

**MERCER QIF FUND PLC
(THE "COMPANY")**

**FIRST ADDENDUM DATED 20 DECEMBER 2019
TO PROSPECTUS DATED 1 OCTOBER 2018**

This First Addendum forms part of, and is to be read in conjunction with the prospectus dated 1 October 2018 in relation to the Fund (the "Prospectus") together with each of the latest supplements in respect of the Sub-Funds of the Company (the "Supplements") and all capitalised terms used herein shall have the meanings set out in the Prospectus. Distribution of this Addendum is not authorised unless accompanied by a copy of the Prospectus.

The Prospectus and Supplements (where applicable) are amended as follows:

1. The list of directors of the Company included in the section of the Prospectus entitled "DIRECTORY" shall be deleted in its entirety and replaced with the following list:

"Directors:

Tom Finlay

Michael Dempsey

Gráinne Alexander

Hooman Kaveh"

2. The section of the Prospectus entitled "IMPORTANT INFORMATION" shall be amended by deleting the subsection entitled "RELIANCE ON THIS PROSPECTUS" in its entirety and replacing it with the following:

"Shares in the Company are offered only on the basis of the information contained in this Prospectus, the Relevant Supplement and the most recent annual report of the Company. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representation in connection with the offering of Shares in the Company other than those contained in this Prospectus, the Relevant Supplement and the most recent annual report of the Company and, if given or made, such information or representations must not be relied on as having been authorised by the Directors, the Manager, the Investment Manager, the Sub-Investment Managers, the Administrator, the Depositary or the Distributor. Statements in this Prospectus and the Relevant Supplement are based on the law and practice currently in force in Ireland at the date hereof and are subject to change. Neither the delivery of this Prospectus or the Relevant Supplement nor the issue of Shares shall, under any circumstances, create any implication or constitute any representation that the affairs of the Company have not changed since the date hereof."

3. The section of the Prospectus entitled "THE COMPANY" shall be amended by replacing the section in respect of Paul Sullivan within "THE DIRECTORS AND SECRETARY" subsection in its entirety with the following:

"Gráinne Alexander (Irish) is an independent non-executive director. A Fellow of the Society of Actuaries in Ireland, she has worked in the investment industry for over twenty five years with experience as a senior executive in fund management, investment strategy, investment consultancy and company management. She was a European partner at Mercer Investment Consulting and following that, CEO at F&C Management's Irish asset management firm, F&C Ireland. She was also a director of the Irish Association of Investment Managers and a

director of Cayman listed funds. Gráinne is currently a non-executive director of a broad range of investment fund complexes with investment managers Goldman Sachs, Neuberger Berman and Mercer Europe. She received a Diploma in Company Direction from the Institute of Directors in 2013.”

4. The section of the Prospectus entitled “**THE COMPANY**” shall be amended by replacing the section in respect of **Michael Dempsey** within “**THE DIRECTORS AND SECRETARY**” subsection in its entirety with the following:

*“**Michael Dempsey** (Irish) is a Senior Partner and Head of Mercer's Delegated Solutions business across the newly constructed International region. Under Michael's leadership, Mercer's DS business in Europe has grown from \$5bn to \$107bn in assets under management (AUM) and to a market leading position across Europe, working with 380 clients across 12 countries. In his role, Michael operates as CEO of Mercer Global Investments Europe (MGIE), Mercer's investment management business across Europe, and sits on the Board of Mercer's regulated investment and fund entities, based in Ireland. Since joining Mercer in 1999, Michael has held a number of senior positions across Mercer, including EMEA Head of Investment Management and has led a number of key Mercer relationships as a senior consultant. In addition to his senior business and commercial leadership roles, Michael has extensive market and client experience in consulting and developing solutions across the full breadth of wealth and investment related issues. Michael is a CFA charterholder, holds a Business & Finance degree from Dublin City University and a Masters degree in Business from the Michael Smurfit, UCD Business School.”*

5. The section of the Prospectus entitled “**THE COMPANY**” shall be amended by replacing the section in respect of **Tom Geraghty** within “**THE DIRECTORS AND SECRETARY**” subsection in its entirety with the following:

*“**Hooman Kaveh** (Irish) is the Global Chief Investment Officer for Mercer's Delegated Investment Solutions business. Hooman leads a team of investment professionals who are responsible for developing and implementing all aspects of the OCIO/fiduciary investment process, including investment strategy, asset allocation and de-risking, fund manager selection, monitoring and blending as well as portfolio implementation. Hooman has been in his current role since 2017 having previous been the European CIO for Mercer's Delegated Investment Solutions business since 2006 when he joined Mercer to help set up and grow this business in Europe. Prior to that, Hooman was Chief Investment Officer at one of Ireland's largest financial services companies whose investment division he joined in 1990. He has held various investment roles, including Portfolio Manager and Head of Quantitative Investments, prior to becoming CIO. Hooman graduated from Trinity College Dublin in 1986 with an honours degree in microelectronics engineering. He then worked in the research and development laboratories of Philips in Eindhoven, the Netherlands. He left Philips in 1989 to complete an honours MBA degree in 1990 at Trinity College Dublin. Hooman also holds an MSc master's degree with honours from Dublin City University in investments and treasury management, which he gained in 1993. He has also lectured on investment management subjects on that programme.”*

6. The section of the Prospectus entitled “**THE COMPANY**” shall be amended by replacing the last sentence of the first paragraph of the sub-section entitled “**THE MANAGER**” in its entirety with the following:

“The directors of the Manager are Tom Finlay, Michael Dempsey, Gráinne Alexander and Hooman Kaveh details of whom are set out above.”

7. The section of the Prospectus entitled **“THE COMPANY”** is amended by replacing the subsection entitled **“PAYING AGENTS”** in its entirety with the following:

“PAYING AGENTS

Local regulations in certain countries may require the appointment of paying agents or representatives and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid. Unitholders who choose or are obliged under local regulations to pay/receive subscription/redemption monies via an intermediary entity rather than directly to or from the Depositary bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Depositary and (b) redemption monies payable by such intermediate entity to the relevant investor. Fees of sub-distributors and paying agents will be borne by the Fund and will be at normal commercial rates.”

8. The section of the Prospectus entitled **“DEFINITIONS”** is amended by the deletion of the current definition for *“Approved Credit Institution”* and its replacement with the following:

“means (i) a credit institution authorised in the European Economic Area (EEA) (i.e. European Union Member States, Norway, Iceland or Liechtenstein); (ii) a credit institution authorised within a signatory state, other than a EU Member State or a Member of EEA, to the Basle Capital Convergence Agreement of July 1988; or (iii) a credit institution authorised in Australia, Guernsey, Isle of Man Jersey or New Zealand;”

9. The section of the Prospectus entitled **“DEFINITIONS”** is amended by the deletion of the current definition for *“OECD Member State”* and its replacement with the following:

“means a member state of the Organisation for Economic Co-operation and Development from time to time;”

10. Any references in the Prospectus and in the Supplements to *“Recognised Rating Agency”* shall be deleted and replaced with *“recognised rating agency”* throughout.

11. The first paragraph of the section **“GENERAL – REPORTS AND ACCOUNTS”** shall be deleted in its entirety and replaced with the following:

“The Company will prepare an annual report and audited accounts as of 30 June in each year. Copies of the audited annual report and accounts of the Company will be made available to the Shareholders via the following website address <https://www.delegated-solutions.mercer.com/our-funds-general-information.html> within the timeframes prescribed by the Central Bank after the end of the relevant financial period. Copies of the annual report will be provided to the Shareholders on request and will be available to the public at the registered office of the Company in Ireland.”

12. The final paragraph of the section **“GENERAL – REPORTS AND ACCOUNTS”** shall be deleted in its entirety.

13. The section of the Prospectus entitled **“GENERAL”** shall be amended by deleting the subsection entitled **“DOCUMENTS FOR INSPECTION”** in its entirety and replacing it with the following:

“Copies of the following documents may be inspected at the registered office of the Administrator at 78 Sir John Rogerson’s Quay, Dublin 2 during normal business hours on any Business Day:

- (a) the material contracts referred to above;*
- (b) the Memorandum and Articles of Association of the Company; and*
- (c) the Memorandum and Articles of Association of MGI Funds plc.*

Copies of the Prospectus, Memorandum and Articles of Association and of any annual audited accounts of the Company and MGI Funds plc may be obtained from the Administrator free of charge or may be inspected at the registered office of the Administrator during normal business hours on any Business Day.

The Manager will, on request provide supplementary information to Shareholders relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.”

14. The section of the Prospectus entitled “**DEFINITIONS**” is amended by the deletion of the current definition for “*Prospectus*” and its replacement with the following:

“means this document, any Supplement designed to be read and construed together with and to form part of this document and the Company’s most recent annual report and accounts (if issued);”

15. The section of the Supplement for Mercer Private Markets Portfolio entitled “**INVESTMENT MANAGER AND SUB-INVESTMENT MANAGERS**” is amended by deleting the second paragraph and replacing it with the following:

“The Investment Manager may appoint one or more Sub-Investment Managers in respect of the Sub-Fund to third parties located in the European Economic Area and in the United Kingdom that fulfil the necessary regulatory permits and authorisations to carry out the activity, provided that the applicable Irish and European mandatory requirements in relation to the outsourcing of functions in relation to the management of an investment vehicle such as the Sub-Fund are complied with. Notwithstanding anything to the contrary in the Prospectus, the fees of the Sub-Investment Manager(s) shall be paid out of the assets of the Sub-Fund. The Supplement shall be updated to disclose any Sub-Investment Managers appointed in respect of the Sub-Fund and Shareholders shall be notified in advance of any such appointment. Furthermore, details of all Sub-Investment Managers appointed (if any) will be disclosed in the most recent financial reports of the Company.”

16. The section of the Supplement for Mercer Private Markets Portfolio entitled “**SPECIAL CONSIDERATIONS AND RISK FACTORS**” is amended by deleting the paragraph of the sub-section entitled “**Recent Market Events and Government Regulation**” in its entirety and replacing it with the following:

“Governmental and regulatory authorities, including in the United States and Europe, have taken unprecedented action to attempt to stabilize financial markets and improve and increase regulatory oversight in response to events in recent years, including the recent global financial market crisis. Attention has been focused on the need for financial

institutions, trading firms, and private collective investment schemes to maintain adequate risk controls, capital reserves and compliance procedures. Events have also raised concerns and prompted regulatory responses as to the manner in which certain exchanges and regulators monitor trading activities and protect customer funds. Recent disruptions and adverse events in the equity, securitization, derivative, and money markets and the freezing of the credit markets have increased the call for additional and consolidated regulatory oversight of the global financial markets. As a result, the regulatory environment for private collective investment schemes, such as the Sub-Fund and the Underlying Funds, is evolving and the effect of any regulatory or tax changes currently being implemented or which may be implemented in the future on the Investment Manager (or its delegate), the Sub-Fund, the Underlying Funds and fund managers, the markets and instruments in which the Sub-Fund and Underlying Funds invest, and the counterparties with which they conduct business is difficult to predict.”

17. The sections of the Supplements for Mercer Option Strategy Fund I to V entitled “**INVESTMENT OBJECTIVE AND POLICIES**” are amended by deleting the third paragraph of each of the sub-sections entitled “**Investment Policy**” in their entirety and replaced with the following:

*“The Investment Manager (or its delegate) may also invest some or all of the assets of the Sub-Fund in Sterling denominated nominal and inflation linked fixed income securities of varying maturities issued or guaranteed by national governments, their agencies, instrumentalities or political sub-divisions that have their seat or registered office in Europe or that conduct a predominant portion of their activities in Europe and corporations that are listed or traded on Recognised Markets or cash. The Sub-Fund will invest in investment grade securities but may invest up to 10% of its net assets in fixed income and inflation linked securities that are rated lower than Baa by Moody’s Investor Services (“**Moody’s**”) or lower than BBB by Standard & Poor’s (“**S&P**”), but rated at least B by Moody’s or S&P (or, if unrated, determined by the Investment Manager (or its delegate) to be of comparable quality).”*

18. The section of the Supplement for Mercer Euro Long Real LDI Fund entitled “**SPECIAL CONSIDERATIONS AND RISK FACTORS**” is amended by deleting the first paragraph of the sub-section entitled “**SPECIAL RISKS OF FUND OF FUNDS; MULTIPLE LEVELS OF FEES AND EXPENSES**” in its entirety and replacing it with the following:

“To the extent that the Sub-Fund invests in other funds, including the Underlying Funds, investors will be subject to higher fees and expenses arising from the layered investment structure. This investment structure may also result in a lack of transparency with respect to investments in which the Sub-Fund have an indirect interest.”

19. The section of the Supplement for Mercer Euro Long Real LDI Fund entitled “**SPECIAL CONSIDERATIONS AND RISK FACTORS**” is amended by deleting the third paragraph of the sub-section entitled “**SWAP AGREEMENTS**” in its entirety and replacing it with the following:

“The Sub-Fund may invest in Underlying Funds and will use the returns from those funds to make payments under swap agreements into which they have entered. The returns from such Underlying Funds may not match the payment obligations under the relevant swap agreements exactly. Shareholders should be aware that this may lead to an erosion of capital in the event of a significant mismatch, particularly if the problem persists over time.”

20. The section of the Supplement for Mercer Investment Fund 1 entitled “**SECURITIES LENDING**” is amended by replacing the second paragraph of the sub-section entitled “**Use of Repurchase/Reverse Repurchase Agreement**” in its entirety and replacing it with the following:

“The Sub-Fund may enter into repurchase agreements and reverse repurchase agreements (“repo contracts”) only in accordance with normal market practice and provided that collateral obtained under the repo contract is in the form of cash, government or other public securities, certificates of deposit issued by an Approved Credit Institution, bonds/commercial paper issued by Approved Credit Institutions or by non-bank issuers where the issue and issuer are rated A1 or equivalent; equity securities traded on a stock exchange in the EEA, Switzerland, Canada, Japan, the United States, the United Kingdom, Jersey, Guernsey, the Isle of Man, Australia or New Zealand or letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Approved Credit Institutions. The Sub-Fund may only enter into repo contracts with counterparties which have a minimum credit rating of A/2 or equivalent or which, if unrated, have in the opinion of the Investment Manager (or its delegate) an implied rating of A2 or better. Alternatively, an unrated counterparty is acceptable where the Sub-Fund is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which maintains a rating of A2 or equivalent.”