

## MERCER UCITS COMMON CONTRACTUAL FUND (THE "FUND")

An open-ended umbrella common contractual fund with segregated liability between sub-funds

Registered Office  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**THIS IS A COUNTRY SUPPLEMENT FOR INVESTORS IN THE UNITED KINGDOM DATED 30 JANUARY 2024 ("COUNTRY SUPPLEMENT") TO THE PROSPECTUS OF THE FUND DATED 12 MAY 2023 (THE "PROSPECTUS").**

### INFORMATION FOR INVESTORS IN THE UNITED KINGDOM

**This Country Supplement forms part of, and should be read in conjunction with, the Prospectus. It is authorised for distribution only when accompanied by the Prospectus. This Country Supplement is issued with respect to the offering of units in the Fund. Unless otherwise defined, defined terms herein shall have the same meaning as set out in the Prospectus. If you are in any doubt about the contents of this Country Supplement you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser. Information relating to the fees and expenses of the Fund is set out in the section of the Prospectus headed "Fees and Expenses".**

This Country Supplement constitutes neither an offer by the Fund or by any other person to enter into an investment agreement with the recipient of this document nor an invitation to the recipient to respond to the document by making an offer to the Fund, or to any other person, to enter into an investment agreement. Investors who have any doubt about or wish to discuss the suitability of an investment in the Units and/or obtain further information on the Units should contact an independent financial adviser. Nothing in this Country Supplement should be construed as investment advice.

The Fund has been granted temporary recognition under Part XVII of the Financial Services and Markets Act 2000, on the basis of the Temporary Marketing Permissions Regime contained in Regulation 62 of the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019, for all sub-funds.

The Fund is recognised under Part XVII of the Financial Services and Markets Act 2000 (as amended by the Collective Investment Scheme (Amendment etc.) (EU Exit) Regulations 2019) (the "Act"). Accordingly, Units may be marketed to the general public in the United Kingdom. Irrespective, investors in the United Kingdom must be Non Fund Qualified Investor as defined in the Prospectus.

The Fund will provide facilities in the United Kingdom at Mercer Limited, 1 Tower Place West, Tower Place, London EC3R 5BU at which the following documents in the English language can be inspected free of charge and copies obtained:

- (a) the Deed of Constitution establishing the Fund in its original form and any amendments thereto;
- (b) the latest Prospectus and Key Investor Information Documents and any supplements or addenda most recently prepared and published in connection with the Fund; and
- (c) the latest annual and half-yearly reports of the Fund.

Furthermore, the Fund will also provide facilities in the United Kingdom at Mercer Limited, 1 Tower Place West, Tower Place, London EC3R 5BU where:

- (a) a Unitholder may arrange for redemption of units in the Fund and arrange payment of the price on redemption;
- (b) a Unitholder can obtain orally and in writing in the English language about the Fund's most recently published sale and purchase prices of units; and

- (c) a Unitholder or other person who has a complaint about the operation of the Fund can submit his complaint for transmission to the Manager.

**THE STATEMENTS ON TAXATION BELOW ARE INTENDED TO BE A GENERAL SUMMARY OF CERTAIN UNITED KINGDOM TAX CONSEQUENCES THAT MAY RESULT TO THE FUND AND PROSPECTIVE UNITHOLDERS WHO ARE RESIDENT IN THE UNITED KINGDOM. THE STATEMENTS RELATE TO UNITHOLDERS WHO HOLD UNITS AS AN INVESTMENT AND NOT AS AN ASSET OF A FINANCIAL OR OTHER TRADE AND WHO ARE THE ABSOLUTE BENEFICIAL OWNERS THEREOF. THE STATEMENTS DO NOT ADDRESS THE POSITION OF CERTAIN CLASSES OF INVESTOR SUCH AS TRUSTEES OF SETTLEMENTS, INSURANCE COMPANIES OR CHARITIES. THE STATEMENTS ARE BASED ON UNITED KINGDOM TAX LAW AND HMRC PRACTICE IN FORCE AT THE DATE OF THIS DOCUMENT, BUT PROSPECTIVE UNITHOLDERS SHOULD BE AWARE THAT THE RELEVANT LAW AND HMRC PRACTICE OR THEIR INTERPRETATION MAY CHANGE. THE FOLLOWING TAX SUMMARY IS NOT A GUARANTEE TO ANY INVESTOR OF THE TAX RESULTS FROM INVESTING IN THE FUND.**

**PROSPECTIVE UNITHOLDERS SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISORS ON THE POSSIBLE CONSEQUENCES OF BUYING, HOLDING, SELLING OR REDEEMING UNITS UNDER THE LAWS OF THE JURISDICTIONS TO WHICH THEY ARE SUBJECT.**

Any reference below to the Fund includes references to the Manager of the Fund taking any action on behalf of or in respect of the Fund.

## **THE FUND**

The Fund intends to conduct its affairs in such a manner that it should not become resident in the United Kingdom for tax purposes. Therefore, so long as the Fund does not carry on a trade in the United Kingdom through a branch or agency or permanent establishment located there, the Fund will not be subject to United Kingdom tax on income or chargeable gains arising to it, other than on certain United Kingdom source income.

## **UNITED KINGDOM RESIDENT UNITHOLDERS**

### ***Income***

It is intended that the Fund will be treated as transparent as regards its income for both United Kingdom income tax and corporation tax purposes. The income of the Fund will therefore be treated for United Kingdom tax purposes as arising to each Unitholder in proportion to the value of Units beneficially owned by each Unitholder, as if the relevant income and gains had arisen to the Unitholders without passing through the hands of the Fund, regardless of whether such income is paid to such Unitholders.

Income may be subject to withholding tax imposed by the jurisdiction of source of the income, subject to the availability of relief under a double taxation treaty. Should the Fund invest in United Kingdom investments, any United Kingdom source income arising may be subject to United Kingdom withholding tax, depending on the nature of the investments and the availability of any relief under a double tax treaty.

### ***Gains***

A holding in the Fund will be treated as opaque for capital gains tax purposes, i.e. in the same way as if it were a holding of shares in an offshore company for United Kingdom capital gains tax purposes. Capital gains or losses realised by the Fund on disposal of its underlying investments will therefore not be subject to (or available for relief from) United Kingdom tax. Rather, a disposal, or redemption of Units in the Fund will be a chargeable disposal for United Kingdom capital gains tax purposes. Note that this only applies to United Kingdom taxable investors.

### ***Offshore Fund Rules***

Special tax rules apply to investments made in an offshore fund within the meaning of Part 8 of the Taxation (International and Other Provisions) Act 2010. This legislation provides that if a UK tax resident investor holds an interest in an "offshore fund" which is not a "reporting fund", any gain arising to the investor on the sale, disposal or redemption of that interest will be taxed at the time of such sale, disposal or redemption as income and not as a capital gain.

Unit holdings in the Fund are likely to constitute interests in offshore funds, as defined in the legislation, with each Class of Units treated as a separate offshore fund.

However, the disposal of interests in tax transparent offshore funds such as any Class of Units in a Sub-Fund should generally attract capital gains tax treatment as opposed to offshore income treatment if the following conditions are satisfied in respect of that Class of Units:

(a) not more than 5% of the value of the relevant offshore funds' assets were at any time during the investor's period of ownership invested in non-reporting funds; and

(b) the fund makes sufficient information available to its United Kingdom participants to enable those participants to meet their tax obligations in the United Kingdom with respect to their share of the income of the fund.

It is not intended that the Fund will be a "reporting fund", so if these conditions are not satisfied then Unitholders who are resident in the UK for UK tax purposes may be liable to UK tax on income in respect of gains arising from the sale, redemption or other disposal of their Units. Such gains may remain taxable notwithstanding any general or specific UK capital gains tax exemption or allowance available to a Unitholder. Accordingly, this could result in certain Unitholders incurring a proportionately greater UK taxation charge.

#### ***Other UK Tax Considerations***

United Kingdom tax legislation contains a number of provisions which are designed to ensure that UK residents who invest in non-UK assets are not doing so for tax avoidance purposes. The main provisions which could apply to the Fund and its Unitholders are outlined below.

#### ***Non-resident close companies***

The attention of investors resident in the United Kingdom is drawn to the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992. If any Class of Units in a Sub-Fund is at any time, broadly, under the control of five or fewer persons, capital gains realised in respect of that Class from underlying investments in the Sub-Fund can be attributed to any United Kingdom resident Unitholder pro rata to that Unitholder's interest (either alone or together with persons connected with that Unitholder) in the Class of Units in question.

However, no such attribution is made where the amount of the gain that would be attributed to the person (and to any persons connected with that person), is less than 25% of the gain.

#### ***Transfer of assets abroad***

The attention of investors resident in the United Kingdom is drawn to the provisions of Chapter 2 of Part 12 of the Income Tax Act 2007. These anti-avoidance provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of income or assets to persons resident or domiciled outside the United Kingdom and may render an individual Unitholder liable to United Kingdom income tax in respect of undistributed income and profits of the Fund on an annual basis.

#### ***Stamp Duty and Stamp Duty Reserve Tax***

As the Fund is not incorporated in the United Kingdom and the register of Unitholders will be kept outside the United Kingdom, no liability to United Kingdom stamp duty reserve tax should arise by reason of the transfer, subscription for, or redemption of Units.

Liability to United Kingdom stamp duty will not arise provided that any instrument in writing transferring Units in the Fund is executed and retained at all times outside the United Kingdom. However, the Fund may be liable to transfer taxes in the United Kingdom on acquisitions of investments. In the United Kingdom, stamp duty reserve tax or stamp duty at a rate of 0.5% will be payable by the Fund on the acquisition of shares in companies that are either incorporated in the United Kingdom or that maintain a share register there.

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