

## Mercer Passive Global Equity Fund

A Sub-Fund of MGI Funds plc, a UCITS umbrella fund

SFDR Article 8

### OBJECTIVE AND INVESTMENT POLICY

#### INVESTMENT OBJECTIVE(S)

To seek long term growth of capital and income.

#### INVESTMENT POLICY

**Strategy** The Sub-Fund pursues a passively managed (index-tracking) global equity strategy. The Sub-Fund seeks to replicate the risk and return profile of the Benchmark by holding all or close to all of its component securities in similar weightings to those used in the Benchmark.

Where this is not practicable or possible, optimisation is applied in order to build a representative portfolio that matches the risk and return characteristics of the Benchmark.

To implement this strategy, the Investment Manager appoints one or more Sub-Investment Managers selected for their expertise, based on an assessment of various criteria, such as quality of the investment process, risk management, costs and fees, stewardship, organisational robustness and the strength of the management team.

For more information, see “Index-Tracking Sub-Funds” in the Prospectus.

**Sustainability approach** The Sub-Fund promotes environmental and social characteristics through the exclusion of companies that:

- generate more than 1% of their revenue from thermal coal extraction, arctic drilling or oil tar sand mining
- are involved in the manufacture, distribution or sales of controversial weapons, or
- manufacture tobacco products or generate more than 50% of their revenue from tobacco distribution or sales.

The Sub-Fund achieves these characteristics by investing in the component securities of the Benchmark that applies a negative environmental and social screen.

The Sub-Fund commits to having a minimum proportion of 20% in sustainable investments, based on the Investment Manager’s framework.

By tracking the Benchmark, it is expected that at least 90% of the Net Asset Value (‘NAV’) will be aligned with the environmental and social characteristics promoted by the Sub-Fund.

More complete information on the Sub-Fund’s sustainability approach is set out in the Annex to this Supplement and “Sustainability Policies” in the Prospectus. The Annex applies in conjunction with the investment policy described herein.

**Benchmark(s)** MSCI World ex Selected Securities Net Tax Total Return Index (USD), unhedged (the “Benchmark”), a sub-index of the MSCI World Index (the “Parent Index”). The Benchmark is used for index-tracking.

The Benchmark:

- represents the performance of a subset of component securities from the Parent Index, an equity index representing the performance of large and mid-cap companies from a range of developed markets globally
- consists of component securities which are weighted according to their free float adjusted market capitalisation
- applies the environmental and social screens described above to exclude certain companies included within the Parent Index
- is scheduled to rebalance quarterly.

More information on the Benchmark (including its component securities) is available at [www.msci.com/constituents](http://www.msci.com/constituents).

Under normal market conditions, the tracking error is not expected to exceed 0.50%. There are a number of factors that can impact the level of tracking error, such as the size of the Sub-Fund, the frequency and timing of cash flows, the Sub-Fund’s costs and the rebalancing frequency.

For more information, see “Tracking Error for Index-Tracking Sub-Funds” in the Prospectus.

**Investments** The Sub-Fund invests in a portfolio of global equity securities that, as far as possible and practicable, reflect the component securities of the Benchmark, such as common stocks, preferred shares, real estate investment trusts and depositary receipts.

The Sub-Fund may also invest in:

- non-Benchmark securities (when using optimisation), such as equity securities that have a similar risk and return profile to those in the

Benchmark and are consistent, at the time of purchase, with the Benchmark's exclusions

- UCITS and other regulated collective investment schemes (up to 10% of NAV)

To a limited extent, the Sub-Fund may hold warrants or convertible securities if acquired indirectly through corporate actions.

The Sub-Fund may invest in assets denominated in any developed market currency and currency exposure is typically unhedged.

**Derivatives and techniques** The Sub-Fund may use Derivatives and technique(s) for efficient portfolio management to reduce risks (hedging), to reduce costs or to seek additional capital or income in line with its risk profile.

*Derivative types* Futures, FX forwards.

*Securities financing techniques* The Sub-Fund may use the following techniques (as a proportion of assets):

- securities lending: expected 0-10%; maximum 50%

*Global exposure* The Sub-Fund's global exposure will not exceed 100% of NAV (measured using the commitment approach).

For more information, see "Investment Techniques" in the Prospectus.

**Cash management** Ancillary Liquid Assets (up to 10% of NAV under normal market conditions).

**Base currency** USD.

## MAIN RISKS

All investments involve risk. The Sub-Fund's main risks are those listed below. These are explained further in "Special Considerations and Risk Factors" in the Prospectus. Any of the following risks could result in the Sub-Fund losing money, underperforming similar investments (including the Benchmark), experiencing high volatility (significant ups and downs in NAV), or failing to meet its objective over any period of time:

- Currency
- Equity
- Index-Tracking Sub-Fund
- REITs
- Sustainable Investing

**Sustainability risks** Sustainability Risks are integrated in the investment process for the Sub-Fund, including in portfolio construction, Sub-Investment Manager selection and monitoring, and in ongoing risk management and portfolio monitoring.

Developed market portfolios may have exposure to a wide variety of Sustainability Risks, including impacts relating to the transition to a low-carbon economy and associated policy or regulatory developments.

Sustainability Risks, should they arise, can materially affect an issuer's performance and in turn the performance of the Sub-Fund.

For more information, see "Sustainability Policies" in the Prospectus.

## PLANNING AN INVESTMENT

**Typical investor profile** The Sub-Fund is suitable for investors with at least basic knowledge of, and experience with, financial products, who understand the risks of the Sub-Fund including potential capital loss and who:

- seek to achieve investment objectives aligned with that of the Sub-Fund
- have a long-term investment horizon
- seek a product that promotes environmental and/or social characteristics

**Country specific information** The Sub-Fund applies the restrictions for equity funds under the German Investment Tax Act.

For more information, see "Additional investment restrictions for investors in certain jurisdictions" in the Prospectus.

**Dealing information** Every day that is a bank business day in Ireland or the UK ("Business Day") will be a Dealing Day for the Sub-Fund. Requests to subscribe or redeem Shares of the Sub-Fund that are received and accepted by the Administrator on behalf of the Sub-Fund before 1:00 pm Irish time on any Dealing Day are processed that day.

The NAV per Share is calculated using close of business prices in the relevant markets on the Dealing Day (the "Valuation Point") and is published the following Business Day.

Transactions typically settle 3 Business Days after the day the request is accepted; for subscriptions this means that payments must be received by this time.

For more information, see "Making an Investment" in the Prospectus.

## SHARE CLASSES

FEES AND EXPENSES (% per annum)				
Share Class Type	MANAGEMENT FEES		Sub-Investment Manager Fee(s) (max)	Operating Expenses (max)
	Manager Fee (max)	Hedging Fee		
<b>A</b>	0.80%	0.02%	0.20%	0.20%
<b>B</b>	1.00%	0.02%	—	0.20%
<b>E</b>	1.50%	0.02%	0.20%	0.20%
<b>Z</b>	—	0.02%	0.20%	0.20%

**Available share classes** The Sub-Fund may offer Share Classes with specific features or a combination of features, including differing Management Fee levels up to the levels indicated above.

For all Share Classes other than those listed in the Appendix, the Share Class naming convention denotes the features of the particular Share Class through the combination of letters and numbers. For example: A GBP Hedged Share Class of type A with a Management Fee of 0.42% will be named "A-H-0.42-GBP".

A list of individual Share Classes available in each applicable jurisdiction, including any Share Classes with a scheduled future launch is available at <https://investment-solutions.mercer.com>.

**Available share class features** Accumulating, distributing, unhedged, hedged.

Share Classes are available in the Base Currency and any of the other Standard Currency Options.

**Share class eligibility** Share Classes B, E and Z are subject to additional eligibility criteria specified in the Prospectus.

**Distribution policy** Declared quarterly, on the last Business Day of March, June, September and December.

**Share class currency hedging** The Exposure Hedging model applied seeks to hedge the relevant Hedged Share Class currency against any investments held in the Sub-Fund which are denominated in a currency other than the currency of the Hedged Share Class, with the exception of currencies where it is impractical or not cost effective to do so.

For a full description of each feature of the Share Classes, including Share Class Hedging Methodologies, see "Available Share Classes" in the Prospectus.

**Fees and expenses** Share Classes are subject to the fees and expenses set out in the table above. The specific level of Management Fee applicable to a Share Class will form part of the Share Class name and will not exceed the levels indicated above. The

exception to this are those Share Classes listed in the Appendix.

Where Operating Expenses incurred are less than the maximum figures indicated above, only the Operating Expenses actually incurred are charged to the Sub-Fund.

For further information on the fees and expenses and other costs applicable to the Sub-Fund, see "Fees and Expenses" in the Prospectus.

## SHARE CLASSES NOT YET LAUNCHED

The table below shows the initial offer price per Share for each unlaunched Share Class in the respective Share currency. The initial offer period for all unlaunched Share Classes will run until 5:00 pm Irish time on the Business Day which is six months from the next Business Day after the date of this Supplement.

Initial Offer Price per Currency	Share Classes A, B and E	Share Class Z
AUD, CAD, CHF, EUR, GBP, NZD, SGD, USD	100	10,000
CNH, HKD, MXN, ZAR	100	100,000
DKK, NOK, SEK	1,000	100,000
JPY	10,000	1,000,000

All launched Share Classes are available at their NAV per Share on each Dealing Day.

## SUB-INVESTMENT MANAGER(S)

*Sub-Investment Manager(s) — with delegated day-to-day management of the Sub-Fund's investments:*

- State Street Global Advisors Europe Limited, 78 Sir John Rogerson's Quay, Dublin 2, Ireland, authorised to provide investment management services by the Central Bank of Ireland.

*Words and expressions not specifically defined in this Supplement bear the same meaning as that attributed to them in the Prospectus. To the extent that there is any inconsistency between this Supplement and the Prospectus, this Supplement will prevail. MGI Funds plc is an investment company with variable capital incorporated as a public limited company in Ireland with registered number 421179 and established as an open-ended umbrella fund with segregated liability between sub-funds authorised and regulated by the Central Bank of Ireland. The directors of MGI Funds plc have taken all reasonable care to ensure the accuracy and adequacy of the Prospectus and this Supplement and accept responsibility for its content accordingly.*

## Appendix – Other Share Classes

The table below provides details of the Share Classes that do not follow the naming convention, as described above. It also sets out the specific level of Management Fees together with relevant features. The fees and expenses listed in this table are expressed as a percentage per annum.

Share Class Type	Share Class Name	Management Fees (including Hedging Fee, where applicable)	Sub-Investment Manager Fee(s) (max)	Operating Expenses (max)	Share Class Currency Hedging	Distribution Policy
A	M-9 EUR	0.0750%	0.20%	0.20%	Unhedged	Accumulating
A	M-1 EUR	0.2000%	0.20%	0.20%	Unhedged	Accumulating
A	M-1 EUR Hedged	0.2500%	0.20%	0.20%	Hedged	Accumulating
A	M-2 EUR Hedged	0.3500%	0.20%	0.20%	Hedged	Accumulating
A	M-4 EUR	0.5000%	0.20%	0.20%	Unhedged	Accumulating
A	M-4 EUR Hedged	0.5500%	0.20%	0.20%	Hedged	Accumulating
A	M-5 EUR	0.6500%	0.20%	0.20%	Unhedged	Accumulating
A	M-2 GBP	0.3000%	0.20%	0.20%	Unhedged	Accumulating
A	M-2 GBP Hedged	0.3500%	0.20%	0.20%	Hedged	Accumulating
A	M-5 JPY Hedged	0.1000%	0.20%	0.20%	Hedged	Accumulating
A	M-2 JPY	0.1000%	0.20%	0.20%	Unhedged	Accumulating
A	M-1 NOK Hedged	0.2500%	0.20%	0.20%	Hedged	Accumulating
A	M-3 SEK	0.4000%	0.20%	0.20%	Unhedged	Accumulating
A	M-1 USD Hedged	0.2500%	0.20%	0.20%	Hedged	Accumulating
A	M-3 USD	0.4000%	0.20%	0.20%	Unhedged	Accumulating
Z	Z-1 EUR	0.0000%	0.20%	0.20%	Unhedged	Accumulating
Z	Z-1 GBP	0.0000%	0.20%	0.20%	Unhedged	Accumulating
Z	Z-1 USD	0.0000%	0.20%	0.20%	Unhedged	Accumulating

## ANNEX

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 ('SFDR') and Article 6, first paragraph, of Regulation (EU) 2020/852 ('Taxonomy Regulation')

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

<b>Product name:</b>	Mercer Passive Global Equity Fund	<b>Legal entity identifier:</b>	635400XJGXHRICVN1619
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### Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☒ Yes

☒ ☐ No

☐ It will make a minimum of **sustainable investments with an environmental objective: \_\_\_\_%**

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments\*

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It will make a minimum of **sustainable investments with a social objective: \_\_\_\_%**

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**What environmental and/or social characteristics are promoted by this financial product?**

The Sub-Fund's environmental characteristics are to avoid investing in companies with more than 1% of revenue generated from thermal coal extraction, arctic drilling or oil tar sand mining.

The Sub-Fund's social characteristics are to avoid investing in companies involved in the manufacture, distribution or sales of controversial weapons and companies manufacturing tobacco products or generating more than 50% of their revenue from tobacco distribution or sales.

The Sub-Fund seeks to achieve its environmental and social characteristics by investing in the component securities of the MSCI World ex Selected Securities Index (the "Benchmark") which applies a negative environmental and social screen in line with the environmental and social characteristics of the Sub-Fund.

The Sub-Fund commits to making a minimum allocation to sustainable investments as set out above. The objectives of the sustainable investments are to make a positive contribution to environmental objectives (namely, climate change adaptation and/or climate change mitigation) or social objectives (namely, the protection and/or advancement of economic, social and civil rights) as set out further below.



● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Sub-Fund has no exposure to companies:

- excluded from the Benchmark based on the index provider's application of environmental and social screens described above; and
- identified as in violation of UN Global Compact principles (“**UNGC**”) and in respect of which the Investment Manager has determined that there is no/low remediation opportunity of such issues by engagement within an acceptable timeframe.

The Sub-Fund's portfolio achieves the minimum commitment to sustainable investments set out herein, being those investments, which assessed and determined as aligned with the Investment Manager's framework for sustainable investments as detailed further below i.e., that the investment is considered to:

- contribute positively to one or more UN Sustainable Development Goals (“**SDGs**”);
- do no significant harm to any environmental or social objective as measured through the use of PAI Indicators; and
- follow good governance practices through alignment with UNGC principles and the OECD Guidelines for Multinational Enterprises.

The Investment Manager will continue to assess the constituents of the Benchmark versus the MSCI World Index (the “**Parent Index**”) to ensure the Benchmark remains aligned with the environmental and social characteristics promoted by the Sub-Fund.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The environmental and social objectives of the sustainable investments are set out above under section “*What environmental and/or social characteristics are promoted by this financial product?*”. The sustainable investments will contribute to such objectives through their alignment with the SDGs.

An investment will be assessed and treated as contributing to the objectives when it has a positive contribution to one or more of the following SDGs:

Environmental SDGs

SDG 6 - Clean Water and Sanitation, SDG 7 - Affordable and Clean Energy, SDG 9 - Industry Innovation and Infrastructure, SDG 11 - Sustainable Cities and Communities, SDG 12 - Responsible Consumption and Production, SDG 13 - Climate Action, SDG 14 - Life below Water, SDG 15 - Life on Land.

Social SDGs

SDG 1 - No Poverty, SDG 2 - Zero Hunger, SDG 3 - Good Health and Well Being, SDG 4 - Quality Education, SDG 5, Gender Equality, SDG 8 - Decent Work and Economic Growth, SDG 10 - Reduced Inequalities, SDG 16 - Peace Justice and Strong Institutions, SDG 17 - Partnerships for the Goals.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Investment Manager assesses sustainable investments to ensure these do no significant harm to any environmental or socially sustainable investment objective through a consideration and appropriate use of relevant principal adverse sustainability indicators (having regard to those set out in Table 1 of Annex I of Commission Delegated Regulation (EU) 2022/1288, otherwise known as SFDR Level 2 RTS, and where relevant from Table 2 and 3 of Annex I of the SFDR Level 2 RTS) (“**PAI Indicators**”).

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Investment Manager, using data provided by specialist third party data providers, assesses the activities of companies against the PAI Indicators to determine that the sustainable investments do not cause significant harm to any environmental or socially sustainable investment objective.

Each PAI Indicator has been individually assessed, and where relevant, an absolute threshold or a relative threshold has been set. Any investment which is determined as breaching these thresholds will not be considered a sustainable investment.

For certain PAI Indicators, the Investment Manager has determined that setting a threshold is not appropriate to determine that the investment does not cause significant harm. For example, certain PAI Indicators have inferior levels of data coverage and availability which can undermine the value or integrity of the given PAI Indicator. This can arise where data for a PAI Indicator is based on voluntary and non-standardised reporting by investee companies, or where the methodologies employed by investee companies are not comparable or available (for example PAI8 emissions to water) or where a threshold would have a disproportionate impact on a sector or region (PAI12 unadjusted gender pay gap).

The data coverage levels, thresholds and the applicability of each PAI Indicator will be monitored and assessed on an ongoing basis to ensure continued suitability and adjusted as appropriate.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Investment Manager considers the mandatory social PAIs (including PAI10 Violations of UNGC principles and OECD Guidelines for Multinational Enterprises) when assessing how sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and according to the agreed thresholds for each PAI Indicator. Any investment which breaches these thresholds will not be considered a sustainable investment.

*The EU Taxonomy sets out a “do not significantly harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do not significantly harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### **Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes, the Investment Manager considers principal adverse impacts (“PAI”) on sustainability factors for the Sub-Fund using the PAI Indicators as set out in the SFDR Level 2 RTS as applicable.

Each PAI has been considered with respect to applicability and relevance to the Sub-Fund. Where appropriate, certain PAIs are considered in the construction of the Sub-Fund and reflected in the environmental and social characteristics promoted by the Sub-Fund as described herein.

PAIs also inform the engagement framework employed by the Investment Manager which focuses on key engagement priority areas relating to climate change, pollution and natural resource degradation (including biodiversity and natural capital), human rights and labour practices, aligned remuneration and incentives and transparent disclosure of material ESG factors. These are communicated to the Sub-Investment Manager with the expectation that

engagement efforts are directed towards these issues for companies held in the portfolio and the Investment Manager actively monitors appointed Sub-Investment Managers and their stewardship activities consistent with the engagement framework.

Using data provided by specialist third party data providers, the Investment Manager periodically reviews the PAI Indicator data for the Sub-Fund's investments versus internal parameters in order to monitor the PAI of investment decisions on sustainability factors. Any items to note may be prioritised and escalated with the underlying Sub-Investment Manager as required.

The Sub-Fund's annual report will include information on the principal adverse impacts on sustainability factors set out above.

☐ No



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

### **What investment strategy does this financial product follow?**

The Sub-Fund is passively managed and seeks to track the risk and return profile of the Benchmark. The Investment Manager does not directly select investments; instead, it has appointed a specialist Sub-Investment Manager to manage the Sub-Fund.

The Investment Manager oversees the activities of the Sub-Investment Manager to ensure that the investment process is implemented on a continuous basis and monitors the Sub-Fund on an ongoing basis using the tracking error of the Sub-Fund against the Benchmark and the Sub-Fund's sustainability indicators.

### **● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The Sub-Fund seeks to achieve its environmental and social characteristics by investing in the component securities of the Benchmark which applies a negative environmental and social screen in line with the environmental and social characteristics of the Sub-Fund.

### **● What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

None.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

### **● What is the policy to assess good governance practices of the investee companies?**

The Investment Manager (or its delegate) is required to follow good governance standards in the selection of securities for investment, while tracking the risk and return profile of the Benchmark. The Sub-Fund uses third party data providers to identify companies that are deemed to be in breach of UNGC principles (including companies breaching United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises).

An engagement and escalation framework is in place, seeking to remedy breaches within an acceptable time-frame. If the Investment Manager (or its delegate) deems the likelihood of the remediation within an acceptable time-frame low, such companies may be added to the list of exclusions.





**Asset allocation** describes the share of investments in specific assets.

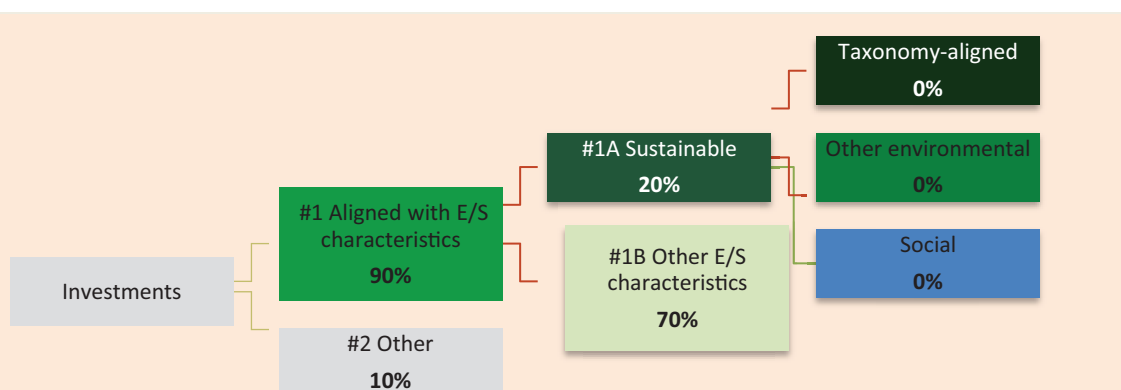
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

## What is the asset allocation planned for this financial product?

At least 90% of the Sub-Fund will be aligned with the environmental and social characteristics promoted by the Sub-Fund. The Sub-Fund will invest at least 20% in sustainable investments.

The remaining proportion of the Sub-Fund may include ancillary liquid assets and derivatives for efficient portfolio management purposes.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

## ● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivative use, if any, does not contribute to attaining the environmental or social characteristics promoted by the Sub-Fund.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The Sub-Fund does not currently commit to investing more than 0% of its assets in investments in environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

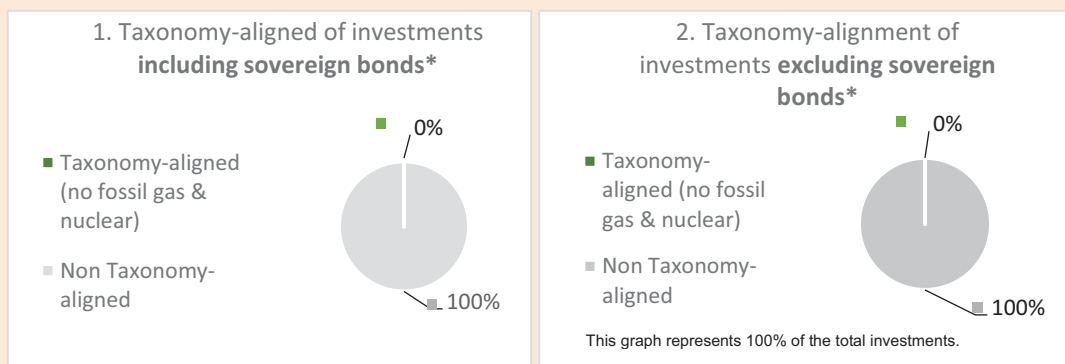
☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



★ For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What is the minimum share of investments in transitional and enabling activities?**

The Sub-Fund does not currently commit to investing more than 0% of its assets in transitional and enabling activities.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Sub-Fund will invest at least 20% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy and/or sustainable investments with a social objective.

The Investment Manager measures the attainment of the environmental and social objectives of the sustainable investments through their positive contribution to one or more of the Environmental and Social SDGs referenced above. Consequently, the Sub-Fund does not commit to a minimum share of non-Taxonomy aligned environmentally sustainable investments and the minimum share of sustainable investments with an environmental objective is 0%, provided that the sum of sustainable investments with an environmental objective and socially sustainable investments meets the minimum proportion overall of 20%.



**What is the minimum share of socially sustainable investments?**

The Sub-Fund will invest at least 20% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy and/or sustainable investments with a social objective.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The Investment Manager measures the attainment of the environmental and social objectives of the sustainable investments through their positive contribution to one or more of the Environmental and Social SDGs referenced above. Consequently, the Sub-Fund does not commit to a minimum share of socially sustainable investments and the minimum share of socially sustainable investments is 0%, provided that the sum of sustainable investments with an environmental objective and socially sustainable investments meets the minimum proportion overall of 20%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

These investments comprise ancillary liquid assets and derivatives for efficient portfolio management purposes. Minimum environmental and social safeguards are not applicable due to the nature of the investments.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Yes.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

● ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Benchmark, based on the methodology and assessment of the index provider, applies a negative screen to the overall constituents of the MSCI World Index or “Parent Index”, to exclude those companies which:

- are involved in the manufacture, distribution or sales of controversial weapons such as landmines, cluster munitions, chemical and biological weapons, nuclear weapons and (semi) automatic civilian firearms; or
- manufacture tobacco products or generate more than 50% of their revenue from tobacco distribution or sales; or
- generate more than 1% of their revenue from thermal coal extraction, arctic drilling or oil tar sand mining.

The Benchmark is reviewed and rebalanced on a quarterly basis and may also be rebalanced at other times in order to reflect corporate activity such as mergers and acquisitions. At each rebalance, the Benchmark shall apply the exclusions described above.

● ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

The Sub-Fund is passively managed and tracks the risk and return profile of the Benchmark. At each index rebalance by the index provider, the composition and weighting of the constituents in the Benchmark may change. The Sub-Fund will seek to rebalance or adjust the composition and/or weighting of the securities held to the extent practicable and possible to conform to changes in the composition and/or weighting of the Benchmark.

The Investment Manager performs periodic due diligence on the Benchmark to ensure it continues to be appropriate and aligned with the environmental and social characteristics promoted by the Sub-Fund.

● ***How does the designated index differ from a relevant broad market index?***

The Benchmark differs to the broader market index (the Parent Index) by the environmental and social based exclusionary criteria which result in the exclusion of companies which feature in the Parent Index.

● ***Where can the methodology used for the calculation of the designated index be found?***

Additional information on the Benchmark calculation methodology can be found on the index provider's website [www.msci.com/index-methodology](http://www.msci.com/index-methodology).



- ***Where can I find more product specific information online?***

More product-specific information can be found on the website:

<https://investment-solutions.mercer.com/global/all/en/investment-solutions-home/responsible-investment.html>