

**Mercer Private Investment Partners IX SICAV-RAIF- Sub-Fund RE (the “Sub-Fund”)**

Sustainability-related disclosures required for Article 8 financial products under Regulation (EU) 2019/2088

**I. No sustainable investment objective**

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

**II. Environmental or social characteristics of the financial product**

The Sub-Fund promotes social and/or environmental characteristics by predominantly investing in Primary Investments, Secondary Investments and Co-Investments with a view to mitigating environmental, social and governance risks.

The Sub-Fund intends to contribute to the limitation of adverse impacts on the climate and associated environmental challenges and/or to a more inclusive and equitable society and/or to improved living standards by focusing on Primary Investments, Secondary Investments and Co-Investments that are ESG risk aware and selected based on a rigorous investment due diligence process that is based on a dedicated exclusion screening for harmful activities and behaviours and complemented by a proprietary ESG analysis .

**III. Investment Strategy**

The Sub-Fund seeks to provide attractive risk-adjusted returns from capital invested in non-core real estate, mainly including:

- (i) value add properties;
- (ii) opportunistic assets;
- (iii) real estate debt; and
- (iv) special situation real estate assets,

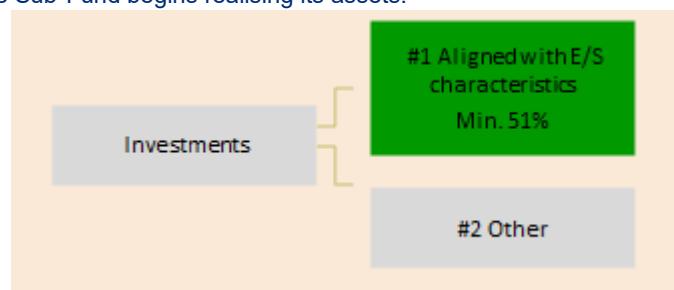
in each case, seeking to reduce the risks through diversification.

The ESG investment strategy of the Sub-Fund is based on the following elements:

- (i) exclusion screening;
- (ii) dedicated due diligence of the Underlying GP with respect to their ESG policies and capabilities; and
- (iii) ESG assessment at Primary Investment, Secondary Investments and Co-Investment level.

**IV. Proportion of Investments**

The Sub-Fund aims to primarily create a real estate portfolio consisting of Portfolio Investments, such that the portfolio is well diversified across different sectors and sub-sectors. At least 51% of the Sub-Fund's commitments will be aligned with E/S characteristics (#1) (based on commitments made at the end of the Sub-Fund's investment period). Investments that fall into the category #2 ("Other") refer to Primary Investments, Secondary Investments, and Co-Investments that are not expected to promote environmental and/or social characteristics, as well as Ancillary Investments such as cash and other balance sheet items. The planned asset allocation with respect to the split between #1 Aligned with E/S characteristics and #2 Other (see below) may not be complied with during a Transitional Period. The planned asset allocation remains applicable until the Sub-Fund begins realising its assets.


**V. Monitoring of environmental or social characteristics**

Investments that contribute to the achievement of the promoted environmental and social characteristics are periodically reviewed for alignment with the binding elements detailed in section “Investment Strategy”. The review is based on information provided by the GP/Lead-investor. With regard to external controls, the Sub-Fund will monitor evolving best practices periodically and realign its positioning regarding external controls accordingly.

**VI. Methodologies for environmental or social characteristics**

The Sub-Fund is focused on the following sustainability indicators to measure the promotion of environmental or social characteristics:

- Alignment with the exclusion screening;
- Underlying GP ESG due diligence assessment results; and
- ESG assessment results at Primary Investment, Secondary Investment, or Co-Investment level.

The environmental and /or social characteristics focus with respect to the sustainability indicators underlying the Underlying GP/Lead-investor due diligence may differ within the limits of the investment objective from investment to investment. The measurement of these indicators is performed at the asset level and provided upstream from the GP/Lead-investor within the investment chain to the level of the Sub-Fund, where the provided data is assessed, processed, aggregated, and disclosed. Further the Sub-Fund is deriving a dedicated Mercer ESG due diligence score based on the assessment of the GP/Lead-investor as well as the disclosure of the underlying investment which is used as a binding element for the selection of investments as well as reporting purposes.

## **VII. Data sources and processing**

The Sub-Fund qualifies as a fund of fund structure that invests in unlisted investments (Primary Investments, Secondary Investments as well as Co-investments) where no, or respectively very limited, information about the underlying investments is publicly available. The data sources used by the Sub-Fund to achieve the environmental and social characteristics promoted are based on information and documentation provided by the respective Underlying GP as part of the due diligence and ongoing monitoring. The data collection for the investments is initiated on a periodic basis. The required data is based on the Sub-Fund's regulatory commitments and communicated to the Underlying GPs during the initial due diligence as well as in case of any material changes. The Sub-Fund will reassess periodically the proportion of data that is estimated, usually in line with the annual reporting process of the Sub-Fund.

## **VIII. Limitations to methodologies and data**

The data sources are in principle limited regarding Primary target Investments during the initial due diligence as the assessment cannot be made with respect to existing investments but is focused on the processes of the Underlying GP, and the disclosure of the target fund in addition to side letter representations. Further, the data received by the Sub-Fund is in principle provided by the Underlying GP based on information obtained directly from the underlying investments. The completeness, accuracy and consistency of the obtained data may face certain limitations which is addressed in the periodic data management process assessment of the Underlying GP/Lead-investor. Methodologically, no material limitations are expected. The Sub-Fund does not expect these limitations to materially affect the attainment of the ESG investment allocation or the promoted environmental and social characteristics and will periodically reassess relevant limitations and their impact on the attainment of the environmental and social characteristics promoted.

## **IX. Due Diligence**

The Sub-Fund has, besides the usual business and legal due diligence process, established a dedicated ESG due diligence process per investment. The investment is subject to a dedicated ESG Due Diligence at the level of the Underlying GP as well as the level of the investment (Primary Investment, Secondary Investment, Co-Investment). The Sub-Fund is considering within the due diligence *inter alia* the following topics (non-exhaustive):

GP ESG considerations	Fund/Co-investment ESG considerations
Overall ESG Governance, Track Record and Capabilities	Exclusion strategy and positive screening
ESG standards, industry associations, reporting framework	Investment process alignment – consideration of sustainability risks and climate risks
Firmwide ESG Report	ESG engagement and monitoring

Further, the Underlying GP due diligence is complemented by an ESG assessment at the Primary Investment, Secondary Investment or Co-Investment level, which focuses on the degree of ESG integration within the investment strategy under consideration. A minimum score of 2.5 (out of 4) on both the Underlying GP assessment and the Portfolio Investment assessment is required in order to be considered as being aligned with E/S characteristics.

## **X. Engagement policies**

The Portfolio Manager engages in a constructive dialogue with the Underlying GP to ensure that they have clear processes and policies in place to mitigate potential externalities. With the engagement the Portfolio Manager supports the improvement of the Underlying GP's ESG Score and their ESG process.

## **XI. Designated reference benchmark**

No index has been designated as a reference benchmark.