	58,480,154	1,912,052,229	483,758,155	616,752,476	7,598,498	458,330
Payments for redeemable participating units redeemed	(58,424,915)	(1,706,288,181)	(539,848,643)	(1,220,714,060)	-	(30,500,000)
Changes in net assets attributable to holders of redeemable participating units	26,111,246	148,379,647	144,686,943	372,613,311	613,713,703	35,365,514
<b>Net assets attributable to holders of redeemable participating units at end of year</b>	<b>362,163,056</b>	<b>2,183,566,452</b>	<b>1,178,923,231</b>	<b>3,020,934,658</b>	<b>8,630,001,434</b>	<b>1,022,811,798</b>

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

## Mercer QIF CCF

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

	Mercer Investment Fund 5 CCF €	SH Pension Investment Fund* SEK	Mercer Investment Fund 10* GB£	Mercer Investment Fund 11* GB£	Mercer Investment Fund 12* GB£
<b>Net assets attributable to holders of redeemable participating units at beginning of year</b>	<b>464,386,271</b>	-	-	-	-
Proceeds from redeemable participating units issued	37,223,317	4,224,976,764	2,941,624,685	1,709,759,258	1,008,985,705
Payments for redeemable participating units redeemed	(22,481,211)	(50,000,000)	(36,215,720)	(16,639,282)	(5,097,288)
Changes in net assets attributable to holders of redeemable participating units	26,737,640	(11,586,661)	38,709,532	20,693,865	12,033,390
<b>Net assets attributable to holders of redeemable participating units at end of year</b>	<b>505,866,017</b>	<b>4,163,390,103</b>	<b>2,944,118,497</b>	<b>1,713,813,961</b>	<b>1,015,921,807</b>

\*These Sub-Funds launched during the financial year ended 30 June 2018.

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

## Mercer QIF CCF

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

	Mercer High Income UK Property CCF GB£	Mercer Return Seeking Fund 1 €	Mercer Fundamental Indexation Global Equity CCF US\$	Mercer Passive Equity CCF US\$	Mercer Investment Fund 2 €	Mercer Investment Fund 3 CCF GB£
<b>Cash flows from operating activities</b>						
Change in net assets attributable to holders of redeemable participating units	19,965,451	127,112,716	20,141,949	83,235,250	454,919,187	75,322,424
<b>Adjustments for:</b>						
Movement in cash due from/to broker	-	(19,204)	(589,557)	3,344,293	950,062	-
Movement in financial assets at fair value through profit or loss	(37,062,513)	(125,743,006)	*(254,409,289)	**255,470,717	(414,899,408)	(57,863,228)
Movement in repurchase agreements and reverse repurchase agreements	-	-	-	-	-	(7,832,980)
Unrealised movement on derivative assets and liabilities	-	(9,427,496)	(10,528,837)	(20,742,857)	(450,130)	22,188,769
<b>Operating cash flows before movements in working capital</b>	<b>(17,097,062)</b>	<b>(8,076,990)</b>	<b>(245,385,734)</b>	<b>321,307,403</b>	<b>40,519,711</b>	<b>31,814,985</b>
Movement in receivables	(100,854)	(52,299)	(700,395)	471,472	(1,857,287)	(89,655)
Movement in payables	27,010	(421,254)	(10,508)	(595,348)	394,573	435,278
<b>Cash (outflow)/inflow from operations</b>	<b>(73,844)</b>	<b>(473,553)</b>	<b>(710,903)</b>	<b>(123,876)</b>	<b>(1,462,714)</b>	<b>345,623</b>
<b>Net cash (used in)/provided by operating activities</b>	<b>(17,170,906)</b>	<b>(8,550,543)</b>	<b>(246,096,637)</b>	<b>321,183,527</b>	<b>39,056,997</b>	<b>32,160,608</b>
<b>Financing activities</b>						
Proceeds from subscriptions	143,177,264	62,163,306	634,189,290	332,469,443	8,577,722	452,338
Payment of redemptions	(123,821,288)	(51,633,405)	*(383,178,771)	***(671,823,417)	-	(31,600,000)
<b>Net cash increase/(decrease) financing activities</b>	<b>19,355,976</b>	<b>10,529,901</b>	<b>251,010,519</b>	<b>(339,353,974)</b>	<b>8,577,722</b>	<b>(31,147,662)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,185,070</b>	<b>1,979,358</b>	<b>4,913,882</b>	<b>(18,170,447)</b>	<b>47,634,719</b>	<b>1,012,946</b>
Cash and cash equivalents at the beginning of the year	609,253	16,080,400	8,500,347	48,494,308	169,739,577	3,920,082
<b>Cash and cash equivalents at the end of the year</b>	<b>2,794,323</b>	<b>18,059,758</b>	<b>13,414,229</b>	<b>30,323,861</b>	<b>217,374,296</b>	<b>4,933,028</b>
<b>Supplementary information</b>						
Interest received	793	160,869	178,156	490,252	19,280,751	16,272,662
Interest paid	(12,629)	-	-	(48,231)	(575,291)	(1,978,692)
Dividends received	12,928,146	49,952,452	35,206,419	68,394,975	204,797,313	62,315
Taxation paid	-	(2,690,493)	(1,534,308)	(6,398,732)	(16,684,366)	(10,421)

\*These amounts exclude non cash transaction of US\$ 19,044,664. Please refer to Note 4 for more detail regarding in-specie transactions.

\*\*These amounts exclude non cash transaction of US\$ 19,878,072. Please refer to Note 4 for more detail regarding in-specie transactions.

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

## Mercer QIF CCF

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

	Mercer Investment Fund 5 CCF €	SH Pension Investment Fund SEK	Mercer Investment Fund 10 GB£	Mercer Investment Fund 11 GB£	Mercer Investment Fund 12 GB£	Mercer Investment Fund 16* US\$
<b>Cash flows from operating activities</b>						
Change in net assets attributable to holders of redeemable participating units	27,497,471	159,529,688	277,505,070	150,377,535	95,970,643	58,206,105
<b>Adjustments for:</b>						
Movement in cash due from/to broker	-	-	1,413,080	(82,605)	(276,783)	(2,800,901)
Movement in financial assets at fair value through profit or loss	(41,344,518)	(230,177,744)	(171,549,221)	(78,953,934)	(77,531,903)	(822,665,947)
Unrealised movement on derivative assets and liabilities	(43,800)	-	(7,236,048)	(3,548,811)	(1,969,516)	38,220
<b>Operating cash flows before movements in working capital</b>	<b>(13,890,847)</b>	<b>(70,648,056)</b>	<b>100,132,881</b>	<b>67,792,185</b>	<b>16,192,441</b>	<b>(767,222,523)</b>
Movement in receivables	(86,392)	(271,426)	(2,043,524)	(1,781,320)	(1,383,437)	(3,279,503)
Movement in payables	(68,512)	578,361	76,902	151,470	145,274	259,650
<b>Cash (outflow)/inflow from operations</b>	<b>(154,904)</b>	<b>306,935</b>	<b>(1,966,622)</b>	<b>(1,629,850)</b>	<b>(1,238,163)</b>	<b>(3,019,853)</b>
<b>Net cash (used in)/provided by operating activities</b>	<b>(14,045,751)</b>	<b>(70,341,121)</b>	<b>98,166,259</b>	<b>66,162,335</b>	<b>14,954,278</b>	<b>(770,242,376)</b>
<b>Financing activities</b>						
Proceeds from subscriptions	39,720,959	261,715,189	80,641,229	37,870,808	27,595,512	785,000,000
Payment of redemptions	(25,792,720)	(200,000,000)	(175,838,068)	(103,551,391)	(41,259,224)	-
<b>Net cash providedby/(used in) financing activities</b>	<b>13,928,239</b>	<b>61,715,189</b>	<b>(95,196,839)</b>	<b>(65,680,583)</b>	<b>(13,663,712)</b>	<b>785,000,000</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(117,512)</b>	<b>(8,625,932)</b>	<b>2,969,420</b>	<b>481,752</b>	<b>1,290,566</b>	<b>14,757,624</b>
Cash and cash equivalents at the beginning of the year	690,951	7,188,253	17,982,444	9,153,380	5,304,499	-
<b>Cash and cash equivalents at the end of the year</b>	<b>573,439</b>	<b>(1,437,679)</b>	<b>20,951,864</b>	<b>9,635,132</b>	<b>6,595,065</b>	<b>14,757,624</b>
<b>Supplementary information</b>						
Interest received	-	891,493	42,449,324	15,263,922	6,853,171	575,773
Interest paid	(5,401)	(970,287)	(20,193)	(24,561)	(9,009)	(20,356)
Dividends received	-	-	12,577,475	10,342,510	7,132,632	5,231,412
Taxation paid	-	-	(934,487)	(729,996)	(495,080)	(463,567)

\*This Sub-Fund launched during the financial year ended 30 June 2019 therefore there is no comparative information.

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

## Mercer QIF CCF

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

	Mercer High Income UK Property CCF GB£	Mercer Return Seeking Fund 1 €	Mercer Fundamental Indexation Global Equity CCF US\$	Mercer Passive Equity CCF US\$	Mercer Investment Fund 2 €	Mercer Investment Fund 3 CCF GB£
<b>Cash flows from operating activities</b>						
Change in net assets attributable to holders of redeemable participating units	26,111,246	148,379,647	144,686,943	372,613,311	613,713,703	35,365,514
<b>Adjustments for:</b>						
Movement in cash due from/to broker	-	(780,442)	185,209	2,826,722	(491,177)	-
Movement in financial assets at fair value through profit or loss	(66,426,837)	(361,205,359)	(104,384,191)	*357,960,892	(662,265,350)	32,526,866
Movement in repurchase agreements and reverse repurchase agreements	-	-	-	-	-	(52,298,805)
Unrealised movement on derivative assets and liabilities	-	4,694,010	8,617,714	16,148,680	288,052	16,414,140
<b>Operating cash flows before movements in working capital</b>	<b>(40,315,591)</b>	<b>(208,912,144)</b>	<b>49,105,675</b>	<b>749,549,605</b>	<b>(48,754,772)</b>	<b>32,007,715</b>
Movement in receivables	(387,144)	(421,036)	2,219,101	813,563	(393,840)	(281,878)
Movement in payables	(32,736)	(63,614)	(2,803,718)	(50,667)	(6,545,877)	735,408
<b>Cash (outflow)/inflow from operations</b>	<b>(419,880)</b>	<b>(504,652)</b>	<b>(584,617)</b>	<b>762,896</b>	<b>(6,939,717)</b>	<b>453,530</b>
<b>Net cash (used in)/provided by operating activities</b>	<b>(40,735,471)</b>	<b>(209,416,796)</b>	<b>48,521,058</b>	<b>750,312,501</b>	<b>(55,694,489)</b>	<b>32,461,245</b>
<b>Financing activities</b>						
Proceeds from subscriptions	85,555,245	1,912,052,229	483,298,482	*491,526,357	7,598,498	456,330
Payment of redemptions	(72,707,028)	(1,706,288,181)	(541,216,192)	(1,230,145,846)	-	(30,500,000)
<b>Net cash provided by/(used in) financing activities</b>	<b>12,848,217</b>	<b>205,764,048</b>	<b>(57,917,710)</b>	<b>(738,619,489)</b>	<b>7,598,498</b>	<b>(30,041,670)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(27,887,254)</b>	<b>(3,652,748)</b>	<b>(9,396,652)</b>	<b>11,693,012</b>	<b>(48,095,991)</b>	<b>2,419,575</b>
Cash and cash equivalents at the beginning of the year	28,496,507	19,733,148	17,896,999	36,801,296	217,835,568	1,500,507
<b>Cash and cash equivalents at the end of the year</b>	<b>609,253</b>	<b>16,080,400</b>	<b>8,500,347</b>	<b>48,494,308</b>	<b>169,739,577</b>	<b>3,920,082</b>
<b>Supplementary information</b>						
Interest received	8,268	25,260	57,326	198,699	442,972	6,282,138
Interest paid	-	(171,828)	(10,764)	(28,180)	(557,829)	(995,667)
Dividends received	11,858,762	41,514,366	29,501,500	79,273,626	174,746,308	177,928
Taxation paid	-	(3,618,531)	(1,923,273)	(5,838,765)	(24,730,917)	(6,353)

\*These amounts exclude non cash transactions of US\$ 126,224,049. Please refer to Note 4 for more detail regarding in-specie transactions.

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

## Mercer QIF CCF

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

	Mercer Investment Fund 5 CCF €	SH Pension Investment Fund* SEK	Mercer Investment Fund 10* GB£	Mercer Investment Fund 11* GB£	Mercer Investment Fund 12* GB£
<b>Cash flows from operating activities</b>					
Change in net assets attributable to holders of redeemable participating units	26,737,640	(11,586,661)	38,709,532	20,693,985	12,033,390
<b>Adjustments for:</b>					
Movement in cash due from/to broker	-	-	(1,619,869)	(595,170)	(264,715)
Movement in financial assets at fair value through profit or loss	(41,773,241)	(4,156,893,613)	***(198,039,003)	***(-162,705,014)	****(-137,814,240)
Unrealised movement on derivative assets and liabilities	792,452	-	8,154,534	3,925,054	2,180,236
<b>Operating cash flows before movements in working capital</b>	<b>(14,243,149)</b>	<b>(4,168,480,274)</b>	<b>(152,794,806)</b>	<b>(138,681,145)</b>	<b>(123,865,329)</b>
Movement in receivables	94,649	(148,325)	(15,526,412)	(5,589,751)	(2,494,920)
Movement in payables	57,005	840,088	977,436	513,598	298,450
<b>Cash inflow/(outflow) from operations</b>	<b>151,654</b>	<b>691,763</b>	<b>(14,548,976)</b>	<b>(5,076,153)</b>	<b>(2,196,470)</b>
<b>Net cash used in operating activities</b>	<b>(14,091,495)</b>	<b>(4,167,788,511)</b>	<b>(167,343,782)</b>	<b>(143,757,298)</b>	<b>(126,061,799)</b>
<b>Financing activities</b>					
Proceeds from subscriptions	37,243,317	4,224,976,764	**221,541,946	***169,549,960	****136,463,586
Payment of redemptions	(22,447,854)	(50,000,000)	(36,215,720)	(16,639,282)	(5,097,288)
<b>Net cash provided by financing activities</b>	<b>14,795,463</b>	<b>4,174,976,764</b>	<b>185,326,226</b>	<b>152,910,678</b>	<b>131,366,298</b>
<b>Net increase in cash and cash equivalents</b>	<b>703,968</b>	<b>7,188,253</b>	<b>17,982,444</b>	<b>9,153,380</b>	<b>5,304,499</b>
Cash and cash equivalents at the beginning of the year	(13,017)	-	-	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>690,951</b>	<b>7,188,253</b>	<b>17,982,444</b>	<b>9,153,380</b>	<b>5,304,499</b>
<b>Supplementary information</b>					
Interest received****	274	-	(4,975,480)	(2,330,950)	(2,296,539)
Interest paid	(4,730)	(70,600)	(1,829)	(554)	(208)
Dividends received	-	-	427,882	358,997	271,714
Taxation paid	-	-	(146,864)	(84,360)	(49,346)

\*These Sub-Funds launched during the financial year ended 30 June 2018.

\*\*This amount excludes non cash transaction of GB£ 2,719,791,509. Please refer to Note 4 for more detail regarding in-specie transactions.

\*\*\*This amount excludes non cash transaction of GB£ 1,539,970,129. Please refer to Note 4 for more detail regarding in-specie transactions.

\*\*\*\*These amounts exclude non cash transactions of GB£ 872,358,370. Please refer to Note 4 for more detail regarding in-specie transactions.

\*\*\*\*\*Negative interest received arises on Sub-Funds that have purchased bond investments for the first time this year. The amount captures the interest purchased element of these transactions.

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

**1. Reporting entity**

Mercer QIF CCF (the “CCF”) is a common contractual fund with variable capital organised under the laws of Ireland. The CCF is organised in the form of an umbrella fund insofar as the unit capital of the CCF will be divided into different series of units with each series of units representing a portfolio of assets which will comprise a separate fund (each a “Sub-Fund”). As at 30 June 2019, the CCF has 12 Sub-Funds in operation (2018: 11 Sub-Funds)

Each Sub-Fund of the Mercer QIF CCF is a reporting entity.

**2. Accounting policies**

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

**a) Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”) and Irish statute comprising the Investment Funds, Companies and Miscellaneous Provisions Act, 2005 (Revised).

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

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

**b) Functional and presentation currency**

Items included in the Sub-Fund’s financial statements are measured using the currency of the primary economic environment in which the respective Sub-Funds operate (the “functional currency”). If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The functional currency of Mercer High Income UK Property CCF, Mercer Investment Fund 3 CCF, Mercer Investment Fund 10, Mercer Investment Fund 11 and Mercer Investment Fund 12 is Sterling, the functional currency of the Mercer Return Seeking Fund 1, Mercer Investment Fund 2 and Mercer Investment Fund 5 CCF is Euro, the functional currency of Mercer Fundamental Indexation Global Equity CCF, Mercer Passive Global Equity CCF and Mercer Investment Fund 16 is US Dollar, and the functional currency of SH Pension Investment Fund is Swedish Krona. The CCF has also adopted these functional currencies as the presentation currency of each of the Sub-Fund of the CCF.

*(i) Translation and balances*

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

**c) Use of judgements and estimates**

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

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



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

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

*(ii) Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ending 30 June 2019 and 30 June 2018 is included in Note 7 and relates to the determination of fair value of financial instruments with significant unobservable inputs.

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

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

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

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

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

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

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



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

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

IFRIC 23 "Uncertainty over Income Tax Treatments" was issued in June 2017 and became effective for periods beginning on or after 1 January 2019. It clarifies the accounting for uncertainties in income taxes which is applied to the determination of taxable profits (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments in accordance with IAS 12. It clarifies that the CCF should consider whether tax treatments should be considered independently or collectively, whether the relevant tax authority will or will not accept each tax treatment and, the requirement to reassess its judgements and estimates if facts and circumstances change. The application of IFRIC 23 is not expected to have a significant effect on the CCF's financial position, performance or disclosures in its financial statements. There are no other new standards, amendments or interpretations issued but not yet effective that would be expected to have a significant impact on the CCF.

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

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

*(i) IFRS 9 Financial Instruments*

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. As a result of the adoption of IFRS 9, the CCF has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require:

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

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

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

**(a) Classification and measurement of financial assets and financial liabilities**

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

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

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

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

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

*(b) Impairment of financial assets*

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

*(c) Transition*

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

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

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

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

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

The CCF initially recognises financial assets and financial liabilities at FVTPL on the trade date, which is the date on which the CCF becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

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

*(ii) Classification and measurement of financial assets and financial liabilities*

Policy before 1 July 2018

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

**2. Accounting policies (continued)****g) Financial instruments (continued)***(ii) Classification and measurement of financial assets and financial liabilities (continued)*

Financial assets at fair value through profit or loss:

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

Financial assets at amortised cost:

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

Financial liabilities at fair value through profit or loss:

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

Financial liabilities at amortised cost:

- Other liabilities: Repurchase agreements, interest payable, bank overdraft, expenses payable, redemptions payable, payable for securities purchased and net assets attributable to holders of redeemable participating units.

A financial instrument is classified as held for trading if:

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

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

Policy after 1 July 2018

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

- Financial assets mandatorily at FVTPL - investments in securities, collective investment schemes and financial derivative instruments with positive fair values.
- Financial assets at amortised cost - cash and cash equivalents, cash due from broker, receivable for securities sold, subscriptions receivable, deposits with credit institutions and reverse repurchase agreements.
- Financial liabilities at amortised cost - repurchase agreements, bank overdraft, expenses payable, interest payable, redemptions payable, payable for securities purchased, loan payable, unfunded loan and net assets attributable to holders of redeemable participating shares.
- Financial liabilities held for trading - financial derivative instruments with negative fair values.

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

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

Business model assessment

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

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the CCF's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

**2. Accounting policies (continued)****g) Financial instruments (continued)***(ii) Classification and measurement of financial assets and financial liabilities (continued)*

Policy after 1 July 2018 (continued)

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

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

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

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

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

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

## Reclassifications

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

*(iii) Fair value measurement*

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

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

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

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

*(iv) Amortised cost measurement*

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

*(v) Impairment of financial assets*

Policy before 1 July 2018

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

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

Policy after 1 July 2018

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

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

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

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

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

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

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

Write off

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

*(vi) Derecognition*

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

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

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

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

*(vii) Offsetting*

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

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

**h) Securities sold short**

The CCF may enter into short sales transactions. A short sale is a transaction in which a Sub-Fund sells securities it may not own in anticipation of a decline in the fair value of the securities. Securities sold in short sale transactions and the interest payable on such securities, if any, are reflected as a liability on the Statement of Financial Position. A Sub-Fund is obligated to deliver securities at the trade price at the time the short position is covered. Possible losses from short sales may be unlimited, whereas losses from purchases cannot exceed the total amount invested. Cash collateral for borrowed securities is included within balances due from brokers.

**2. Accounting policies (continued)****i) Dividend and interest income**

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

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

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

**j) Net income from financial instruments at FVTPL**

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

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

**k) Rebate Income**

Rebate income is received by a Sub-Fund by virtue of its investment in the units of another investment fund where the Manager has negotiated a discounted management fee on its investment in the units of the underlying Investment Fund.

Rebate income is accounted for on an accruals basis in the Statement of Comprehensive Income.

**l) Operating expenses**

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

**m) Cash and cash equivalents and bank overdraft**

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

**n) Redeemable participating units**

Redeemable participating units are redeemable at the unitholder's option and are classified as financial liabilities.

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

**o) Financial derivative instruments***(i) Forward foreign currency contracts*

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



**2. Accounting policies (continued)****o) Financial derivative instruments (continued)***(ii) Futures contracts on securities*

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

*(iii) Interest rate swaps and total return swaps*

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

Derivatives such as interest rate swaps are used for trading purposes.

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

Total return swap (“TRS”) is an agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. In total return swaps, the underlying asset, referred to as the reference asset, is usually a stock or fixed income index. This is owned by the party receiving the set rate payment. Total return swaps allow the party receiving the total return to gain exposure and benefit from a reference asset without actually having to own it. Contracts are marked-to-market daily based upon calculations using a valuation model and the change, if any, is recorded as unrealised appreciation or depreciation in the Statement of Comprehensive Income.

Total return swaps are used for efficient portfolio management purposes which includes hedging against market movements, currency exchange or interest rate risks or otherwise, and for investment purposes.

*(iv) Options*

A Sub-Fund may purchase and sell (write) call and put options on securities, securities indices and foreign currencies traded on a national securities exchange or in an over-the-counter market.

When a Sub-Fund purchases a call or a put option, a premium is paid by the Sub-Fund. The premium on purchased put options exercised is subtracted from the proceeds of the sale of the underlying security or foreign currency in determining the realised gain or loss. The premium on purchased call options exercised is included in determining initial fair value of the securities or foreign currency purchased. Premiums paid on the purchase of options which expire unexercised are treated as realised losses. The option is subsequently marked-to-market to reflect the fair value of the option purchased, which is reported within financial assets at fair value through profit or loss on the Statement of Financial Position for each relevant Sub-Fund.

If an option which a Sub-Fund has written either expires on its stipulated expiration date or a Sub-Fund enters into a closing purchase transaction, a Sub-Fund realises a gain (or loss, if the cost of a closing purchase transaction exceeds the premium received when the option was sold) without regard to any unrealised gain or loss on the underlying security, and the liability related to such option is extinguished. If a call option which a Sub-Fund has written is exercised, a Sub-Fund realises a capital gain or loss from the sale of the underlying security, and the proceeds from such sales are increased by the premium originally received. When a put option which a Sub-Fund has written is exercised, the amount of the premium originally received will reduce the cost of the security which a Sub-Fund purchases upon exercise of the option.



**2. Accounting policies (continued)****o) Financial derivative instruments (continued)***(iv) Options (continued)*

The over-the-counter options are valued at close of business on the dealing day at the settlement price as provided by the counterparty/broker and the values are independently valued, at a minimum, weekly. The fair values of exchange traded options are based upon their quoted daily settlement prices on the relevant exchange. In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules, or if such valuation is not representative of a security's fair market value, the Directors are entitled to use other generally recognised valuation methods in order to reach a proper valuation of that specific instrument, provided that such method of valuation has been approved by the Depositary.

**p) Repurchase agreements and reverse repurchase agreements***Repurchase agreements*

When the Sub-Fund sells a financial asset and simultaneously enters into an agreement to repurchase the same or a similar asset at a fixed price on a future date, the arrangement is accounted for as a borrowing and is recognised in the Statement of Financial Position as a payable under a repurchase agreement, and the underlying asset is reclassified in the Sub-Fund's Statement of Financial Position.

*Reverse repurchase agreements*

When the Sub-Fund purchases a financial asset and simultaneously enters into an agreement to resell the same or a substantially similar asset at a fixed price on a future date, the arrangement is accounted for as a loan and receivable, and recognised in the Statement of Financial Position as a receivable from a reverse repurchase agreement, and the underlying asset is not recognised in the CCF's financial statements.

Receivable for reverse repurchase agreements and payables under reverse repurchase agreements are subsequently measured at amortised cost.

Securities borrowed by the Sub-Funds are not recognised in the Statement of Financial Position. If the Sub-Fund subsequently sells the borrowed securities, then the arrangement is accounted for as a short sold position, recognised in the Statement of Financial Position as a financial liability at FVTPL. Cash collateral for borrowed securities is included within cash balances due from brokers.

**q) Cash due from/to broker**

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

**r) Collateral**

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

Cash received as collateral is recorded as an asset on the Statement of Financial Position and is valued at amortised cost. A related liability to repay the collateral is recorded as a liability on the Statement of Financial Position and is also valued at its amortised cost. Investments pledged by the Sub-Funds as collateral are recognised at fair value in the relevant Sub-Funds Portfolio Statements and such investments are referenced accordingly at the base of the Portfolio Statement. Securities received by the Sub-Funds as collateral from counterparties do not form part of the Net Asset Value of the Sub-Funds and are disclosed at the end of the relevant Portfolio Statement.

**s) Tax**

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

**t) Other assets**

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

**2. Accounting policies (continued)****u) Expenses payable**

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

**v) Payables for securities purchased / receivables for securities sold**

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

**w) Subscriptions receivable/redemptions payable**

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

**x) Securities lending income**

The CCF has appointed State Street Bank and Trust Company, London Branch, as securities lending agent. Income earned from securities lending activities is accounted for on an accruals basis. Securities lending income is recognised in the Statement of Comprehensive Income. Investments lent under securities lending agreement continue to be recognised in the Statement of Financial Position, as the CCF continues to be exposed to all gains and losses arising from the ownership of these securities and are measured in accordance with the accounting policy for financial instruments.

**y) Interest payable**

Interest payable is stated at its accrued value.

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

The AIFM is responsible for the payment of the Investment Manager's fee and the Distributor's fee (including reasonable out of pocket expenses) out of the Management fee. The fees and expenses of any Sub-Investment Manager, the Administrator and the Depositary (including reasonable out of pocket expenses) shall be paid by the CCF out of the assets of the relevant Sub-Fund. Investments by Sub-Funds of the CCF 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.

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

The CCF has undertaken to limit the annual expenses of all of the Sub-Funds of Mercer QIF CCF, with the exception of Mercer Return Seeking Fund 1, Mercer Investment Fund 2, Mercer Investment Fund 3 CCF, Mercer Investment Fund 5 CCF, SH Pension Investment Fund, Mercer Investment Fund 10, Mercer Investment Fund 11, Mercer Investment Fund 12 and Mercer Investment Fund 16 through the use of a Voluntary Cap for each class launched as at 30 June 2019 as a percentage of the net assets within the Sub-Fund as follows:

Sub-Fund	Unit Class Description	Management Fee	Voluntary Cap	Maximum Fee
Mercer High Income UK Property CCF	Class I-1 £	0.20%	0.34%	3.00%
	Class M-1 £	0.25%	0.39%	3.00%
	Class M-2 £	0.35%	0.49%	3.00%
	Class M-3 £	0.50%	0.64%	3.00%
	Class M-4 £	0.60%	0.74%	3.00%
	Class M-5 £	1.00%	1.14%	3.00%
	Class Z-1 £	0.00%	0.14%	3.00%

## 3. Fees and expenses (continued)

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

Sub-Fund	Unit Class Description	Management Fee	Voluntary Cap	Maximum Fee
Mercer Return Seeking Fund 1	Class M-1 CAD; Class M-1 €	0.11%	n/a	3.00%
	Class M-4 €	0.15%	n/a	3.00%
	Class M-5 €	0.15%	n/a	3.00%
	Class M-1 € Hedged	0.14%	n/a	3.00%
	Class M-4 € Hedged, Class M-5 € Hedged	0.16%	n/a	3.00%
Mercer Fundamental Indexation Global Equity CCF	Class M-1 £	0.20%	0.29%	3.00%
	Class M-1 € Hedged, Class M-1 £ Hedged	0.25%	0.34%	3.00%
	Class M-2 SEK	0.40%	0.49%	3.00%
	Class M-2 £	0.40%	0.49%	3.00%
	Class M-2 £ Hedged	0.45%	0.54%	3.00%
	Class M-3 €	0.60%	0.69%	3.00%
	Class M-3 £ Hedged, Class M-3 € Hedged	0.65%	0.74%	3.00%
	Class M-4 £	0.80%	0.89%	3.00%
	Class M-4 £ Hedged	0.85%	0.94%	3.00%
	Class M-6 €	0.08%	0.17%	3.00%
Mercer Passive Global Equity CCF	Class M-1 £	0.20%	0.29%	3.00%
	Class M-1 £ Hedged	0.25%	0.34%	3.00%
	Class M-2 €, Class M-2 £	0.40%	0.49%	3.00%
	Class M-2 € Hedged, Class M-2 £ Hedged	0.45%	0.54%	3.00%
	Class M-3 £, Class M-3 €	0.60%	0.69%	3.00%
	Class M-3 € Hedged, Class M-3 £ Hedged	0.65%	0.74%	3.00%
	Class M-6 € Hedged	0.28%	0.37%	3.00%
	Class M-6 £ Hedged	0.02%	0.11%	3.00%
	Class M-7 € Hedged	0.38%	0.47%	3.00%
	Class M-8 € Hedged	0.23%	0.32%	3.00%
	Class M-9 € Hedged	0.11%	0.20%	3.00%
	Class M-10 € Hedged	0.02%	0.11%	3.00%
	Class M-14 € Hedged	0.07%	0.16%	3.00%
	Class Z-1 £, Class Z-1 £ Hedged	0.00%	0.09%	3.00%
Mercer Investment Fund 2	Class M-1 €	0.07%	n/a	3.00%
Mercer Investment Fund 3 CCF	Class M-2 £	0.145%	n/a	3.00%
Mercer Investment Fund 5 CCF	Class M-1 €	0.10%	n/a	3.00%
SH Pension Investment Fund	Class M-1 SEK	0.15%	n/a	3.00%
Mercer Investment Fund 10	Class M-1 £	0.06%	n/a	3.00%
	Class M-2 £	0.10%	n/a	3.00%
Mercer Investment Fund 11	Class M-1 £	0.06%	n/a	3.00%
	Class M-2 £	0.10%	n/a	3.00%
Mercer Investment Fund 12	Class M-1 £	0.06%	n/a	3.00%
	Class M-2 £	0.10%	n/a	3.00%
Mercer Investment Fund 16 (launched on 13 December 2018)	Class A4-0.0850 US\$	0.085%	n/a	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 CCF in which case the CCF will notify the unitholders of the relevant class.

## 3. Fees and expenses (continued)

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

The CCF's formation expenses, which include the formation expenses of Mercer High Income UK Property CCF and Mercer Investment Fund 2 are borne by the Investment Manager. The formation expenses of the Mercer Return Seeking Fund 1, Mercer Fundamental Indexation Global Equity CCF, Mercer Passive Global Equity CCF, Mercer Investment Fund 3 CCF, Mercer Investment Fund 5 CCF, SH Pension Investment Fund, Mercer Investment Fund 10, Mercer Investment Fund 11, Mercer Investment Fund 12 and Mercer Investment Fund 16 are paid out of the assets of the Sub-Funds respectively.

## Audit Fees

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

## Year ended 30 June 2019

	Mercer High Income UK Property CCF GB£	Mercer Return Seeking Fund 1 €	Mercer Fundamental Indexation Global Equity CCF US\$	Mercer Passive Global Equity CCF US\$	Mercer Investment Fund 2 €	Mercer Investment Fund 3 CCF GB£
Statutory audit (including reimbursement of expenses)	4,075	23,349	14,218	27,655	36,073	10,574
Tax advisory services	132	150	171	171	150	132
<b>Total</b>	<b>4,207</b>	<b>23,499</b>	<b>14,389</b>	<b>27,826</b>	<b>36,223</b>	<b>10,706</b>
	Mercer Investment Fund 5 CCF €	SH Pension Investment Fund SEK	Mercer Investment Fund 10 GB£	Mercer Investment Fund 11 GB£	Mercer Investment Fund 12 GB£	Mercer Investment Fund 16* US\$
Statutory audit (including reimbursement of expenses)	5,507	43,528	30,985	17,823	10,883	8,495
Tax advisory services	150	1,564	132	132	10,711	171
<b>Total</b>	<b>5,657</b>	<b>45,092</b>	<b>31,117</b>	<b>17,955</b>	<b>21,594</b>	<b>8,666</b>

\*This Sub-Fund launched during the financial year ended 30 June 2019 therefore there is no comparative information.

## 3. Fees and expenses (continued)

## Audit Fees (continued)

## Year ended 30 June 2018

	Mercer High Income UK Property CCF GB£	Mercer Return Seeking Fund 1 €	Mercer Fundamental Indexation Global Equity CCF US\$	Mercer Passive Global Equity CCF US\$	Mercer Investment Fund 2 €	Mercer Investment Fund 3 CCF GB£
Statutory audit (including reimbursement of expenses)	3,370	19,784	10,937	28,025	33,750	9,274
Tax advisory	-	69,080	-	-	-	-
<b>Total</b>	<b>3,370</b>	<b>88,864</b>	<b>10,937</b>	<b>28,025</b>	<b>33,750</b>	<b>9,274</b>
	Mercer Investment Fund 5 CCF €	SH Pension Investment Fund* SEK	Mercer Investment Fund 10* GB£	Mercer Investment Fund 11* GB£	Mercer Investment Fund 12* GB£	
Statutory audit (including reimbursement of expenses)	4,583	36,012	26,696	15,540	9,211	
Tax advisory	-	-	-	-	-	
<b>Total</b>	<b>4,583</b>	<b>36,012</b>	<b>26,696</b>	<b>15,540</b>	<b>9,211</b>	

\*These Sub-Funds launched during the financial year ended 30 June 2018.

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

## Administrator, Depositary and other Fees

The table below outlines the administration fees, depositary fees and other fees per Sub-Fund during the year ended 30 June 2019 and 30 June 2018:

## Year ended 30 June 2019

	Mercer High Income UK Property CCF GB£	Mercer Return Seeking Fund 1 €	Mercer Fundamental Indexation Global Equity CCF US\$	Mercer Passive Global Equity CCF US\$	Mercer Investment Fund 2 €	Mercer Investment Fund 3 CCF GB£
Administration fees	42,592	325,198	101,241	201,933	1,283,868	100,718
Administration fees payable	11,454	54,977	16,688	32,687	216,775	17,438
Depositary fees	16,090	135,499	40,496	80,773	534,945	41,966
Depositary fees payable	4,327	22,907	6,675	13,075	90,323	7,266
Other fees	1,024,994	1,662,003	1,302,247	2,910,314	36,755,421	1,495,725
Other fees payable	22,894	557,010	218,078	218,284	10,465,359	491,997

## 3. Fees and expenses (continued)

## Administrator and Depositary fees (continued)

## Year ended 30 June 2019 (continued)

	Mercer Investment Fund 5 CCF €	SH Pension Investment Fund SEK	Mercer Investment Fund 10 GB£	Mercer Investment Fund 11 GB£	Mercer Investment Fund 12 GB£	Mercer Investment Fund 16* US\$
Administration fees	8,596	184,341	434,315	254,140	153,450	43,137
Administration fees payable	1,972	37,771	72,144	42,016	25,711	18,234
Depositary fees	3,438	73,736	180,965	105,892	63,938	17,974
Depositary fees payable	789	15,108	30,060	17,507	10,713	7,597
Other fees	-	1,937,625	1,919,427	1,100,630	696,866	164,784
Other fees payable	61,090	860,415	808,650	523,034	356,838	180,716

\*This Sub-Fund launched during the financial year ended 30 June 2019 therefore there is no comparative information.

## Year ended 30 June 2018

	Mercer High Income UK Property CCF GB£	Mercer Return Seeking Fund 1 €	Mercer Fundamental Indexation Global Equity CCF US\$	Mercer Passive Global Equity CCF US\$	Mercer Investment Fund 2 €	Mercer Investment Fund 3 CCF GB£
Administration fees	26,394	451,544	169,944	510,351	1,453,234	218,560
Administration fees payable	20,191	151,902	43,518	127,140	633,889	55,107
Depositary fees	76,473	161,848	58,755	175,124	465,863	76,329
Depositary fees payable	7,628	62,055	16,988	48,703	261,019	22,040
Other fees	33,178	2,931,506	702,415	3,983,623	35,661,596	1,024,182
Other fees payable	14,523	851,433	287,729	531,661	9,746,097	463,416

	Mercer Investment Fund 5 CCF €	SH Pension Investment Fund* SEK	Mercer Investment Fund 10* GB£	Mercer Investment Fund 11* GB£	Mercer Investment Fund 12* GB£
Administration fees	65,705	26,600	136,662	71,266	39,515
Administration fees payable	11,083	26,600	136,662	71,266	39,515
Depositary fees	20,439	10,145	59,586	31,240	17,390
Depositary fees payable	2,234	10,145	59,586	31,240	17,390
Other fees	143,285	414,488	678,024	333,157	194,932
Other fees payable	119,906	306,092	570,415	293,902	173,939

\*These Sub-Funds launched during the financial year ended 30 June 2018.

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

**4. Related parties**

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

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

Mercer Global Investments Management Limited has appointed Mercer Global Investments Europe Limited as the 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 CCF.

Mercer Global Investments Management Limited has been appointed as AIFM to the CCF. For these services during the financial year the AIFM earns a management fee as outlined in Note 3. As further outlined in Note 3, the AIFM has undertaken to limit the annual expenses for each class of the Mercer High Income UK Property CCF, the Mercer Fundamental Indexation Global Equity CCF and the Mercer Passive Global Equity CCF through the use of a Voluntary Cap. The Voluntary Cap earned in respect of the financial year ending 30 June 2019 is US\$ Nil (30 June 2018: US\$ Nil).

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

The following fees were earned by the AIFM during the year, and the following amounts were outstanding at the year end.

**Year ended 30 June 2019**

	Mercer High Income UK Property CCF GB£	Mercer Return Seeking Fund 1 €	Mercer Fundamental Indexation Global Equity CCF US\$	Mercer Passive Global Equity CCF US\$	Mercer Investment Fund 2 €	Mercer Investment Fund 3 CCF GB£
Management fees	1,156,419	3,167,250	4,891,726	6,299,497	6,062,309	1,472,563
Management fees payable	202,611	251,332	399,070	467,857	750,172	119,614
Voluntary Cap reimbursement	-	-	-	-	-	-
	Mercer Investment Fund 5 CCF €	SH Pension Investment Fund SEK	Mercer Investment Fund 10 GB£	Mercer Investment Fund 11 GB£	Mercer Investment Fund 12 GB£	Mercer Investment Fund 16* US\$
Management fees	514,289	6,417,851	1,835,320	1,067,037	643,010	250,056
Management fees payable	41,330	505,154	143,446	82,496	50,435	53,103
Voluntary Cap reimbursement	-	-	-	-	-	-

\*This Sub-Fund launched during the financial year ended 30 June 2019 therefore there is no comparative information.

## 4. Related parties (continued)

## Transactions with key management personnel (continued)

## Management fees (continued)

## Year ended 30 June 2018

	Mercer High Income UK Property CCF GB£	Mercer Return Seeking Fund 1 €	Mercer Fundamental Indexation Global Equity CCF US\$	Mercer Passive Global Equity CCF US\$	Mercer Investment Fund 2 €	Mercer Investment Fund 3 CCF GB£
Management fees	1,056,662	2,710,269	4,208,156	8,697,635	5,773,407	1,483,830
Management fees payable	170,511	421,479	361,662	598,425	487,052	118,085
Voluntary Cap reimbursement	-	-	-	19,206	-	-

  

	Mercer Investment Fund 5 CCF €	SH Pension Investment Fund* SEK	Mercer Investment Fund 10* GB£	Mercer Investment Fund 11* GB£	Mercer Investment Fund 12* GB£
Management fees	490,238	2,927,082	934,771	488,193	271,115
Management fees payable	40,470	497,253	210,773	117,189	67,606
Voluntary Cap reimbursement	-	-	-	-	-

\*These Sub-Funds launched during the financial year ended 30 June 2018.

## Performance Fees

## Mercer Investment Fund 2

In addition to the fees payable to a Sub-Investment Manager, a Sub-Investment Manager may be entitled, out of the assets of the Sub-Fund, to a performance fee (each a "Performance Fee") which shall be calculated and accrued at each Valuation Point and be payable annually in arrears at the end of the twelve-month period ending on 31 December each year (the "Performance Period"). When a Sub-Investment Manager is appointed during a calendar year the first Performance Period in respect of such Sub-Investment Manager will commence on a date, following such Sub-Investment Manager's appointment, to be agreed between the Investment Manager and the Sub-Investment Manager and shall end of 31 December of the year in which the relevant Sub-Investment Manager was appointed.

Where a Sub-Investment Manager, or the performance fee arrangement with a Sub-Investment Manager, is terminated during a calendar year, the last Performance Period in respect of such Sub-Investment Manager, or performance fee arrangement, will terminate on the date of termination of the appointment or the performance fee arrangement, as appropriate. Performance Fees earned in respect of Mercer Investment Fund 2 for the year 30 June 2019 amounted to € 802,917 (30 June 2018: € 846,483).

The "Manager Return" is the percentage return on capital invested by the relevant Sub-Investment Manager in respect of each Performance Period. The "Benchmark Return" is the return on a reference index as agreed between the Investment Manager and the relevant Sub-Investment Manager, expressed as a percentage. The Performance Fee in respect of each Performance Period will be calculated as a portion of the outperformance of the Manager Return over the Benchmark Return during the Performance Period. The portion of the outperformance by reference to which the Performance Fee will be calculated will range depending on the level agreed between the Investment Manager and the Sub-Investment Manager but will not exceed 25% of outperformance. The Performance Fee shall be calculated by the Administrator and verified by the Depositary following the year end. A Performance Fee may also be subject to additional features such as high water mark, hurdle rate and/or caps on the performance fees payable. The aggregate Performance Fees for all Sub-Investment Managers will not exceed 3% of the Net Asset Value of the Sub-Fund.



## 4. Related parties (continued)

## Directors' fees

The tables below outline the directors fees charged and payable to the Directors of the Alternative Investment Fund Manager (the "AIFM") for the financial year ended 30 June 2019 and 30 June 2018.

## Year ended 30 June 2019

	Mercer High Income UK Property CCF GB£	Mercer Return Seeking Fund 1 €	Mercer Fundamental Indexation Global Equity CCF US\$	Mercer Passive Global Equity CCF US\$	Mercer Investment Fund 2 €	Mercer Investment Fund 3 CCF GB£
Directors' fees	2,371	3,012	3,440	3,444	3,010	2,645
Directors' fees payable	232	271	295	299	268	235
	Mercer Investment Fund 5 CCF €	SH Pension Investment Fund SEK	Mercer Investment Fund 10 GB£	Mercer Investment Fund 11 GB£	Mercer Investment Fund 12 GB£	Mercer Investment Fund 16* US\$
Directors' fees	3,010	31,420	2,646	2,646	2,646	1,980
Directors' fees payable	268	2,818	237	237	237	298

\*This Sub-Fund launched during the financial year ended 30 June 2019 therefore there is no comparative information.

## Year ended 30 June 2018

	Mercer High Income UK Property CCF GB£	Mercer Return Seeking Fund 1 €	Mercer Fundamental Indexation Global Equity CCF US\$	Mercer Passive Global Equity CCF US\$	Mercer Investment Fund 2 €	Mercer Investment Fund 3 CCF GB£
Directors' fees	2,248	2,578	3,054	3,054	2,578	2,276
Directors' fees payable	411	204	230	230	204	179
	Mercer Investment Fund 5 CCF €	SH Pension Investment Fund* SEK	Mercer Investment Fund 10* GB£	Mercer Investment Fund 11* GB£	Mercer Investment Fund 12* GB£	
Directors' fees	2,581	10,524	910	910	910	
Directors' fees payable	204	2,026	179	179	179	

\*These Sub-Funds launched during the financial year ended 30 June 2018.

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

## 4. Related parties (continued)

## Collateral Manager/Secured Party

State Street Bank International GmbH was appointed as the Collateral Manager/Secured Party on 6 October 2017. The Sub-Funds also hold derivative and cash balances with State Street.

## Other related party transactions

Mercer QIF CCF 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 QIF CCF is further related to MGI Funds plc by virtue of the fact that they have common Directors. At the financial year end, the CCF held the following related party interests:

Sub-Fund with investment in related party	Related Party (Sub-Fund of MGI Funds plc)	Unit Class	Number of units held 30 June 2019	Sub-Fund Currency	Fair value 30 June 2019	Year ended 30 June 2019 Purchases	Year ended 30 June 2019 Sales
<b>Mercer High Income UK Property CCF</b>	MGI Funds plc - MGI UK Cash Fund	Z-1 £	31,496	GB£	3,629,311	12,400,000	12,601,327
<b>Mercer Investment Fund 3 CCF</b>	MGI Funds plc - Mercer Absolute Return Fixed Income Fund	M-1 £ Hedged	-	GB£	-	10,988	19,808,083
	MGI Funds plc - Mercer Absolute Return Fixed Income Fund	M-3 £ Hedged	90,016	GB£	9,548,923	19,840,602	10,770,000
<b>Mercer Investment Fund 5 CCF</b>	MGI Funds plc - Mercer Passive Emerging Markets Equity Fund	M-7 €	285,437	€	39,164,853	6,765,719	2,535,092
<b>SH Pension Investment Fund</b>	MGI Funds plc - Mercer Global High Yield Bond Fund	M-1 SEK Hedged	298,499	SEK	307,573,515	392,411	103,381,979
	MGI Funds plc - Mercer Global Small Cap Equity Fund	M-2 SEK	262,730	SEK	301,485,176	247,613,784	91,384,909
	MGI Funds plc - Mercer Short Duration Global Bond Fund 1	M-2 SEK Hedged	311,072	SEK	325,642,404	1,743,941	705,380,820
	MGI Funds plc - Mercer UCITS Alternatives Strategies	M-1 SEK Hedged	112,562	SEK	101,866,100	745,813	450,000,000
	MGI Funds plc - Emerging Market Equity Fund	M-1 SEK	324,266	SEK	328,280,535	243,131,882	-
<b>Mercer Investment Fund 10</b>	MGI Funds plc - MGI UK Cash Fund	Z-1 £	61,021	GB£	6,233,338	39,191,036	32,991,726
	MGI Funds plc - Mercer Absolute Return Fixed Income Fund	A-1 £ Hedged	1,013,221	GB£	105,243,315	101,322,148	-
<b>Mercer Investment Fund 11</b>	MGI Funds plc - MGI UK Cash Fund	Z-1 £	124,237	GB£	12,690,810	27,094,741	14,421,365
	MGI Funds plc - Mercer Absolute Return Fixed Income Fund	A-1 £ Hedged	351,632	GB£	36,524,047	35,163,230	-
<b>Mercer Investment Fund 12</b>	MGI Funds plc - MGI UK Cash Fund	Z-1 £	82,786	GB£	8,456,634	26,055,976	17,634,951
	Mercer Absolute Return Fixed Income Fund	A-1 £ Hedged	152,831	GB£	15,874,541	15,283,085	-
	Mercer Absolute Return Fixed Income Fund	Z-2 £ Hedged	-	GB£	11	15,328,940	15,283,085

At the 30 June 2018 the CCF held the following related party interests:

Sub-Fund with investment in related party	Related Party (Sub-Fund of MGI Funds plc)	Unit Class	Number of units held 30 June 2018	Sub-Fund Currency	Fair value 30 June 2018	Year ended 30 June 2018 Purchases	Year ended 30 June 2018 Sales
<b>Mercer High Income UK Property CCF</b>	MGI UK Cash Fund	Z-1 £	33,179	GB£	3,800,332	17,300,000	18,808,662
<b>Mercer Investment Fund 3 CCF</b>	Mercer Absolute Return Fixed Income Fund	M-1 \$ Hedged	191,623	GB£	19,817,655	20,003,487	-

## 4. Related parties (continued)

## Other related party transactions (continued)

Sub-Fund with investment in related party	Related Party (Sub-Fund of MGI Funds plc)	Unit Class	Number of units held 30 June 2018	Sub-Fund Currency	Fair value 30 June 2018	Year ended 30 June 2018 Purchases	Sales
<b>Mercer Investment Fund 5 CCF</b>	Mercer Passive Emerging Markets Equity Fund	M-7 €	253,682	€	33,716,811	2,170,988	2,218,985
<b>SH Pension Investment Fund</b>	Mercer Global High Yield Bond Fund	M-1 SEK Hedged	402,247	SEK	397,013,859	402,257,803	-
	Mercer Global Small Cap Equity Fund	M-2 SEK	119,030	SEK	133,249,249	120,094,698	-
	Mercer Passive Global Equity Fund	M-3 SEK	298,802	SEK	299,369,340	298,801,715	-
	Mercer Short Duration Global Bond Fund 1	M-2 SEK Hedged	999,530	SEK	1,020,170,116	1,362,972,159	326,305,000
	Mercer Short Duration Global Bond Fund 2	M-2 SEK Hedged	1,019,774	SEK	1,024,444,852	1,361,404,613	325,800,000
	Mercer UCITS Alternatives Strategies	M-1 SEK Hedged	607,990	SEK	578,289,553	779,533,327	160,000,000
	MGI Emerging Market Equity Fund	M-1 SEK	78,033	SEK	76,653,078	78,033,171	-

## Cross holdings

The following table details the cross holdings within Mercer QIF CCF Sub-Funds at 30 June 2019.

Investing Sub-Fund	Sub-Fund	Unit Class	Cost of investment 30 June 2019	Underlying Sub-Fund Currency	Market value 30 June 2019	Purchases	Sales	Cumulative appreciation/depreciation
<b>Mercer Investment Fund 3 CCF</b>	Mercer Passive Global Equity CCF	Z - 1 GB£	110,864,219	GB£	182,952,012	-	-	72,087,793
	Mercer Passive Global Equity CCF	Z - 1 GB£ Hedged	109,913,056	GB£	156,368,656	-	-	46,455,600
<b>Mercer Investment Fund 5 CCF</b>	Mercer Passive Global Equity CCF	M -10 € Hedged	268,258,317	€	345,337,707	18,730,859	4,705,175	77,079,390

Mercer Investment Fund 10 and Mercer Investment Fund 11 was involved in an asset swap transaction during the financial year amounting GB£ 42,652,220.

Mercer Investment Fund 10 and Mercer Investment Fund 12 was involved in an asset swap transaction during the financial year amounting GB£ 63,011,898.

Mercer Investment Fund 11 and Mercer Investment Fund 12 was involved in an asset swap transaction during the financial year amounting GB£ 97,870.

The following table details the cross holdings within Mercer QIF CCF Sub-Funds at 30 June 2018.

Investing Sub-Fund	Sub-Fund	Unit Class	Cost of investment 30 June 2018	Underlying Sub-Fund Currency	Market value 30 June 2018	Purchases	Sales	Cumulative appreciation/depreciation
<b>Mercer Investment Fund 3 CCF</b>	Mercer Passive Global Equity CCF	Z - 1 GB£ Hedged	109,913,056	GB£	148,180,953	-	-	38,267,897
	Mercer Passive Global Equity CCF	Z - 1 GB£	110,864,219	GB£	164,982,718	-	-	54,118,499
<b>Mercer Investment Fund 5 CCF</b>	Mercer Passive Global Equity CCF	M -10 € Hedged	253,183,608	€	315,592,994	6,803,329	10,863,902	62,409,386

**4. Related parties (continued)****In-specie Transfers****30 June 2019**

Mercer Passive Global Equity CCF actioned an ex-specie transfer of assets during the financial year amounting to \$ 20,409,685.

Mercer Fundamental Indexation Global Equity Fund actioned an ex-specie transfer of assets during the financial year amounting to \$ 19,429,061.

**30 June 2018**

Mercer Passive Global Equity CCF accepted an in-specie transfer of assets during the financial year amounting to US\$ 128,466,383.

Mercer Investment Fund 10 accepted an in-specie transfer of assets during the financial year amounting to GB£ 2,758,542,866.

Mercer Investment Fund 11 accepted an in-specie transfer of assets during the financial year amounting to GB£ 1,560,287,923.

Mercer Investment Fund 12 accepted an in-specie transfer of assets during the financial year amounting to GB£ 884,708,594.

**Unitholders of the CCF**

Please see Note 11 for details of significant unitholders in the CCF.

**Class Z Units**

Class Z Units are offered primarily to clients of the Investment Manager or its affiliates pursuant to an investment management agreement. The Sub-Funds and any other fund for which the Manager or any of its affiliates may serve as manager or investment manager may also invest in Class Z Units. Those investors in the Z unit class are given a 0% management fee.

**5. Interests in unconsolidated structured entities**

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

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

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

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

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

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

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

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

These investments are detailed in the following table, as they have been established by the Sub-Funds' Investment Manager. The maximum exposure to loss is the carrying amount of the financial assets held.

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

**Investment in open-ended investment funds**

	Currency of Sub- Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
<b>Mercer High Income UK Property CCF</b>					
1% - 5%	GB£	6,366,505,797	3	211,177,288	3.32%
10% - 20%	GB£	631,465,000	1	87,016,832	13.78%
20% - 50%	GB£	348,403,409	1	97,787,645	28.07%

	Currency of Sub- Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
<b>Mercer Return Seeking Fund 1</b>					
5% - 10%	€	1,597,320,289	1	119,026,061	7.45%
10% - 20%	€	1,170,408,000	1	120,653,125	10.31%
20% - 50%	€	263,806,719	1	104,363,007	39.56%

	Currency of Sub- Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
<b>Mercer Investment Fund 3 CCF</b>					
5% - 10%	GB£	4,313,820,127	2	339,320,668	7.87%

	Currency of Sub- Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
<b>Mercer Investment Fund 5 CCF</b>					
1% - 5%	€	5,556,391,719	4	124,221,552	2.24%
5% - 10%	€	1,126,025,236	1	77,072,624	6.84%
10% - 20%	€	2,410,518,861	1	345,337,707	14.33%

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

	Currency of Sub- Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
<b>SH Pension Investment Fund**</b>					
1% - 5%	SEK	110,789,195,995	7	2,219,678,141	2.00%
5% - 10%	SEK	4,087,410,000	1	311,971,247	7.63%
10% - 20%	SEK	827,938,496	1	101,866,100	12.30%
>50%	SEK	1,645,468,148	1	1,645,432,043	99.99%

**Investment in open-ended investment funds (continued)**

	Currency of Sub- Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
<b>Mercer Investment Fund 10**</b>					
1% - 5%	GB£	4,713,198,700	3	170,221,676	3.61%
20% - 50%	GB£	596,992,354	3	221,699,952	37.14%
> 50%	GB£	953,229,352	1	897,267,285	94.13%

	Currency of Sub- Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
<b>Mercer Investment Fund 11**</b>					
1% - 5%	GB£	4,713,198,700	3	97,458,446	2.07%
20% - 50%	GB£	596,992,354	3	179,217,374	30.02%
> 50%	GB£	630,300,458	1	528,354,601	83.83%

	Currency of Sub- Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
<b>Mercer Investment Fund 12**</b>					
1% - 5%	GB£	2,203,633,107	2	41,487,145	1.88%
10% - 20%	GB£	184,175,100	1	28,828,853	15.65%
20% - 50%	GB£	412,817,254	2	103,968,395	25.19%
> 50%	GB£	349,167,101	1	311,879,788	89.32%

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

\*\*Although the Sub-Funds hold more than 50% of the underlying entity, the Sub-Funds do not have sufficient power to affect the returns of the underlying Funds.

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

The table below sets out holdings held by the Sub-Funds in unconsolidated subsidiaries at 30 June 2019.

Investing Sub-Fund	Name of investee	Place of business	% of ownership
SH Pension Investment Fund	Cliens Strategisk Allokering	Sweden	99.99%
Mercer Investment Fund 10	LDI Solutions Plus ICAV - LDI Active 6 Fund	Ireland	94.13%
Mercer Investment Fund 11	LDI Solutions Plus ICAV - LDI Active 7 Fund	Ireland	83.83%
Mercer Investment Fund 12	LDI Solutions Plus ICAV - LDI Active 8 Fund	Ireland	89.32%

\*Based on the latest available Net Assets of the Structured Entities.

## Investment in mortgage backed securities

Sub-Fund	Currency of Sub-Fund	No. of Investments	Total debt issued by the Structured Entity*	Carrying amount included in "Financial assets at fair value through profit or loss"	% of Total Net Assets
Mercer Investment Fund 3 CCF	GB£	16	18,286,302,549	10,307,456	0.06%
Mercer Investment Fund 10	GB£	2	1,942,883,549	1,082,716	0.06%
Mercer Investment Fund 11	GB£	2	1,942,883,549	393,706	0.02%
Mercer Investment Fund 12	GB£	2	1,942,883,549	173,125	0.01%

## Investment in asset backed securities

Sub-Fund	Currency of Sub-Fund	No. of Investments	Total debt issued by the Structured Entity*	Carrying amount included in "Financial assets at fair value through profit or loss"	% of Total Net Assets of the underlying Structured Entity
Mercer Investment Fund 3 CCF	GB£	4	3,217,975,000	4,191,894	0.13%
Mercer Investment Fund 10	GB£	1	697,057,000	1,620,435	0.23%
Mercer Investment Fund 11	GB£	1	697,057,000	559,704	0.08%
Mercer Investment Fund 12	GB£	1	697,057,000	243,742	0.03%

\*Based on the latest available Net Assets of the Structured Entities.

The table below sets out the interests held by the Sub-Funds in unconsolidated structured entities at 30 June 2018:

## Investment in open-ended investment funds

Mercer High Income UK Property CCF	Currency of Sub-Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
1% - 5%	GB£	5,299,659,338	3	202,570,216	3.82%
10% - 20%	GB£	579,061,000	1	70,294,591	12.14%
20% - 50%	GB£	287,288,548	1	93,245,568	32.46%
<b>Total</b>		<b>6,166,008,886</b>	<b>5</b>	<b>366,110,375</b>	<b>5.94%</b>

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

## Investment in open-ended investment funds (continued)

	Currency of Sub- Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
<b>Mercer Return Seeking Fund 1</b>					
5% - 10%	€	1,722,008,487	1	110,164,187	6.40%
10% - 20%	€	1,065,077,094	1	109,312,752	10.26%
20% - 50%	€	258,171,186	1	96,019,781	37.19%
<b>Total</b>		<b>3,045,256,767</b>	<b>3</b>	<b>315,496,720</b>	<b>10.36%</b>
<b>Mercer Investment Fund 3 CCF</b>					
1% - 5%	GB£	1,901,781,226	1	19,817,655	1.04%
5% - 10%	GB£	4,576,305,159	2	313,163,671	6.84%
<b>Total</b>		<b>6,478,086,385</b>	<b>3</b>	<b>332,981,326</b>	<b>5.14%</b>
<b>Mercer Investment Fund 5 CCF</b>					
1% - 5%	€	5,257,615,522	4	117,881,794	2.24%
5% - 10%	€	1,048,783,001	1	71,812,576	6.85%
10% - 20%	€	2,587,412,410	1	315,592,995	12.20%
<b>Total</b>		<b>8,893,810,933</b>	<b>6</b>	<b>505,287,365</b>	<b>5.68%</b>
<b>SH Pension Investment Fund</b>					
1% - 5%	SEK	86,184,647,312	5	1,358,441,573	1.58%
10% - 20%	SEK	21,755,512,764	3	2,622,904,521	12.06%
<b>Total</b>		<b>107,940,160,076</b>	<b>8</b>	<b>3,981,346,094</b>	<b>3.69%</b>



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

## Investment in open-ended investment funds (continued)

Mercer Investment Fund 10	Currency of Sub-Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
1% - 5%	GB£	2,230,048,152	2	66,223,464	2.97%
20% - 50%	GB£	170,300,000	1	49,210,269	28.90%
> 50%	GB£	1,316,183,082	2	1,265,649,064	96.16%
<b>Total</b>		<b>3,716,531,234</b>	<b>5</b>	<b>1,381,082,797</b>	<b>37.16%</b>

Mercer Investment Fund 11	Currency of Sub-Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
1% - 5%	GB£	2,230,048,153	2	57,241,925	2.57%
20% - 50%	GB£	322,810,000	2	75,803,442	23.48%
> 50%	GB£	789,539,165	1	789,539,165	100.00%
<b>Total</b>		<b>3,342,397,318</b>	<b>5</b>	<b>922,584,532</b>	<b>27.60%</b>

Mercer Investment Fund 12	Currency of Sub-Fund	Total Net Assets of the underlying Structured Entity*	No. of Investments	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets of the underlying Structured Entity
1% - 5%	GB£	1,569,858,152	1	30,685,880	1.95%
5% - 10%	GB£	660,190,000	1	34,989,444	5.30%
10% - 20%	GB£	322,810,000	2	43,051,120	13.34%
> 50%	GB£	455,471,462	1	455,471,462	100.00%
<b>Total</b>		<b>3,008,329,614</b>	<b>5</b>	<b>564,197,906</b>	<b>18.75%</b>

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

The table below sets out holdings held by the Sub-Funds in unconsolidated subsidiaries at 30 June 2018:

Investing Sub-Fund	Name of investee	Place of business
Mercer Investment Fund 10	Janus Henderson Institutional Absolute Return Bond Fund	United Kingdom
Mercer Investment Fund 10	LDI Solutions Plus ICAV - LDI Active 6 Fund	Ireland
Mercer Investment Fund 11	LDI Solutions Plus ICAV - LDI Active 7 Fund	Ireland
Mercer Investment Fund 12	LDI Solutions Plus ICAV - LDI Active 8 Fund	Ireland

As at 30 June 2018, there were no significant restrictions on the Sub-Fund's ability to dispose of holdings in the above listed unconsolidated subsidiaries except for Janus Henderson Institutional Absolute Return Bond Fund. In relation to Janus Henderson Institutional Absolute Return Bond Fund redemptions of investment in certain underlying assets of a Fund (such as but not limited to hedge funds and property funds) may be subject to minimum notice periods. Moreover, in certain circumstances underlying funds may restrict the numbers of investors who can redeem their interests in any one period. Therefore the period of time between when a redeeming Unitholder requests a redemption from the Fund and when he actually receives settlement in full will vary depending upon the proportion of different types of assets held in the Fund as at the time of the redemption request. Redemption may take as long as six months or even longer in certain circumstances.

**5. Interests in unconsolidated structured entities (continued)****Investment in mortgage backed securities**

Sub-Fund	Currency of Sub-Fund	No. of Investments	Total debt issued by the Structured Entity*	Carrying amount included in "Financial assets at fair value through profit or loss"	% of Total Net Assets
Mercer Investment Fund 3 CCF	GB£	15	6,898,667,549	10,515,510	1.03%
Mercer Investment Fund 10**	GB£	2	1,942,883,549	1,181,451	0.04%
Mercer Investment Fund 11**	GB£	2	1,942,883,549	429,585	0.03%
Mercer Investment Fund 12**	GB£	2	1,942,883,549	188,901	0.02%

\*Based on the latest available Net Assets of the Structured Entities

\*\*These Sub-Funds launched during the financial year ended 30 June 2018.

**Investment in asset backed securities**

Sub-Fund	Currency of Sub-Fund	No. of Investments	Total debt issued by the Structured Entity*	Carrying amount included in "Financial assets at fair value through profit or loss"	% of Total Net Assets of the underlying Structured Entity
Mercer Investment Fund 3 CCF	GB£	2	1,507,630,000	1,977,849	0.19%
Mercer Investment Fund 10**	GB£	1	697,057,000	1,683,159	0.06%
Mercer Investment Fund 11**	GB£	1	697,057,000	581,370	0.03%
Mercer Investment Fund 12**	GB£	1	697,057,000	253,177	0.02%

\*Based on the latest available Net Assets of the Structured Entities

\*\*These Sub-Funds launched during the financial year ended 30 June 2018.

**6. Taxation**

In accordance with Section 739I Taxes Consolidation Act, 1997, the CCF is not subject to Irish taxation on its income or gains and is considered fiscally transparent for Irish tax purposes, provided that all units in the CCF are: 1) beneficially owned by a person other than an individual; or 2) held for the benefit of a person other than an individual.

Capital gains, dividends and interest received by the CCF may be subject to withholding tax imposed by the country of origin and such taxes may not be recoverable by the CCF or the unitholders.

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

The CCF may be subject to taxes imposed on realised and unrealised gains on securities of foreign countries in which the CCF invests. The amount of foreign tax owed, if any, is included in the capital gains taxes in the Statement of Comprehensive Income.

## 7. Financial Instruments and Associated Risks

### Introduction and overview

The CCF's financial instruments consist of investments, cash and cash equivalents, derivatives and other receivables and payables which are realised or settled within a short period of time. The carrying values of these other financial instruments approximate their fair value.

The investment of a Sub-Fund in securities is subject to normal market fluctuations and other risks inherent in investing in securities. In pursuing its investment objectives, the CCF holds a number of investments, namely:

- Equities;
- Collective investment schemes;
- Cash and liquid resources;
- Futures, forwards, options and swaps;
- Bonds, asset backed securities and mortgage backed securities; and
- Repurchase agreements and reverse repurchase agreements

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

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

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

### Risk Management Framework

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

### Market Price Risk

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

All securities' investments present a risk of loss of capital. The Investment Manager and Sub-Investment Managers moderate this risk through a careful selection of securities and other financial instruments within the specified limits which have been approved by the Board of Directors of the Investment Manager.

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

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

## Introduction and overview (continued)

## Market Price Risk (continued)

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

Securities	CCY	Fair Value 30 June 2019	Impact of 5%	Fair Value 30 June 2018	Impact of 5%
			price increase Fair Value 30 June 2019		price increase Fair Value 30 June 2018
<i>Equities and Bonds</i>					
Mercer Return Seeking Fund 1	€	1,942,625,203	97,131,260	1,844,247,725	92,212,386
Mercer Fundamental Indexation					
Global Equity CCF	US\$	1,389,107,707	69,455,385	1,171,256,082	58,562,804
Mercer Passive Global Equity CCF	US\$	2,689,898,794	134,494,940	2,965,236,174	148,261,809
Mercer Investment Fund 2	€	8,862,867,775	443,143,389	8,445,978,849	422,298,942
Mercer Investment Fund 3 CCF	GB£	935,012,131	46,750,607	873,461,617	43,673,081
Mercer Investment Fund 10	GB£	1,804,682,952	90,234,148	1,535,377,266	76,768,863
Mercer Investment Fund 11	GB£	979,025,794	48,951,290	779,235,721	38,961,786
Mercer Investment Fund 12	GB£	587,168,932	29,358,447	445,544,699	22,277,235
Mercer Investment Fund 16*	US\$	822,041,696	41,102,085	-	-
<i>Collective Investment Schemes</i>					
Mercer High Income					
UK Property CCF	GB£	395,981,765	19,799,088	366,110,375	18,305,519
Mercer Return Seeking Fund 1	€	345,259,919	17,262,996	317,969,884	15,898,494
Mercer Investment Fund 2	€	11,200,770	560,039	8,036,771	401,839
Mercer Investment Fund 3 CCF	GB£	351,915,514	17,595,776	355,512,313	17,775,616
Mercer Investment Fund 5 CCF	€	546,631,883	27,331,594	505,287,365	25,264,368
SH Pension Investment Fund	SEK	4,387,071,357	219,353,568	4,156,893,613	207,844,681
Mercer Investment Fund 10	GB£	1,289,188,913	64,459,446	1,381,082,797	69,054,140
Mercer Investment Fund 11	GB£	805,030,421	40,251,521	922,584,532	46,129,227
Mercer Investment Fund 12	GB£	502,038,732	25,101,937	564,197,906	28,209,895

\*This Sub-Fund launched during the financial year ended 30 June 2019 therefore there is no comparative information.

Financial Derivative Instruments	CCY	Notional Amount 30 June 2019	Impact of 5%	Notional Amount 30 June 2018	Impact of 5%
			price increase Fair Value 30 June 2019		price increase Fair Value 30 June 2018
<i>Futures</i>					
Mercer Return Seeking Fund 1	€	11,082,754	554,138	11,949,952	597,498
Mercer Fundamental Indexation					
Global Equity CCF	US\$	12,875,922	643,796	8,869,645	443,482
Mercer Passive Global Equity CCF	US\$	32,493,085	1,624,654	50,686,362	2,534,318
Mercer Investment Fund 2	€	5,726,728	286,336	17,159,001	857,950
Mercer Investment Fund 10	GB£	1,277,299	63,865	2,777,006	138,850
Mercer Investment Fund 11	GB£	1,109,586	55,479	1,527,216	76,361
Mercer Investment Fund 12	GB£	1,734,033	86,702	756,758	37,838
Mercer Investment Fund 16*	US\$	1,516,963	75,848	-	-

\*This Sub-Fund launched during the financial year ended 30 June 2019 therefore there is no comparative information.

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

### Introduction and overview (continued)

#### Market Price Risk (continued)

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

#### Liquidity Risk

The CCF's assets comprise of realisable securities, which in normal circumstances, can be readily sold, with the exception of Mercer High Income UK Property CCF where some of the investments may be subject to redemption notice periods of up to six months notice. Further details of these investments can be found in the fair value measurements section of Note 7. The CCF's main liability and exposure is to daily cash redemptions of redeemable units except for Mercer High Income UK Property CCF which is monthly cash redemptions of redeemable units. Assets from a Sub-Fund may need to be sold if insufficient cash is available to finance such redemptions.

In the case of Mercer High Income UK Property CCF, subscriptions for Units of the Sub-Fund may be made wholly or partially on the basis of a commitment of capital to the Sub-Fund for the purchase of Units ("Capital Commitment") by investors in the amount of the relevant Class Currency that they wish to invest in the Sub-Fund. Prior to any Capital Commitment Dealing Deadline, the AIFM, in consultation with the Investment Manager, may issue a call notice (a "Drawdown Notice") in respect of the amount of money, up to the amount of the unitholders' outstanding Capital Commitment, that it estimates may be required for proposed investments or payment of redemptions during the following month. The price of any Units issued on the date such money is drawn down will be the Net Asset Value per unit as at the most recent Valuation Point. As and when required for investment or working capital purposes, the AIFM will issue Drawdown Notices to investors with a minimum of ten Business Days' prior notice to investors in respect of their Capital Commitment specifying the amounts required to be paid not later than the date specified in the Drawdown Notice (which shall be on or before the relevant Dealing Day). In the case of Mercer High Income UK Property CCF the uncalled committed capital was GB£ Nil as at 30 June 2019 (30 June 2018: GB£ 35,367,398).

The Sub-Funds may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be less liquid. As a result, the Sub-Funds may not be able to liquidate these as quickly as its cash investments at an amount which represent their fair value. However, this will be managed as per the below and would always be a small proportion of a portfolio.

However, the CCF may, if it receives a request for the repurchase of units in respect of 10% or more of the outstanding units of any Sub-Fund, elect to restrict the total number of units repurchased to 10% or more of the outstanding units, in which case, redemption requests will be scaled down pro rata and the balance of outstanding redemption requests shall be treated as if they were received on each subsequent dealing day until all the units to which the original request related have been redeemed. Redemption requests can also be met, following approval by the Directors and agreement with the relevant unitholder, through a transfer of assets of the Sub-Fund in-specie to the relevant unitholder. In relation to Mercer High Income UK Property CCF, redemption requests must be received in writing at least 60 calendar days prior to the relevant Dealing Day for redemption. Redemption requests which are not received by the stipulated deadline will be held over until the next Dealing Day.

During the current or prior year no such redemption restrictions have been applied by the CCF.

The Investment Manager carries out a liquidity analysis on a quarterly basis. The liquidity analysis is then reviewed by the investment Risk Management Committee and AIFMD risk committee and is filed on a quarterly basis with the Central Bank of Ireland. The liquidity of pooled Sub-Funds has been derived with consideration of redemption notification, dealing and settlement terms, in line with ESMA AIFMD guidance. For segregated accounts the liquidity scoring methodology of MSCI is used based on trading volume data for equities and bid-ask spreads for fixed income assets (wider spreads indicating lower liquidity).

The CCF entered into a credit facility agreement with State Street Bank and Trust Company. Such facility is intended to be used for settlement mismatches, and not as substitute for lack of liquidity within the Sub-Funds of the CCF.

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

## Liquidity Risk (continued)

All liabilities of the Sub-Funds at 30 June 2019 and 30 June 2018 including the net assets attributable to redeemable participating units are due within one month with the exception of the following:

## 30 June 2019

## Derivative Financial Liabilities

	Ccy	< 1 Month	1-3 Months	3 Months - 1 Year	> 1 Year
Mercer Return Seeking Fund 1	€	(1,430,513)	(105,140)	-	-
Mercer Fundamental Indexation Global Equity CCF	US\$	(3,285,927)	(174,625)	-	-
Mercer Passive Global Equity CCF	US\$	(4,587,444)	(327,496)	-	-
Mercer Investment Fund 3 CCF	GB£	-	-	(73,626,565)	(990,941)
Mercer Investment Fund 10	GB£	(3,115,392)	(1,244,656)	(652)	-
Mercer Investment Fund 11	GB£	(2,212,637)	(478,955)	-	-
Mercer Investment Fund 12	GB£	(1,442,231)	(210,166)	(650)	-
Mercer Investment Fund 16*	US\$	-	(716,961)	(1,346)	-

\*This Sub-Fund launched during the financial year ended 30 June 2019 therefore there is no comparative information.

## Repurchase Agreements

	Ccy	< 1 Month	1-3 Months	3 Months - 1 Year	> 1 Year
Mercer Investment Fund 3 CCF	GB£	(48,652,900)	(130,506,600)	(50,520,000)	-

## 30 June 2018

## Derivative Financial Liabilities and

## Repurchase Agreements

	Ccy	< 1 Month	1-3 Months	3 Months - 1 Year	> 1 Year
Mercer Return Seeking Fund 1	€	(1,239,005)	(363,408)	-	-
Mercer Fundamental Indexation Global Equity CCF	US\$	(5,970,122)	(346,308)	-	-
Mercer Passive Global Equity CCF	US\$	(7,365,251)	(1,343,970)	-	-
Mercer Investment Fund 2	€	-	(336,384)	-	-
Mercer Investment Fund 3 CCF	GB£	(50,198,200)	(113,296,300)	(72,094,800)	(54,783,280)
Mercer Investment Fund 10	GB£	(8,603,969)	(484,466)	-	-
Mercer Investment Fund 11	GB£	(4,193,191)	(171,227)	-	-
Mercer Investment Fund 12	GB£	(2,345,578)	(73,131)	-	-

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

## 30 June 2019

Open forward foreign currency contracts	Ccy	Inflows		Outflows	
		< 1 Month	1-3 Months	< 1 Month	1-3 Months
Mercer Return Seeking Fund 1	€	839,739,570	14,353,347	(828,526,558)	(14,378,006)
Mercer Fundamental Indexation Global Equity CCF	US\$	1,371,693,063	25,910,238	(1,363,651,633)	(25,936,479)
Mercer Passive Global Equity CCF	US\$	2,057,637,864	43,119,225	(2,037,940,037)	(43,118,648)
Mercer Investment Fund 5 CCF	€	10,505,961	-	(10,389,967)	-
Mercer Investment Fund 10	GB£	1,025,762,864	350,229,104	(1,025,449,613)	(351,473,760)
Mercer Investment Fund 11	GB£	617,740,122	179,358,722	(617,830,115)	(179,651,988)
Mercer Investment Fund 12	GB£	393,186,010	110,299,781	(393,323,561)	(110,391,890)
Mercer Investment Fund 16*	US\$	-	26,981,523	-	(27,008,524)

\*This Sub-Fund launched during the financial year ended 30 June 2019 therefore there is no comparative information.

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

## Liquidity Risk (continued)

30 June 2018

Open forward foreign currency contracts	Ccy	Inflows		Outflows	
		< 1 Month	1-3 Months	< 1 Month	1-3 Months
Mercer Return Seeking Fund 1	€	753,663,155	75,685,348	(751,740,248)	(75,434,669)
Mercer Passive Global Equity CCF	US\$	2,149,110,378	46,851,094	(2,148,952,069)	(47,213,989)
Mercer Fundamental Indexation Global Equity CCF	US\$	1,155,734,696	23,844,924	(1,157,926,209)	(23,921,439)
Mercer Investment Fund 5 CCF	€	9,894,349	-	(9,822,155)	-
Mercer Investment Fund 10	GB£	762,406,712	143,453,482	(770,080,631)	(143,914,154)
Mercer Investment Fund 11	GB£	394,489,250	49,610,079	(398,244,832)	(49,768,582)
Mercer Investment Fund 12	GB£	227,823,254	21,653,100	(229,930,621)	(21,720,335)

## Credit Risk

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

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

## (i) Credit quality analysis

All cash and cash equivalent balances are held by State Street Bank and Trust, London Branch which has a credit rating of AA- at year end (30 June 2018: AA-).

The CCF is exposed to credit risk on interest rate swaps. The counterparties to the interest rate swaps are shown below:

Counterparty - Interest Rate Swaps	Amount £	Credit Rating	Amount £	Credit Rating
	2019	2019	2018	2018
Citigroup Global Markets	(427,713)	A+	(619,381)	A+
Goldman Sachs	(1,632,072)	A+	(1,969,896)	A+
Royal Bank of Scotland	(423,836)	A	(926,970)	A-
Bank of America	14,028	A+	-	-

The CCF is exposed to credit risk on total return swaps. The counterparties to the total return swaps are shown below:

Counterparty - Total Return Swaps	Amount £	Credit Rating	Amount £	Credit Rating
	2019	2019	2018	2018
Goldman Sachs	(25,845,200)	A+	(12,498,000)	A+
Morgan Stanley	2,084,665	A+	1,471,762	A+

The CCF is exposed to credit risk on repurchase agreements. For repurchase agreements, the Sub-Fund can use the cash proceeds received to make additional investments, which can cause the Sub-Fund's portfolio to behave as if it were leveraged. If the buyer in a repurchase agreement files for bankruptcy or becomes insolvent, the Sub-Fund may be unable to recover the securities it sold or pledged as collateral and as a result would realise a loss equal to the difference between the value of those securities and the cost. In the event of a buyer's bankruptcy or insolvency, the Sub-Fund's use of proceeds from the sale of its securities may be restricted while the other party or its trustee or receiver determines whether to honour the Sub-Fund's right to repurchase the securities. The market value of net collateral pledged in respect of Mercer Investment Fund 3 CCF amounted to GB£ 242,592,417 (30 June 2018: GB£ 239,441,999).



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

The CCF is exposed to credit risk on reverse repurchase agreements. Reverse repurchase agreements are collateralised by an individual security. Interest rates vary for each reverse repurchase agreement and are set at the initiation of the agreement. The CCF will generally obtain additional collateral if the market value of the underlying securities is less than the face value of the reverse repurchase agreements plus any accrued interest. In the event of default on the obligation to repurchase, the CCF has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. In the event of default or bankruptcy by the counterparty to the agreement, realisation and/or retention of the collateral or proceeds may be subject to legal proceedings. The market value of net collateral received in respect of Mercer Investment Fund 3 CCF amounted to GB£ 76,320,603 (30 June 2018: GB£ 73,304,970).

Equities and open-ended investment funds are not exposed to credit risk, except for exposure to the Depository and the Sub-Depository.

The CCF is also exposed to counterparty risk on its derivative positions, being the risk that a counterparty will default or be unable to pay in full its financial obligations. Controlling credit risk is paramount in the Investment Manager's choice of counterparties. Credit risk arising from receivables from investee funds relating to redemptions or transactions awaiting settlement. Risk relating to unsettled receivables is considered small due to short settlement period involved and the due diligence permitted on the investee funds. The maximum exposure related to unsettled trades equals the amount shown in the Statement of Financial Position. There are no past due or impaired assets as at 30 June 2019 (or at 30 June 2018).

Mercer appointed State Street Bank International GmbH as the Collateral Manager/Secured Party on 6 October 2017 which had a credit rating of AA- at the financial year end (30 June 2018: AA-).

All cash balances and bank overdrafts are held by State Street Bank, London which had a credit rating of AA- at the financial year end (20 June 2018: AA-).

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

State Street Bank International GmbH was appointed as the Collateral Manager/Secured Party on 6 October 2017 which had a credit rating of AA- at the financial year end (30 June 2018: AA-).

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

The following table details the amounts of margin cash and cash collateral held by the brokers at 30 June 2019:

**Margin Cash**

Margin cash balances at 30 June 2019 were as follows:

<b>Counterparty</b>	<b>Sub-Fund</b>	<b>Amount</b>	<b>Credit Rating</b>
Goldman Sachs	Mercer Fundamental Indexation Global Equity CCF	US\$ 1,573,466	A+
Goldman Sachs	Mercer Investment Fund 10	GB£ 76,788	A+
Goldman Sachs	Mercer Investment Fund 11	GB£ 55,632	A+
Goldman Sachs	Mercer Investment Fund 12	GB£ 80,355	A+
Citibank	Mercer Investment Fund 16	US\$ 525,798	A+
Royal Bank of Scotland	Mercer Investment Fund 16	US\$ 115,077	A-
UBS	Mercer Investment Fund 16	US\$ 1,790,026	A+
Goldman Sachs	Mercer Investment Fund 2	€ 199,950	A+
Goldman Sachs	Mercer Passive Global Equity CCF	US\$ 2,434,229	A+
Goldman Sachs	Mercer Return Seeking Fund 1	€ 3,081,025	A+



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

Margin cash balances at 30 June 2018 were as follows:

Counterparty	Sub-Fund	Amount	Credit Rating
Goldman Sachs	Mercer Fundamental Indexation Global Equity CCF	US\$ 983,909	A+
Goldman Sachs	Mercer Passive Global Equity CCF	US\$ 5,778,522	A+
Goldman Sachs	Mercer Return Seeking Fund 1	€ 3,061,821	A+
Goldman Sachs	Mercer Investment Fund 2	€ 1,150,012	A+
Goldman Sachs	Mercer Investment Fund 10	€ 150,275	A+
Goldman Sachs	Mercer Investment Fund 11	€ 81,157	A+
Goldman Sachs	Mercer Investment Fund 12	€ 39,418	A+

**Cash Collateral**

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

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

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
JP Morgan	Collateral pledged	Mercer Investment Fund 10	GB£ 1	A-
Morgan Stanley	Collateral pledged	Mercer Investment Fund 10	GB£ 130,000	A+
Deutsche Bank	Collateral pledged	Mercer Investment Fund 11	GB£ 600,000	BBB+
Goldman Sachs	Collateral held	Mercer Investment Fund 11	(GB£ 7,857)	A+
Morgan Stanley	Collateral pledged	Mercer Investment Fund 11	GB£ 30,000	A+
Citibank	Collateral pledged	Mercer Investment Fund 12	GB£ 59,000	A+
Deutsche Bank	Collateral pledged	Mercer Investment Fund 12	GB£ 380,000	BBB+
Goldman Sachs	Collateral held	Mercer Investment Fund 12	(GB£ 7,857)	A+
Morgan Stanley	Collateral pledged	Mercer Investment Fund 12	GB£ 30,000	A+
Citibank	Collateral pledged	Mercer Investment Fund 16	US\$ 300,000	A+
JP Morgan	Collateral held	Mercer Investment Fund 16	(US\$ 50,000)	A-
Royal Bank of Scotland	Collateral pledged	Mercer Investment Fund 16	US\$ 120,000	A-

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

Counterparty		Sub-Fund	Amount	Credit Rating
Goldman Sachs	Collateral pledged	Mercer Investment Fund 10	£1,181,594	A+
JP Morgan	Collateral pledged	Mercer Investment Fund 10	£198,000	A-
Morgan Stanley	Collateral pledged	Mercer Investment Fund 10	£90,000	A+
Goldman Sachs	Collateral pledged	Mercer Investment Fund 11	£409,013	A+
JP Morgan	Collateral pledged	Mercer Investment Fund 11	£75,000	A-
Morgan Stanley	Collateral pledged	Mercer Investment Fund 11	£30,000	A+
Goldman Sachs	Collateral pledged	Mercer Investment Fund 12	£15,149	A+
JP Morgan	Collateral pledged	Mercer Investment Fund 12	£40,149	A-
Morgan Stanley	Collateral pledged	Mercer Investment Fund 12	£170,000	A+

**7. Financial Instruments and Associated Risks (continued)****Credit Risk (continued)***(i) Credit quality analysis (continued)***Cash Collateral (continued)**

The CCF is exposed to credit risk on reverse repurchase agreements. Reverse repurchase agreements are collateralised by an individual security. Securities purchased under agreements to resell are valued at fair value and adjusted for any movements in foreign exchange rates. Interest rates vary for each reverse repurchase agreement and are set at the initiation of the agreement. The CCF will generally obtain additional collateral if the market value of the underlying securities is less than the face value of the reverse repurchase agreements plus any accrued interest. In the event of default on the obligation to repurchase, the CCF has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. In the event of default or bankruptcy by the counterparty to the agreement, realisation and/or retention of the collateral or proceeds may be subject to legal proceedings. The amounts receivable under these agreements and the market value of net collateral received in respect of reverse repurchase agreements held at year end are as follows:

**Reverse repurchase agreements**

Sub-Fund	Counterparty	Receivable amount 30 June 2019	Collateral amount 30 June 2019	Credit rating 30 June 2019	Receivable amount 30 June 2018	Collateral amount 30 June 2018	Credit rating 30 June 2018
Mercer Investment Fund 3 CCF	HSBC Bank	-	-	-	73,304,970	73,304,970	AA-
	Lloyds Bank	75,228,150	76,320,603	A+	-	-	-

The CCF held repurchase agreements at year end. For repurchase agreements, the Sub-Fund can use the cash proceeds received to make additional investments, which can cause the Sub-Fund's portfolio to behave as if it was leveraged. If the buyer in a repurchase agreement files for bankruptcy or becomes insolvent, the Sub-Fund may be unable to recover the securities it sold or pledged as collateral and as a result would realise a loss equal to the difference between the value of those securities and the cost. In the event of a buyer's bankruptcy or insolvency, the Sub-Fund's use of proceeds from the sale of its securities may be restricted while the other party or its trustee or receiver determines whether to honour the Sub-Fund's right to repurchase the securities. The amounts payable under these agreements and the market value of net collateral pledged in respect of reverse repurchase agreements held at year end are as follows:

**Repurchase agreements**

Sub-Fund	Counterparty	Receivable amount 30 June 2019	Collateral amount 30 June 2019	Credit rating 30 June 2019	Receivable amount 30 June 2018	Collateral amount 30 June 2018	Credit rating 30 June 2018
Mercer Investment Fund 3 CCF	HSBC Bank	-	-	-	94,292,300	95,651,769	AA-
	Lloyds Bank	123,950,500	131,100,417	A+	28,000,700	28,310,100	A+
	National Australia Bank	50,520,000	54,141,000	AA-	-	-	-
	Scotia Bank	-	-	-	53,347,500	54,895,650	AA-
	Societe Generale	-	-	-	59,948,800	60,584,480	A
	Toronto Dominion Bank	55,209,000	57,351,000	AA-	-	-	-

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

## Credit Risk (continued)

(i) Credit quality analysis (continued)

## Securities Lending

The CCF may have a credit risk exposure to the counterparties to any securities lending contract. Sub-Fund investments can be lent to counterparties over a period of time.

The table below details the value of securities on loan by Sub-Fund and by counterparty at 30 June 2019 (2018: Nil).

	<b>Goldman Sachs</b>	<b>Merrill Lynch</b>	<b>Citigroup Inc.</b>	<b>Credit Suisse</b>	<b>Barclays Bank</b>	
<b>Standard &amp; Poors Credit Rating</b>	A+	A+	A+	A+	A	
Mercer Investment Fund 16	\$ 2,069,950	\$ 1,411,906	\$ 1,042,809	\$ 861,437	\$ 639,783	
	<b>Citigroup Ltd.</b>	<b>Morgan Stanley</b>	<b>UBS Securities</b>	<b>Macquarie Bank</b>	<b>Credit Suisse</b>	<b>Total</b>
<b>Standard &amp; Poors Credit Rating</b>	A+	A+	A+	A	A+	
Mercer Investment Fund 16 (continued)	\$ 385,986	\$ 361,513	\$ 148,393	\$ 118,744	\$ 88,583	\$ 7,129,104

The table below details the value of collateral received for securities on loan by Sub-Fund and by counterparty at 30 June 2019.

	<b>Goldman Sachs</b>	<b>Merrill Lynch</b>	<b>Citigroup Inc.</b>	<b>Credit Suisse</b>	<b>Barclays Bank</b>	
<b>Standard &amp; Poors Credit Rating</b>	A+	A+	A+	A+	A	
Mercer Investment Fund 16	\$ 2,260,172	\$ 1,493,018	\$ 1,112,310	\$ 886,918	\$ 674,152	
	<b>Citigroup Ltd.</b>	<b>Morgan Stanley</b>	<b>UBS Securities</b>	<b>Macquarie Bank</b>	<b>Credit Suisse</b>	<b>Total</b>
<b>Standard &amp; Poors Credit Rating</b>	A+	A+	A+	A	A+	
Mercer Investment Fund 16 (continued)	\$ 406,632	\$ 374,518	\$ 156,371	\$ 126,688	\$ 93,148	\$ 7,583,927

**7. Financial Instruments and Associated Risks (continued)****Credit Risk (continued)***(i) Credit quality analysis (continued)***Securities Lending Agent**

The Securities Lending Agent for the CCF is State Street Bank International. There was no Securities Lending Agent in the prior year as the Sub-Funds did not engage in securities lending.

*(ii) Concentration of credit risk*

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

The following table outlines the credit exposures of Mercer Investment Fund 3 CCF.

30 June 2019			30 June 2018		
Mercer Investment Fund 3 CCF	% Holding	Value GB£	Mercer Investment Fund 3 CCF	% Holding	Value GB£
AAA	3.08%	31,166,228	AAA	4.01%	38,009,211
AA+	0.33%	3,318,800	AA+	0.23%	2,131,659
AA	82.98%	839,339,109	AA	81.39%	771,121,797
AA-	0.60%	6,050,261	AA-	1.12%	10,638,432
A+	1.28%	12,910,272	A+	0.79%	7,528,236
A	2.05%	20,686,004	A	2.24%	21,194,255
A-	3.32%	33,547,142	A-	3.75%	35,481,261
BBB+	2.79%	28,202,932	BBB+	2.59%	24,492,476
BBB	1.99%	20,112,973	BBB	1.90%	18,002,634
BBB-	0.32%	3,231,895	BBB-	0.53%	4,987,502
BB+	0.04%	382,125	BB+	0.02%	215,863
Not Rated	1.22%	12,384,993	Not Rated	1.43%	13,515,633
	100.00%	1,011,332,734		100.00%	947,318,959

The following table outlines the credit exposures of Mercer Investment Fund 10.

30 June 2019			30 June 2018		
Mercer Investment Fund 10	% Holding	GB£	Mercer Investment Fund 10	% Holding	GB£
AAA	3.79%	47,253,783	AAA	4.62%	46,978,859
AA+	0.96%	11,961,055	AA+	1.06%	10,807,011
AA	4.87%	60,748,177	AA	4.38%	44,539,344
AA-	4.55%	56,777,013	AA-	4.81%	48,874,623
A+	6.74%	84,153,375	A+	7.94%	80,709,440
A	14.85%	185,338,084	A	13.02%	132,339,192
A-	19.63%	244,889,428	A-	18.67%	189,763,435
BBB+	22.46%	280,332,366	BBB+	22.42%	227,778,267
BBB	19.03%	237,393,683	BBB	17.63%	179,162,715
BBB-	2.17%	27,091,667	BBB-	2.84%	28,905,693
BB+	0.47%	5,885,145	BB+	0.57%	5,791,719
BB	0.07%	864,724	BB	0.11%	1,127,388
Not Rated	0.41%	5,105,393	BB-	0.07%	697,602
	100.00%	1,247,793,893	Not Rated	1.86%	18,951,467
				100.00%	1,016,426,755

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

## Credit Risk (continued)

(ii) Concentration of credit risk (continued)

As at 30 June 2019, the CCF was invested in debt securities with the following credit quality: (continued)

The following table outlines the credit exposures of Mercer Investment Fund 11.

30 June 2019			30 June 2018		
Mercer Investment Fund 11	% Holding	Value GB£	Mercer Investment Fund 11	% Holding	Value GB£
AAA	3.18%	16,422,789	AAA	4.64%	16,331,038
AA+	0.81%	4,176,133	AA+	1.07%	3,774,107
AA	4.45%	22,992,297	AA	4.38%	15,438,936
AA-	3.97%	20,474,789	AA-	4.74%	16,683,441
A+	6.64%	34,308,911	A+	7.92%	27,891,712
A	15.90%	82,100,165	A	12.75%	44,907,290
A-	19.78%	102,133,381	A-	19.04%	67,053,255
BBB+	22.59%	116,585,074	BBB+	24.54%	86,441,663
BBB	19.50%	100,712,445	BBB	16.43%	57,887,841
BBB-	2.32%	11,977,140	BBB-	3.01%	10,598,177
BB+	0.44%	2,288,213	BB+	0.57%	2,011,690
BB	0.08%	434,019	BB	0.11%	389,844
Not Rated	0.34%	1,751,005	BB-	0.08%	279,041
			Not Rated	0.72%	2,549,548
	100.00%	516,356,361		100.00%	352,237,583

The following table outlines the credit exposures of Mercer Investment Fund 12.

30 June 2019			30 June 2018		
Mercer Investment Fund 12	% Holding	Value GB£	Mercer Investment Fund 12	% Holding	Value GB£
AAA	2.63%	7,149,976	AAA	4.65%	7,111,985
AA+	0.67%	1,824,274	AA+	1.08%	1,648,702
AA	4.02%	10,924,027	AA	4.35%	6,651,166
AA-	3.51%	9,541,573	AA-	4.65%	7,104,207
A+	6.49%	17,655,257	A+	7.93%	12,118,975
A	17.21%	46,797,815	A	13.11%	20,025,486
A-	20.10%	54,639,214	A-	18.38%	28,091,765
BBB+	22.43%	60,994,215	BBB+	23.69%	36,200,367
BBB	19.74%	53,658,103	BBB	16.46%	25,155,479
BBB-	2.60%	7,067,039	BBB-	3.07%	4,690,739
BB+	0.44%	1,193,991	BB+	0.58%	879,313
BB	0.11%	291,555	BB	0.11%	168,581
Not Rated	0.05%	135,876	BB-	0.09%	139,520
			Not Rated	1.85%	2,819,650
	100.00%	271,872,915		100.00%	152,805,935

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

As at 30 June 2019, the CCF was invested in debt securities with the following credit quality: (continued)

The following table outlines the credit exposures of Mercer Investment Fund 16.

30 June 2019		
Mercer Investment Fund 16*	% Holding	Value US\$
AAA	2.71%	6,719,407
AA+	1.42%	3,515,417
AA	1.46%	3,628,192
AA-	5.78%	14,343,342
A+	7.43%	18,440,253
A	15.23%	37,770,623
A-	17.61%	43,682,095
BBB+	27.14%	67,298,640
BBB	18.47%	45,811,511
BBB-	2.75%	6,826,197
	<u>100.00%</u>	<u>248,035,677</u>

\*This Sub-Fund launched on 13 December 2018 therefore there are no comparatives.

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

	30 June 2019	30 June 2018
Bank of America	A+	A+
Bank of New York	A	A
Barclays Bank	A	-
BNP Paribas	A+	A
BNP Paribas Securities Services, France	A+	A
Citibank	A+	A+
Citigroup	BBB+	BBB+
Citigroup Global Markets	A+	A+
Deutsche Bank	BBB+	-
Goldman Sachs	A+	A+
Goldman Sachs International London	A+	A+
HSBC Bank	AA-	AA-
JP Morgan Chase	A-	A-
Morgan Stanley	A+	A+
Northern Trust Corporation	A+	-
Royal Bank of Scotland	A	A-
Societe Generale	A	A
State Street Bank and Trust	AA-	AA-
State Street Bank and Trust, London Branch	AA-	AA-
UBS AG	A+	-

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

(iii) Amounts arising from ECL

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

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

Loss given default parameters generally reflect an assumed recovery rate of 40%. However, if the asset were credit-impaired, then the estimate of loss would be based on a specific assessment of expected cash shortfalls and on the original effective interest rate.

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

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

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

Gross amounts of recognised financial liabilities equals to net liabilities of financial liabilities presented in the Statement of Financial Position as there was no set-off in the Statement of Financial Position.

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

**Offsetting Financial Assets****Mercer Return Seeking Fund 1 30 June 2019**

Sub Investment Manger	Counterparty	Gross Financial Assets €	Financial Instruments available to offset €	Net Amount €	Cash collateral received €	Non cash collateral received €	Margin Cash €	Net €
Fund Level	State Street Bank and Trust	12,632,145	(1,430,001)	11,202,144	-	(11,202,144)	-	-
Irish Life Investment Managers Limited	Goldman Sachs	169,509	-	169,509	-	-	-	169,509
	State Street Bank London	91,861	(91,861)	-	-	-	-	-
<b>Total</b>		<b>12,893,515</b>	<b>(1,521,862)</b>	<b>11,371,653</b>	<b>-</b>	<b>(11,202,144)</b>	<b>-</b>	<b>169,509</b>

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

## Offsetting (continued)

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

## Offsetting Financial Liabilities

Sub Investment Manager	Counterparty	Gross Financial Liabilities €	Financial Instruments available to offset €	Net Amount €	Cash collateral pledged €	Non cash collateral pledged €	Margin Cash €	Net €
Fund Level	State Street Bank and Trust	(1,430,001)	1,430,001	-	-	-	-	-
Irish Life Investment Managers Limited	State Street Bank London	(105,652)	91,861	(13,791)	-	-	-	(13,791)
<b>Total</b>		<b>(1,535,653)</b>	<b>1,521,862</b>	<b>(13,791)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,791)</b>

## Offsetting Financial Assets

## Mercer Passive Global Equity CCF 30 June 2019

Sub Investment Manger	Counterparty	Gross Financial Assets US\$	Financial Instruments available to offset US\$	Net Amount US\$	Cash collateral received US\$	Non cash collateral received US\$	Margin Cash US\$	Net US\$
Fund Level	State Street Bank and Trust	24,284,017	(4,583,627)	19,700,390	-	(17,075,878)	-	2,624,512
Irish Life Investment Managers Limited	Goldman Sachs	46,820	(46,820)	-	-	-	-	-
	State Street Bank London	260,899	(260,899)	-	-	-	-	-
<b>Total</b>		<b>24,591,736</b>	<b>(4,891,346)</b>	<b>19,700,390</b>	<b>-</b>	<b>(17,075,878)</b>	<b>-</b>	<b>2,624,512</b>

## Offsetting Financial Liabilities

Sub Investment Manager	Counterparty	Gross Financial Liabilities US\$	Financial Instruments available to offset US\$	Net Amount US\$	Cash collateral pledged US\$	Non cash collateral pledged US\$	Margin Cash US\$	Net US\$
Fund Level	State Street Bank and Trust	(4,583,627)	4,583,627	-	-	-	-	-
Irish Life Investment Managers Limited	Goldman Sachs	(68,428)	46,820	(21,608)	-	-	21,608	-
	State Street Bank London	(262,885)	260,899	(1,986)	-	-	-	(1,986)
<b>Total</b>		<b>(4,914,940)</b>	<b>4,891,346</b>	<b>(23,594)</b>	<b>-</b>	<b>-</b>	<b>21,608</b>	<b>(1,986)</b>



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

## Offsetting (continued)

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

## Offsetting Financial Liabilities

## Mercer Fundamental Indexation Global Equity CCF 30 June 2019

## Offsetting Financial Assets

Sub Investment Manger	Counterparty	Gross Financial Assets US\$	Financial Instruments available to offset US\$	Net Amount US\$	Cash collateral received US\$	Non cash collateral received US\$	Margin Cash US\$	Net US\$
Fund Level Irish Life Investment Managers Limited	State Street Bank and Trust	11,357,772	(3,270,856)	8,086,916	-	(5,610,248)	-	2,476,668
	Goldman Sachs	60,661	(1,574)	59,087	-	-	-	59,087
	State Street Bank London	116,395	(116,395)	-	-	-	-	-
<b>Total</b>		<b>11,534,828</b>	<b>(3,388,825)</b>	<b>8,146,003</b>	<b>-</b>	<b>(5,610,248)</b>	<b>-</b>	<b>2,535,755</b>

## Offsetting Financial Liabilities

Sub Investment Manger	Counterparty	Gross Financial Liabilities US\$	Financial Instruments available to offset US\$	Net Amount US\$	Cash collateral pledged US\$	Non cash collateral pledged US\$	Margin Cash US\$	Net US\$
Fund Level Irish Life Investment Managers Limited	State Street Bank and Trust	(3,270,856)	3,270,856	-	-	-	-	-
	Goldman Sachs	(1,574)	1,574	-	-	-	-	-
	State Street Bank London	(188,122)	116,395	(71,727)	-	-	-	(71,727)
<b>Total</b>		<b>(3,460,552)</b>	<b>3,388,825</b>	<b>(71,727)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(71,727)</b>

## Mercer Investment Fund 2 30 June 2019

## Offsetting Financial Assets

Sub Investment Manger	Counterparty	Gross Financial Assets US\$	Financial Instruments available to offset US\$	Net Amount US\$	Cash collateral received US\$	Non cash collateral received US\$	Margin Cash US\$	Net US\$
State Street Global Advisors Limited	Goldman Sachs	84,339	-	84,339	-	-	-	84,339
Alantra Asset Management (Formerly N+1)	Intermonte	29,407	-	29,407	-	-	-	29,407
<b>Total</b>		<b>113,746</b>	<b>-</b>	<b>113,746</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113,746</b>

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

## Offsetting (continued)

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

## Mercer Investment Fund 3 CCF 30 June 2019

## Offsetting Financial Assets

Sub Investment Manger	Counterparty	Gross Financial Assets GB£	Financial Instruments available to offset GB£	Net Amount GB£	Cash collateral received GB£	Non cash collateral received GB£	Margin Cash GB£	Net GB£
Insight Investment Management (Global) Limited	Citibank	64,521	(64,521)	-	-	-	-	-
	Goldman Sachs	66,981	(66,981)	-	-	-	-	-
	HSBC Bank	240,725	(240,725)	-	-	-	-	-
	Lloyds Bank	75,228,150	(75,228,150)	-	-	-	-	-
	Morgan Stanley	2,420,462	(2,420,462)	-	-	-	-	-
	Royal Bank of Scotland	71,430	(71,430)	-	-	-	-	-
<b>Total</b>		<b>78,092,269</b>	<b>(78,092,269)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Offsetting Financial Liabilities

Sub Investment Manger	Counterparty	Gross Financial Liabilities GB£	Financial Instruments available to offset GB£	Net Amount GB£	Cash collateral pledged GB£	Non cash collateral pledged GB£	Margin Cash GB£	Net GB£
Insight Investment Management (Global) Limited	Citibank	(2,041,481)	64,521	(1,976,960)	-	1,976,960	-	-
	Goldman Sachs	(28,834,242)	66,981	(28,767,261)	-	28,767,261	-	-
	HSBC Bank	(13,502,868)	240,725	(13,262,143)	-	13,262,143	-	-
	Lloyds Bank	(123,950,500)	75,228,150	(48,722,350)	-	48,722,350	-	-
	Morgan Stanley	(29,743,649)	2,420,462	(27,323,187)	-	27,323,187	-	-
	National Australia Bank	(50,520,000)	-	(50,520,000)	-	50,520,000	-	-
	Royal Bank of Scotland	(495,266)	71,430	(423,836)	-	352,299	-	(71,537)
	Toronto Dominion Bank	(55,209,000)	-	(55,209,000)	-	55,209,000	-	-
<b>Total</b>		<b>(304,297,006)</b>	<b>78,092,269</b>	<b>(226,204,737)</b>	<b>-</b>	<b>226,133,200</b>	<b>-</b>	<b>(71,537)</b>

## Mercer Investment Fund 5 CCF 30 June 2019

## Offsetting Financial Assets

Sub Investment Manger	Counterparty	Gross Financial Assets €	Financial Instruments available to offset €	Net Amount €	Cash collateral received €	Non cash collateral received €	Margin Cash €	Net €
Fund level	State Street Bank and Trust	115,994	-	115,994	-	-	-	115,994
<b>Total</b>		<b>115,994</b>	<b>-</b>	<b>115,994</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115,994</b>

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

**Offsetting (continued)**

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

**Mercer Investment Fund 10 30 June 2019**

**Offsetting Financial Assets**

<b>Sub Investment Manger</b>	<b>Counterparty</b>	<b>Gross Financial Assets GB£</b>	<b>Financial Instruments available to offset GB£</b>	<b>Net Amount GB£</b>	<b>Cash collateral received GB£</b>	<b>Non cash collateral received GB£</b>	<b>Margin Cash GB£</b>	<b>Net GB£</b>
Fund Level	State Street Bank and Trust	1,557,021	(1,053,876)	503,145	-	-	-	503,145
Henderson Global Investors Limited	BNP Paribas Securities Services	1,412,922	(57,414)	1,355,508	-	-	-	1,355,508
Legal & General Investment Management Limited	Goldman Sachs	13,571	(652)	12,919	-	-	-	12,919
	Royal Bank of Scotland	145	-	145	-	-	-	145
	UBS	52	-	52	-	-	-	52
PGIM Limited								
- Corporate Bonds	Citibank	34,757	(34,757)	-	-	-	-	-
	Morgan Stanley	423,746	(1,500)	422,246	(260,000)	-	-	162,246
<b>Total</b>		<b>3,442,214</b>	<b>(1,148,199)</b>	<b>2,294,015</b>	<b>(260,000)</b>	<b>-</b>	<b>-</b>	<b>2,034,015</b>

**Offsetting Financial Liabilities**

<b>Sub Investment Manger</b>	<b>Counterparty</b>	<b>Gross Financial Liabilities GB£</b>	<b>Financial Instruments available to offset GB£</b>	<b>Net Amount GB£</b>	<b>Cash collateral pledged GB£</b>	<b>Non cash collateral pledged GB£</b>	<b>Margin Cash GB£</b>	<b>Net GB£</b>
Fund Level	State Street Bank and Trust	(1,053,876)	1,053,876	-	-	-	-	-
Henderson Global Investors Limited	BNP Paribas Securities Services	(57,414)	57,414	-	-	-	-	-
Legal & General Investment Management Limited	Goldman Sachs	(652)	652	-	-	-	-	-
M&G Investment Management Limited								
- Corporate Bonds	BNP Paribas	(129,774)	-	(129,774)	-	-	-	(129,774)
	State Street Bank, London Branch	(1,208,145)	-	(1,208,145)	-	-	-	(1,208,145)
PGIM Limited								
- Corporate Bonds	Citibank	(1,909,339)	34,757	(1,874,582)	-	1,874,582	-	-
	Morgan Stanley	(1,500)	1,500	-	-	-	-	-
<b>Total</b>		<b>(4,360,700)</b>	<b>1,148,199</b>	<b>(3,212,501)</b>	<b>-</b>	<b>1,874,582</b>	<b>-</b>	<b>(1,337,919)</b>

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

## Offsetting (continued)

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

## Mercer Investment Fund 11 30 June 2019

## Offsetting Financial Assets

Sub Investment Manger	Counterparty	Gross Financial Assets GB£	Financial Instruments available to offset GB£	Net Amount GB£	Cash collateral received GB£	Non cash collateral received GB£	Margin Cash GB£	Net GB£
Fund level	State Street Bank and Trust	1,357,381	(934,829)	422,552	-	-	-	422,552
Henderson Global Investors Limited	BNP Paribas Securities Services	491,678	(20,346)	471,332	-	-	-	471,332
Legal & General Investment Management Limited	Goldman Sachs	7,884	(868)	7,016	-	-	-	7,016
	HSBC Bank	1,179	-	1,179	-	-	-	1,179
PGIM Limited								
- Corporate Bonds	Citibank	10,921	(10,921)	-	-	-	-	-
	Deutsche Bank	57,077	(57,077)	-	-	-	-	-
	Goldman Sachs	270,986	(127,810)	143,176	(7,857)	-	-	135,319
	Morgan Stanley	118,243	-	118,243	-	-	-	118,243
<b>Total</b>		<b>2,315,349</b>	<b>(1,151,851)</b>	<b>1,163,498</b>	<b>(7,857)</b>	<b>-</b>	<b>-</b>	<b>1,155,641</b>

## Offsetting Financial Liabilities

Sub Investment Manger	Counterparty	Gross Financial Liabilities GB£	Financial Instruments available to offset GB£	Net Amount GB£	Cash collateral pledged GB£	Non cash collateral pledged GB£	Margin Cash GB£	Net GB£
Fund level	State Street Bank and Trust	(934,829)	934,829	-	-	-	-	-
Henderson Global Investors Limited	BNP Paribas Securities Services	(20,346)	20,346	-	-	-	-	-
Legal & General Investment Management Limited	Goldman Sachs	(868)	868	-	-	-	-	-
M&G Investment Management Limited								
- Corporate Bonds	BNP Paribas	(45,002)	-	(45,002)	-	-	-	(45,002)
	State Street Bank, London Branch	(419,917)	-	(419,917)	-	-	-	(419,917)
PGIM Limited								
- Corporate Bonds	Citibank	(592,442)	10,921	(581,521)	-	581,521	-	-
	Deutsche Bank	(547,840)	57,077	(490,763)	490,763	-	-	-
	Goldman Sachs	(127,810)	127,810	-	-	-	-	-
	UBS Bank	(2,538)	-	(2,538)	-	-	-	(2,538)
<b>Total</b>		<b>(2,691,592)</b>	<b>1,151,851</b>	<b>(1,539,741)</b>	<b>490,763</b>	<b>581,521</b>	<b>-</b>	<b>(467,457)</b>

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

## Offsetting (continued)

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

## Mercer Investment Fund 12 30 June 2019

## Offsetting Financial Assets

Sub Investment Manger	Counterparty	Gross Financial Assets GB£	Financial Instruments available to offset GB£	Net Amount GB£	Cash collateral received GB£	Non cash collateral received GB£	Margin Cash GB£	Net GB£
Fund level Henderson Global Investors Limited	State Street Bank and Trust	917,525	(631,834)	285,691	-	-	-	285,691
Legal & General Investment Management Limited	BNP Paribas Securities Services, France	212,557	(8,799)	203,758	-	-	-	203,758
PGIM Limited - Corporate Bonds	Goldman Sachs	19,590	(650)	18,940	-	-	-	18,940
	Citibank	6,963	(6,963)	-	-	-	-	-
	Deutsche Bank	36,368	(36,368)	-	-	-	-	-
	Goldman Sachs	173,406	(81,738)	91,668	(7,857)	-	-	83,811
	Morgan Stanley	75,918	(1,943)	73,975	(40,000)	-	-	33,975
<b>Total</b>		<b>1,442,327</b>	<b>(768,295)</b>	<b>674,032</b>	<b>(47,857)</b>	<b>-</b>	<b>-</b>	<b>626,175</b>

## Offsetting Financial Liabilities

Sub Investment Manger	Counterparty	Gross Financial Liabilities GB£	Financial Instruments available to offset GB£	Net Amount GB£	Cash collateral pledged GB£	Non cash collateral pledged GB£	Margin Cash GB£	Net GB£
Fund level Henderson Global Investors Limited	State Street Bank and Trust	(631,834)	631,834	-	-	-	-	-
Legal & General Investment Management Limited	BNP Paribas Securities Services, France	(8,799)	8,799	-	-	-	-	-
M&G Investment Management Limited - Corporate Bonds	Goldman Sachs	(650)	650	-	-	-	-	-
	BNP Paribas	(19,536)	-	(19,536)	-	-	-	(19,536)
	State Street Bank, London Branch	(182,969)	-	(182,969)	-	-	-	(182,969)
PGIM Limited - Corporate Bonds	Citibank	(376,207)	6,963	(369,244)	59,000	310,244	-	-
	Deutsche Bank	(348,429)	36,368	(312,061)	312,061	-	-	-
	Goldman Sachs	(81,738)	81,738	-	-	-	-	-
	Morgan Stanley	(1,943)	1,943	-	-	-	-	-
	UBS Bank	(942)	-	(942)	-	-	-	(942)
<b>Total</b>		<b>(1,653,047)</b>	<b>768,295</b>	<b>(884,752)</b>	<b>371,061</b>	<b>310,244</b>	<b>-</b>	<b>(203,447)</b>

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

## Offsetting (continued)

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

## Mercer Investment Fund 16\* 30 June 2019

## Offsetting Financial Assets

Sub Investment Manger	Counterparty	Gross Financial Assets US\$	Financial Instruments available to offset US\$	Net Amount US\$	Cash collateral received US\$	Non cash collateral received US\$	Margin Cash US\$	Net US\$
AXA Investment Managers UK Limited	Barclays Bank	91,710	(48,921)	42,789	-	-	-	42,789
	Royal Bank of Scotland	509	(509)	-	-	-	-	-
PGIM Limited	Citibank	326,147	(326,147)	-	-	-	-	-
	HSBC Bank	256	(256)	-	-	-	-	-
	JP Morgan Chase Bank	47,082	-	47,082	(47,082)	-	-	-
UBS Asset Management (UK) Ltd	UBS Bank	214,383	(1,346)	213,037	-	-	-	213,037
<b>Total</b>		<b>680,087</b>	<b>(377,179)</b>	<b>302,908</b>	<b>(47,082)</b>	<b>-</b>	<b>-</b>	<b>255,826</b>

## Offsetting Financial Liabilities

Sub Investment Manger	Counterparty	Gross Financial Liabilities US\$	Financial Instruments available to offset US\$	Net Amount US\$	Cash collateral pledged US\$	Non cash collateral pledged US\$	Margin Cash US\$	Net US\$
AXA Investment Managers UK Limited	Barclays Bank	(48,921)	48,921	-	-	-	-	-
	Royal Bank of Scotland	(173,798)	509	(173,289)	120,000	-	-	(53,289)
PGIM Limited	Bank of America Merrill Lynch	(4,276)	-	(4,276)	-	-	-	(4,276)
	Citibank	(458,508)	326,147	(132,361)	132,361	-	-	-
	HSBC Bank	(31,458)	256	(31,202)	-	31,202	-	-
UBS Asset Management (UK) Ltd	UBS Bank	(1,346)	1,346	-	-	-	-	-
<b>Total</b>		<b>(718,307)</b>	<b>377,179</b>	<b>(341,128)</b>	<b>252,361</b>	<b>31,202</b>	<b>-</b>	<b>(57,565)</b>

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

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

## Offsetting (continued)

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

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

## Offsetting Financial Assets

## Mercer Return Seeking Fund 1 30 June 2018

Description	Net amounts of financial assets presented in the Statement of Financial Position €	Amount available to offset €	Cash collateral received €	Non-cash collateral received €	Net amount €
Forward Foreign Exchange Contracts	3,525,923	(1,352,336)	-	-	2,173,587
<b>Total</b>	<b>3,525,923</b>	<b>(1,352,336)</b>	<b>-</b>	<b>-</b>	<b>2,173,587</b>

## Offsetting Financial Liabilities

## Mercer Return Seeking Fund 1 30 June 2018

Description	Net amounts of financial liabilities presented in the Statement of Financial Position €	Amount available to offset €	Cash collateral pledged €	Non-cash collateral pledged €	Net amount €
Forward Foreign Exchange Contracts	(1,352,336)	1,352,336	-	-	-
<b>Total</b>	<b>(1,352,336)</b>	<b>1,352,336</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

## Offsetting (continued)

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

## Offsetting Financial Assets

## Mercer Passive Global Equity CCF 30 June 2018

Description	Net amounts of financial assets presented in the Statement of Financial Position US\$	Amount available to offset US\$	Cash collateral received US\$	Non-cash collateral received US\$	Net amount US\$
Forward Foreign Exchange Contracts	7,603,112	(7,458,421)	-	-	144,691
<b>Total</b>	<b>7,603,112</b>	<b>(7,458,421)</b>	<b>-</b>	<b>-</b>	<b>144,691</b>

## Offsetting Financial Liabilities

## Mercer Passive Global Equity CCF 30 June 2018

Description	Net amounts of financial liabilities presented in the Statement of Financial Position US\$	Amount available to offset US\$	Cash collateral pledged US\$	Non-cash collateral pledged US\$	Net amount US\$
Forward Foreign Exchange Contracts	(7,807,698)	7,458,421	-	349,277	-
<b>Total</b>	<b>(7,807,698)</b>	<b>7,458,421</b>	<b>-</b>	<b>349,277</b>	<b>-</b>

## Offsetting Financial Assets

## Mercer Fundamental Indexation Global Equity CCF 30 June 2018

Description	Net amounts of financial assets presented in the Statement of Financial Position US\$	Amount available to offset US\$	Cash collateral received US\$	Non-cash collateral received US\$	Net amount US\$
Forward Foreign Exchange Contracts	3,859,619	(3,859,619)	-	-	-
<b>Total</b>	<b>3,859,619</b>	<b>(3,859,619)</b>	<b>-</b>	<b>-</b>	<b>-</b>



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

## Offsetting (continued)

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

## Offsetting Financial Liabilities

## Mercer Fundamental Indexation Global Equity CCF 30 June 2018

Description	Net amounts of financial liabilities presented in the Statement of Financial Position US\$	Amount available to offset US\$	Cash collateral pledged US\$	Non-cash collateral pledged US\$	Net amount US\$
Forward Foreign Exchange Contracts	(6,127,647)	3,859,619	-	11,591	(2,256,437)
<b>Total</b>	<b>(6,127,647)</b>	<b>3,859,619</b>	<b>-</b>	<b>11,591</b>	<b>(2,256,437)</b>

## Offsetting Financial Assets

## Mercer Investment Fund 3 CCF 30 June 2018

Description	Net amounts of financial assets presented in the Statement of Financial Position GB£	Amount available to offset GB£	Cash collateral received GB£	Non-cash collateral received GB£	Net amount GB£
Interest Rate Swaps	134,943	(134,943)	-	-	-
Options Purchased	3,611,957	(3,611,957)	-	-	-
Reverse Repurchase Agreements	73,304,970	(73,304,970)	-	-	-
Total Return Swaps	1,471,762	-	-	-	1,471,762
<b>Total</b>	<b>78,523,632</b>	<b>(77,051,870)</b>	<b>-</b>	<b>-</b>	<b>1,471,762</b>

## Offsetting Financial Liabilities

## Mercer Investment Fund 3 CCF 30 June 2018

Description	Net amounts of financial liabilities presented in the Statement of Financial Position GB£	Amount available to offset GB£	Cash collateral pledged GB£	Non-cash collateral pledged GB£	Net amount GB£
Interest Rate Swaps	(3,651,190)	134,943	-	3,262,408	(253,839)
Options Written	(38,634,090)	3,611,957	-	35,022,133	-
Repurchase Agreements	(235,589,300)	73,304,970	-	162,284,330	-
Total Return Swaps	(12,498,000)	-	-	12,399,552	(98,448)
<b>Total</b>	<b>(290,372,580)</b>	<b>77,051,870</b>	<b>-</b>	<b>212,968,423</b>	<b>(352,287)</b>

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

## Offsetting (continued)

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

## Offsetting Financial Assets

## Mercer Investment Fund 5 CCF 30 June 2018

Description	Net amounts of financial assets presented in the Statement of Financial Position €	Amount available to offset €	Cash collateral received €	Non-cash collateral received €	Net amount €
Forward Foreign Exchange Contracts	72,194	-	-	-	72,194
<b>Total</b>	<b>72,194</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,194</b>

## Offsetting Financial Liabilities

## Mercer Investment Fund 5 CCF 30 June 2018

Description	Net amounts of financial liabilities presented in the Statement of Financial Position €	Amount available to offset €	Cash collateral pledged €	Non-cash collateral pledged €	Net amount €
Forward Foreign Exchange Contracts	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Offsetting Financial Assets

## Mercer Investment Fund 10 30 June 2018

Description	Net amounts of financial assets presented in the Statement of Financial Position GB£	Amount available to offset GB£	Cash collateral received GB£	Non-cash collateral received GB£	Net amount GB£
Forward Foreign Exchange Contracts	929,422	(828,151)	-	-	101,271
<b>Total</b>	<b>929,422</b>	<b>(828,151)</b>	<b>-</b>	<b>-</b>	<b>101,271</b>

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

## Offsetting (continued)

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

## Offsetting Financial Liabilities

## Mercer Investment Fund 10 30 June 2018

Description	Net amounts of financial liabilities presented in the Statement of Financial Position GB£	Amount available to offset GB£	Cash collateral pledged GB£	Non-cash collateral pledged GB£	Net amount GB£
Forward Foreign Exchange Contracts	(9,064,013)	828,151	970,508	790,940	(6,474,414)
<b>Total</b>	<b>(9,064,013)</b>	<b>828,151</b>	<b>970,508</b>	<b>790,940</b>	<b>(6,474,414)</b>

## Offsetting Financial Assets

## Mercer Investment Fund 11 30 June 2018

Description	Net amounts of financial assets presented in the Statement of Financial Position GB£	Amount available to offset GB£	Cash collateral received GB£	Non-cash collateral received GB£	Net amount GB£
Forward Foreign Exchange Contracts	437,124	(404,998)	-	-	32,126
<b>Total</b>	<b>437,124</b>	<b>(404,998)</b>	<b>-</b>	<b>-</b>	<b>32,126</b>

## Offsetting Financial Liabilities

## Mercer Investment Fund 11 30 June 2018

Description	Net amounts of financial liabilities presented in the Statement of Financial Position GB£	Amount available to offset GB£	Cash collateral pledged GB£	Non-cash collateral pledged GB£	Net amount GB£
Forward Foreign Exchange Contracts	(4,351,209)	404,998	334,340	275,028	(3,336,843)
<b>Total</b>	<b>(4,351,209)</b>	<b>404,998</b>	<b>334,340</b>	<b>275,028</b>	<b>(3,336,843)</b>

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

## Offsetting (continued)

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

## Offsetting Financial Assets

## Mercer Investment Fund 12 30 June 2018

Description	Net amounts of financial assets presented in the Statement of Financial Position GB£	Amount available to offset GB£	Cash collateral received GB£	Non-cash collateral received GB£	Net amount GB£
Forward Foreign Exchange Contracts	237,726	(223,086)	-	-	14,640
<b>Total</b>	<b>237,726</b>	<b>(223,086)</b>	<b>-</b>	<b>-</b>	<b>14,640</b>

## Offsetting Financial Liabilities

## Mercer Investment Fund 12 30 June 2018

Description	Net amounts of financial liabilities presented in the Statement of Financial Position GB£	Amount available to offset GB£	Cash collateral pledged GB£	Non-cash collateral pledged GB£	Net amount GB£
Forward Foreign Exchange Contracts	(2,412,328)	223,086	148,083	119,534	(1,921,625)
<b>Total</b>	<b>(2,412,328)</b>	<b>223,086</b>	<b>148,083</b>	<b>119,534</b>	<b>(1,921,625)</b>

## Concentration risk

The Investment Manager reviews the concentration of securities held based on industries and geographical location. For those Sub-Funds that invest in bonds, their exposure to industries above 5% of the net asset value ("NAV") at 30 June 2019 and 30 June 2018 are set out in the tables below.

Mercer Return Seeking Fund 1's exposure to industries above 5% was as follows:

	30 June 2019 % of NAV	30 June 2018 % of NAV
Communications	5.72	-
Consumer Discretionary	9.13	11.25
Consumer Staples	6.25	6.35
Energy	-	5.39
Financials	13.11	13.47
Health Care	10.14	9.98
Industrial	10.14	10.08
Information Technology	14.17	15.59

**7. Financial Instruments and Associated Risks (continued)****Concentration risk (continued)**

Mercer Fundamental Indexation Global Equity CCF's exposure to industries above 5% was as follows:

	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>% of NAV</b>	<b>% of NAV</b>
Consumer Discretionary	9.90	9.74
Consumer Staples	5.98	-
Energy	-	9.95
Financials	11.07	12.21
Health Care	17.60	17.23
Industrial	7.87	5.17
Information Technology	21.53	22.25
Materials	5.70	7.98
Real Estate	6.46	-
Utilities	5.79	-

Mercer Passive Global Equity CCF's exposure to industries above 5% was as follows:

	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>% of NAV</b>	<b>% of NAV</b>
Communications	7.34	-
Consumer Discretionary	10.38	12.48
Consumer Staples	8.36	8.14
Energy	5.54	6.65
Financials	15.48	16.42
Health Care	12.33	11.92
Industrial	11.02	10.96
Information Technology	16.56	18.20

Mercer Investment Fund 2's exposure to industries above 5% was as follows:

	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>% of NAV</b>	<b>% of NAV</b>
Communication Services	7.91	-
Consumer Discretionary	11.53	11.92
Consumer Staples	6.34	7.63
Energy	-	6.21
Financials	15.45	16.98
Health Care	12.08	12.49
Industrial	15.84	16.41
Information Technology	15.53	16.84

Mercer Investment Fund 3 CCF's exposure to industries above 5% was as follows:

	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>% of NAV</b>	<b>% of NAV</b>
Financials	10.34	9.79
Sovereign Debt	66.49	71.35

Mercer Investment Fund 10's exposure to industries above 5% was as follows:

	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>% of NAV</b>	<b>% of NAV</b>
Communications	5.24	5.41
Consumer Staples	10.84	9.88
Financials	15.34	13.21
Industrial	5.90	5.53
Utilities	6.95	6.44

**7. Financial Instruments and Associated Risks (continued)****Concentration risk (continued)**

Mercer Investment Fund 11's exposure to industries above 5% was as follows:

	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>% of NAV</b>	<b>% of NAV</b>
Consumer Discretionary	10.64	8.97
Financials	13.65	10.82
Industrial	5.45	-
Utilities	5.26	-

Mercer Investment Fund 12's exposure to industries above 5% was as follows:

	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>% of NAV</b>	<b>% of NAV</b>
Consumer Discretionary	10.79	8.82
Financials	13.96	10.10
Industrial	5.32	-

Mercer Investment Fund 16's exposure to industries above 5% was as follows:

	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>% of NAV</b>	<b>% of NAV</b>
Communications	10.66	-
Consumer Staples	9.05	-
Consumer Discretionary	19.70	-
Energy	7.11	-
Financial	24.56	-
Industrial	6.33	-
Information Technology	11.87	-

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

**Foreign Currency Risk**

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

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

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

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

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

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

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

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

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

All of the assets of Mercer High Income UK Property CCF and Mercer Investment Fund 3 CCF were denominated in Pound Sterling and are therefore not exposed to foreign currency risk at 30 June 2019 or 30 June 2018.

All of the assets of Mercer Investment Fund 5 CCF were denominated in Euro and are therefore not exposed to foreign currency risk at 30 June 2019.

**30 June 2019****Mercer Return Seeking Fund 1**

	Net monetary assets and monetary liabilities investments and other assets/liabilities €	Non-monetary assets investments and other assets €	Hedged unit class exposure €	Non-hedged unit class exposure €	Forwards €	Net exposure €	Sensitivity* €
Australian Dollar	353,777	50,697,937	-	-	(20,494,959)	30,556,755	(1,455,084)
Brazilian Real	25,396	994,586	-	-	-	1,019,982	(48,571)
British Pound Sterling	623,771	114,083,243	-	-	(47,892,040)	66,814,974	(3,181,665)
Canadian Dollar	326,183	75,396,519	-	225,300,425	(29,425,949)	271,597,178	(12,933,199)
Danish Krone	(6,040)	12,763,471	-	-	(4,851,232)	7,906,199	(376,486)
Hong Kong Dollar	53,777	24,617,161	-	-	(10,332,990)	14,337,948	(682,759)
Israeli Shekel	(146)	2,770,987	-	-	(1,013,576)	1,757,265	(83,679)
Japanese Yen	1,004,506	167,875,302	-	-	(68,674,804)	100,205,004	(4,771,667)
New Zealand Dollar	33,899	1,651,777	-	-	(710,386)	975,290	(46,442)
Norwegian Krone	131,784	6,895,441	-	-	(1,930,362)	5,096,863	(242,708)
Singapore Dollar	23,941	7,791,335	-	-	(3,704,608)	4,110,668	(195,746)
South Korean Won	961	1,161,657	-	-	-	1,162,618	(55,363)
Swedish Krona	33,877	21,314,610	-	-	(7,472,458)	13,876,029	(660,763)
Swiss Franc	230,605	54,790,239	-	-	(26,214,351)	28,806,493	(1,371,738)
United States Dollar	7,555,823	1,190,970,305	-	-	(517,013,641)	681,512,487	(32,452,976)

\*Sensitivity is calculated using base amounts and the effect of a 5% increase/decrease in the exchange rate between the base currency and other currencies to which the Sub-Funds are exposed with all other variables held constant.

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

## Foreign Currency Risk (continued)

30 June 2019 (continued)

## Mercer Fundamental Indexation Global Equity CCF

	Net monetary assets and monetary liabilities investments and other assets/liabilities US\$	Non-monetary assets investments and other assets US\$	Hedged unit class exposure US\$	Non-hedged unit class exposure US\$	Forwards US\$	Net exposure US\$	Sensitivity* US\$
Australian Dollar	216,695	68,818,553	-	-	(63,190,548)	5,844,700	(278,319)
British Pound Sterling	1,127,580	73,441,184	780,452,787	50,277,151	658,374,935	1,563,673,637	(74,460,649)
Canadian Dollar	158,421	40,310,116	-	-	(30,764,634)	9,703,903	(462,091)
Danish Krone	21,363	24,600,908	-	-	(21,977,064)	2,645,207	(125,962)
Euro	(18,623,708)	86,218,401	478,116,329	62,487,221	365,187,389	973,385,632	(46,351,697)
Hong Kong Dollar	105,788	49,644,103	-	-	(35,132,855)	14,617,036	(696,049)
Israeli Shekel	70,515	3,674,185	-	-	(4,285,929)	(541,229)	25,773
Japanese Yen	(1,471,537)	105,373,301	-	-	(90,741,135)	13,160,629	(626,697)
New Zealand Dollar	3,145	3,703,738	-	-	-	3,706,883	(176,518)
Singapore Dollar	120	2,426,353	-	-	(751,713)	1,674,760	(79,750)
Swedish Krona	27,765	22,224,030	-	39,997,615	(8,337,753)	53,911,657	(2,567,222)
Swiss Franc	(560,906)	74,265,247	-	-	(32,825,217)	40,879,124	(1,946,625)

\*Sensitivity is calculated using base amounts and the effect of a 5% increase/decrease in the exchange rate between the base currency and other currencies to which the Sub-Funds are exposed with all other variables held constant.

## Mercer Passive Global Equity CCF

	Net monetary assets and monetary liabilities investments and other assets/liabilities US\$	Non-monetary assets investments and other assets US\$	Hedged unit class exposure US\$	Non-hedged unit class exposure US\$	Forwards US\$	Net exposure US\$	Sensitivity* US\$
Australian Dollar	427,465	65,437,826	-	-	(46,601,735)	19,263,556	(917,312)
British Pound Sterling	1,953,968	152,980,549	600,955,276	492,122,040	464,815,478	1,712,827,311	(81,563,205)
Canadian Dollar	252,815	93,083,663	-	-	(67,254,541)	26,081,937	(1,241,997)
Danish Krone	595	15,797,733	-	-	(11,273,575)	4,524,753	(215,464)
Euro	1,878,942	288,274,173	1,427,998,740	224,023,811	1,160,382,690	3,102,558,356	(147,740,874)
Hong Kong Dollar	38,374	33,456,497	-	-	(23,727,621)	9,767,250	(465,107)
Israeli Shekel	2,390	2,827,367	-	-	(2,170,483)	659,274	(31,394)
Japanese Yen	575,383	215,456,302	-	-	(156,567,223)	59,464,462	(2,831,641)
New Zealand Dollar	4,540	2,474,264	-	-	(1,636,066)	842,738	(40,130)
Norwegian Krone	570	5,846,243	-	-	(4,434,679)	1,412,134	(67,244)
Singapore Dollar	2,379	12,034,503	-	-	(8,510,706)	3,526,176	(167,913)
Swedish Krona	5,958	24,481,888	-	-	(17,166,703)	7,321,143	(348,626)
Swiss Franc	29,504	84,650,501	-	-	(59,667,528)	25,012,477	(1,191,070)

\*Sensitivity is calculated using base amounts and the effect of a 5% increase/decrease in the exchange rate between the base currency and other currencies to which the Sub-Funds are exposed with all other variables held constant.



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

## Foreign Currency Risk (continued)

30 June 2019 (continued)

## Mercer Investment Fund 2

	Net monetary assets and monetary liabilities investments and other assets/liabilities €	Non-monetary assets investments and other assets €	Hedged unit class exposure €	Non-hedged unit class exposure €	Forwards €	Net exposure €	Sensitivity* €
British Pound Sterling	8,209,515	779,848,689	-	-	-	788,058,204	(37,526,581)
Canadian Dollar	815,248	-	-	-	-	815,248	(38,821)
Czech Koruna	-	8,274,672	-	-	-	8,274,672	(394,032)
Danish Krone	55,213	117,030,181	-	-	-	117,085,394	(5,575,495)
Japanese Yen	422,740	31,284,471	-	-	-	31,707,211	(1,509,867)
Norwegian Krone	479,632	24,613,445	-	-	-	25,093,077	(1,194,908)
Swedish Krona	(122,499)	185,148,705	-	-	-	185,026,206	(8,810,772)
Swiss Franc	51,918	371,912,769	-	-	-	371,964,687	(17,712,604)
United States Dollar	117,399,987	5,760,692,624	-	-	-	5,878,092,611	(279,909,172)

\*Sensitivity is calculated using base amounts and the effect of a 5% increase/decrease in the exchange rate between the base currency and other currencies to which the Sub-Funds are exposed with all other variables held constant.

## SH Pension Investment Fund

	Net monetary assets and monetary liabilities investments and other assets/liabilities SEK	Non-monetary assets investments and other assets SEK	Hedged unit class exposure SEK	Non-hedged unit class exposure SEK	Forwards SEK	Net exposure SEK	Sensitivity* SEK
Euro	-	495,433,421	-	-	-	495,433,421	(23,592,068)
United States Dollar	-	364,515,478	-	-	-	364,515,478	(17,357,880)

\*Sensitivity is calculated using base amounts and the effect of a 5% increase/decrease in the exchange rate between the base currency and other currencies to which the Sub-Funds are exposed with all other variables held constant.

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

## Foreign Currency Risk (continued)

30 June 2019 (continued)

## Mercer Investment Fund 10

	Net monetary assets and monetary liabilities investments and other assets/liabilities GB£	Non-monetary assets investments and other assets GB£	Hedged unit class exposure GB£	Non-hedged unit class exposure GB£	Forwards GB£	Net exposure GB£	Sensitivity* GB£
Australian Dollar	159,729	13,320,791	-	-	(7,118,490)	6,362,030	(302,954)
Brazilian Real	6,687	533,183	-	-	-	539,870	(25,708)
Canadian Dollar	77,885	18,001,609	-	-	(8,848,998)	9,230,496	(439,547)
Danish Krone	70,835	2,983,306	-	-	(1,671,755)	1,382,386	(65,828)
Euro	176,253,232	59,077,169	-	-	(203,332,959)	31,997,442	(1,523,688)
Hong Kong Dollar	107,096	6,870,398	-	-	(3,732,310)	3,245,184	(154,533)
Israeli Shekel	65,549	859,041	-	-	(595,247)	329,343	(15,683)
Japanese Yen	394,537	48,453,144	-	-	(25,327,080)	23,520,601	(1,120,029)
Norwegian Krone	29,492	2,515,389	-	-	(866,074)	1,678,807	(79,943)
Polish Zloty	3,254	690,322	-	-	(309,255)	384,321	(18,301)
Singapore Dollar	44,509	2,251,988	-	-	(1,131,955)	1,164,542	(55,454)
South Korean Won	55,031	8,295,868	-	-	(3,930,990)	4,419,909	(210,472)
Swedish Krona	26,013	6,160,450	-	-	(2,819,491)	3,366,972	(160,332)
Swiss Franc	40,082	15,830,841	-	-	(8,243,918)	7,627,005	(363,191)
Taiwan Dollar	-	481,016	-	-	-	481,016	(22,906)
United States Dollar	325,135,435	397,272,290	-	-	(484,489,286)	237,918,439	(11,329,449)

\*Sensitivity is calculated using base amounts and the effect of a 5% increase/decrease in the exchange rate between the base currency and other currencies to which the Sub-Funds are exposed with all other variables held constant.

## Mercer Investment Fund 11

	Net monetary assets and monetary liabilities investments and other assets/liabilities GB£	Non-monetary assets investments and other assets GB£	Hedged unit class exposure GB£	Non-hedged unit class exposure GB£	Forwards GB£	Net exposure GB£	Sensitivity* GB£
Australian Dollar	188,810	11,046,991	-	-	(6,254,432)	4,981,369	(237,208)
Brazilian Real	5,483	438,039	-	-	-	443,522	(21,120)
Canadian Dollar	41,731	14,980,797	-	-	(7,853,544)	7,168,984	(341,380)
Danish Krone	31,558	2,512,670	-	-	(1,438,641)	1,105,587	(52,647)
Euro	91,638,922	49,009,416	-	-	(116,964,610)	23,683,728	(1,127,797)
Hong Kong Dollar	46,514	5,705,156	-	-	(3,316,605)	2,435,065	(115,955)
Israeli Shekel	18,071	728,389	-	-	(506,548)	239,912	(11,424)
Japanese Yen	422,119	39,949,818	-	-	(22,299,343)	18,072,594	(860,600)
Norwegian Krone	25,410	2,116,522	-	-	(763,529)	1,378,403	(65,638)
Polish Zloty	7,335	518,758	-	-	(273,313)	252,780	(12,037)
Singapore Dollar	71,110	1,932,868	-	-	(1,152,488)	851,490	(40,547)
South Korean Won	16,517	7,135,755	-	-	(3,512,853)	3,639,419	(173,306)
Swedish Krona	21,806	5,152,498	-	-	(2,456,542)	2,717,762	(129,417)
Swiss Franc	11,592	13,245,414	-	-	(7,283,734)	5,973,272	(284,442)
Taiwan Dollar	-	395,090	-	-	-	395,090	(18,814)
United States Dollar	139,745,349	329,430,516	-	-	(279,583,832)	189,592,033	(9,028,192)

\*Sensitivity is calculated using base amounts and the effect of a 5% increase/decrease in the exchange rate between the base currency and other currencies to which the Sub-Funds are exposed with all other variables held constant.

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

## Foreign Currency Risk (continued)

30 June 2019 (continued)

## Mercer Investment Fund 12

	Net monetary assets and monetary liabilities investments and other assets/liabilities GB£	Non-monetary assets investments and other assets GB£	Hedged unit class exposure GB£	Non-hedged unit class exposure GB£	Forwards GB£	Net exposure GB£	Sensitivity* GB£
Australian Dollar	101,414	7,530,870	-	-	(4,228,936)	3,403,348	(162,064)
Brazilian Real	3,769	299,562	-	-	-	303,331	(14,444)
Canadian Dollar	40,956	10,188,453	-	-	(5,309,714)	4,919,695	(234,271)
Danish Krone	59,156	1,699,725	-	-	(972,775)	786,106	(37,434)
Euro	57,098,610	33,256,176	-	-	(73,854,659)	16,500,127	(785,720)
Hong Kong Dollar	44,791	3,873,342	-	-	(2,240,818)	1,677,315	(79,872)
Japanese Yen	353,413	27,277,953	-	-	(15,146,025)	12,485,341	(594,540)
Norwegian Krone	17,969	1,419,995	-	-	(517,310)	920,654	(43,841)
Singapore Dollar	32,076	1,345,263	-	-	(779,524)	597,815	(28,467)
South Korean Won	11,547	4,874,049	-	-	(2,371,713)	2,513,883	(119,709)
Swedish Krona	26,528	3,502,202	-	-	(1,663,074)	1,865,656	(88,841)
Swiss Franc	9,526	8,984,239	-	-	(4,921,393)	4,072,372	(193,922)
Taiwan Dollar	-	270,414	-	-	-	270,414	(12,877)
United States Dollar	76,860,599	224,940,697	-	-	(171,092,205)	130,709,091	(6,224,242)

\*Sensitivity is calculated using base amounts and the effect of a 5% increase/decrease in the exchange rate between the base currency and other currencies to which the Sub-Funds are exposed with all other variables held constant.

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

## Foreign Currency Risk (continued)

30 June 2019 (continued)

Mercer Investment Fund 16\*\*

	Net monetary assets and monetary liabilities investments and other assets/liabilities US\$	Non-monetary assets investments and other assets US\$	Hedged unit class exposure US\$	Non-hedged unit class exposure US\$	Forwards US\$	Net exposure US\$	Sensitivity* US\$
Australian Dollar	131,483	12,387,221	-	-	-	12,518,704	(596,129)
Brazilian Real	47,278	5,025,102	-	-	-	5,072,380	(241,542)
British Pound Sterling	17,758,276	29,843,510	-	-	(5,377,567)	42,224,219	(2,010,677)
Canadian Dollar	255,070	18,809,118	-	-	-	19,064,188	(907,818)
Chilean Peso	(78)	544,587	-	-	-	544,509	(25,929)
Colombian Peso	864	224,892	-	-	-	225,756	(10,750)
Danish Krone	4,856	3,476,201	-	-	-	3,481,057	(165,765)
Euro	62,689,182	50,745,896	-	-	(1,079,145)	112,355,933	(5,350,283)
Hong Kong Dollar	306,227	22,313,368	-	-	-	22,619,595	(1,077,124)
Hungarian Forint	8,074	245,802	-	-	-	253,876	(12,089)
Indonesian Rupiah	6,771	1,661,560	-	-	-	1,668,331	(79,444)
Israeli Shekel	18,214	501,949	-	-	-	520,163	(24,770)
Japanese Yen	584,123	41,048,330	-	-	-	41,632,453	(1,982,498)
Malaysian Ringgit	7,318	1,448,601	-	-	-	1,455,919	(69,329)
Mexican Peso	36,138	1,843,025	-	-	-	1,879,163	(89,484)
New Zealand Dollar	1,137	540,837	-	-	-	541,974	(25,808)
Norwegian Krone	39,778	1,411,607	-	-	-	1,451,385	(69,114)
Philippine Peso	438	1,039,637	-	-	-	1,040,075	(49,527)
Polish Zloty	4,963	927,364	-	-	-	932,327	(44,397)
Qatari Riyal	15,688	709,726	-	-	-	725,414	(34,544)
Singapore Dollar	13,677	2,426,719	-	-	-	2,440,396	(116,209)
South African Rand	7,148	4,101,701	-	-	-	4,108,849	(195,659)
South Korean Won	655	9,248,139	-	-	-	9,248,794	(440,419)
Swedish Krona	9,566	4,845,140	-	-	-	4,854,706	(231,176)
Swiss Franc	22,737	14,971,751	-	-	-	14,994,488	(714,023)
Taiwan Dollar	168,425	8,599,792	-	-	-	8,768,217	(417,534)
Thai Baht	57,689	2,093,445	-	-	-	2,151,134	(102,435)
Turkish Lira	919	457,519	-	-	-	458,438	(21,830)
UAE Dirham	-	535,594	-	-	-	535,594	(25,504)

\*Sensitivity is calculated using base amounts and the effect of a 5% increase/decrease in the exchange rate between the base currency and other currencies to which the Sub-Funds are exposed with all other variables held constant.

\*\*This Sub-Fund launched during the financial year ended 30 June 2019 therefore there is no comparative information.

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

## Foreign Currency Risk (continued)

30 June 2018

## Mercer Return Seeking Fund 1

	Net monetary assets and monetary liabilities investments and other assets/liabilities €	Non-monetary assets investments and other assets €	Hedged unit class exposure €	Non-hedged unit class exposure €	Forwards €	Net exposure €	Sensitivity
Australian Dollar	645,507	48,369,618	-	-	(19,891,192)	29,123,933	(1,386,854)
Brazilian Real	51,605	1,066,757	-	-	-	1,118,362	(53,255)
Canadian Dollar	(459,873)	70,448,204	-	(209,434,586)	(28,143,147)	(167,589,402)	7,980,448
Danish Krone	205,007	10,486,555	-	-	(5,032,410)	5,659,152	(269,483)
Hong Kong Dollar	61,996	21,782,565	-	-	(10,386,900)	11,457,661	(545,603)
Japanese Yen	1,742,679	178,260,956	-	-	(70,490,782)	109,512,853	(5,214,898)
New Israeli Shekel	14,908	2,087,350	-	-	(806,001)	1,296,257	(61,727)
New Zealand Dollar	36,040	2,447,376	-	-	(602,605)	1,880,811	(89,562)
Norwegian Krone	84,133	6,945,567	-	-	(2,174,904)	4,854,796	(231,181)
Pound Sterling	1,337,411	125,061,607	-	-	(53,267,569)	73,131,449	(3,482,450)
Singapore Dollar	49,795	7,238,119	-	-	(4,023,901)	3,264,013	(155,429)
Swedish Krona	(305,691)	19,422,150	-	-	(7,639,565)	11,476,894	(546,519)
Swiss Franc	227,648	45,586,681	-	-	(22,641,245)	23,173,084	(1,103,480)
Taiwan Dollar	31,645	836,961	-	-	-	868,606	(41,362)
Turkish Lira	85,254	826,599	-	-	-	911,853	(43,422)
U.S. Dollar	6,359,538	1,095,780,456	-	-	(504,452,437)	597,687,557	(28,461,312)

## Mercer Fundamental Indexation Global Equity CCF

	Net monetary assets and monetary liabilities investments and other assets/liabilities US\$	Non-monetary assets investments and other assets US\$	Hedged unit class exposure US\$	Non-hedged unit class exposure US\$	Forwards US\$	Net exposure US\$	Sensitivity US\$
Australian Dollar	126,068	15,982,625	-	-	(14,204,513)	1,904,180	(90,675)
Canadian Dollar	57,005	13,232,737	-	-	(12,312,540)	977,202	(46,533)
Danish Krone	3,886	21,547,327	-	-	(19,487,229)	2,063,984	(98,285)
Euro	200,806	104,304,551	(388,075,738)	(56,115,816)	297,699,416	(41,986,781)	1,999,371
Hong Kong Dollar	273,964	38,655,414	-	-	(35,810,228)	3,119,150	(148,531)
Japanese Yen	1,336,163	135,570,801	-	-	(121,137,292)	15,769,672	(750,937)
New Israeli Shekel	333	5,397,431	-	-	(4,818,645)	579,119	(27,577)
Norwegian Krone	10,820	9,261,917	-	-	(8,053,646)	1,219,091	(58,052)
Pound Sterling	1,948,555	94,171,050	(656,124,637)	(78,607,041)	579,166,826	(59,445,247)	2,830,726
Swedish Krona	42,871	5,589,496	-	-	(5,143,306)	489,061	(23,289)
Swiss Franc	48,505	23,330,958	-	-	(20,226,208)	3,153,255	(150,155)

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

## Foreign Currency Risk (continued)

30 June 2018 (continued)

## Mercer Passive Global Equity CCF

	Net monetary assets and monetary liabilities investments and other assets/liabilities US\$	Non-monetary assets investments and other assets US\$	Hedged unit class exposure US\$	Non-hedged unit class exposure US\$	Forwards US\$	Net exposure US\$	Sensitivity US\$
Australian Dollar	925,747	74,272,645	-	-	(52,367,695)	22,830,697	(1,087,176)
Canadian Dollar	603,311	102,876,897	-	-	(74,444,067)	29,036,141	(1,382,673)
Danish Krone	591,649	17,624,593	-	-	(13,449,409)	4,766,833	(226,992)
Euro	2,467,220	343,015,192	(1,545,412,366)	(279,251,983)	1,285,655,741	(193,526,196)	9,215,533
Hong Kong Dollar	180,829	35,475,076	-	-	(27,740,214)	7,915,691	(376,938)
Japanese Yen	2,532,197	255,242,225	-	-	(187,324,317)	70,450,105	(3,354,767)
New Israeli Shekel	20,047	3,075,020	-	-	(2,154,083)	940,984	(44,809)
New Zealand Dollar	42,491	2,346,269	-	-	(1,610,125)	778,635	(37,078)
Norwegian Krone	51,559	8,145,093	-	-	(5,812,556)	2,384,096	(113,528)
Pound Sterling	3,658,052	191,248,073	(686,175,219)	(510,095,350)	545,282,720	(456,081,724)	21,718,177
Singapore Dollar	5,280	13,447,603	-	-	(10,751,780)	2,701,103	(128,624)
Swedish Krona	353,974	26,713,096	-	-	(20,417,183)	6,649,887	(316,661)
Swiss Franc	841,127	82,800,230	-	-	(59,964,402)	23,676,955	(1,127,474)

## Mercer Investment Fund 2

	Net monetary assets and monetary liabilities investments and other assets/liabilities €	Non-monetary assets investments and other assets €	Hedged unit class exposure €	Non-hedged unit class exposure €	Forwards €	Net exposure €	Sensitivity €
Canadian Dollar	203,149	2,984,012	-	-	-	3,187,161	(151,770)
Czech Koruna	282,046	6,929,516	-	-	-	7,211,562	(343,408)
Danish Krone	66,416	98,478,330	-	-	-	98,544,746	(4,692,607)
Norwegian Krone	529,525	83,006,083	-	-	-	83,535,608	(3,977,886)
Pound Sterling	17,988,397	907,258,742	-	-	-	925,247,139	(44,059,388)
Swedish Krona	452,034	222,021,198	-	-	-	222,473,232	(10,593,963)
Swiss Franc	409,705	259,000,292	-	-	-	259,409,997	(12,352,857)
U.S. Dollar	89,856,429	5,291,571,750	-	-	-	5,381,428,179	(256,258,485)

## SH Pension Investment Fund\*\*

	Net monetary assets and monetary liabilities investments and other assets/liabilities SEK	Non-monetary assets investments and other assets SEK	Hedged unit class exposure SEK	Non-hedged unit class exposure SEK	Forwards SEK	Net exposure SEK	Sensitivity SEK
Euro	-	375,460,144	-	-	-	375,460,144	(17,879,054)
U.S. Dollar	-	252,243,422	-	-	-	252,243,422	(12,011,592)

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

## Foreign Currency Risk (continued)

30 June 2018 (continued)

## Mercer Investment Fund 10\*\*

	Net monetary assets and monetary liabilities investments and other assets/liabilities GB£	Non-monetary assets investments and other assets GB£	Hedged unit class exposure GB£	Non-hedged unit class exposure GB£	Forwards GB£	Net exposure GB£	Sensitivity GB£
Australian Dollar	71,930	13,261,485	-	-	(7,259,871)	6,073,544	(289,216)
Canadian Dollar	22,391	17,363,227	-	-	(9,380,104)	8,005,514	(381,215)
Danish Krone	759	2,656,963	-	-	(1,683,276)	974,446	(46,402)
Euro	70,946,365	56,447,267	-	-	(104,730,058)	22,663,574	(1,079,218)
Hong Kong Dollar	16,794	6,591,794	-	-	(4,201,719)	2,406,869	(114,613)
Japanese Yen	234,217	51,062,601	-	-	(29,351,314)	21,945,504	(1,045,024)
Norwegian Krone	2,554	2,417,915	-	-	(924,434)	1,496,035	(71,240)
Singapore Dollar	-	2,096,703	-	-	(1,378,674)	718,029	(34,192)
South Korean Won	-	9,453,495	-	-	(5,039,078)	4,414,417	(210,210)
Swedish Krona	-	4,222,835	-	-	(3,054,274)	1,168,561	(55,646)
Swiss Franc	-	12,960,805	-	-	(7,814,099)	5,146,706	(245,081)
Taiwan Dollar	-	517,534	-	-	-	517,534	(24,644)
U.S. Dollar	273,637,255	361,137,033	-	-	(439,233,164)	195,541,124	(9,311,482)

## Mercer Investment Fund 11\*\*

	Net monetary assets and monetary liabilities investments and other assets/liabilities GB£	Non-monetary assets investments and other assets GB£	Hedged unit class exposure GB£	Non-hedged unit class exposure GB£	Forwards GB£	Net exposure GB£	Sensitivity GB£
Australian Dollar	78,151	10,881,299	-	-	(5,962,069)	4,997,381	(237,971)
Canadian Dollar	24,518	14,293,846	-	-	(7,703,280)	6,615,084	(315,004)
Danish Krone	855	2,187,164	-	-	(1,382,367)	805,652	(38,364)
Euro	24,736,125	46,457,606	-	-	(52,782,521)	18,411,210	(876,724)
Hong Kong Dollar	15,001	5,426,199	-	-	(3,450,605)	1,990,595	(94,790)
Japanese Yen	248,203	41,892,993	-	-	(24,104,357)	18,036,839	(858,897)
Norwegian Krone	2,097	1,987,340	-	-	(759,177)	1,230,260	(58,584)
Singapore Dollar	-	1,720,417	-	-	(1,132,216)	588,201	(28,010)
South Korean Won	-	7,772,775	-	-	(4,138,278)	3,634,497	(173,071)
Swedish Krona	-	3,476,161	-	-	(2,508,278)	967,883	(46,090)
Swiss Franc	-	10,630,740	-	-	(6,417,223)	4,213,517	(200,644)
Taiwan Dollar	-	424,809	-	-	-	424,809	(20,229)
U.S. Dollar	(136,470,587)	297,187,819	-	-	(233,153,780)	(72,436,548)	3,449,359

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

## Foreign Currency Risk (continued)

30 June 2018 (continued)

## Mercer Investment Fund 12\*\*

	Net monetary assets and monetary liabilities investments and other assets/liabilities GB£	Non-monetary assets investments and other assets GB£	Hedged unit class exposure GB£	Non-hedged unit class exposure GB£	Forwards GB£	Net exposure GB£	Sensitivity GB£
Australian Dollar	52,438	7,449,903	-	-	(4,081,994)	3,420,347	(162,874)
Canadian Dollar	16,769	9,794,640	-	-	(5,274,133)	4,537,276	(216,061)
Danish Krone	586	1,498,588	-	-	(946,452)	552,722	(26,320)
Euro	10,863,430	31,834,808	-	-	(30,195,494)	12,502,744	(595,369)
Hong Kong Dollar	10,419	3,708,748	-	-	(2,362,494)	1,356,673	(64,603)
Japanese Yen	209,848	28,693,385	-	-	(16,503,304)	12,399,929	(590,473)
Norwegian Krone	1,435	1,361,422	-	-	(519,778)	843,079	(40,147)
Singapore Dollar	-	1,176,933	-	-	(775,184)	401,749	(19,131)
South Korean Won	-	5,327,652	-	-	(2,833,318)	2,494,334	(118,778)
Swedish Krona	-	2,382,643	-	-	(1,717,319)	665,324	(31,682)
Swiss Franc	-	7,303,179	-	-	(4,393,622)	2,909,557	(138,550)
Taiwan Dollar	-	291,113	-	-	-	291,113	(13,863)
U.S. Dollar	42,589,436	203,760,588	-	-	(136,169,253)	110,180,771	(5,246,703)

\*The effect of a 5% increase/decrease in the exchange rate between the base currency and other currencies to which the Sub-Funds are exposed with all other variables held constant.

\*\*These Sub-Funds launched during the financial year ended 30 June 2018.

Hedge forwards represent foreign currency forwards used to hedge exposure on a unit class. Non-hedge forwards are used for investment purposes.

**Unit class hedging**

In respect of the unit classes, it is the Sub-Funds' intention, where practicable, to hedge the currency exposure of holders of such classes. The adoption of this strategy may substantially limit holders of these classes from benefiting if the class currencies fall against the base currency of the Sub-Fund and/or against the other currencies in which the assets of the Sub-Funds are denominated. All costs and gains and losses of such hedging transactions will accrue solely to the holders of the hedged unit classes. The strategy is undertaken and managed on behalf of the Sub-Funds by the Investment Manager/Sub-Investment Managers.

The exchange rate used for the purpose of converting the proceeds of trades in the EUR hedged classes and GBP hedged classes to or from the base currency of the Sub-Fund is likely to be the rate prevailing at the time the necessary currency hedging contracts are put in place which means that this exchange rate risk is borne by those transacting investors rather than by the other investor in the Sub-Funds.



**7. Financial Instruments and Associated Risks (continued)****Interest Rate Risk****Interest rate risk profile and sensitivity analysis of financial assets at 30 June 2019 and 30 June 2018**

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

The CCF's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in prevailing levels of market interest rates on its financial position and cash flows. Other than in Mercer Investment Fund 3 CCF, the CCF invests some of its assets in equities, collective investments schemes and forward foreign currency contracts, none of which pay interest. As a result, the CCF is subject to limited direct risk due to fluctuations in the prevailing levels of market interest rates. The Mercer Investment Fund 3 CCF invests in corporate and government bonds and mortgage backed securities. The Mercer Investment Fund 3 CCF is also exposed to interest fluctuations arising in the underlying funds in which it invests given the nature of the portfolio. The interest bearing securities held by the Sub-Funds all earn a fixed interest rate.

The interest bearing securities held by the Sub-Funds all earn a fixed interest rate with the following exceptions:

	<b>Fixed</b>	<b>Floating</b>
<b>30 June 2019</b>		
Mercer Investment Fund 3 CCF	913,708,440	21,303,688
Mercer Investment Fund 10	1,224,798,678	22,995,214
Mercer Investment Fund 11	504,695,745	11,660,616
Mercer Investment Fund 12	264,775,940	7,096,975
Mercer Investment Fund 16	235,954,140	12,081,537
<b>30 June 2018</b>		
Mercer Investment Fund 3 CCF	856,123,553	17,338,063

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

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

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

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

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

## Interest Rate Risk (continued)

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

## As at 30 June 2019

	Ccy	< 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	> 5 Years	Non-Interest Bearing	Net Assets	Impact of 25bps decrease in interest rates on NAV (%)	30 June 2019 Effective Duration (Years)
Mercer Investment Fund 3 CCF	GB£	(43,719,872)	(55,278,450)	(120,133,220)	23,004,576	909,867,388	353,246,138	1,066,986,560	4.42	17.67
Mercer Investment Fund 10	GB£	20,951,864	1,802,070	12,550,551	160,027,939	1,073,413,332	1,857,928,954	3,126,674,710	4.03	16.10
Mercer Investment Fund 11	GB£	9,635,132	625,280	4,915,059	69,137,455	441,678,566	1,272,467,382	1,798,458,874	3.64	14.55
Mercer Investment Fund 12	GB£	6,595,065	271,705	2,506,427	38,107,516	230,987,267	819,678,342	1,098,146,322	4.21	16.86
Mercer Investment Fund 16	US\$	14,757,702	-	1,775,637	56,728,133	189,545,934	580,398,699	843,206,105	0.53	2.13

## As at 30 June 2018

	Ccy	< 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	> 5 Years	Non-Interest Bearing	Net Assets	Impact of 25bps decrease in interest rates on NAV (%)	30 June 2018 Effective Duration (Years)
Mercer Investment Fund 3 CCF	GB£	(46,278,118)	(113,296,300)	4,112,113	(28,910,116)	849,905,172	357,279,047	1,022,811,798	4.76	19.03

## 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 CCF would receive or pay to terminate the contract at the reporting date taking into account current market conditions and the creditworthiness of the counterparties.

Financial assets include investments in CIS. The fair value of such assets is based on the underlying fund administrator's calculation of the net asset value per unit (market value of the fund's assets less liabilities divided by the number of units) 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.

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

### Fair Value of Financial Assets and Liabilities

The majority of the financial assets of the CCF are held at fair value. All other assets and financial liabilities are stated at amortised cost, which approximates fair value with the exception of redeemable participating units which are stated at their redemption amount.

IFRS 13 requires the CCF 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 use of valuation techniques for Level 3 investments involve consideration of whether discounts or premiums, if any, are to be applied to the net asset value of the underlying collective investment scheme.

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 CCF. The CCF 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 CCF 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. Assets and liabilities not carried at fair value are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

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

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

Repurchase agreements and reverse repurchase agreements are categorised as Level 2.

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

The puttable value of redeemable units is calculated based on the net difference between total assets and all other liabilities of each Sub-Fund within the CCF in accordance with the Sub-Funds' offering memorandum. A demand feature is attached to these units, 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 unit of the Sub-Fund's net asset value attributable to the unit 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 units.

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

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

	<b>Level</b>
Equities	1
Collective investment schemes	2
Corporate bonds	2
Asset backed securities	2
Government bonds	2
Mortgage backed securities	2
Futures contracts	1
Open forward foreign currency contracts	2
Rights	1
Warrants	1
Interest rate swaps	2
Options	2
Total return swaps	2

The following table details the exceptions to the above classification at 30 June 2019 and 30 June 2018:

<b>Sub-Fund</b>	<b>Security</b>	<b>Investment Type</b>	<b>30 June 2019 Level</b>	<b>Currency</b>	<b>30 June 2019 Fair Value</b>
Mercer High Income					
UK Property CCF	UK Long Lease Property Unit Trust	CIS	3	GB£	97,787,645
	Lime Property Fund Unit Trust	CIS	3	GB£	92,923,439
	M&G Secured Property Income Fund	CIS	3	GB£	114,624,538
	PGIM Real Estate UK Ground Lease Fund	CIS	3	GB£	87,016,832
Mercer Passive Global					
Equity CCF	Banco Espirito Santo SA	Equity	2	€	-
Mercer Return Seeking					
Fund 1	Banco Espirito Santo SA	Equity	2	€	-
Mercer Investment					
Fund 2	Media Generation Inc CVR	Equity	2	US\$	626
	NewsStar Financial Inc.	Equity	2	US\$	619
	Schulman Inc.	Equity	2	US\$	638

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

## Fair value hierarchy (continued)

Sub-Fund	Security	Investment Type	30 June 2019 Level	Currency	30 June 2019 Fair Value
Mercer Investment Fund 10	CJ Corp	Equity	2	GB£	674
Mercer Investment Fund 11	CJ Corp	Equity	2	GB£	549
Mercer Investment Fund 12	CJ Corp	Equity	2	GB£	374
Sub-Fund	Security	Investment Type	30 June 2018 Level	Currency	30 June 2018 Fair Value
Mercer High Income UK Property CCF	UK Long Lease Property Fund	CIS	3	GB£	93,245,568
	Lime Property Unit Trust	CIS	3	GB£	87,181,528
	M&G Secured Property Income Fund	CIS	3	GB£	111,588,356
	Pramerica UK Ground Lease Fund	CIS	3	GB£	70,294,591
Mercer Passive Global Equity CCF	Banco Espirito Santo SA	Equity	2	US\$	-
	Intesa Sanpaolo SpA (Rights)	Equity	2	US\$	1
Mercer Return Seeking Fund 1	Intesa Sanpaolo SpA (Rights)	Equity	2	€	1
	Banco Espirito Santo SA	Equity	2	€	-
	Nordax Group AB	Equity	2	€	294,461
Mercer Investment Fund 10	Intesa Sanpaolo SpA (Rights)	Equity	2	GB£	-
	Hopewell Highway Infrastructure	Equity	2	GB£	5,999
Mercer Investment Fund 11	Intesa Sanpaolo SpA (Rights)	Equity	2	GB£	-
	Hopewell Highway Infrastructure	Equity	2	GB£	4,846
Mercer Investment Fund 12	Intesa Sanpaolo SpA (Rights)	Equity	2	GB£	-
	Hopewell Highway Infrastructure	Equity	2	GB£	3,230

**7. Financial Instruments and Associated Risks (continued)****Transfers between levels during the year ended 30 June 2019**

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

**Mercer High Income UK Property CCF**

M&G Secured Property Income Fund, PGIM Real Estate UK Ground Lease Fund and UK Long Lease Property Unit Trust, classified in Level 3, have been valued on the basis of the net asset value of the underlying fund without adjustment, which the Directors believe is an appropriate measurement of fair value of these Collective Investment Schemes as at the year end date.

The investment in Lime Property Fund Unit Trust classified as Level 3, have been subject to a discount of 2% on the NAV as this is deemed by the Directors, in consultation with the AIFM/Manager as an appropriate measurement of fair value.

The following tables show a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 for the years ended 30 June 2019 and 30 June 2018.

**Mercer High Income UK Property CCF**

	<b>Financial year ended 30 June 2019 Level 3 GB£</b>	<b>Financial year ended 30 June 2018 Level 3 GB£</b>
Opening value	362,310,043	314,241,329
Purchase of investments	22,045,812	33,157,512
Realised and unrealised gains	7,996,599	14,911,202
Closing Values	<u>392,352,454</u>	<u>362,310,043</u>

**Effect of change in significant assumptions of Level 3 financial instruments**

In relation to Lime Property Fund Unit Trust, assuming everything remained equal but the discount applied was changed to 3% then the fair value of these investments would change by GB£ 948,198 (30 June 2018: GB£ 889,607).

If the fair value of the Sub-Fund's Level 3 investments was discounted by 10% at 30 June 2019 this would have resulted in a decrease of GB£ 39,235,245 (30 June 2018: GB£ 36,231,004) to the net assets attributable to holders of redeemable participating units and the total profit/loss for the year. A decrease in the discount factor applied of 10% to the fair value would have an equal and opposite effect.

**Emerging Markets Risk**

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

**Leverage Risk**

It is not the intention of the CCF that the Sub-Funds be leveraged for investment or efficient portfolio management purposes. Any leverage resulting from the use of financial derivative instruments and efficient portfolio management techniques are in accordance with the requirements of the Central Bank and will not exceed 100% of the net asset value of the Sub-Fund. Please refer to the supplemental information to these financial statements for more details.

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

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

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

The following table details the leverage limits under the Gross and Commitment approaches as well as the leverage calculated under both the Gross and the Commitment approaches as at 30 June 2019.

	<b>Max Gross Approach %</b>	<b>Gross % NAV</b>	<b>Max Commitment Approach %</b>	<b>Commitment % NAV</b>
Mercer High Income UK Property CCF	200	100.00	200	100.00
Mercer Return Seeking Fund 1	300	100.17	300	100.57
Mercer Fundamental Indexation Global Equity CCF	300	102.44	300	102.80
Mercer Passive Global Equity CCF	300	100.90	300	101.96
Mercer Investment Fund 2	400	99.10	300	100.07
Mercer Investment Fund 3 CCF	600	189.48	600	194.49
Mercer Investment Fund 5 CCF	300	100.00	300	100.00
SH Pension Investment Fund	300	100.00	300	100.00
Mercer Investment Fund 10	600	134.08	600	99.30
Mercer Investment Fund 11	600	130.12	600	99.72
Mercer Investment Fund 12	600	133.16	600	102.74
Mercer Investment Fund 16*	200	108.75	200	101.30

\*This Sub-Fund launched during the financial year ended 30 June 2019 therefore there is no comparative information.

The following table details the leverage limits under the Gross and Commitment approaches as well as the leverage calculated under both the Gross and the Commitment approaches as at 30 June 2018.

	<b>Max Gross Approach %</b>	<b>Gross % NAV</b>	<b>Max Commitment Approach %</b>	<b>Commitment % NAV</b>
Mercer High Income UK Property CCF	100	100.00	100	100.00
Mercer Return Seeking Fund 1	200	103.56	200	103.88
Mercer Fundamental Indexation Global Equity CCF	200	102.46	200	102.97
Mercer Passive Global Equity CCF	200	101.71	200	103.11
Mercer Investment Fund 2	300	99.26	200	100.14
Mercer Investment Fund 3 CCF	500	166.22	500	173.43
Mercer Investment Fund 5 CCF	500	100.00	500	100.00
SH Pension Investment Fund	300	100.00	300	100.00
Mercer Investment Fund 10	500	105.42	500	83.93
Mercer Investment Fund 11	500	90.18	500	77.42
Mercer Investment Fund 12	500	83.28	500	73.94

**Brexit and Associated Risks**

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

**Legal, Tax and Regulatory Risk**

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

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

## Legal, Tax and Regulatory Risk (continued)

## Taxation in the People's Republic of China ("PRC")\*

PRC withholding tax has been enforced on payment of dividends and interest to Qualified Foreign Institutional Investors ("QFIIs") from PRC listed companies at the rate of 10%. However, PRC tax authorities have generally not sought to collect such withholding tax to date on capital gains realised by QFIIs on selling of A-Units although withholding tax is legally applicable to such capital gains. There is a risk that the PRC tax authorities would seek to collect this tax on capital gains realised by QFIIs on sales of A-Units, on a retrospective basis, without giving any prior warning. In such a case, the Sub-Funds might be adversely impacted.

\*Tax Risk Disclaimer for Mercer QIF CCF on Mercer Investment Fund 2, Mercer Investment Fund 10, Mercer Investment Fund 11, Mercer Investment Fund 12, Mercer Investment Fund 16, Mercer Passive Global Equity CCF and Mercer Return Seeking Fund 1.

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

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

	Mercer High Income UK Property CCF GB£	Mercer Return Seeking Fund 1 €	Mercer Fundamental Indexation Global Equity CCF US\$	Mercer Passive Global Equity CCF US\$	Mercer Investment Fund 2 €	Mercer Investment Fund 3 CCF GB£
Interest income at EIR on financial assets carried at amortised cost:						
- Cash and cash equivalents	793	53,827	131,250	430,225	19,271,546	3,088
- Broker balances/collateral balances	-	21,641	18,852	53,898	7,525	-
- Deposits with credit institutions	-	-	-	-	-	-
- Reverse repurchase agreements	-	-	-	-	-	892,086
Total interest income calculated using the effective interest method	793	75,468	150,102	484,123	19,279,071	895,174
	Mercer Investment Fund 5 CCF €	SH Pension Investment Fund SEK	Mercer Investment Fund 10 GB£	Mercer Investment Fund 11 GB£	Mercer Investment Fund 12 GB£	Mercer Investment Fund 16* US\$
Interest income at EIR on financial assets carried at amortised cost:						
- Cash and cash equivalents	-	891,493	88,222	56,483	30,677	68,459
- Broker balances/collateral balances	-	-	5,106	8,008	2,113	12,380
- Deposits with credit institutions	-	-	-	-	-	-
- Reverse repurchase agreements	-	-	-	-	-	-
Total interest income calculated using the effective interest method	-	891,493	93,328	64,491	32,790	80,839

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



**9. Net income from financial instruments at FVTPL**

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

	<b>Mercer High Income UK Property CCF GB£</b>	<b>Mercer Return Seeking Fund 1 €</b>	<b>Mercer Fundamental Indexation Global Equity CCF US\$</b>	<b>Mercer Passive Global Equity CCF US\$</b>	<b>Mercer Investment Fund 2 €</b>	<b>Mercer Investment Fund 3 CCF GB£</b>
Net income from financial instruments at FVTPL is composed of the following:						
- Interest income	-	4,216	1,236	6,129	1,680	16,372,534
- Dividend income	13,036,364	50,151,169	36,009,288	67,932,270	204,902,212	62,315
- Net gains and losses	8,027,078	83,847,671	(8,901,928)	28,196,895	290,847,431	63,516,115
Total net income from financial instruments at FVTPL	21,063,442	134,003,056	27,108,596	96,135,294	495,751,323	79,950,964
	<b>Mercer Investment Fund 5 CCF €</b>	<b>SH Pension Investment Fund SEK</b>	<b>Mercer Investment Fund 10 GB£</b>	<b>Mercer Investment Fund 11 GB£</b>	<b>Mercer Investment Fund 12 GB£</b>	<b>Mercer Investment Fund 16* US\$</b>
Net income from financial instruments at FVTPL is composed of the following:						
- Interest income	-	-	43,694,200	16,405,178	7,826,691	2,692,084
- Dividend income	-	-	13,333,014	10,975,669	7,552,103	6,268,152
- Net gains and losses	27,899,739	163,362,371	225,417,713	125,993,839	82,471,921	50,193,325
Total net income from financial instruments at FVTPL	27,899,739	163,362,371	282,444,927	153,374,686	97,850,715	59,153,561

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

**10. Debtors and creditors**

All debtors and creditors amounts fall due within one year.

## 11. Unit capital

## Units in issue

## 30 June 2019

Mercer High Income UK Property CCF	Class I-1 £	Class M-1 £	Class* M-2 £	Class M-3 £	Class M-4 £	Class M-5 £
Units in issue as at 30 June 2018	901,658	258,757	-	517,897	101,886	39,995
Units issued during the year	179,847	123	979,115	56,006	186	185
Units redeemed during the year	(483,981)	(27,915)	-	(117,754)	(26,512)	(5,742)
Units in issue as at 30 June 2019	597,524	230,965	979,115	456,149	75,560	34,438
	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>
Proceeds from redeemable participating units issued	34,787,627	21,415	98,800,179	9,516,331	26,344	25,368
Payment for redeemable participating units redeemed	(94,178,669)	(4,846,270)	-	(19,897,014)	(3,703,112)	(802,323)
<b>Mercer High Income UK Property CCF (continued)</b>	<b>Class Z-1 £</b>					
Units in issue as at 30 June 2018	484,353					
Units issued during the year	-					
Units redeemed during the year	-					
Units in issue as at 30 June 2019	484,353					
	<b>GB£</b>					
Proceeds from redeemable participating units issued	-					
Payment for redeemable participating units redeemed	-					

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

## 11. Unit capital (continued)

## Units in issue (continued)

## 30 June 2019 (continued)

Mercer Return Seeking Fund 1	Class M-1 CAD	Class M-1 €	Class M-1 € Hedged	Class M-4 €	Class M-4 € Hedged	
Units in issue as at 30 June 2018	3,201,174	1,196,118	3,548,234	3,400,952	7,922,416	
Units issued during the year	509	74,670	303,285	13,797	144,747	
Units redeemed during the year	-	(80,313)	(181,418)	(88,929)	(18,731)	
Units in issue as at 30 June 2019	3,201,683	1,190,475	3,670,101	3,325,820	8,048,432	
	€	€	€	€	€	
Proceeds from redeemable participating units issued	33,934	14,684,867	29,925,803	2,103,360	14,691,755	
Payment for redeemable participating units redeemed	-	(16,476,750)	(18,498,981)	(14,323,753)	(1,803,643)	
Mercer Return Seeking Fund 1 (continued)	Class M-5 €	Class M-5 € Hedged				
Units in issue as at 30 June 2018	135,928	271,301				
Units issued during the year	564	6,449				
Units redeemed during the year	(3,576)	(659)				
Units in issue as at 30 June 2019	132,916	277,091				
	€	€				
Proceeds from redeemable participating units issued	73,942	649,645				
Payment for redeemable participating units redeemed	(494,627)	(63,651)				
Mercer Fundamental Indexation Global Equity CCF	Class M-1 € Hedged	Class M-1 £	Class M-1 £ Hedged	Class M-2 £	Class M-2 £ Hedged	Class* M-2 SEK
Units in issue as at 30 June 2018	1,698,611	170,531	1,653,347	155,072	1,561,507	-
Units issued during the year	380,800	10,384	1,197,554	134,162	1,004,082	423,148
Units redeemed during the year	(78,141)	(142,177)	(846,971)	(110,648)	(675,455)	(67,642)
Units in issue as at 30 June 2019	2,001,270	38,738	2,003,930	178,586	1,890,134	355,506
	US\$	US\$	US\$	US\$	US\$	US\$
Proceeds from redeemable participating units issued	63,557,508	2,336,525	213,337,231	30,091,564	175,800,272	45,539,100
Payment for redeemable participating units redeemed	(13,410,134)	(32,599,082)	(152,244,734)	(24,201,519)	(121,876,290)	(7,336,387)

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

## 11. Unit capital (continued)

## Units in issue (continued)

## 30 June 2019 (continued)

Mercer Fundamental Indexation Global Equity CCF (continued)	Class M-3 €	Class M-3 € Hedged	Class M-3 £ Hedged	Class* M-4 £	Class M-4 £ Hedged	Class* M-5 £ Hedged
Units in issue as at 30 June 2018	346,530	589,864	212,810	30,525	113,530	10,820
Units issued during the year	44,335	405,066	101,210	9	53,255	4,030
Units redeemed during the year	(80,044)	(156,613)	(101,918)	(30,534)	(33,137)	(14,850)
Units in issue as at 30 June 2019	310,821	838,317	212,102	-	133,648	-
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Proceeds from redeemable participating units issued	6,537,584	60,179,521	17,158,985	2,038	8,758,397	623,025
Payment for redeemable participating units redeemed	(13,204,680)	(23,290,162)	(18,278,881)	(6,750,774)	(5,754,095)	(2,521,973)
Mercer Fundamental Indexation Global Equity CCF (continued)	Class** M-6 €	Class** A13-H-0.3200 € Hedged				
Units in issue as at 30 June 2018	-	-				
Units issued during the year	25,287	61,679				
Units redeemed during the year	-	-				
Units in issue as at 30 June 2019	25,287	61,679				
	<b>US\$</b>	<b>US\$</b>				
Proceeds from redeemable participating units issued	2,915,556	6,897,328				
Payment for redeemable participating units redeemed	-	-				
Mercer Passive Global Equity CCF	Class M-1 £	Class M-1 £ Hedged	Class M-2 £	Class M-2 £ Hedged	Class M-2 €	Class M-2 € Hedged
Units in issue as at 30 June 2018	395,061	1,888,834	535,852	409,481	1,485,076	3,432,446
Units issued during the year	88,003	696,755	179,451	50,452	33,683	77,061
Units redeemed during the year	(245,232)	(1,109,904)	(201,661)	(48,192)	(376,409)	(540,853)
Units in issue as at 30 June 2019	237,832	1,475,685	513,642	411,741	1,142,350	2,968,654
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Proceeds from redeemable participating units issued	19,335,173	128,080,704	41,295,544	8,837,951	5,906,860	11,601,468
Payment for redeemable participating units redeemed	(57,908,107)	(204,366,326)	(44,558,783)	(9,103,575)	(70,448,548)	(88,000,382)

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

\*\*These Classes launched during the financial year ended 30 June 2019.

## 11. Unit capital (continued)

## Units in issue (continued)

## 30 June 2019 (continued)

Mercer Passive Global Equity CCF (continued)	Class M-3 £	Class M-3 £ Hedged	Class M-3 €	Class M-3 € Hedged	Class M-6 £ Hedged	Class M-6 € Hedged
Units in issue as at 30 June 2018	166,643	228,391	41,786	119,432	119,527	942,024
Units issued during the year	8,767	12,964	304	11,522	94,255	72,170
Units redeemed during the year	(49,861)	(126,912)	(33,416)	(88,020)	(67,941)	(514,624)
Units in issue as at 30 June 2019	125,549	114,443	8,674	42,934	145,841	499,570
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Proceeds from redeemable participating units issued	1,910,088	2,245,784	51,432	1,531,941	14,586,993	9,654,930
Payment for redeemable participating units redeemed	(11,365,901)	(23,230,691)	(4,922,914)	(11,572,907)	(10,658,563)	(77,430,470)
Mercer Passive Global Equity CCF (continued)	Class M-7 € Hedged	Class M-8 € Hedged	Class M-9 € Hedged	Class M-10 € Hedged	Class M-14 € Hedged	Class Z-1 £
Units in issue as at 30 June 2018	348,661	1,114,380	1,191,098	2,506,497	430,398	1,334,905
Units issued during the year	41,932	127,546	78,390	153,664	32,663	130,743
Units redeemed during the year	(51,132)	(107,681)	(104,968)	(36,014)	(63,344)	(124,330)
Units in issue as at 30 June 2019	339,461	1,134,245	1,164,520	2,624,147	399,717	1,341,318
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Proceeds from redeemable participating units issued	5,915,997	18,442,337	11,616,214	21,425,593	4,686,897	25,525,653
Payment for redeemable participating units redeemed	(7,357,489)	(16,167,399)	(15,373,085)	(5,413,242)	(9,062,925)	(24,780,293)
Mercer Passive Global Equity CCF (continued)	Class Z-1 £ Hedged					
Units in issue as at 30 June 2018	1,099,021					
Units issued during the year	-					
Units redeemed during the year	-					
Units in issue as at 30 June 2019	1,099,021					
	<b>US\$</b>					
Proceeds from redeemable participating units issued	-					
Payment for redeemable participating units redeemed	-					

## 11. Unit capital (continued)

## Units in issue (continued)

## 30 June 2019 (continued)

Mercer Investment Fund 2	Class M-1 €
Units in issue as at 30 June 2018	56,607,896
Units issued during the year	55,254
Units redeemed during the year	-
	<hr/>
Units in issue as at 30 June 2019	56,663,150

€

Proceeds from redeemable participating units issued	8,577,722
Payment for redeemable participating units redeemed	-

Mercer Investment Fund 3 CCF	Class M-2 £
Units in issue as at 30 June 2018	8,467,342
Units issued during the year	3,700
Units redeemed during the year	(258,812)
	<hr/>
Units in issue as at 30 June 2019	8,212,230

GB£

Proceeds from redeemable participating units issued	452,338
Payment for redeemable participating units redeemed	(31,600,000)

Mercer Investment Fund 5 CCF	Class M-1 €
Units in issue as at 30 June 2018	4,279,661
Units issued during the year	337,280
Units redeemed during the year	(218,248)
	<hr/>
Units in issue as at 30 June 2019	4,398,693

€

Proceeds from redeemable participating units issued	39,828,986
Payment for redeemable participating units redeemed	(25,759,902)

## 11. Unit capital (continued)

## Units in issue (continued)

## 30 June 2019 (continued)

SH Pension Investment Fund	Class	
	M-1 SEK	
Units in issue as at 30 June 2018	4,174,493	
Units issued during the year	261,200	
Units redeemed during the year	(198,747)	
	<hr/>	
Units in issue as at 30 June 2019	4,236,946	
	<hr/>	
	SEK	
Proceeds from redeemable participating units issued	261,715,189	
Payment for redeemable participating units redeemed	(200,000,000)	
Mercer Investment Fund 10	Class*	Class**
	M-1 £	M-2 £
Units in issue as at 30 June 2018	-	29,243,535
Units issued during the year	778,295	18,741
Units redeemed during the year	(1,538,607)	(207,662)
Units transferred between classes during the year	29,539,522	(29,054,614)
	<hr/>	<hr/>
Units in issue as at 30 June 2019	28,779,210	-
	<hr/>	<hr/>
	GB£	
Proceeds from redeemable participating units issued	78,989,549	1,899,662
Payment for redeemable participating units redeemed	(154,830,284)	(21,007,784)
Mercer Investment Fund 11	Class*	Class**
	M-1 £	M-2 £
Units in issue as at 30 June 2018	-	17,040,999
Units issued during the year	363,758	15,394
Units redeemed during the year	(845,554)	(184,038)
Units transferred between classes during the year	17,160,597	(16,872,355)
	<hr/>	<hr/>
Units in issue as at 30 June 2019	16,678,801	-
	<hr/>	<hr/>
	GB£	
Proceeds from redeemable participating units issued	36,258,733	1,560,036
Payment for redeemable participating units redeemed	(84,940,350)	(18,611,041)

\*These Classes launched during the financial year ended 30 June 2019.

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

**11. Unit capital (continued)**
**Units in issue (continued)**
**30 June 2019 (continued)**

<b>Mercer Investment Fund 12</b>	<b>Class*</b> <b>M-1 £</b>	<b>Class**</b> <b>M-2 £</b>
Units in issue as at 30 June 2018	-	10,090,403
Units issued during the year	265,875	10,512
Units redeemed during the year	(348,781)	(61,090)
Units transferred between classes during the year	10,246,612	(10,039,825)
Units in issue as at 30 June 2019	10,163,706	-
	<b>GB£</b>	<b>GB£</b>
Proceeds from redeemable participating units issued	26,444,446	1,068,650
Payment for redeemable participating units redeemed	(35,086,042)	(6,173,182)

<b>Mercer Investment Fund 16***</b>	<b>Class*</b> <b>A4-0.085 US\$</b>
Units in issue as at 30 June 2018	-
Units issued during the year	7,656,486
Units redeemed during the year	-
Units in issue as at 30 June 2019	7,656,486

	<b>US\$</b>
Proceeds from redeemable participating units issued	785,000,000
Payment for redeemable participating units redeemed	-

\*These Classes launched during the financial year ended 30 June 2019.

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

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

**30 June 2018**
**Mercer High Income UK  
Property CCF**

	<b>Class</b> <b>I-1 £</b>	<b>Class</b> <b>M-1 £</b>	<b>Class</b> <b>M-3 £</b>	<b>Class</b> <b>M-4 £</b>	<b>Class</b> <b>M-5 £</b>	<b>Class*</b> <b>Z-1 £</b>
Units in issue as at 30 June 2017	1,105,433	272,926	559,595	103,416	45,393	-
Units issued during the year	55,064	146	859	207	155	484,353
Units redeemed during the year	(258,839)	(14,315)	(42,557)	(1,737)	(5,553)	-
Units in issue as at 30 June 2018	901,658	258,757	517,897	101,886	39,995	484,353
	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>	<b>GB£</b>
Proceeds from redeemable participating units issued	9,834,777	23,991	138,028	27,696	20,320	48,435,342
Payment for redeemable participating units redeemed	(48,428,749)	(2,310,193)	(6,715,901)	(239,471)	(730,601)	-

\*This Class launched during the financial year ended 30 June 2018.



## 11. Unit capital (continued)

## Units in issue (continued)

## 30 June 2018 (continued)

<b>Mercer Return Seeking Fund 1</b>	<b>Class* M-1 CAD</b>	<b>Class M-1 €</b>	<b>Class* M-1 € Hedged</b>	<b>Class M-4 €</b>	<b>Class* M-4 € Hedged</b>	
Units in issue as at 30 June 2017						
Units issued during the year	-	3,063,343	-	8,601,120	-	
Units redeemed during the year	3,201,174	17,896	3,548,234	3,446,576	7,922,416	
	-	(1,885,121)	-	(8,646,744)	-	
Units in issue as at 30 June 2018	<u>3,201,174</u>	<u>1,196,118</u>	<u>3,548,234</u>	<u>3,400,952</u>	<u>7,922,416</u>	
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	
Proceeds from redeemable participating units issued						
Payment for redeemable participating units redeemed	212,361,430	3,332,428	354,395,829	523,667,635	791,177,856	
	-	(365,079,901)	-	(1,314,116,230)	-	
<b>Mercer Return Seeking Fund 1 (continued)</b>	<b>Class M-5 €</b>	<b>Class* M-5 € Hedged</b>				
Units in issue as at 30 June 2017	343,757	-				
Units issued during the year	181	271,301				
Units redeemed during the year	(208,010)	-				
Units in issue as at 30 June 2018	<u>135,928</u>	<u>271,301</u>				
	<b>€</b>	<b>€</b>				
Proceeds from redeemable participating units issued	23,413	27,093,638				
Payment for redeemable participating units redeemed	(27,092,050)	-				
<b>Mercer Fundamental Indexation Global Equity CCF</b>	<b>Class M-1 € Hedged</b>	<b>Class M-1 £</b>	<b>Class M-1 £ Hedged</b>	<b>Class M-2 £</b>	<b>Class M-2 £ Hedged</b>	<b>Class M-3 €</b>
Units in issue as at 30 June 2017	1,903,571	414,621	1,322,372	516,385	1,355,940	432,015
Units issued during the year	31,276	77,937	880,052	153,472	945,116	69,175
Units redeemed during the year	(236,236)	(322,027)	(549,077)	(514,785)	(739,549)	(154,660)
Units in issue as at 30 June 2018	<u>1,698,611</u>	<u>170,531</u>	<u>1,653,347</u>	<u>155,072</u>	<u>1,561,507</u>	<u>346,530</u>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Proceeds from redeemable participating units issued	5,502,423	16,905,211	166,775,605	30,510,343	178,606,434	10,592,764
Payment for redeemable participating units redeemed	(42,915,825)	(67,681,560)	(98,782,279)	(107,226,680)	(133,690,441)	(24,403,039)

\*These Classes launched during the financial year ended 30 June 2018.

## 11. Unit capital (continued)

## Units in issue (continued)

## 30 June 2018 (continued)

<b>Mercer Fundamental Indexation Global Equity CCF (continued)</b>	<b>Class M-3 € Hedged</b>	<b>Class M-3 £ Hedged</b>	<b>Class M-4 £</b>	<b>Class M-4 £ Hedged</b>	<b>Class* M-5 £</b>	<b>Class M-5 £ Hedged</b>
Units in issue as at 30 June 2017	650,025	124,443	44,205	81,179	3,587	9,800
Units issued during the year	168,179	140,055	56,317	64,661	514	7,856
Units redeemed during the year	(228,340)	(51,688)	(69,997)	(32,310)	(4,101)	(6,836)
Units in issue as at 30 June 2018	589,864	212,810	30,525	113,530	-	10,820
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Proceeds from redeemable participating units issued	25,591,695	24,961,155	10,862,767	11,992,622	74,787	1,382,349
Payment for redeemable participating units redeemed	(34,113,576)	(9,140,179)	(14,430,717)	(5,728,923)	(584,978)	(1,150,446)
<b>Mercer Passive Global Equity CCF</b>	<b>Class M-1 £</b>	<b>Class M-1 £ Hedged</b>	<b>Class M-2 £</b>	<b>Class M-2 £ Hedged</b>	<b>Class M-2 €</b>	<b>Class M-2 € Hedged</b>
Units in issue as at 30 June 2017	484,249	3,027,054	596,785	1,529,928	1,643,347	4,144,530
Units issued during the year	83,048	873,148	176,204	248,553	284,690	170,046
Units redeemed during the year	(172,236)	(2,011,368)	(237,137)	(1,369,000)	(442,961)	(882,130)
Units in issue as at 30 June 2018	395,061	1,888,834	535,852	409,481	1,485,076	3,432,446
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Proceeds from redeemable participating units issued	18,773,024	156,668,979	37,351,345	44,057,147	51,565,886	27,021,312
Payment for redeemable participating units redeemed	(37,398,055)	(379,763,562)	(50,722,279)	(256,211,543)	(79,288,961)	(144,206,322)
<b>Mercer Passive Global Equity CCF (continued)</b>	<b>Class M-3 £</b>	<b>Class M-3 £ Hedged</b>	<b>Class M-3 €</b>	<b>Class M-3 € Hedged</b>	<b>Class* M-4 £</b>	<b>Class** M-4 £ Hedged</b>
Units in issue as at 30 June 2017	204,791	439,229	41,801	156,258	1,883	103,641
Units issued during the year	60,866	98,734	1,954	3,368	78	13,843
Units redeemed during the year	(99,014)	(309,572)	(1,969)	(40,194)	(1,961)	(117,484)
Units in issue as at 30 June 2018	166,643	228,391	41,786	119,432	-	-
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Proceeds from redeemable participating units issued	12,990,291	17,039,107	307,451	473,002	15,819	2,402,836
Payment for redeemable participating units redeemed	(21,404,505)	(57,407,292)	(309,398)	(5,605,436)	(390,894)	(21,490,469)

\*These Classes terminated during the financial year ended 30 June 2018.

\*\*This Class terminated during the financial year ended 30 June 2018.

## 11. Unit capital (continued)

## Units in issue (continued)

## 30 June 2018 (continued)

Mercer Passive Global Equity CCF (continued)	Class* M-5 £ Hedged	Class M-6 £ Hedged	Class M-6 € Hedged	Class M-7 € Hedged	Class M-8 € Hedged	Class M-9 € Hedged
Units in issue as at 30 June 2017	12,440	129,692	887,920	495,284	663,834	1,142,436
Units issued during the year	4,117	2	285,331	43,299	744,548	194,776
Units redeemed during the year	(16,557)	(10,167)	(231,227)	(189,922)	(294,002)	(146,114)
Units in issue as at 30 June 2018	-	119,527	942,024	348,661	1,114,380	1,191,098
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Proceeds from redeemable participating units issued	704,143	257	42,854,916	6,440,080	118,482,293	30,365,017
Payment for redeemable participating units redeemed	(2,886,876)	(1,608,707)	(33,470,669)	(29,015,145)	(45,570,589)	(22,351,463)
Mercer Passive Global Equity CCF (continued)	Class M-10 € Hedged	Class M-14 € Hedged	Class Z-1 £	Class Z-1 £ Hedged		
Units in issue as at 30 June 2017	2,538,992	436,332	1,209,460	1,099,021		
Units issued during the year	56,027	30,597	199,236	-		
Units redeemed during the year	(88,522)	(36,531)	(73,791)	-		
Units in issue as at 30 June 2018	2,506,497	430,398	1,334,905	1,099,021		
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>		
Proceeds from redeemable participating units issued	8,078,472	4,484,746	36,644,688	-		
Payment for redeemable participating units redeemed	(12,887,007)	(5,263,436)	(13,461,452)	-		
Mercer Investment Fund 2	Class M-1 €					
Units in issue as at 30 June 2017	56,556,338					
Units issued during the year	51,558					
Units redeemed during the year	-					
Units in issue as at 30 June 2018	56,607,896					
	<b>€</b>					
Proceeds from redeemable participating units issued	7,598,498					
Payment for redeemable participating units redeemed	-					

\*This Class terminated during the financial year ended 30 June 2018.

## 11. Unit capital (continued)

## Units in issue (continued)

## 30 June 2018 (continued)

Mercer Investment Fund 3 CCF	Class M-2 £
Units in issue as at 30 June 2017	8,719,149
Units issued during the year	3,846
Units redeemed during the year	(255,653)

Units in issue as at 30 June 2018	8,467,342
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## GB£

Proceeds from redeemable participating units issued	458,330
Payment for redeemable participating units redeemed	(30,500,000)

Mercer Investment Fund 5 CCF	Class M-1 €
Units in issue as at 30 June 2017	4,153,203
Units issued during the year	319,941
Units redeemed during the year	(193,483)

Units in issue as at 30 June 2018	4,279,661
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## €

Proceeds from redeemable participating units issued	37,223,317
Payment for redeemable participating units redeemed	(22,481,211)

SH Pension Investment Fund	Class* M-1 SEK
Units in issue as at 30 June 2017	-
Units issued during the year	4,224,980
Units redeemed during the year	(50,487)

Units in issue as at 30 June 2018	4,174,493
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## SEK

Proceeds from redeemable participating units issued	4,224,976,764
Payment for redeemable participating units redeemed	(50,000,000)

\*This Class launched during the financial year ended 30 June 2018.

## 11. Unit capital (continued)

## Units in issue (continued)

## 30 June 2018 (continued)

Mercer Investment Fund 10	Class* M-2 £
Units in issue as at 30 June 2017	-
Units issued during the year	29,605,716
Units redeemed during the year	(362,181)
	<hr/>
Units in issue as at 30 June 2018	29,243,535

## GB£

Proceeds from redeemable participating units issued	2,941,546,374
Payment for redeemable participating units redeemed	(36,215,720)

Mercer Investment Fund 11	Class* M-2 £
Units in issue as at 30 June 2017	-
Units issued during the year	17,207,367
Units redeemed during the year	(166,368)
	<hr/>
Units in issue as at 30 June 2018	17,040,999

## GB£

Proceeds from redeemable participating units issued	1,709,694,819
Payment for redeemable participating units redeemed	(16,639,282)

Mercer Investment Fund 12	Class* M-2 £
Units in issue as at 30 June 2017	-
Units issued during the year	10,141,547
Units redeemed during the year	(51,144)
	<hr/>
Units in issue as at 30 June 2018	10,090,403

## GB£

Proceeds from redeemable participating units issued	1,008,941,525
Payment for redeemable participating units redeemed	(5,097,288)

\*This Class launched during the financial year ended 30 June 2018.

**11. Unit capital (continued)****Significant Unitholders**

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

Fund	Number of Significant Unitholders as at 30 June 2019	Total Holding (units) as at 30 June 2019	Aggregate Unitholding as a % of the Fund as at 30 June 2019	Number of Significant Unitholders as at 30 June 2018	Total Holding (units) as at 30 June 2018	Aggregate Unitholding as a % of the Fund as at 30 June 2018
	Mercer High Income UK Property CCF	1	858,616	30.04%	-	-
Mercer Return Seeking Fund 1	2	16,208,291	81.67%	2	16,042,057	81.53%
Mercer Investment Fund 2	1	56,663,150	100%	1	56,607,896	100.00%
Mercer Investment Fund 3 CCF	1	8,212,230	100%	1	8,467,342	100.00%
Mercer Investment Fund 5 CCF	1	4,399,023	100%	1	4,279,625	100.00%
SH Pension Investment Fund	1	4,236,946	100%	1	4,174,493	100.00%
Mercer Investment Fund 10	2	28,780,299	100%	2	29,243,977	100.00%
Mercer Investment Fund 11	1	16,679,702	100%	1	17,041,362	100.00%
Mercer Investment Fund 12	1	10,164,321	100%	1	10,090,652	100.00%
Mercer Investment Fund 16*	1	7,656,486	100%	-	-	-

\*This Sub-Fund launched during the financial year ended 30 June 2019 therefore there is no comparative information.

**12. Dividends**

There were no dividends paid during the financial year (year ended 30 June 2018: Nil).

**13. Subsequent events**

An updated Supplement was issued for Mercer Investment Fund 5 CCF on 23 August 2019 to facilitate the charging of tiered fees, which reduce when AUM hits certain levels.

An updated Supplement for Mercer Investment Fund 2 was issued on 30 August 2019.

The following unit class was terminated since the financial year end date:

Sub-Fund	Class	Termination date
Mercer Fundamental Indexation Global Equity CCF	Class M-1 £	8 October 2019

An updated Supplement for Mercer Investment Fund 16 was issued on 21 October 2019 to update the investment policy and incorporate Brexit language.

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

**14. Approval of financial statements**

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

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

<b>Underlying Fund</b>	<b>Jurisdiction/ Regulatory Status**</b>	<b>Fund Manager</b>	<b>Unit Class Management fee %</b>	<b>Performance fee %*</b>	<b>Redemption fee %</b>
AB SICAV I - Global Core Equity Portfolio	Luxembourg	AllianceBernstein (Luxembourg) S.à r.l.	0.50%	n/a	n/a
AXA IM Strategies Plc	Ireland	AXA Investment Managers Paris	n/a	n/a	n/a
BlackRock Fixed Income Dublin Funds PLC - iShares Developed Real Estate Index Fund	Ireland	Blackrock Asset Management Ireland Limited	Flexible Classes - up to 0.3% fee payable to the Manager (For Flexible Classes, the fee payable to the Manager includes the fee of the Manager, the Administrator and the Trustee only, and the fee of the Investment Manager is borne by a Unitholder based on the Client Agreement between themselves and the Investment Manager or an Affiliate.) Institutional Classes - Up to 0.50% (includes 0.20% Investment Management fee)	n/a	n/a
BlackRock Fixed Income Dublin Funds PLC - iShares Euro Credit Bond Index Fund	Ireland	Blackrock Asset Management Ireland Limited	0.03%	n/a	n/a
BlackRock Fixed Income Dublin Funds PLC - iShares UK Credit Bond Index Fund	Ireland	Blackrock Asset Management Ireland Limited	0.03%	n/a	n/a
BlackRock Fixed Income Dublin Funds PLC - iShares US Corporate Bond Index Fund	Ireland	Blackrock Asset Management Ireland Limited	n/a	n/a	n/a
Cedar Fair	United States	Keybank Capital Markets	n/a	n/a	n/a
Cliens Strategisk Allokering	Sweden	Cliens Kapitalforvaltning AB	0.50%	0.00%	n/a
CNX Midstream Partners	United States	Citibank, Barclays Bank	n/a	n/a	n/a
CrossAmerica Partners	United States	Bank of America Merrill Lynch, Barclays Bank, JP Morgan Chase, RJA	n/a	n/a	n/a
Dimensional Fund Plc - Emerging Markets Value Fund	Ireland	Dimensional Fund Advisors Ltd	0.50%	n/a	Not specified
Fortress Transportation & Infrastructure Investors LLC	United States	Morgan Stanley, Citibank, Barclays Bank	n/a	n/a	n/a
Insight Liquidity Funds PLC - GBP Liquidity Fund	Ireland	Insight Investment Management (Europe) Limited	10%	n/a	n/a
Institutional Cash Series plc - Institutional Euro Assets Liquidity Fund	Ireland	BlackRock Asset Management Ireland Ltd	0.03%	n/a	n/a
Investec Funds Series IV - Emerging Markets Equity Fund	United Kingdom	Investec Fund Managers Ltd	1.10%	0.32%	n/a
KNOT Offshore Partners	United States	Bank of America Merrill Lynch	n/a	n/a	n/a

<b>Underlying Fund</b>	<b>Jurisdiction/ Regulatory Status**</b>	<b>Fund Manager</b>	<b>Unit Class Management fee %</b>	<b>Performance fee %*</b>	<b>Redemption fee %</b>
LDI Solutions Plus ICAV - IIFIG Secured Multi-Asset Credit Fund 10	Ireland	Insight Investment Management (Ireland) Ltd	n/a	n/a	n/a
LDI Solutions Plus ICAV - LDI Active 6 Fund	Ireland	Insight Investment Management (Ireland) Ltd	0.39%	n/a	n/a
LDI Solutions Plus ICAV - LDI Active 7 Fund	Ireland	Insight Investment Management (Ireland) Ltd	0.39%	n/a	n/a
LDI Solutions Plus ICAV - LDI Active 8 Fund	Ireland	Insight Investment Management (Ireland) Ltd	0.39%	n/a	n/a
Lime Property Fund Unit Trust	Channel Islands	Aviva Investors Global Services Ltd	0.40%	n/a	2.00%
M&G Secured Property Income Fund	Channel Islands	M&G Guernsey Ltd	0.50%	n/a	Not specified
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 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 Passive Emerging Markets 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 - Mercer Short Duration Global Bond Fund 1	Ireland	Mercer Global Investments Management Ltd	n/a	n/a	n/a
MGI Funds plc - Mercer UCITS Alternatives Strategies	Ireland	Mercer Global Investments Management Ltd	n/a	n/a	n/a
MGI Funds plc - MGI Emerging Market Equity Fund	Ireland	Mercer Global Investments Management Ltd	n/a	n/a	n/a
MGI Funds plc - MGI UK Cash Fund	Ireland	Mercer Global Investments Management Ltd	n/a	n/a	n/a
Mercer PIF - Mercer Passive Global Equity Fund	Ireland	Mercer Global Investments Management Ltd	n/a	n/a	n/a
Mercer QIF CCF - Mercer Passive Global Equity CCF	Ireland	Mercer Global Investments Management Ltd	n/a	n/a	n/a
Morgan Stanley Investment Funds - Global Opportunity Fund	Luxembourg	Morgan Stanley Investment Management Ltd	0.75%	n/a	n/a
Natural Resource Partners	United States	Citibank, Bank of America Merrill Lynch, UBS, WFC	n/a	n/a	n/a
NGL Energy Partners	United States	Credit Suisse, WFS	n/a	n/a	n/a
Northern Trust Global Funds - Sterling Fund	Ireland	Northern Trues Global Funds plc	0.10%	n/a	0.00%



<b>Underlying Fund</b>	<b>Jurisdiction/ Regulatory Status**</b>	<b>Fund Manager</b>	<b>Unit Class Management fee %</b>	<b>Performance fee %*</b>	<b>Redemption fee %</b>
Pareto SICAV - Pareto Global Corporate Bond	Luxembourg	SEB Fund Services S.A.	0.40%	0.00%	n/a
PGIM Real Estate UK Ground Lease Fund	United Kingdom	MUFG Jersey Management Company Limited	40%	n/a	n/a
Robeco Institutional Emerging Markets Equities Fund	Netherlands	Robeco Institutional Asset Management	0.38%	n/a	n/a
Standard Life Investments Global SICAV - Global Corporate Bond Fund	Luxembourg	Aberdeen Global Services S.A.	0.57%	0.00%	n/a
TC PipeLines	United States	Joint Leads	n/a	n/a	n/a
T Rowe Price Funds SICAV - Emerging Markets Equity Fund	Luxembourg	T. Rowe Price (Luxembourg) Management	1.00%	n/a	n/a
UK Long Lease Property Unit Trust	Jersey	AXA Real Estate Investment Managers UK Ltd	0.45%	n/a	Not specified
Vontobel Fund - Global Equity	Luxembourg	Vontobel Asset Management S.A.	n/a	n/a	n/a
Wells Fargo Lux Worldwide Fund - Emerging Markets Equity Fund	Luxembourg	Wells Fargo Fund Management LLC	0.80%	n/a	Not specified

\*Further information on performance fees can be found in the relevant underlying fund's documentation.

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

## General

Mercer QIF Common Contractual Fund (the “CCF”) is an open-ended umbrella common contractual fund constituted by a Deed of Constitution governed by the laws of Ireland and authorised in Ireland as an Alternative Investment Fund pursuant to the Investment Funds, Companies and Miscellaneous Provisions Act, 2005. Mercer High Income UK Property CCF, Mercer Return Seeking Fund 1, Mercer Fundamental Indexation Global Equity CCF, Mercer Passive Global Equity CCF, Mercer Investment Fund 2, Mercer Investment Fund 3 CCF, Mercer Investment Fund 5 CCF, SH Pension Investment Fund, Mercer Investment Fund 10, Mercer Investment Fund 11, Mercer Investment Fund 12 and Mercer Investment Fund 16 are Sub-Funds of the CCF. The CCF issues different series of units representing a separate portfolio of assets (each a “Sub-Fund”).

The CCF 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 CCF. The Depositary is the depositary of the CCF for the purpose of the AIFM Regulations. The Depositary has been appointed as trustee of the CCF under the Depositary Agreement.

The CCF was constituted on 16 March 2009 by the Deed of Constitution entered into by the AIFM and the Depositary. As such, neither the CCF nor any Sub-Fund is an incorporated entity and neither the CCF nor any Sub-Fund has a separate legal personality. Instead, it is simply a description of a form of undivided co-ownership by contractual arrangement whereby persons who acquire units and become legal unitholders in the CCF will have co-ownership rights to the property of the relevant Sub-Fund of the CCF and the income that is derived from such property.

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

## Swing pricing and anti-dilution levy

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

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

## Taxation

From a tax perspective, the aim of a fiscally transparent fund such as the CCF is generally to achieve the withholding tax rates on income and gains that each investor would obtain where they held the underlying investments of the CCF directly and as if such income and gains did not pass through the CCF. Where withholding tax has been suffered, the recovery or otherwise of that withholding tax is likely to depend on the particular circumstances of each unitholder in the CCF, the particular double taxation treaty on which the investor is relying and the domestic law of the paying country. The Mercer High Income UK Property CCF has been established as a CCF by Mercer with a view of securing gross rental income for the investors in this Sub-Fund.

## Identified Staff

The only identified staff of the CCF, as defined by regulations, are the Directors of the AIFM listed on page 2.

## Connected party transactions

The Central Bank’s Alternative Investment Fund (“AIF”) Rulebook section on “Dealings by management company, general partner, depositary, alternative investment manager (“AIFM”), investment manager or by delegates or group companies of these” states that any transaction carried out with the CCF 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 interests of the unitholders.

**Connected party transactions (continued)**

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

**Data Protection Notice**

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

**Portfolio movements**

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

**Brexit and Associated Risks**

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

**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 if they pay for it via a Research Payment Account.

**Events during the year**

Updated supplements for Mercer Investment Fund 10, Mercer Investment Fund 11 and Mercer Investment Fund 12 were issued on 2 July 2018.

Mercer Investment Fund 16 launched on 13 December 2018 and the supplement was issued on 11 December 2018.

The following unit classes were launched during the financial year ended 30 June 2019:

Sub-Fund	Class	Launch date
Mercer Investment Fund 10	M-1 £	23 July 2018
Mercer Investment Fund 11	M-1 £	23 July 2018
Mercer Investment Fund 12	M-1 £	23 July 2018
Mercer High Income UK Property CCF	M-2 £	31 July 2018
Mercer Fundamental Indexation Global Equity CCF	M-2 SEK	13 September 2018
Mercer Fundamental Indexation Global Equity CCF	M-6 €	17 October 2018
Mercer Investment Fund 16	A4-0.0850 US\$	13 December 2018
Mercer Fundamental Indexation Global Equity CCF	A13-H-0.3200 €	23 April 2019

**Events during the year (continued)**

The following unit classes were terminated during the financial year ended 30 June 2019:

Sub-Fund	Class	Termination date
Mercer Passive Global Equity CCF	M-4 £ Hedged	9 July 2018
Mercer Investment Fund 10	M-2 £	23 July 2018
Mercer Investment Fund 11	M-2 £	23 July 2018
Mercer Investment Fund 12	M-2 £	23 July 2018
Mercer Fundamental Indexation Global Equity CCF	M-4 £	8 August 2018
Mercer Fundamental Indexation Global Equity CCF	M-5 £ Hedged	4 March 2019

A revised Prospectus for Mercer QIF CCF and supplements to the Prospectus for each of the Sub-Funds were issued on 1 October 2018. The main changes introduced by the update related to the change from Gross to Net priced funds, updates in leverage limits, general fees and expenses update, securitisation regulation update, incorporating addenda and the addition of wording for research payment accounts for Mercer Investment Fund 2. The Prospectus was also updated for deletion of reference relating to historic language relating to the first annual report.

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

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

An updated Supplement was issued for Mercer Investment Fund 5 CCF on 9 November 2018 to add additional unit classes.

An updated Supplement for Mercer Investment Fund 16 was issued on 8 January 2019 to add an additional Sub Investment Manager.

The Supplement for Mercer Passive Global Equity CCF was updated on 25 January 2019 to expressly permit the Sub-Fund to track an index/benchmark as a primary investment objective in the investment policies. The update also included relevant Central Bank required disclosures in relation to tracking of the index/benchmark.

Gráinne Alexander and Barbara Healy were appointed to the MGIM Board of Directors on 1 January 2019. Paul Sullivan retired from the MGIM Board of Directors on 31 January 2019. Tom Geraghty resigned from the MGIM Board of Directors on 1 May 2019. Hooman Kaveh was appointed to the MGIM Board of Directors on 1 May 2019. Barbara Healy resigned from the MGIM Board of Directors on 24 June 2019.

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

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

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

**Year ended 30 June 2019**

	<b>Mercer High Income UK Property CCF GB£</b>	<b>Mercer Return Seeking Fund 1 €</b>	<b>Mercer Fundamental Indexation Global Equity CCF US\$</b>	<b>Mercer Passive Global Equity CCF US\$</b>	<b>Mercer Investment Fund 2 €</b>	<b>Mercer Investment Fund 3 CCF GB£</b>
Realised gain on investments and other derivative contracts	10,795	72,369,808	127,454,574	144,274,824	599,459,620	2,970,198
Realised loss on investments and other derivative contracts	-	(101,498,928)	(129,018,171)	(162,416,392)	(354,532,047)	(1,556,976)
Change in unrealised appreciation on investments and other derivative contracts	8,016,283	242,700,462	114,791,175	254,849,608	819,603,529	95,933,201
Change in unrealised depreciation on investments and other derivative contracts	-	(129,833,550)	(122,140,282)	(208,424,577)	(772,050,678)	(33,830,308)
Net gain/(loss) on foreign exchange	-	109,879	10,776	(86,568)	(1,632,993)	-
	<u>8,027,078</u>	<u>83,847,671</u>	<u>(8,901,928)</u>	<u>28,196,895</u>	<u>290,847,431</u>	<u>63,516,115</u>
	<b>Mercer Investment Fund 5 CCF €</b>	<b>SH Pension Investment Fund SEK</b>	<b>Mercer Investment Fund 10 GB£</b>	<b>Mercer Investment Fund 11 GB£</b>	<b>Mercer Investment Fund 12 GB£</b>	<b>Mercer Investment Fund 16* US\$</b>
Realised gain on investments and other derivative contracts	1,951,385	40,175,105	43,786,165	28,376,077	19,051,443	4,103,496
Realised loss on investments and other derivative contracts	(106,317)	(79,254,408)	(54,300,153)	(30,273,370)	(18,102,812)	(1,531,455)
Change in unrealised appreciation on investments and other derivative contracts	26,054,660	205,193,360	268,749,404	153,281,798	98,585,451	58,396,989
Change in unrealised depreciation on investments and other derivative contracts	-	(2,751,686)	(32,947,263)	(25,459,199)	(17,105,607)	(10,804,185)
Net gain/(loss) on foreign exchange	11	-	129,560	68,533	43,446	28,480
	<u>27,899,739</u>	<u>163,362,371</u>	<u>225,417,713</u>	<u>125,993,839</u>	<u>82,471,921</u>	<u>50,193,325</u>

\*This Sub-Fund launched during the financial year ended 30 June 2019 therefore there is no comparative information.

**Net gain/(loss) on investments, foreign currency and other derivative contracts (continued)**
**Year ended 30 June 2018 (continued)**

	<b>Mercer High Income UK Property CCF GB£</b>	<b>Mercer Return Seeking Fund 1 €</b>	<b>Mercer Fundamental Indexation Global Equity CCF US\$</b>	<b>Mercer Passive Global Equity CCF US\$</b>	<b>Mercer Investment Fund 2 €</b>	<b>Mercer Investment Fund 3 CCF GB£</b>
Realised gain on investments and other derivative contracts	8,662	127,493,483	100,321,873	240,758,430	587,889,355	15,817,066
Realised loss on investments and other derivative contracts	-	( 71,552,413)	( 32,074,894)	( 58,189,453)	( 224,739,336)	(1,109,001)
Change in unrealised appreciation on investments and other derivative contracts	14,911,202	199,243,442	114,818,299	332,299,361	877,954,497	55,958,426
Change in unrealised depreciation on investments and other derivative contracts	(1,986)	(139,071,894)	(60,627,810)	(200,934,841)	(739,909,972)	(37,640,840)
Gain/(loss) on foreign exchange	-	(56,683)	(65,874)	(284,802)	5,777,611	-
	<u>14,917,878</u>	<u>116,055,935</u>	<u>122,371,594</u>	<u>313,648,695</u>	<u>506,972,155</u>	<u>33,025,651</u>
	<b>Mercer Investment Fund 5 CCF €</b>	<b>SH Pension Investment Fund* SEK</b>	<b>Mercer Investment Fund 10* GB£</b>	<b>Mercer Investment Fund 11* GB£</b>	<b>Mercer Investment Fund 12* GB£</b>	
Realised gain on investments and other derivative contracts	7,880,365	58,608,956	3,337,695	2,344,771	1,567,831	
Realised loss on investments and other derivative contracts	(3,684,150)	(35,495,456)	(15,486,304)	(6,625,801)	(3,433,350)	
Change in unrealised appreciation on investments and other derivative contracts	27,384,388	29,159,525	86,656,318	46,877,411	28,536,498	
Change in unrealised depreciation on investments and other derivative contracts	(4,259,646)	(63,157,340)	(45,034,436)	(24,597,081)	(14,572,672)	
Gain/(loss) on foreign exchange	-	-	195,795	71,122	30,155	
	<u>27,320,957</u>	<u>(10,884,315)</u>	<u>29,669,068</u>	<u>18,070,422</u>	<u>12,128,462</u>	

\*These Sub-Funds launched during the financial year ended 30 June 2018.

**Efficient Portfolio Management Techniques**

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

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

Note 7 provides details of the risks associated with the use of financial derivative instruments.

**Securities lending**

Mercer Investment Fund 16 entered into securities lending agreements for efficient portfolio management purposes.

Under a securities lending transaction, the Sub-Fund makes a loan of securities which it holds to a borrower upon terms that require the borrower to return equivalent securities to the Sub-Fund within a specified period and to pay the Sub-Fund a fee for the use of the securities during the period that they are on loan. The Manager will ensure that it is able, at any time, to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

The Sub-Fund may lend its portfolio securities via a securities lending program through an appointed securities lending agent to brokers, dealers and other financial institutions desiring to borrow securities to complete transactions and for other purposes. Pursuant to the terms of the relevant securities lending agreement, the appointed lending agent will be entitled to retain a portion of the securities lending revenue to cover the fees and costs associated with the securities lending activity, including the delivery of loans, the management of collateral and the provision of any securities lending indemnity and such fees paid will be at normal commercial rates.

**Repurchase agreements**

Mercer Investment Fund 3 CCF entered into repurchase agreement. Under a repurchase agreement the Sub-Fund sells portfolio assets subject to an agreement by the Sub-Fund to repurchase the same assets at an agreed upon price and date.

The Sub-Fund can use the proceeds received from entering into a repurchase agreement to make additional investments, which generally causes the Sub-Fund's portfolio to behave as if it were leveraged. If the buyer in a repurchase agreement files for bankruptcy or becomes insolvent, the Sub-Fund may be unable to recover the securities it sold and as a result may realise a loss on the transaction if the securities it sold are worth more than the purchase price it originally received from the buyer.

As at 30 June 2019, Mercer Investment Fund 3 CCF entered into repurchase agreements amounting to GB£ 229,679,500 (30 June 2018: GB£ 235,589,300). Accrued interest as at 30 June 2019 is GB£ 143,785 (30 June 2018: GB£ 334,247). The repurchase agreements are held with three counterparties, Lloyds Bank, National Australia Bank and Toronto Dominion Bank. The market value of the securities the Sub-Fund has sold is determined daily and any additional collateral is sent by the Sub-Fund on the next business day. The market value of net collateral on repurchase agreements as at 30 June 2019 is GB£ 242,592,417 (30 June 2018: GB£ 239,441,999) pledged by the Sub-Fund. Each of the securities that have been pledged as collateral in respect of these repurchase agreements have a credit rating of AA. Interest charged on these Repurchase Agreements for the financial year ended 30 June 2019 amounted to GB£ 2,418,883.

**Reverse repurchase agreements**

As at 30 June 2019 Mercer Investment Fund 3 CCF entered into reverse repurchase agreements amounting to GB£ 75,228,150 (30 June 2018: GB£ 73,304,970). Interest receivable as at 30 June 2019 is GB£ 890,007 (30 June 2018: GB£ 62,962). The reverse repurchase agreements are held with Lloyds Bank. The market value of the securities the Fund has sold is determined daily and any additional collateral is sent by the Fund on the next business day. The market value of net collateral on reverse repurchase agreements as at 30 June 2019 is GB£ 76,320,603 (30 June 2018: GB£ 73,304,970) received by the Sub-Fund. Each of the securities that have been pledged as collateral in respect of these reverse repurchase agreements have a credit rating of AA. Interest received on these Repurchase Agreements for the financial year ended 30 June 2019 amounted to GB£ 2,079

**Net Asset Value**

<b>Mercer High Income UK Property CCF</b>	<b>Class I-1 £</b>	<b>Class M-1 £</b>	<b>Class* M-2 £</b>	<b>Class M-3 £</b>	<b>Class M-4 £</b>
Total net asset value					
30 June 2019	GB£ 120,848,290	GB£ 41,311,391	GB£ 102,512,929	GB£ 79,711,836	GB£ 11,017,707
30 June 2018	GB£ 172,742,697	GB£ 43,864,351	-	GB£ 85,987,633	GB£ 14,129,497
30 June 2017	GB£ 196,616,378	GB£ 42,974,363	-	GB£ 86,514,593	GB£ 13,367,720
Net asset value per unit <sup>†</sup>					
30 June 2019	GB£ 202.25	GB£ 178.86	GB£ 104.70	GB£ 174.75	GB£ 145.81
30 June 2018	GB£ 191.58	GB£ 169.52	-	GB£ 166.03	GB£ 138.68
30 June 2017	GB£ 177.86	GB£ 157.46	-	GB£ 154.60	GB£ 129.26

  

<b>Mercer High Income UK Property CCF (continued)</b>	<b>Class M-5 £</b>	<b>Class Z-1 £</b>
Total net asset value		
30 June 2019	GB£ 4,841,082	GB£ 52,503,647
30 June 2018	GB£ 5,368,440	GB£ 49,636,805
30 June 2017	GB£ 5,701,723	-
Net asset value per unit <sup>†</sup>		
30 June 2019	GB£ 140.57	GB£ 108.40
30 June 2018	GB£ 134.23	GB£ 102.48
30 June 2017	GB£ 125.61	-

  

<b>Mercer Return Seeking Fund 1</b>	<b>Class M-1 CAD</b>	<b>Class M-1 €</b>	<b>Class M-1 € Hedged</b>	<b>Class M-4 €</b>	<b>Class M-4 € Hedged</b>
Total net asset value					
30 June 2019	CAD 335,275,743	€ 254,866,972	€ 385,664,882	€ 559,741,375	€ 847,180,375
30 June 2018	CAD 321,661,010	€ 238,186,568	€ 358,235,328	€ 532,267,231	€ 799,831,014
30 June 2017	-	€ 557,954,987	-	€ 1,229,291,460	-
Net asset value per unit <sup>†</sup>					
30 June 2019	CAD 104.72	€ 214.09	€ 105.08	€ 168.30	€ 105.26
30 June 2018	CAD 100.68	€ 199.53	€ 101.16	€ 156.82	€ 101.16
30 June 2017	-	€ 182.14	-	€ 142.92	-

<sup>†</sup>This Class launched on 31 July 2018.



## Net Asset Value (continued)

Mercer Return Seeking Fund 1  
(continued)

	Class M-5 €	Class M-5 € Hedged
Total net asset value		
30 June 2019	€ 19,267,243	€ 29,160,080
30 June 2018	€ 18,221,816	€ 27,389,909
30 June 2017	€ 42,176,310	-
Net asset value per unit <sup>t</sup>		
30 June 2019	€ 144.96	€ 105.24
30 June 2018	€ 134.32	€ 101.16
30 June 2017	€ 122.69	-

Mercer Fundamental Indexation  
Global Equity CCF

	Class M-1 € Hedged	Class M-1 £	Class M-1 £ Hedged	Class M-2 £	Class M-2 £ Hedged
Total net asset value					
30 June 2019	€ 309,013,105	GB£ 7,063,579	GB£ 291,313,572	GB£ 32,440,736	GB£ 273,568,688
30 June 2018	€ 255,975,988	GB£ 28,622,738	GB£ 232,332,478	GB£ 25,973,246	GB£ 218,903,103
30 June 2017	€ 255,239,054	GB£ 61,455,082	GB£ 163,780,980	GB£ 76,541,517	GB£ 167,849,110
Net asset value per unit <sup>t</sup>					
30 June 2019	€ 154.41	GB£ 182.34	GB£ 145.37	GB£ 181.65	GB£ 144.74
30 June 2018	€ 150.70	GB£ 167.85	GB£ 140.52	GB£ 167.49	GB£ 140.19
30 June 2017	€ 134.08	GB£ 148.22	GB£ 123.85	GB£ 148.23	GB£ 123.79

Mercer Fundamental Indexation  
Global Equity CCF (continued)

	Class* M-2 SEK	Class M-3 €	Class M-3 € Hedged	Class M-3 £ Hedged	Class** M-4 £
Total net asset value					
30 June 2019	SEK 371,105,871	€ 46,053,694	€ 110,828,971	GB£ 29,720,402	-
30 June 2018	-	€ 48,062,860	€ 76,408,553	GB£ 28,943,347	GB£ 4,943,505
30 June 2017	-	€ 53,578,026	€ 75,201,546	GB£ 14,975,162	GB£ 6,360,755
Net asset value per unit <sup>t</sup>					
30 June 2019	SEK 1,043.88	€ 148.17	€ 132.20	GB£ 140.12	-
30 June 2018	-	€ 138.70	€ 129.54	GB£ 136.01	GB£ 161.95
30 June 2017	-	€ 124.02	€ 115.69	GB£ 120.34	GB£ 143.89

Mercer Fundamental Indexation  
Global Equity CCF (continued)

	Class M-4 £ Hedged	Class M-5 £	Class M-5 £ Hedged	Class*** M-6 €	Class**** A13-H-0.3200 € Hedged
Total net asset value					
30 June 2019	GB£ 18,623,286	-	-	€ 2,662,621	€ 6,154,777
30 June 2018	GB£ 15,383,821	-	GB£ 1,407,046	-	-
30 June 2017	GB£ 9,751,184	GB£ 357,734	GB£ 1,130,028	-	-
Net asset value per unit <sup>t</sup>					
30 June 2019	GB£ 139.35	-	-	€ 105.29	€ 99.79
30 June 2018	GB£ 135.50	-	GB£ 130.05	-	-
30 June 2017	GB£ 120.12	GB£ 99.74	GB£ 115.31	-	-

<sup>t</sup>This Class launched on 13 September 2018.

\*\*This Class terminated on 8 August 2018.

\*\*\*This Class launched on 17 October 2018.

\*\*\*\*This Class launched on 23 April 2019.

**Net Asset Value (continued)**

<b>Mercer Passive Global Equity CCF</b>	<b>Class M-1 £ Hedged</b>	<b>Class M-1 £ Hedged</b>	<b>Class M-2 £ Hedged</b>	<b>Class M-2 £ Hedged</b>	<b>Class M-2 € Hedged</b>
Total net asset value					
30 June 2019	GB£ 45,069,621	GB£ 220,012,625	GB£ 96,795,110	GB£ 61,042,327	€ 195,392,954
30 June 2018	GB£ 67,720,100	GB£ 267,811,423	GB£ 91,518,549	GB£ 57,844,473	€ 233,299,186
30 June 2017	GB£ 75,952,151	GB£ 391,914,103	GB£ 93,436,857	GB£ 197,987,165	€ 238,728,588
Net asset value per unit <sup>†</sup>					
30 June 2019	GB£ 189.50	GB£ 149.09	GB£ 188.45	GB£ 148.25	€ 171.04
30 June 2018	GB£ 171.25	GB£ 141.64	GB£ 170.62	GB£ 141.12	€ 156.94
30 June 2017	GB£ 156.85	GB£ 129.47	GB£ 156.57	GB£ 129.41	€ 145.27
<b>Mercer Passive Global Equity CCF (continued)</b>	<b>Class M-2 € Hedged</b>	<b>Class M-3€ Hedged</b>	<b>Class M-3€ Hedged</b>	<b>Class M-3 € Hedged</b>	<b>Class M-3 € Hedged</b>
Total net asset value					
30 June 2019	€ 426,672,206	GB£ 23,438,811	GB£ 16,585,513	€ 1,326,163	€ 5,383,182
30 June 2018	€ 474,505,429	GB£ 28,252,452	GB£ 31,606,782	€ 5,878,463	€ 14,438,651
30 June 2017	€ 528,637,286	GB£ 31,893,012	GB£ 55,721,558	€ 5,448,679	€ 17,463,608
Net asset value per unit <sup>†</sup>					
30 June 2019	€ 143.73	GB£ 186.69	GB£ 144.92	€ 152.90	€ 125.38
30 June 2018	€ 138.10	GB£ 169.37	GB£ 138.25	€ 140.54	€ 120.77
30 June 2017	€ 127.55	GB£ 155.73	GB£ 126.86	€ 130.35	€ 111.76
<b>Mercer Passive Global Equity CCF (continued)</b>	<b>Class M-4 £ Hedged</b>	<b>Class* M-4 £ Hedged</b>	<b>Class M-5 £ Hedged</b>	<b>Class M-6 £ Hedged</b>	<b>Class M-6 € Hedged</b>
Total net asset value					
30 June 2019	-	-	-	GB£ 18,174,914	€ 65,511,150
30 June 2018	-	-	-	GB£ 14,135,890	€ 118,624,465
30 June 2017	GB£ 288,290	GB£ 13,000,382	GB£ 1,498,248	GB£ 13,962,199	€ 102,987,752
Net asset value per unit <sup>†</sup>					
30 June 2019	-	-	-	GB£ 124.62	€ 131.14
30 June 2018	-	-	-	GB£ 118.15	€ 125.80
30 June 2017	GB£ 153.09	GB£ 125.44	GB£ 120.44	GB£ 107.66	€ 115.99
<b>Mercer Passive Global Equity CCF (continued)</b>	<b>Class M-7 € Hedged</b>	<b>Class M-8 € Hedged</b>	<b>Class M-9 € Hedged</b>		
Total net asset value					
30 June 2019	€ 45,251,723	€ 155,245,906	€ 158,377,359		
30 June 2018	€ 44,671,814	€ 146,381,639	€ 155,278,276		
30 June 2017	€ 58,506,383	€ 80,291,816	€ 136,942,974		
Net asset value per unit <sup>†</sup>					
30 June 2019	€ 133.30	€ 136.87	€ 136.00		
30 June 2018	€ 128.00	€ 131.23	€ 130.24		
30 June 2017	€ 118.13	€ 120.95	€ 119.87		

\*This Class terminated on 4 June 2018.

**Net Asset Value (continued)**
**Mercer Passive Global Equity CCF  
(continued)**

	<b>Class M-10 € Hedged</b>	<b>Class M-14 € Hedged</b>	<b>Class Z-1 £</b>	<b>Class Z-1 £ Hedged</b>
Total net asset value				
30 June 2019	€ 345,347,080	€ 52,161,363	GB£ 221,372,002	GB£ 156,373,810
30 June 2018	€ 315,919,237	€ 53,816,910	GB£ 198,871,440	GB£ 148,332,500
30 June 2017	€ 293,976,256	€ 50,146,263	GB£ 164,515,849	GB£ 134,997,706
Net asset value per unit <sup>†</sup>				
30 June 2019	€ 131.60	€ 130.50	GB£ 165.04	GB£ 142.28
30 June 2018	€ 125.91	€ 124.91	GB£ 148.83	GB£ 134.83
30 June 2017	€ 115.78	€ 114.93	GB£ 136.02	GB£ 122.83

**Mercer Investment Fund 2**

	<b>Class M-1 €</b>
Total net asset value	
30 June 2019	€ 9,093,498,343
30 June 2018	€ 8,630,001,434
30 June 2017	€ 8,008,689,233
Net asset value per unit <sup>†</sup>	
30 June 2019	€ 160.48
30 June 2018	€ 152.45
30 June 2017	€ 141.61

**Mercer Investment Fund 3 CCF**

	<b>Class M-2 £</b>
Total net asset value	
30 June 2019	GB£ 1,066,986,560
30 June 2018	GB£ 1,022,811,798
30 June 2017	GB£ 1,017,487,954
Net asset value per unit <sup>†</sup>	
30 June 2019	GB£ 129.93
30 June 2018	GB£ 120.79
30 June 2017	GB£ 116.70

**Mercer Investment Fund 5 CCF**

	<b>Class M-1 €</b>
Total net asset value	
30 June 2019	€ 547,432,572
30 June 2018	€ 505,866,017
30 June 2017	€ 464,386,271
Net asset value per unit <sup>†</sup>	
30 June 2019	€ 124.45
30 June 2018	€ 118.20
30 June 2017	€ 111.81

**SH Pension Investment Fund**

	<b>Class M-1 SEK</b>
Total net asset value	
30 June 2019	SEK 4,384,634,980
30 June 2018	SEK 4,163,390,103
30 June 2017	-
Net asset value per unit <sup>†</sup>	
30 June 2019	SEK 1,034.86
30 June 2018	SEK 997.34
30 June 2017	-

**Net Asset Value (continued)**

<b>Mercer Investment Fund 10</b>	<b>Class*</b> <b>M-1 £</b>	<b>Class**</b> <b>M-2 £</b>
Total net asset value		
30 June 2019	GB£ 3,126,674,710	-
30 June 2018	-	GB£ 2,944,118,497
30 June 2017	-	-
Net asset value per unit†		
30 June 2019	GB£ 108.64	-
30 June 2018	-	GB£ 100.68
30 June 2017	-	-

<b>Mercer Investment Fund 11</b>	<b>Class*</b> <b>M-1 £</b>	<b>Class**</b> <b>M-2 £</b>
Total net asset value		
30 June 2019	GB£ 1,798,458,874	-
30 June 2018	-	GB£ 1,713,813,961
30 June 2017	-	-
Net asset value per unit†		
30 June 2019	GB£ 107.83	-
30 June 2018	-	GB£ 100.57
30 June 2017	-	-

<b>Mercer Investment Fund 12</b>	<b>Class*</b> <b>M-1 £</b>	<b>Class**</b> <b>M-2 £</b>
Total net asset value		
30 June 2019	GB£ 1,098,146,322	-
30 June 2018	-	GB£ 1,015,921,807
30 June 2017	-	-
Net asset value per unit†		
30 June 2019	GB£ 108.05	-
30 June 2018	-	GB£ 100.68
30 June 2017	-	-

<b>Mercer Investment Fund 16</b>	<b>Class***</b> <b>A4-0.0850 US\$</b>
Total net asset value	
30 June 2019	US\$843,206,105
30 June 2018	-
30 June 2017	-
Net asset value per unit†	
30 June 2019	US\$ 110.13
30 June 2018	-
30 June 2017	-

†dealing NAV

\*These Classes launched on 23 July 2018.

\*\*These Classes terminated on 23 July 2018.

\*\*\*This Class launched on 13 December 2018.

**Reconciliation of Dealing Net Asset Value to Net Asset Value per Financial Statements**

The following table details the the difference between the valuation of investments stated in the financial statements and valuation methodology indicated in the Prospectus, results in changes in the value of investments.

	<b>Mercer High Income UK Property CCF GB£</b>
Net assets attributable to holders of redeemable participating units (in accordance with the prospectus)	412,746,882
Pricing adjustment	(10,868,499)
	<hr/>
Net assets attributable to holders of redeemable participating units per financial statements (in accordance with IFRS)	401,878,383
	<hr/> <hr/>

**Exchange rates**

The applicable year end exchange rates were as follows:

	<b>As at 30 June 2019 Exchange Rate to GB£</b>	<b>As at 30 June 2018 Exchange Rate to GB£</b>
Australian Dollar	1.8136	1.7869
Brazilian Real	4.8778	-
Canadian Dollar	1.6631	1.7367
Danish Krone	8.3413	8.4252
Euro	1.1176	1.1308
Hong Kong Dollar	9.9430	10.3580
Japanese Yen	137.1207	146.2376
New Israeli Shekel	4.5391	4.8328
New Taiwan Dollar	39.5294	40.2525
New Zealand Dollar	1.8949	1.95
Norwegian Krone	10.8511	10.7606
Polish Zloty	4.7462	-
Singapore Dollar	1.7219	1.8002
South Korean Won	1,469.5233	1,471.4192
Swedish Krona	11.8084	11.8110
Swiss Franc	1.2409	1.3109
U.S. Dollar	1.2727	1.3203
	<b>As at 30 June 2019 Exchange Rate to €</b>	<b>As at 30 June 2018 Exchange Rate to €</b>
Australian Dollar	1.6228	1.5802
Brazilian Real	4.3646	4.4920
Canadian Dollar	1.4881	1.5359
Czech Koruna	25.4440	26.0150
Danish Krone	7.4637	7.4507
Hong Kong Dollar	8.8969	9.1600
Hungarian Forint	322.7752	329.1252
Indonesian Rupiah	-	16,730.9987
Japanese Yen	122.6944	129.3237
Mexican Peso	21.8782	22.9491
New Israeli Shekel	4.0616	4.2739
New Taiwan Dollar	-	35.5969
New Turkish Lira	-	5.3488
New Zealand Dollar	1.6955	1.7245

## Exchange rates (continued)

	<b>As at 30 June 2019 Exchange Rate to €</b>	<b>As at 30 June 2018 Exchange Rate to €</b>
Norwegian Krone	9.7095	9.5160
Qatari Rial	4.1467	-
Singapore Dollar	1.5407	1.5920
South African Rand	16.0585	16.0027
South Korean Won	1,314.9159	1,301.2350
Sterling Pound	0.8948	0.8843
Swedish Krona	10.5660	10.4449
Swiss Franc	1.1103	1.1593
Thai Baht	-	38.6809
U.S. Dollar	1.1388	1.1676
	<b>As at 30 June 2019 Exchange Rate to US\$</b>	<b>As at 30 June 2018 Exchange Rate to US\$</b>
Australian Dollar	1.4250	1.3535
Brazilian Real	3.8327	-
Canadian Dollar	1.3068	1.3155
Chilean Peso	678.9500	-
Colombian Peso	3,207.0000	-
Czech Koruna	22.3429	-
Danish Krone	6.5540	6.3815
Egyptian Pound	16.6950	-
Emirati Dirham	3.6732	-
Euro	0.8781	0.8565
Hong Kong Dollar	7.8125	7.8455
Hungarian Forint	283.4344	-
Indonesian Rupiah	14,127.5000	-
Japanese Yen	107.7400	110.7650
Malaysian Ringgit	4.1325	-
Mexican Peso	19.2117	-
New Israeli Shekel	3.5666	3.6606
New Taiwan Dollar	31.0595	-
New Turkish Lira	5.7840	-
New Zealand Dollar	1.4889	1.4770
Norwegian Krone	8.5261	8.1504
Philippine Peso	51.2350	-
Polish Zloty	3.7292	-
Qatari Rial	3.6413	-
Singapore Dollar	1.3530	1.3635
South African Rand	14.1013	13.7063
South Korean Won	1,154.6500	1,114.5000
Sterling Pound	0.7857	0.7574
Swedish Krona	9.2782	8.9460
Swiss Franc	0.9750	0.9930
Thai Baht	30.6675	-
	<b>As at 30 June 2019 Exchange Rate to SEK</b>	<b>As at 30 June 2018 Exchange Rate to SEK</b>
Euro	0.0946	0.0957
U.S. Dollar	0.1078	0.1118

## Remuneration Policy

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

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

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

## Quantitative Remuneration Disclosure

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

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

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

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

The amount of the total remuneration awarded by MGIE to its staff which has been attributed to the AIF in respect of the year ending 30 June 2019 is € 4,695,149 (30 June 2018: € 4,636,822). This figure is comprised of fixed remuneration of € 3,737,362 (30 June 2018: € 3,568,156) and variable remuneration of € 957,786 (30 June 2018: € 1,068,665). There were a total of 125 (30 June 2018: 110) beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by MGIE, which has been attributed to the AIF in respect of the financial year ending 30 June 2019, to its senior management was € 2,939,745 (30 June 2018: € 1,474,249), and to members of its staff whose actions have a material impact on the risk profile of the AIF was € 655,372 (30 June 2018: € 542,245).

**Securities Financing Transactions**

Securities Financing Transactions Regulation (Regulation (EU) 2015/2365) ("SFTR") came into force on 12 January 2016 and, amongst other requirements, introduces new disclosure requirements in the CCF's annual reports published after 13 January 2017 detailing the CCF's use of securities financing transactions.

Under Regulation (EU) 2015/2365 on transparency of securities financing transactions (SFTs) and of reuse, and amending Regulation (EU) No 648/2012, Article 13 requires AIF CCF to provide the following information on the use made of SFTs.

**Sub-Fund Name: Mercer Investment Fund 3 CCF  
Repurchase and Reverse Repurchase Transactions****1. Below is the market value of assets engaged in securities financing transactions at 30 June 2019**

Currency	GB£ (154,451,350)
% of Net Assets	-14.48%

**2. Listed below are the top 10 Counterparties used for each type of SFT & TRS at 30 June 2019\***

1. Counterparty name	Toronto Dominion Bank
Value of outstanding transactions	GB£ (55,209,000)
Country of establishment	UK
2. Counterparty name	National Australia Bank
Value of outstanding transactions	GB£ (50,520,000)
Country of establishment	UK
3. Counterparty name	Lloyds Bank
Value of outstanding transactions	GB£ (48,722,350)
Country of establishment	UK

\*The above is a complete list of counterparties.

**3. Settlement/clearing for each type of SFT & TRS:**

Bi-Lateral

**4. Maturity tenor of the SFTs & TRSs**

Less than 1 day	-
1 day to 1 week	-
1 week to 1 month	GB£ (48,652,900)
1 to 3 months	GB£ (55,278,450)
3 months to 1 year	GB£ (50,520,000)
Greater than 1 year	-
Open Maturity	-

**5. Type and Quality of Collateral**

Collateral Type	Bond
Collateral Quality/Rating:	
Cash	-
Bonds	AA
Equities	-
Other	-

**6. Currency of Collateral**

GB£



**Securities Financing Transactions (continued)****Sub-Fund Name: Mercer Investment Fund 3 CCF (continued)****Repurchase and Reverse Repurchase Transactions (continued)****7. Maturity tenor of the Collateral received**

Less than 1 day	-
1 day to 1 week	-
1 week to 1 month	-
1 to 3 months	-
3 months to 1 year	-
Greater than 1 year	GB£ 76,320,603
Open Maturity	-

**8. Ten largest Collateral Issuers\***

Collateral Issuer	United Kingdom (Government of)
Volume of collateral received	GB£ 76,320,603

\* The above is a complete list of collateral issuers.

**9. Re-investment of Collateral received**

Stock Collateral re-invested	n/a
Permitted re-investment of Stock Collateral	n/a
Returns on Cash Collateral re-invested	n/a

**10. Safe-keeping of Collateral received**

Detailed in the table below are the number and names of the depositaries who are responsible for the safe-keeping of the collateral received in relation to each of the SFTs/TRSs held on the Sub-Fund.

Number of Depositaries	1
Depositary	State Street Custodial Services (Ireland)
Stock Collateral	GB£ 76,320,603
Cash Collateral	n/a

**11. Safe-keeping of Collateral pledged**

Included in the table below are details of the safe-keeping of the collateral pledged from the Sub-Fund to the relevant counterparties in relation to each of the SFTs held on the Sub-Funds.

Counterparty	Lloyds Bank	National Australia Bank	Toronto Dominion Bank
% held in segregated accounts	100%	100%	100%
% held in pooled accounts	0%	0%	0%
% held in other accounts	0%	0%	0%
Total	100%	100%	100%
Total Value of Collateral pledged	GB£ 131,100,417	GB£ 54,141,000	GB£ 57,351,000

**12. Returns and costs of the SFTs & TRSs**

Loss incurred	GB£ (1,526,797)
Gains/Losses	-
Costs incurred*	-
Net returns	GB£ (1,526,797)

\*Transactions costs relating to the reverse repurchase agreement are embedded in the interest rate applied to each contract, therefore they are not separately identifiable for disclosure within the financial statements.

**Securities Financing Transactions (continued)****Sub-Fund Name: Mercer Investment Fund 3 CCF (continued)****Total Return Swaps****1. Below is the market value of assets engaged in securities financing transactions at 30 June 2019**

Currency	GB£ (23,760,535)
% of Net Assets	(2.23)%

**2. Listed below are the top 10 Counterparties used for each type of SFT & TRS at 30 June 2019\***

1. Counterparty name	Goldman Sachs
Value of outstanding transactions	GB£ (25,845,200)
Country of establishment	UK

2. Counterparty name	Morgan Stanley
Value of outstanding transactions	GB£ 2,084,665
Country of establishment	UK

\* The above is a complete list of counterparties.

**3. Settlement/clearing for each type of SFT & TRS:**

Bi-Lateral

**4. Maturity tenor of the SFTs & TRSs**

Less than 1 day	-
1 day to 1 week	-
1 week to 1 month	-
1 to 3 months	-
3 months to 1 year	GB£ (23,760,534)
Greater than 1 year	-
Open Maturity	-

**5. Type and Quality of Collateral**

Collateral Type	Bond
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## Collateral Quality/Rating:

Cash	-
Bonds	AA; AA+
Equities	-
Other	-

**6. Currency of Collateral**

GB£

**7. Maturity tenor of the Collateral**

Less than 1 day	-
1 day to 1 week	-
1 week to 1 month	-
1 to 3 months	-
3 months to 1 year	-
Greater than 1 year	-
Open Maturity	-

**Securities Financing Transactions (continued)****Sub-Fund Name: Mercer Investment Fund 3 CCF (continued)****Total Return Swaps (continued)****8. Safe-keeping of Collateral pledged**

Included in the table below are details of the safe-keeping of the collateral pledged from the Sub-Fund to the relevant counterparties in relation to the total return swaps held on the Sub-Fund.

Total Value of Collateral pledged	GB£ 30,420,520
Counterparty	Goldmans Sachs
% held in segregated accounts	0%
% held in pooled accounts	100%
% held in other accounts	0%
Total	100%
Total Value of Collateral pledged	GB£ 30,734,918
Counterparty	Morgan Stanley
% held in segregated accounts	0%
% held in pooled accounts	100%
% held in other accounts	0%
Total	100%

**9. Returns and costs of the SFTs & TRSs**

Income received	-
Gains/Losses	GB£ (23,760,535)
Costs incurred*	-
Net returns	GB£ (23,760,535)

\*Costs incurred in relation to total return swaps are not separately identifiable for disclosure within the financial statements.

**Securities Financing Transactions (continued)****Sub-Fund Name: Mercer Investment Fund 3 CCF (continued)****Short Sale Transactions****1. Below is the market value of assets engaged in securities financing transactions at 30 June 2019**

Currency	GB£ (76,320,603)
% of Net Assets	(7.15)%

**2. Listed below are the top 10 Counterparties used for each type of SFT & TRS at 30 June 2019\***

1. Counterparty name	Lloyds Bank
Value of outstanding transactions	GB£ (76,320,603)
Country of establishment	UK

\*The above is a complete list of counterparties.

**3. Settlement/clearing for each type of SFT & TRS:**

Bi-Lateral

**4. Maturity tenor of the SFTs & TRSs**

Less than 1 day	-
1 day to 1 week	-
1 week to 1 month	-
1 to 3 months	-
3 months to 1 year	-
Greater than 1 year	GB£ (76,320,603)
Open Maturity	-

**5. Type and Quality of Collateral**

Collateral Type	n/a
Collateral Quality/Rating:	
Cash	-
Bonds	-
Equities	-
Other	-

**6. Currency of Collateral**

-

**7. Maturity tenor of the Collateral received**

Less than 1 day	n/a
1 day to 1 week	-
1 week to 1 month	-
1 to 3 months	-
3 months to 1 year	-
Greater than 1 year	-
Open Maturity	-

**8. Ten largest Collateral Issuers**

Included in the table below are details of the safe-keeping of the collateral pledged from the Sub-Fund to the relevant counterparties in relation to the short sale transactions held on the Sub-Fund.

Collateral Issuer	n/a
Volume of collateral received	n/a

**9. Returns and costs of the SFTs & TRSs**

Loss incurred	GB£ (1,084,500)
Gains/Losses	-
Costs incurred*	-
Net returns	GB£ (1,084,500)

\*Transactions costs relating to the reverse repurchase agreement are embedded in the interest rate applied to each contract, therefore they are not separately identifiable for disclosure within the financial statements.