



Mercer Funds

Quarterly report

to 31 December 2021

welcome to brighter

Contents

Economy and markets	1-2
Sectors	3-28
Shares	
Australian Shares	3-4
Australian Shares – Sustainable Plus	5
Australian Shares – Tax Exempt Investors	6
Australian Small Companies	7
International Shares	8-10
Socially Responsible Global Shares	11
Global Small Companies	12
Global Shares – Low Volatility	13
Emerging Markets	14
Real assets	
Global Listed Property	15
Australian Direct Property	16
Passive Australian Listed Property	17
Global Listed Infrastructure	18
Global Unlisted Infrastructure	19
Growth fixed interest	
Emerging Markets Debt	20
Global High Yield Bond	21
Global Private Debt	22
Defensive fixed interest	
Global Absolute Return Bond	23
Global Credit	24
Australian Sovereign Bonds	25
Global Sovereign Bonds	26
Australian Inflation Plus	27
Cash	
Cash and Term Deposits	28
Diversified funds	29-32
Diversified Shares, High Growth	29
Growth Active, Moderate Growth Active	30
Conservative Growth Active	31
Enhanced Passive Growth	31
Enhanced Passive Moderate Growth	32
Enhanced Passive Conservative Growth	32
Mercer SmartPath funds	33-36
Important notes	37
Asset class benchmarks	38

Economy and markets

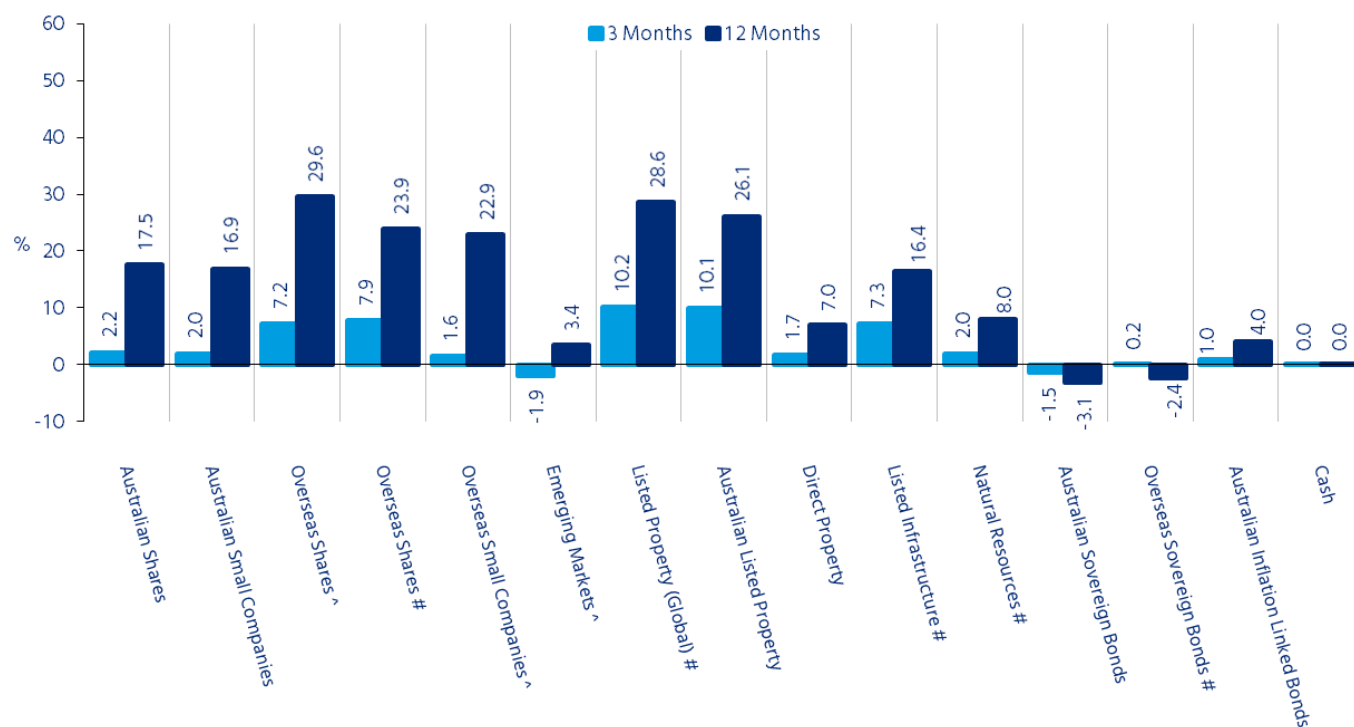
In a high inflationary and high volatility market environment, global equity markets rallied over the fourth quarter and finished the year with strong positive returns. Investors remain optimistic about the earnings growth outlook and the threat of faster monetary policy tightening appearing to be priced in.

Hedged Developed Market Overseas Shares returned 7.9% for the quarter, mainly driven by the US as the S&P 500 Composite Index returned 11.0%, in local currency terms, over the same period. The strong performance from the US equity market is due to its heavier weight in growth stocks and the IT sector. The renewed recovery and open economies pushed growth stocks to outperform value, and IT was one of the strongest performing sectors. On a larger scale, the strong global equity market performance was driven by earnings optimism. The year-on-year 2021 earnings growth figure was reported at 45% and analysts expect a 10% earnings growth for 2022. Emerging market equities underperformed both overseas and Australian shares, returning -1.9% over the quarter. This is largely due to China, which continues to weigh negatively on emerging market equity returns. China's economic growth has now begun to slow down due to the decline of its equity market and further lockdown restrictions. However, strong performance from Taiwan, Indonesia and Mexico helped partially offset China's negative performance.

Fixed income appeared to be impacted more by central bank actions than equities over the quarter. With ongoing volatility, global government bond markets returned mixed results. Major developed market 10-year government yields were largely unchanged over quarter, whilst domestically, Australia's 10-year government bond yield increased by 18bps to 1.7%. In emerging markets, those nations that have continued to raise interest rates have also witnessed a rise in bond yields.

The Australian share market lagged its hedged overseas counterpart over the December quarter. The S&P/ASX300 returned 2.2% over this period with all other domestic indices posting positive returns, the strongest performer being the S&P/ASX Mid 50 Accumulation Index (5.8%). The strongest performing sectors over the quarter were Materials (12.7%) and Utilities (11.4%), whilst the worst performing sectors were IT (-4.6%) and Energy (-7.5%).

Financial market returns to 31 December 2021



NOTE:

Past performance is not a reliable indicator of future performance.

Performance shown only for asset classes that are applicable to sector Mercer Funds benchmarked against a single index.

Fully hedged return.

^ Unhedged return.

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

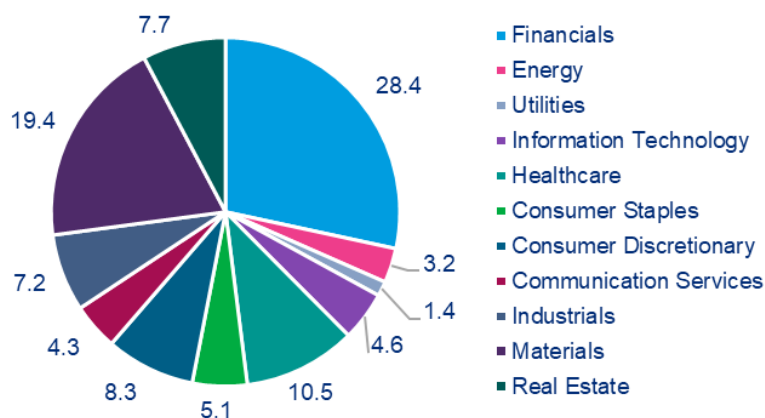
Shares

Australian shares

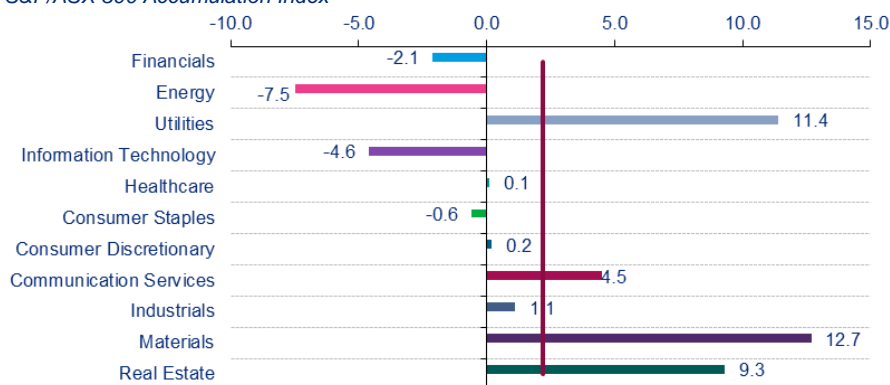
Australian shares were positive over Q4 2021 as the S&P/ASX 300 Index returned 2.2% for the period. The S&P/ASX Mid 50 Index was the best performer for the quarter returning 5.8%, while the worst performer was the S&P/ASX 50 Index returning 1.6%. The best performing sectors were Materials and Utilities, while the weakest performing sectors were Energy and IT. The largest positive contributors to the return of the index were BHP Group, Fortescue Metals Group and Goodman Group. On the other hand, the most significant detractors from performance were Westpac, Commonwealth Bank and Afterpay.

Mercer Australian Shares Funds*

Benchmark weight by sector (%)
S&P/ASX 300 Accumulation Index



Benchmark sector returns for the three months to 31 December 2021(%)
S&P/ASX 300 Accumulation Index



S&P/ASX 300 Accumulation Index: 2.2%

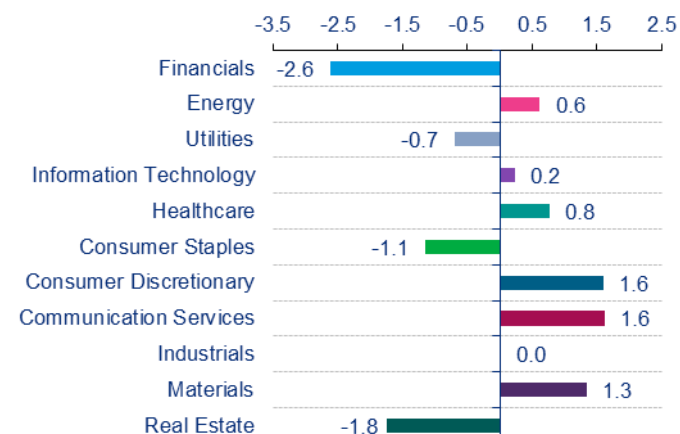
* In this Quarterly Report, 'Australian Shares Funds' refers to:

- Mercer Australian Shares Fund (the 'Core Fund')
- Mercer Australian Shares Plus Fund (the 'Plus Fund')

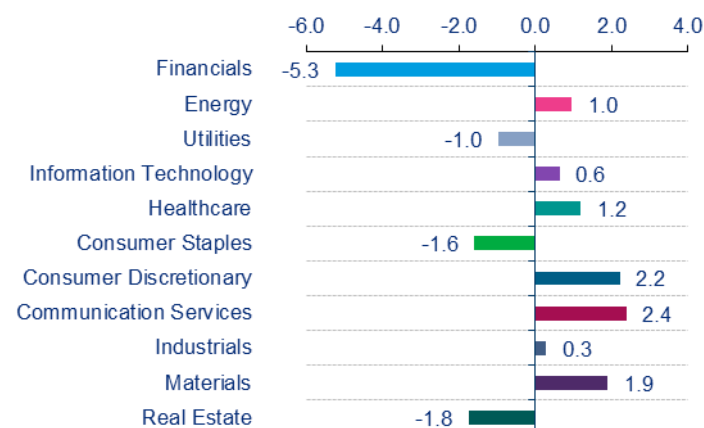
Only the sector exposure differs between the Funds. Benchmark weights etc. apply to both Funds.

Sector Exposure — Overweight/Underweight positions as at 31 December 2021 (%)

Mercer Australian Shares Fund



Mercer Australian Shares Plus Fund



NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Shares

Australian shares

Mercer Australian Shares Funds

Mercer Australian Shares Plus Fund

Top 10 holdings

Mercer Australian Shares Fund	% of Fund	% of B'mark	Mercer Australian Shares Plus Fund	% of Fund	% of B'mark
CSL	6.3	6.3	CSL	6.4	6.3
BHP Group Ltd	6.0	5.6	BHP Group Ltd	6.1	5.6
Commonwealth Bank	5.7	7.8	Commonwealth Bank	4.8	7.8
National Australia Bank	4.2	4.3	National Australia Bank	4.0	4.3
ANZ Banking Group	3.5	3.5	ANZ Banking Group	3.4	3.5
Macquarie Group Ltd	3.2	3.3	Aristocrat Leisure Ltd	3.2	1.3
Aristocrat Leisure Ltd	2.6	1.3	Santos Ltd	2.9	0.9
Telstra Corporation	2.5	2.3	Macquarie Group Ltd	2.8	3.3
Wesfarmers	2.4	3.1	Telstra Corporation	2.5	2.3
Santos Ltd	2.2	0.9	Wesfarmers	2.2	3.1

Investment performance

Mercer Australian Shares Fund	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	2.8	19.5	15.0	10.6	9.7	11.4
Benchmark return	2.2	17.5	14.0	9.9	9.1	10.8
Excess return — before fees	+0.6	+2.0	+1.0	+0.7	+0.6	+0.6
Mercer Australian Shares Plus Fund	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	2.9	20.8	16.2	11.6	10.5	11.9
Benchmark return	2.2	17.5	14.0	9.9	9.1	10.8
Excess return — before fees	+0.7	+3.3	+2.2	+1.7	+1.4	+1.1
Total returns (%) – after Fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Australian Shares Fund	2.4	18.4	14.1	9.7	8.7	10.4
Mercer Australian Shares Plus Fund	2.4	19.3	15.0	10.5	9.3	10.7

Manager performance

During the quarter stock selection drove outperformance, whilst asset allocation slightly detracted. Underweight positions in Westpac and Afterpay, and overweight positions in Oz Minerals and Charter Hall were the key drivers of outperformance. An underweight to Fortescue and overweight to Santos did detract from performance over the quarter. From an asset allocation perspective, an underweight to financials and overweight to materials contributed positively to performance while underweight exposure to real estate and overweight exposure to energy detracted.

Proportion of assets managed at quarter end			Manager returns relative to fund benchmark (+ or - %) - before fees					
Managers	Core Fund	Plus Fund	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Plato Investment Management	34.9	0.0	+0.3	+0.3	+0.8	+0.6	n/a	n/a
Greencape	14.2	20.9	+0.3	+2.2	+4.1	+3.4	n/a	n/a
WaveStone Capital	13.4	19.7	+0.1	+4.0	+1.8	+3.7	n/a	n/a
Vinva Investment Management	11.1	16.4	+1.3	+0.4	-1.2	-1.6	n/a	n/a
Ausbil Investment Management	10.7	15.7	+0.9	+6.7	+6.2	+4.1	+3.2	+4.6
Firetrail	8.0	11.8	+0.6	+2.5	+0.8	n/a	n/a	n/a
Fidelity	7.6	11.1	+0.9	+0.3	+4.3	+8.2	n/a	n/a
First Sentier Investors	0.0	1.9	-0.6	+4.9	+12.1	+8.7	n/a	n/a
Perennial Value Management	0.0	1.3	+1.9	+6.4	+6.7	+7.4	+8.0	+8.3
Longwave Capital Partners	0.0	1.2	-0.7	-0.5	n/a	n/a	n/a	n/a

Mercer Passive Australian Shares Fund

Total returns (%) – after Fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Passive Australian Shares Fund	1.9	17.1	13.7	9.6	8.8	n/a

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

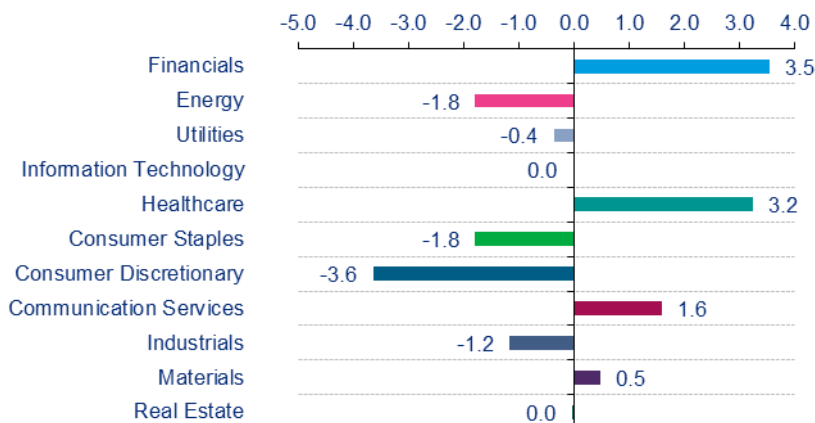
Shares

Australian shares – sustainable plus

Australian shares were positive over Q4 2021 as the S&P/ASX 300 Index returned 2.2% for the period. The S&P/ASX Mid 50 Index was the best performer for the quarter returning 5.8%, while the worst performer was the S&P/ASX 50 Index returning 1.6%.

Mercer Sustainable Plus Australian Shares Fund

Sector Exposure — Overweight/Underweight positions as at 31 December 2021(%)



Top 10 holdings

Stock	% of Fund	% of Benchmark
CSL	6.6	6.3
Commonwealth Bank	6.5	7.8
BHP Group Ltd	6.3	5.6
National Australia Bank	5.2	4.3
Macquarie Group Ltd	4.7	3.3
ANZ Banking Group	3.5	3.5
Telstra Corporation	3.3	2.3
Goodman Group Pty Ltd	2.8	2.1
James Hardie Industries Plc	2.4	1.1
Westpac Banking Corporation	2.4	3.6

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	3.9	20.3	16.4	11.1	10.6	12.7
Benchmark return	2.2	17.5	14.0	9.9	9.1	10.8
Excess return — before fees	+1.7	+2.8	+2.4	+1.2	+1.5	+1.9

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Sustainable Plus Australian Shares Fund	3.5	19.1	15.3	10.0	9.5	11.4

Manager performance

During the fourth quarter of 2021, both stock selection and asset allocation drove outperformance with stock selection being the most significant. An underweight exposure to Afterpay Ltd and an overweight to Macquarie Group were the main drivers of outperformance at the security level.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Managers	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Acadian Asset Management	34.8	+1.4	+2.6	+2.3	+1.4	n/a	n/a
Alphinity Investment Management	27.8	+1.6	+3.8	n/a	n/a	n/a	n/a
Pendal Group Limited	26.9	+1.4	+1.7	+3.7	+2.8	+2.3	+3.2
Perennial Better Future	10.5	n/a	n/a	n/a	n/a	n/a	n/a

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Shares

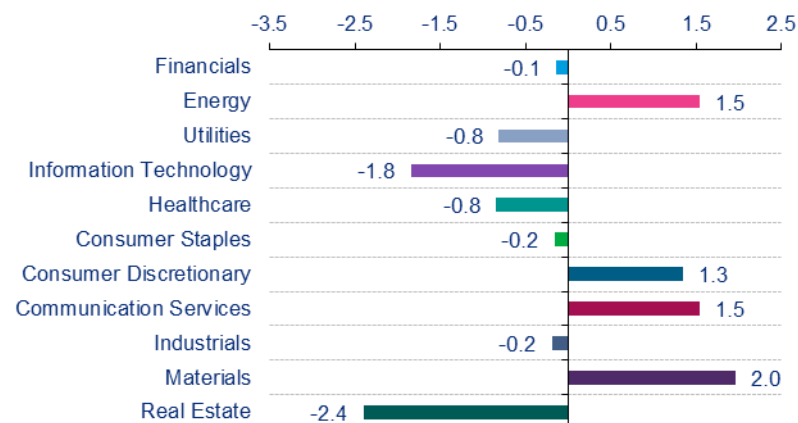
Australian shares – tax exempt investors

Australian equities were positive over Q4 2021 as the S&P/ASX 300 Accumulation Index Gross of Franking Credits returned 2.4% for the period.

The best performing sectors were Materials and Utilities, while the weakest performing sectors were Energy and IT. The largest positive contributors to the return of the index were BHP Group, Fortescue Metals Group and Goodman Group. On the other hand, the most significant detractors from performance were Westpac, Commonwealth Bank and Afterpay.

Mercer Australian Shares Fund for Tax Exempt Investors

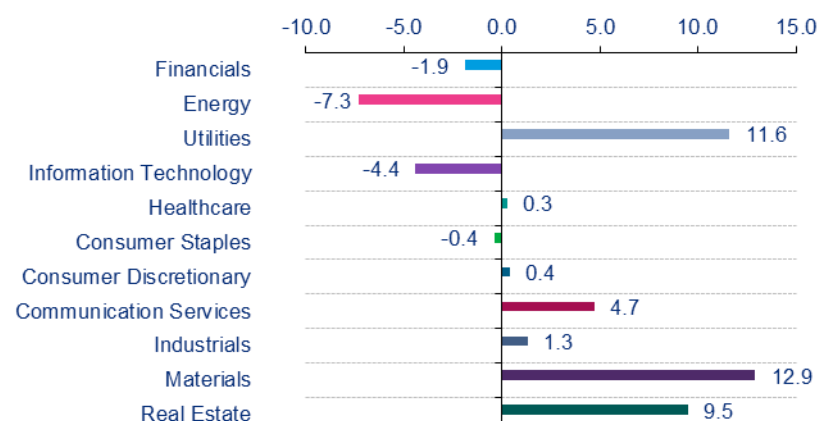
Sector Exposure — Overweight/Underweight positions as at 31 December 2021 (%)



Top 10 holdings

Stock	% of Fund	% of B'mark
Commonwealth Bank	6.4	7.8
BHP Group Ltd	5.6	5.6
CSL	5.0	6.3
National Australia Bank	4.2	4.3
Macquarie Group Ltd	3.9	3.3
Westpac Banking Corp	3.4	3.6
Telstra Corporation	3.2	2.3
ANZ Banking Group	3.1	3.5
Wesfarmers	2.7	3.1
Aristocrat Leisure Ltd	2.6	1.3

Benchmark sector returns for the three months to 31 December 2021 (%)
S&P/ASX 300 Accumulation Index Gross of Franking Credits



Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 years (p.a.)	10 yrs (p.a.)
Total returns — before fees	2.9	19.8	16.5	12.5	11.7	n/a
Benchmark return	2.4	19.0	15.4	11.4	10.7	n/a
Excess return — before fees	+0.5	+0.8	+1.1	+1.1	+1.0	n/a

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 years (p.a.)	10 yrs (p.a.)
Mercer Australian Shares Fund for Tax Exempt Investors	2.6	18.4	15.3	11.4	10.6	n/a

Manager performance

During the quarter stock selection drove outperformance, whilst asset allocation was muted. Underweight allocations to Afterpay Limited and Commonwealth Bank as well as overweight holdings in Oz Minerals and Lynas all drove positive returns. Overweight allocations to Santos and Aristocrat Leisure detracted. From an asset allocation perspective the overweight allocation to materials and underweight allocation to information technology were key drivers of outperformance while an overweight exposure to energy and underweight allocation to real estate detracted.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Managers		3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Macquarie Investment Management	39.9	+0.6	+1.3	+2.8	+3.4	+3.3	n/a
Plato Investment Management	30.1	+0.7	-1.7	+0.3	+0.5	+0.7	n/a
Wavestone	17.4	+0.2	+3.8	n/a	n/a	n/a	n/a
Firetrail	12.6	+0.5	+1.6	n/a	n/a	n/a	n/a

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

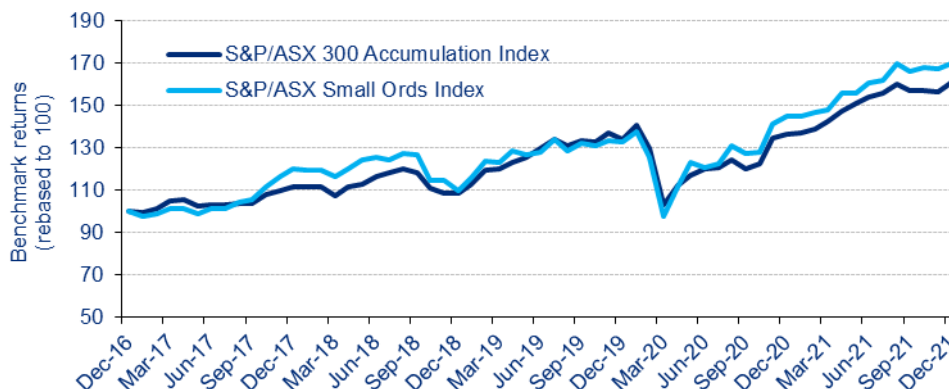
Refer to page 38 for Asset class benchmarks.

Shares

Australian shares – small companies

The fund performance was positive over the December quarter with the asset class returning 2.0% for the period. Australian Small Companies underperformed the broad capitalisation index over the quarter.

Australian small vs 'large' company performance



Mercer Australian Small Companies Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	2.6	19.7	22.4	15.2	13.8	11.9
Benchmark return	2.0	16.9	15.7	11.2	11.3	8.0
Excess return — before fees	+0.6	+2.8	+6.7	+4.0	+2.5	+3.9

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Australian Small Companies Fund	2.2	17.9	20.8	13.8	12.4	10.7

Manager performance

Fund performance was strong over the quarter as equity markets continued to rise. The fund returned 2.6% over the quarter, outperforming the S&P ASX Small Ordinaries benchmark index by 0.6%. Stock selection was the key driver of returns while asset allocation detracted. At the sector level, an underweight to financials and overweights to consumer discretionary and health care provided positive returns. This was offset by underweights to materials and real estate sectors which detracted from performance. At the security level, an underweight to ZIP Co was the most significant contributor to performance while an underweight to Chalise Mining was the most significant detractor.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
First Sentier Investors	37.9	-0.6	+4.9	+12.1	+8.7	n/a	n/a
Perennial Value Management	26.1	+1.9	+6.4	+6.7	+7.4	+8.0	+8.3
Longwave Capital Partners	24.8	-0.7	-0.5	n/a	n/a	n/a	n/a
Firetrail	11.2	n/a	n/a	n/a	n/a	n/a	n/a

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Shares

International shares

The broad MSCI World ex Australia (NR) increased 7.9% in hedged terms and increased 7.2% in unhedged terms over the quarter, as the AUD achieved positive returns against major currencies over the period. The strongest performing sectors were Information Technology and Utilities, while Communication Services and Financials were the worst performers. Other global shares were mixed as the MSCI Small Caps (TR) Index returned 1.7% and the MSCI Emerging Markets (NR) Index returned -1.9% over the quarter, all in AUD terms.

Over the December quarter, the NASDAQ increased 8.3%, the S&P 500 Composite Index increased 11.0% and the Dow Jones Industrial Average increased 7.9%, all in USD terms. European markets also experienced positive returns, with the FTSE 100 (United Kingdom) increasing 4.7%, the CAC 40 (France) increasing 9.9% and the DAX 30 (Germany) increasing 4.1%, all in local currency terms. Equity returns were broadly negative across Asia as the TOPIX (Japan) (-1.7%), Hang Seng (Hong Kong) (-4.7%) and S&P BSE 500 (India) (-0.5%) decreased, all in local currency terms. In comparison, the SSE Composite (China) increased over the quarter, in local currency terms, returning 2.0%.

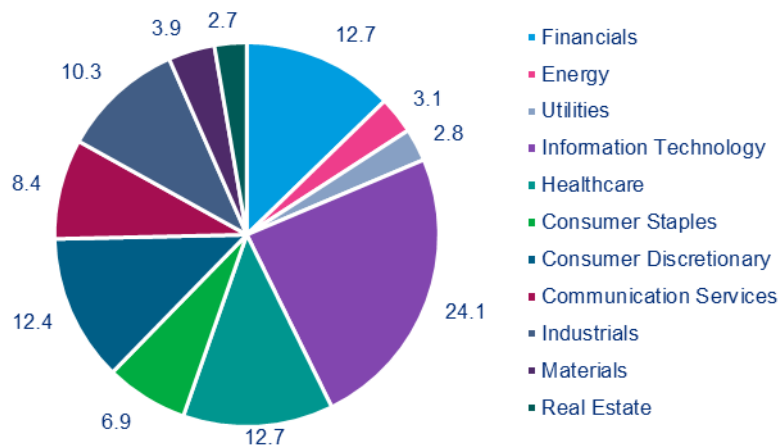
* In this Quarterly Report, 'International shares funds' refers to:

- Mercer International Shares Fund
 - Mercer Hedged International Shares Fund
- Benchmark weights etc. apply to all international shares funds.

Mercer International Shares Funds*

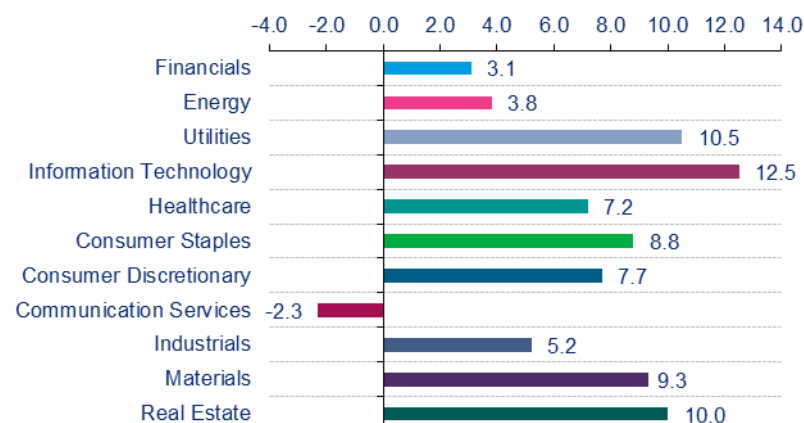
Benchmark weights by sector (%)

MSCI World Index (ex Australia) - in A\$ with net dividends reinvested



Benchmark sector returns for the three months to 31 December 2021 (%)

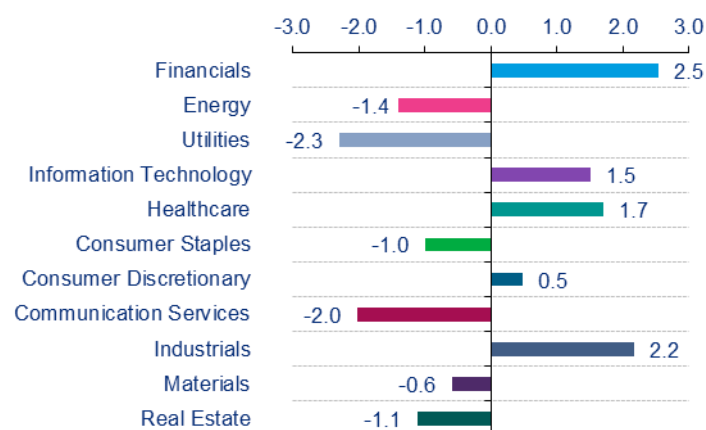
MSCI World Index (ex Australia) - in A\$ with net dividends reinvested



Sector Exposure — Overweight/Underweight positions as at 31 December 2021 (%)

Mercer International Shares Fund

Mercer Hedged International Shares Fund



NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

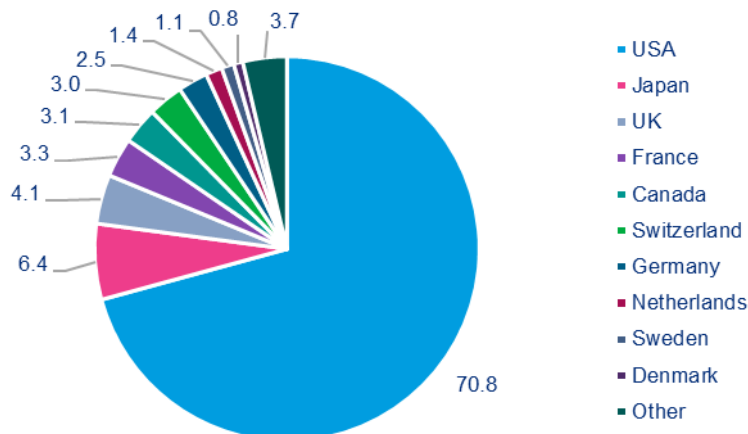
Shares

International shares

Mercer International Shares Funds**

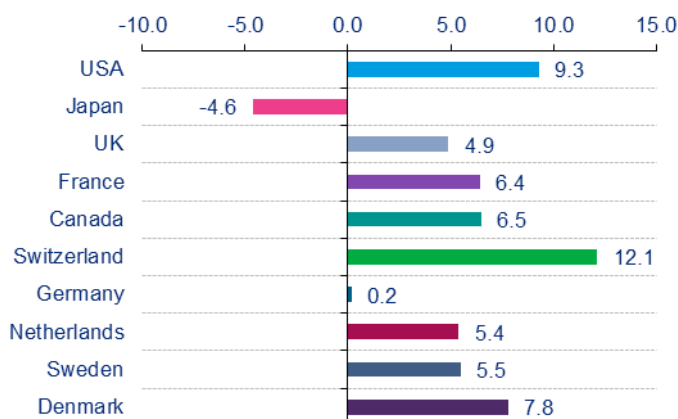
Benchmark weights – Top 10 countries (%)

MSCI World Index (ex Australia) - in A\$ with net dividends reinvested



Top 10 countries' benchmark returns for the three months to 31 December 2021 (%)

MSCI World Index (ex Australia) - in A\$ with net dividends reinvested



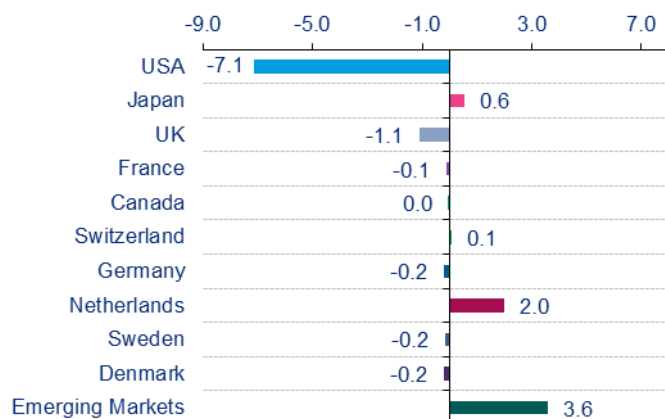
** In this Quarterly Report, 'International Shares Funds' refers to:

- Mercer International Shares Fund
 - Mercer Hedged International Shares Fund
- Benchmark weights etc. apply to all funds.

Exposure to top 10 countries - Overweight/Underweight positions as at 31 December 2021 (%)

Mercer International Shares Fund

Mercer Hedged International Shares Fund



NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Shares

International shares

Mercer International Shares Fund

Mercer Hedged International Shares Fund

Top 10 holdings

Stock	% of Fund	% of Benchmark
Microsoft Corp	3.3	3.9
Apple	2.2	4.8
Meta Platforms Inc	1.8	1.3
Alphabet Inc	1.6	2.8
Amazon	1.4	2.5
Charles Schwab Corp	1.2	0.2
ASML Holding Nv	1.1	0.5
Unitedhealth Group Inc	1.0	0.8
Motorola Solutions Inc	1.0	0.1
Intact Financial Corp	0.9	0.0

Investment performance

Mercer International Shares Fund	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	6.4	27.9	20.5	15.2	14.1	17.0
Benchmark return — before fees:	7.2	29.6	20.6	15.1	13.6	16.8
Excess return — before fee:	-0.8	-1.7	-0.1	+0.1	+0.5	+0.2
Mercer Hedged International Shares Fund	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	7.1	22.2	20.0	14.0	12.4	14.8
Benchmark return — before fees:	7.9	23.9	20.2	14.0	12.0	14.6
Excess return — before fees	-0.8	-1.7	-0.2	0.0	+0.4	+0.2
Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer International Shares Fund	6.2	26.6	19.3	14.0	13.0	16.0
Mercer Hedged International Shares Fund	6.9	21.0	18.8	12.9	11.3	13.6

Manager performance

The fund underperformed the benchmark over the quarter by 0.8%. Stock selection contributed to underperformance, whilst asset allocation was relatively neutral. An underweight holding in Apple and Tesla, alongside an overweight position in Moderna were major detractors, whilst an overweight holding in Paypal provided some reprieve.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Schroder Investment Management	35.6	+0.8	+3.3	-1.6	-2.2	-1.0	-1.4
Arrowstreet	19.1	-0.4	+1.6	+1.9	+4.0	+3.9	n/a
Wellington	15.1	-3.0	-7.8	-5.0	n/a	n/a	n/a
Maj Invest	13.3	+1.8	-1.0	n/a	n/a	n/a	n/a
AllianceBernstein	9.9	-0.1	-2.6	n/a	n/a	n/a	n/a
Baillie Gifford	7.0	-10.6	-20.2	n/a	n/a	n/a	n/a

Mercer Passive International Shares Fund

Mercer Passive Hedged International Shares Fund

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Passive International Shares Fund	7.3	29.6	20.8	15.2	13.6	n/a
Mercer Passive Hedged International Shares Fund	8.0	24.0	20.4	14.0	12.0	n/a

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Shares

Socially responsible global shares

Mercer Socially Responsible Global Shares Fund – Unhedged Units

Mercer Socially Responsible Global Shares Fund – Hedged Units

Top 10 holdings

Stock	% of Fund	% of Benchmark
Microsoft Corp	4.2	3.8
Danaher Corp	2.4	0.3
Ecolab Inc	2.2	0.1
Alphabet Inc	1.7	2.7
Schneider Electric Se	1.4	0.2
Orsted A/S	1.4	0.0
Unitedhealth Group Inc	1.3	0.8
Taiwan Semiconductor Manufact Co Ltd	1.3	0.0
Nvidia Corp	1.3	1.2
Estee Lauder Companies Inc	1.2	0.1

Investment performance

Mercer Socially Responsible Global Shares Fund – Unhedged	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	6.1	27.0	20.7	15.1	n/a	n/a
Benchmark return — before fees:	7.1	29.3	20.4	14.9	n/a	n/a
Excess return — before fee:	-1.0	-2.3	+0.3	+0.2	n/a	n/a
Mercer Socially Responsible Global Shares Fund – Hedged	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	6.9	21.4	20.6	n/a	n/a	n/a
Benchmark return — before fees:	7.8	23.7	20.0	n/a	n/a	n/a
Excess return — before fees	-0.9	-2.3	+0.6	n/a	n/a	n/a
Total returns (%) — after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Socially Responsible Global Shares Fund – Unhedged	5.9	25.7	19.6	14.1	n/a	n/a
Mercer Socially Responsible Global Shares Fund – Hedged	6.6	20.1	19.5	n/a	n/a	n/a

Manager performance

The portfolio underperformed over the quarter with mixed performance from the managers. The net underweight to communication services was the top contributor to excess performance for the portfolio. Avoidance of big tech names was a hindrance to the portfolio, specifically underweights to Apple, Amazon, and Alphabet. A large underweight in consumer discretionary also detracted.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Managers	Unhedged %	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Dublin	100.0	-1.0	-2.5	+0.3	+0.1	n/a	n/a

Manager allocation

Manager	%
Impax	17.0
Mirova	20.0
RBC	23.0
SSGA	23.0
Wellington	17.0

NOTE: Past performance is not a reliable indicator of future performance.

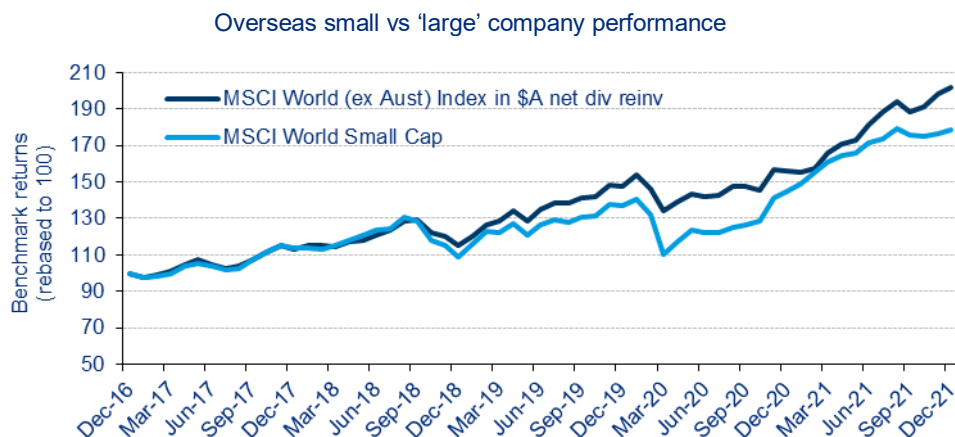
Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Shares

Global shares – small companies

In unhedged AUD terms, the Global Small Cap sector increased 1.7%, underperforming Global Large Cap stocks.



Mercer Global Small Companies Shares Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	0.6	21.8	18.8	13.1	12.7	17.3
Benchmark return	1.6	22.9	17.9	12.3	12.4	16.2
Excess return — before fees	-1.0	-1.1	+0.9	+0.8	+0.3	+1.1

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Global Small Companies Shares Fund	0.3	20.7	17.7	12.0	11.6	16.0

Manager performance

The fund underperformed versus its benchmark over the quarter. Stock selection was the key driver, with Tesla Inc. and Dexerials Corp and Codexis Inc contributing positively. Zillow, Chegg Inc and Zai Lab Limited were the key detractors.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Arrowstreet	34.7	+2.5	+10.5	+8.1	+7.7	+7.0	+12.2
Lazard Asset Management	26.2	+0.2	+4.3	-0.1	n/a	n/a	n/a
KBI Global Investors	24.7	+0.5	+4.7	n/a	n/a	n/a	n/a
Baillie Gifford	14.5	-13.0	-39.6	+8.5	n/a	n/a	n/a

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Shares

Global shares – low volatility

Mercer Global Enhanced Low Volatility Shares Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	9.1	26.3	11.5	9.7	10.7	n/a
Benchmark return	6.3	20.9	11.8	10.4	10.7	n/a
Excess return — before fees	+2.8	+5.4	-0.3	-0.7	0.0	n/a

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Global	8.9	26.0	11.2	9.4	10.4	n/a

Manager performance

The fund outperformed the benchmark over the quarter by 2.8%. The fund's value tilt impacted returns. Both asset allocation and stock selection contributed to the outperformance. Stock selections were positively affected by the overweight position in Arista Networks and Jupiter Networks, whilst overweight exposure to KDDI and underweight exposure to Vertex were detractors.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Acadian	100.0	+2.7	+5.4	-0.4	-0.9	+0.1	n/a

NOTE: Past performance is not a reliable indicator of future performance.

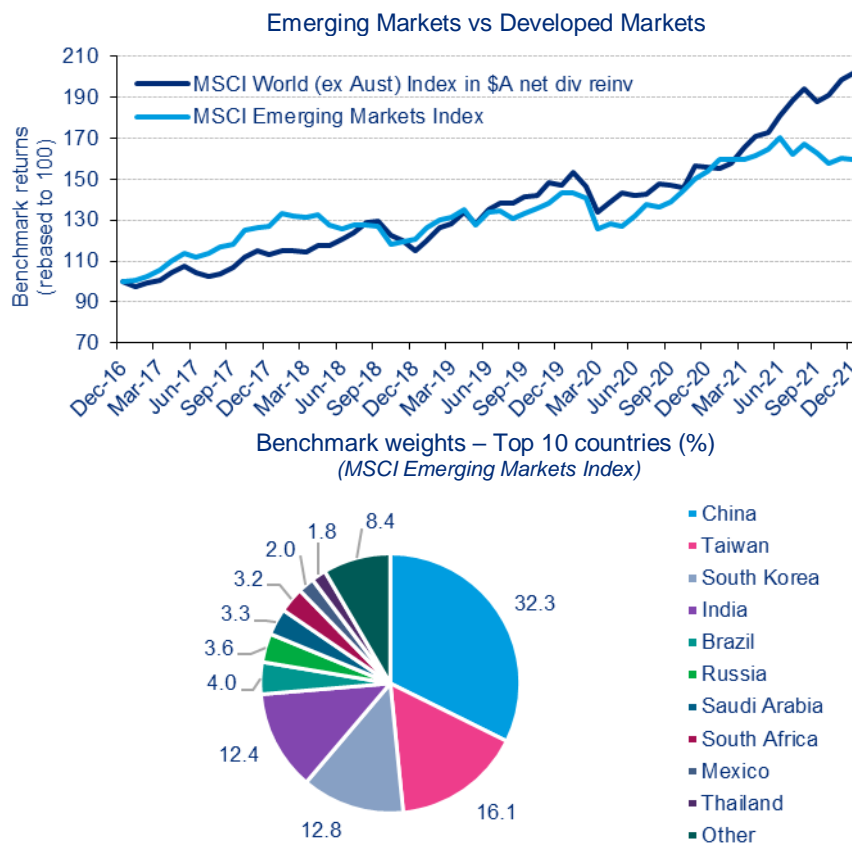
Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Shares

Emerging markets shares

In unhedged AUD terms, Emerging Markets (NR) returned -1.9%, underperforming developed markets.



Mercer Emerging Markets Shares Fund

Investment performance

Mercer Emerging Markets Shares Fund	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	-2.0	7.2	11.8	10.9	9.1	10.2
Benchmark return	-1.9	3.4	9.8	9.8	7.9	9.2
Excess return — before fees	-0.1	+3.8	+2.0	+1.1	+1.2	+1.0
Total returns (%) — after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Emerging Markets Shares Fund	-2.2	6.1	10.6	9.8	8.0	9.2

Manager performance

The fund performed in line with the index over the quarter. Asset allocation contributed positively to performance while stock selection weighed negatively. An underweight exposure to the healthcare sector contributed positively, whereas an underweight to the communication services sector contributed negatively. At the security level, an underweight holding in Alibaba contributed positively to performance while an underweight to Reliance Industries and Taiwan Semiconductor Manufacturing were the top detractors.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
BlackRock Investment Management	34.7	+0.3	-0.3	-0.4	0.0	+1.5	+2.4
GMO	28.2	n/a	n/a	n/a	n/a	n/a	n/a
William Blair	26.0	-0.9	-3.8	+6.5	n/a	n/a	n/a
AQR	11.0	-2.1	-1.0	+3.5	+3.2	n/a	n/a

Mercer Passive Emerging Markets Shares Fund

Total returns (%) — after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Passive Emerging Markets Shares Fund	-2.1	3.0	9.5	9.5	n/a	n/a

NOTE: Past performance is not a reliable indicator of future performance.

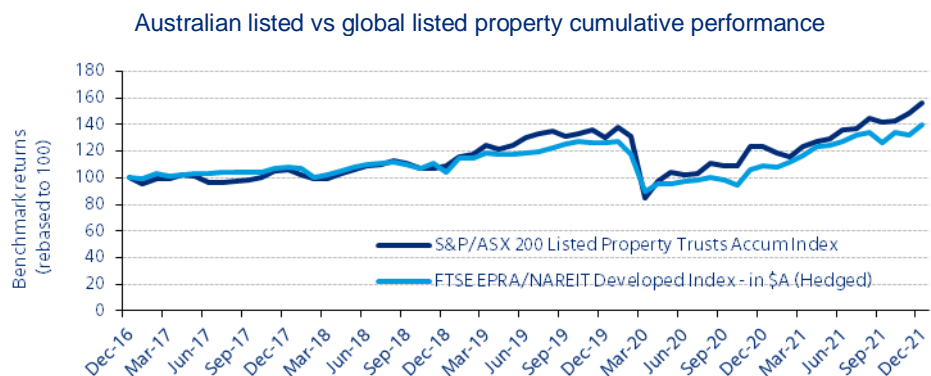
Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Real assets

Global listed property

Domestic listed property experienced strong performance over the quarter and returned 10.1%. Global REITs returned 10.2% (in AUD hedged terms) over the December quarter.



Mercer Global Listed Property Fund

Investment performance

Mercer Global Listed Property Fund	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	10.7	29.6	12.0	8.7	7.8	11.8
Benchmark return	10.2	28.6	10.4	6.9	6.4	10.3
Excess return — before fees	+0.5	+1.0	+1.6	+1.8	+1.4	+1.5
Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Global Listed Property Fund	10.5	28.4	11.0	7.6	6.7	10.7

Manager performance

The fund outperformed over the quarter by 0.5%. Stock selection was a key detractor from relative performance as underweight holdings in Public Storage and Simon Property Group, combined with overweight holdings in Sunac Services Holdings and Mitsui Fudosan significantly detracted performance. On the other hand, the underweight to the commercial and residential real estate and healthcare sectors contributed positively to relative performance.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Principal Global Investors	62.0	-0.3	-1.2	+2.7	+3.7	+2.7	n/a
Resolution Capital	38.0	n/a	n/a	n/a	n/a	n/a	n/a

Mercer Passive Global Listed Property Fund

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Passive Global Listed Property Fund	10.0	27.9	10.2	6.7	6.1	n/a

NOTE: Past performance is not a reliable indicator of future performance.

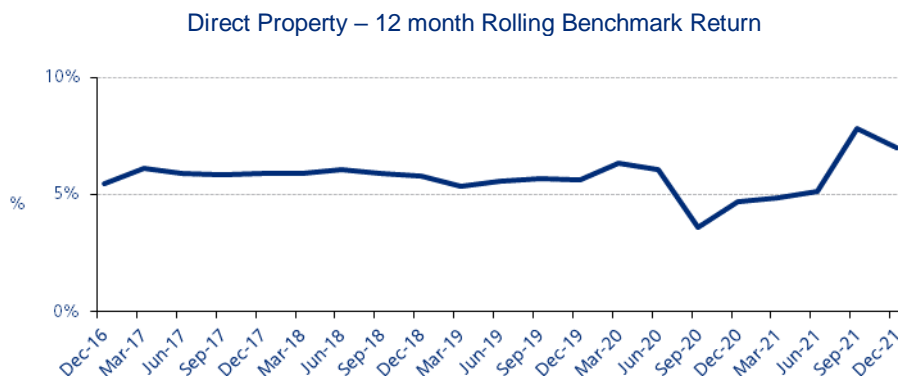
Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Real assets

Australian direct property

The Australian unlisted property sector (NAV) increased 2.3% over the quarter (on a one-month lagged basis).



Note: The indices used in the graph (above) are: Before 1/9/2009: Mercer Unlisted Property Funds Index
After 1/9/2009: Mercer/IPD Australian Pooled Property Fund Index. Effective January 2016 CPI+4%

Mercer Australian Direct Property Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	2.6	13.7	8.8	10.3	11.1	10.6
Benchmark return	1.7	7.0	5.8	5.8	6.8	7.6
Excess return — before fees	+0.9	+6.7	+3.0	+4.5	+4.3	+3.0

Total returns (%) — after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Australian Direct Property Fund	2.2	11.9	7.3	8.8	9.6	9.1

Manager performance

The fund significantly outperformed the Mercer/MSCI Wholesale Property Fund Index (YFYS benchmark) over all time periods. It outperformed the CPI+4% benchmark over all periods since inception.

The COVID pandemics effects on the portfolio reduced significantly prior to the recent lockdowns, with all tenants in occupation and trading. New leasing is proving more challenging for Office assets than prior to the pandemic. Portfolio occupancy is high at 97%.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Charter Hall Industrial	25.8	-0.6	+16.4	+10.4	+8.7	+8.5	n/a
Investa Property Group	22.8	+1.6	+2.6	+3.9	+7.2	+7.7	+6.4
Dexus Wholesale Property Fund	15.3	+1.9	+3.7	+0.5	+3.9	n/a	n/a
Charter Hall Retail	11.2	0.0	+4.1	-0.3	+2.4	n/a	n/a
Goodman Funds Management	7.7	+0.3	+12.5	+15.5	+13.7	+14.8	+13.4
Investa SPV	6.7	+3.4	+2.3	+5.2	+6.6	n/a	n/a
GPT Wholesale Office Fund	5.4	+0.3	+5.0	n/a	n/a	n/a	n/a
Lend Lease Investment Management (APPF Retail)	2.1	+4.0	+1.3	-12.2	-6.6	-5.9	-5.8
AMP Capital Shopping Centre Fund	1.6	+1.2	-0.5	-11.4	n/a	n/a	n/a

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Real assets

Passive Australian property

Mercer Passive Australian Listed Property Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	10.0	26.0	13.1	9.4	10.6	13.6
Benchmark return	10.1	26.1	12.8	9.3	10.6	13.8
Excess return — before fees	-0.1	-0.1	+0.3	+0.1	0.0	-0.2

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Passive Australian Listed Property Fund	9.9	25.5	12.6	9.0	10.2	13.4

Manager performance

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Macquarie Investment Management	100.0	0.0	0.0	+0.1	0.0	-0.1	-0.9

NOTE: Past performance is not a reliable indicator of future performance.

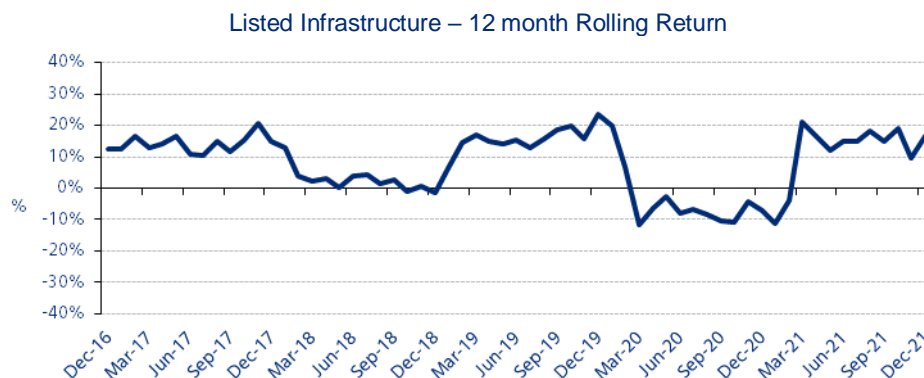
Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Real assets

Global listed infrastructure

Global Core Listed Infrastructure 50/50 index increased 7.3% for the quarter in hedged terms.



Note The index used in the graph (above) is the FTSE Global Core 50/50 Index in A\$ Hedged.

Mercer Global Listed Infrastructure Fund

Investment performance

Mercer Global Listed Infrastructure Fund	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	7.3	15.6	10.4	8.5	8.5	11.8
Benchmark return	7.3	16.4	10.2	8.7	8.1	11.7
Excess return — before fees	0.0	-0.8	+0.2	-0.2	+0.4	+0.1
Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Global Listed Infrastructure Fund	7.0	14.5	9.4	7.5	7.5	10.7

Manager performance

The fund performed to benchmark over the quarter. Asset allocation was the key driver of outperformance. Key contributors to performance included overweight positions in Atmos Energy Group, CSX Corp and Norfolk Southern Corp. Conversely, overweight holdings in Rubis Sca, Aena SME S.A and China Gas Holdings detracted over the quarter.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
First Sentier Investors	60.8	-0.6	-1.3	+1.0	+0.3	+1.9	+2.5
Magellan Asset Management	39.2	+1.1	-0.1	-0.7	n/a	n/a	n/a

Mercer Passive Global Listed Infrastructure Fund

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Passive Global Listed Infrastructure Fund	7.3	16.4	9.6	8.0	7.8	n/a

NOTE: Past performance is not a reliable indicator of future performance.

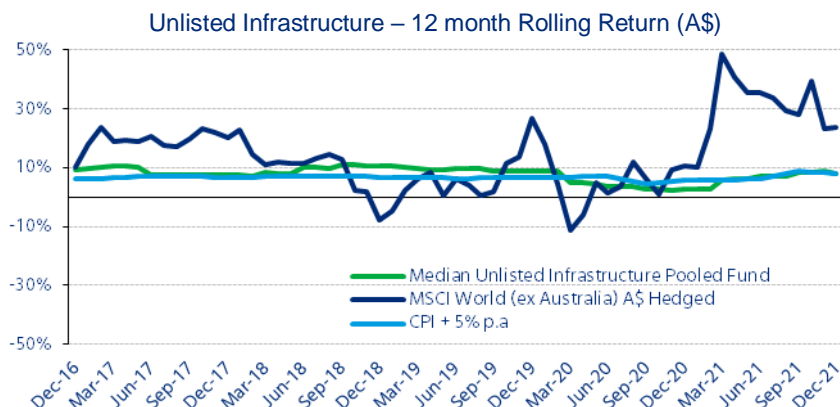
Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Real assets

Global unlisted infrastructure

The Unlisted Infrastructure sector continued to rise over the quarter. There is scope for further volume recovery for infrastructure assets such as airports and while the emergence of new coronavirus variants may affect the timing of the recovery, a return to normality is foreseeable.



Mercer Global Unlisted Infrastructure Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	2.2	14.2	14.7	14.2	15.8	13.6
Benchmark return	2.0	8.0	6.9	6.2	5.9	6.3
Excess return — before fees	+0.2	+6.2	+7.8	+8.0	+9.9	+7.3

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Global Unlisted Infrastructure Fund	1.9	11.8	11.7	10.8	12.4	10.7

Manager performance

The fund's return for the quarter was above the benchmark return, which is expressed in gross terms. Important contributors were First Sentier Investors Infrastructure Income Fund, IFM Investors Australian Infrastructure Fund and KKR Global Infrastructure Fund II ("KKR GIF II"). Distributions were received from Axiom Infrastructure NA IV, JP Morgan Infrastructure Investments Fund, KKR GIF II, Macquarie Asia Infrastructure Fund and Stonepeak Infrastructure. Calls were paid to fund new co-investments in communications businesses Vocus (Australia) and Vertical Bridge (United States), managed by Macquarie and DigitalBridge, respectively, and social infrastructure developer John Laing (United Kingdom), managed by KKR.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
KKR	29.1	+1.7	+30.9	+19.9	+18.2	n/a	n/a
First Sentier Investors	13.6	+0.9	+0.4	+4.9	+6.5	+6.7	+5.7
IFM Investors	11.9	+1.7	+2.8	+1.5	+3.8	+7.0	n/a
Macquarie Asia Infrastructure Fund	9.8	+0.8	+3.3	+4.5	+1.6	n/a	n/a
Stonepeak Infrastructure Partners	7.3	-0.1	+33.4	+13.9	n/a	n/a	n/a
Macquarie Specialised Asset Management IMA	4.3	n/a	n/a	n/a	n/a	n/a	n/a
KKR Diversified Core Infrastructure	4.1	n/a	n/a	n/a	n/a	n/a	n/a
DigitalBridge	3.9	n/a	n/a	n/a	n/a	n/a	n/a
Axiom Infrastructure	3.7	-0.2	+8.4	n/a	n/a	n/a	n/a
JP Morgan Infrastructure Investments Fund	3.6	-3.3	-4.1	n/a	n/a	n/a	n/a
First Sentier Investors	3.0	+0.4	-0.6	+5.2	+5.3	n/a	n/a
Cash Account	2.5	0.0	n/a	n/a	n/a	n/a	n/a
I-Squared Capital	1.7	-1.1	-1.9	n/a	n/a	n/a	n/a
Energy Capital Partners	1.5	-1.8	n/a	n/a	n/a	n/a	n/a

NOTE: Past performance is not a reliable indicator of future performance.

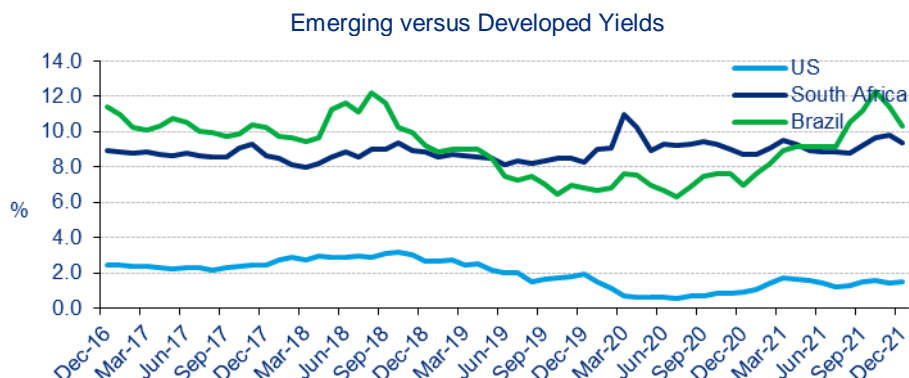
Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Growth fixed interest

Emerging markets debt

Emerging Market Debt returns were negative over the December quarter, returning -3.2% on an unhedged basis.



Mercer Emerging Market Debt Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	-2.1	-2.0	1.9	3.0	3.0	n/a
Benchmark return	-3.2	-3.1	1.0	2.7	2.8	n/a
Excess return — before fees	+1.1	+1.1	+0.9	+0.3	+0.2	n/a

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Emerging Markets Debt Fund	-2.4	-3.0	0.7	1.8	1.9	n/a

Manager performance

The fund returned -2.1% over the December quarter, outperforming the benchmark index by 1.1%. All three managers produced positive excess returns over the quarter, with Wellington being the primary contributor to the Fund's outperformance. Over the past year, the Fund returned -2.0%, outperforming the benchmark index by 1.1%, with all three managers contributing positively.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Colchester Global Investors	34.5	+0.9	+1.0	+1.2	+1.7	n/a	n/a
BlackRock	33.8	+0.7	+1.2	+0.4	n/a	n/a	n/a
Wellington Management	31.8	+1.6	+1.3	n/a	n/a	n/a	n/a

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Growth fixed interest

Global high yield bond

Mercer Global High Yield Bond Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	0.5	6.2	7.9	5.9	6.0	n/a
Benchmark return	0.4	4.1	7.1	5.4	6.1	n/a
Excess return — before fees	+0.1	+2.1	+0.8	+0.5	-0.1	n/a

Manager performance

The fund returned 0.5% in the December quarter, outperforming its benchmark by 0.1%. The Fund invests into the Dublin Global High Yield Fund, which has two underlying managers, Nomura and PGIM. The Dublin Fund is managed against an up-in-quality benchmark (excluding CCC's and EM), however, we have allowed our managers a c. 15% "flex" into CCC where they deem appropriate.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer (Dublin)	100.0	+0.1	+2.1	+0.9	+0.6	-0.2	n/a

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Growth fixed interest

Global private debt

Mercer Global Private Debt Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	1.8	6.9	6.4	6.9	6.9	n/a
Benchmark return	0.8	3.0	3.6	4.2	4.6	n/a
Excess return — before fees	+1.0	+3.9	+2.8	+2.7	+2.3	n/a

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Global Private Debt Fund	1.3	4.6	4.8	5.6	5.8	n/a

Manager performance

The fund has outperformed its Cash + 3% benchmark by 1.0% over the quarter to December 2021, with positive contributions from most managers in the portfolio. The outperformance was primarily driven by HPS, who generated 2.4% in Q4 2021. The portfolio has been markedly resilient with a strong focus on defensive sectors and senior debt in the capital structure. Over the longer-term, the fund has achieved positive excess returns over the 3 year time period to December 2021, exceeding the benchmark by 2.7%.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Metrics Credit Prtnrs Secured Private Debt Fund	29.6	+2.3	+7.6	+7.9	+7.4	n/a	n/a
Audax Credit BDC Inc.	22.1	+1.3	+7.2	+4.3	+4.7	n/a	n/a
HPS Australian Loan Platform	16.5	+2.4	+5.8	n/a	n/a	n/a	n/a
Metrics Credit Prtnrs Secured Private Debt Fund II	10.7	+1.1	+6.1	n/a	n/a	n/a	n/a
ICG Australia Senior Loan Fund	6.3	+1.3	n/a	n/a	n/a	n/a	n/a
ICG Senior Debt Partners Fund 2	5.4	+2.3	+12.0	+8.3	+9.7	n/a	n/a
Westbourne Mercer Yield Fund	3.7	+1.4	+3.1	+6.7	+6.3	+6.2	+6.1
Park Square Credit Opportunities IV	3.4	n/a	n/a	n/a	n/a	n/a	n/a
Ares European Credit Investments (IV) A	1.6	+1.7	+18.2	n/a	n/a	n/a	n/a
Related Real Estate Debt Fund LP	0.6	n/a	n/a	n/a	n/a	n/a	n/a

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Defensive fixed interest

Global absolute return bond

Mercer Global Absolute Return Bonds

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	-0.4	-0.2	2.9	2.4	2.7	n/a
Benchmark return	0.3	1.0	1.6	2.1	2.4	n/a
Excess return — before fees	-0.7	-1.2	+1.3	+0.3	+0.3	n/a

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Global Absolute Return Bonds	-0.5	-0.5	2.4	1.9	2.1	n/a

Manager performance

The fund returned -0.4% over the December quarter, underperforming its benchmark by 0.7%. All four managers underperformed in the quarter as October and November proved to be particularly challenging months as market participants reassessed central banks' monetary policies and the potential need to remove accommodation at a faster pace given more persistent higher inflation. In what has been a very tough year for fixed income, the fund returned -0.2%, and over 3 years, the fund returned a solid 2.9% p.a.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Ardea Investment Management	29.8	-0.2	n/a	n/a	n/a	n/a	n/a
Newton Investment Management	29.7	-0.3	-0.5	+2.7	n/a	n/a	n/a
Payden & Rygel	20.8	-0.6	+1.6	n/a	n/a	n/a	n/a
PIMCO	19.7	-0.8	n/a	n/a	n/a	n/a	n/a

NOTE: Past performance is not a reliable indicator of future performance.

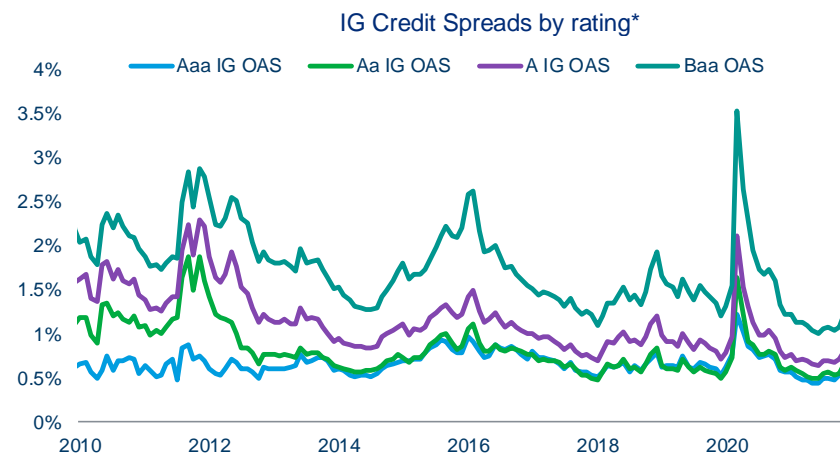
Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Defensive fixed interest

Global credit

Global Credit returns were negative, returning -0.1% on a hedged basis over the December quarter.



Mercer Global Credit Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	-0.1	-0.9	5.5	4.4	4.4	6.0
Benchmark return	-0.1	-1.0	5.1	4.1	4.2	5.4
Excess return — before fees	0.0	+0.1	+0.4	+0.3	+0.2	+0.6

Total returns (%) — after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — after fees:	-0.3	-1.3	5.1	3.9	3.9	5.5

Manager performance

The fund delivered a -0.1% return over the December quarter, performing broadly in-line with its benchmark. Over 1 and 3 years, the Fund outperformed the benchmark by 0.1% and 0.4% p.a. respectively. All three managers delivered benchmark-like returns over the quarter. Over the year, Robeco outperformed, Wellington delivered benchmark-like performance, and AXA underperformed.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Wellington Management	43.0	-0.1	+0.1	+0.5	+0.5	+0.7	+1.1
Robeco	31.1	0.0	+0.7	+1.3	n/a	n/a	n/a
AXA Investment Managers	26.0	-0.1	-0.6	-0.5	-0.4	-0.4	n/a

NOTE: Past performance is not a reliable indicator of future performance.

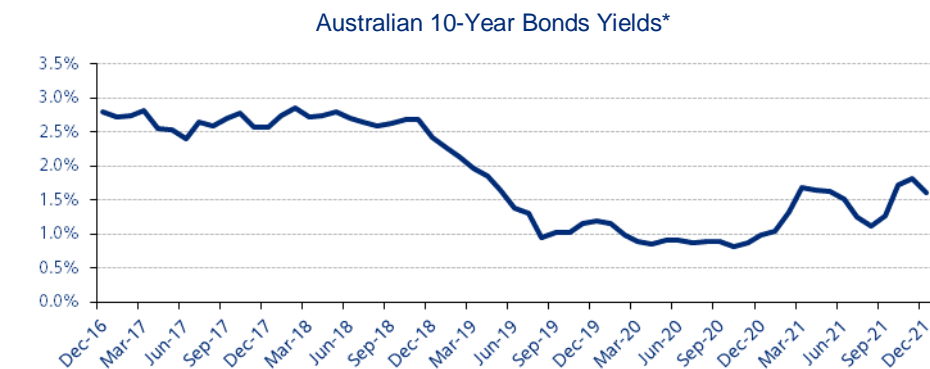
Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Defensive fixed interest

Australian sovereign bonds

Domestically, the Australian 10-year bond yield (+18bps to 1.67%), five-year bond yield (+56bps to 1.34%) and two-year bond yield (+33bps to 0.37%) all increased. The Bloomberg Ausbond indices returned broadly negative results over the quarter, with the Bloomberg Ausbond Composite Bond, Bloomberg Ausbond Treasury and Bloomberg Ausbond Credit, all returning -1.5%. The exception being the Bloomberg Ausbond Inflation Index achieving the highest return of 2.3%.



* Source: Reserve Bank of Australia

Mercer Australian Sovereign Bond Fund – Class 1

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	-1.3	-3.2	3.2	3.8	3.4	4.2
Benchmark return	-1.5	-3.1	2.8	3.4	3.1	3.8
Excess return — before fees	+0.2	-0.1	+0.4	+0.4	+0.3	+0.4

Total returns (%) — after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Australian Sovereign Bond Fund – Class 1	-1.4	-3.5	2.8	3.4	3.0	3.8

Manager performance

The fund returned -1.3% over the quarter, outperforming the benchmark by 0.2%. The Fund has performed in-line with the benchmark over 1 year and has outperformed by 0.4% p.a. over 3 years. 2021 was a very challenging year in the Australian bond market, with two very volatile periods in February and October which saw yield move four to six standard deviations. During the quarter, Pandal was terminated from the Fund. We are currently looking for another active manager who will complement our other active manager, JCB.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Jamieson Coote Bonds	50.1	-0.1	n/a	n/a	n/a	n/a	n/a
Challenger	26.9	+0.2	+0.7	+0.8	+0.8	+0.8	+1.2
Macquarie Investment Management	23.0	0.0	0.0	-0.1	0.0	0.0	0.0

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

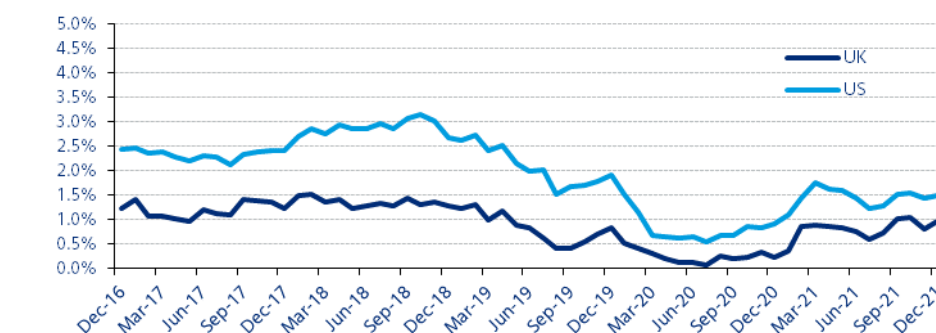
Refer to page 38 for Asset class benchmarks.

Defensive fixed interest

Global sovereign bonds

Global sovereign bonds produced broadly flat returns over the December quarter for hedged Australian investors. Ten-year bond yields increased in Germany (+1bp to -0.18%), returned flat in Japan (0.07%), and decreased in the US (-3bps to 1.50%) and the UK (-5bps to 0.97%). Two-year bond yields increased in Japan (+4bps to -0.09%), Germany (+8bps to -0.66%), the US (+39bps to 0.66%) and the UK (+27bps to 0.68%). In terms of Global Bond indices, the Barclays Capital Global Aggregate Bond Index returned flat and the FTSE World Government Bond (ex-Australia) Index increased by 0.1% over the December quarter, both on a fully hedged basis.

10 Year Bond Yields – UK and US*



* Source: Thomson Reuters Datastream

Mercer Global Sovereign Bond Fund – Class 1

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	-0.2	-2.3	4.0	4.0	4.3	5.4
Benchmark return	0.2	-2.4	3.3	3.0	3.4	4.5
Excess return — before fees	-0.4	+0.1	+0.7	+1.0	+0.9	+0.9

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Global Sovereign Bond Fund – Class 1	-0.3	-2.7	3.6	3.6	3.9	5.1

Manager performance

The fund returned -0.2% in the December quarter, underperforming the benchmark by 0.4%. Over 1 and 3 years, the Fund outperformed the benchmark by 0.1% and 0.6% p.a. respectively. Colchester underperformed the benchmark over the quarter and 1 year by 1.1% and 0.1% respectively. LGIM, the passive manager in the portfolio, performed in-line with the benchmark.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
LGIM	59.8	+0.1	+0.2	n/a	n/a	n/a	n/a
Colchester Global Investors	40.2	-1.0	-0.1	+0.3	+0.6	n/a	n/a

NOTE: Past performance is not a reliable indicator of future performance.

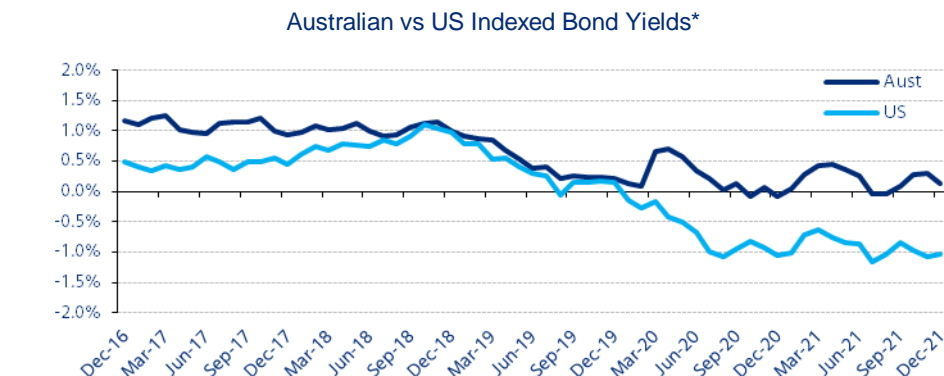
Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Defensive fixed interest

Australian inflation plus

The fund achieved a positive absolute return over the December quarter. Index returns representing Australian CPI +1% (lagged) delivered 1.0% over the December quarter.



* Sources: Reserve Bank of Australia (Aust.) and Thomson Reuters Datastream

Mercer Australian Inflation Plus Fund

Investment performance

Total & excess returns (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	0.5	0.9	4.1	3.7	3.2	3.1
Benchmark return	1.0	4.0	2.9	2.9	2.6	2.6
Excess return — before fees	-0.5	-3.1	+1.2	+0.8	+0.6	+0.5

Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Australian Inflation Plus	0.4	0.5	3.5	3.2	2.7	2.5

Manager performance

The fund returned 0.5% in the December quarter, underperforming its benchmark by 0.5%. Over 1 year, the Fund returned 0.9%, underperforming its benchmark by 3.1%. However, over 3 years, the Fund has return 4.1% p.a. and has outperformed its benchmark by 1.2% p.a. We note that the benchmark for the Fund is CPI + 1% p.a., which has been rising sharply due to the post pandemic inflationary pressures. At the same time, yields on fixed income instruments have remained very low, and as such, it has been difficult to outperform the benchmark in the current market environment.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Ardea Investment Management	100.0	-0.5	-3.2	+1.9	+2.0	+1.6	n/a

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

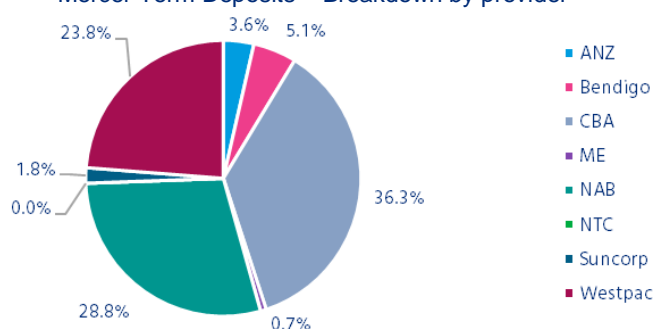
Refer to page 38 for Asset class benchmarks.

Cash

Cash and term deposits

The RBA has maintained the cash rate at 0.1% over the December quarter. The Australian Dollar (AUD) appreciated against major developed market currencies over the December quarter, finishing at US\$0.73. The AUD appreciated against the USD (0.7%), the Pound Sterling (0.2%), the Japanese Yen (3.9%) and the Euro (2.6%). On a trade-weighted basis, the local currency appreciated 0.5% over the quarter.

Mercer Term Deposits – Breakdown by provider



Term Deposit – Maturity buckets at 31 December 2021 (%)

0 to 90 days	33.9%
91 to 180 days	27.4%
181 to 270 days	31.6%
271 to 365 days	7.1%

Mercer Cash – Term Deposit Units

Average maturity (months)	4.7
Average yield	0.2

Mercer Cash Fund

Investment performance

Mercer Cash Fund – Cash Units	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	0.0	0.1	0.9	1.4	1.7	2.3
Benchmark return	0.0	0.0	0.6	1.1	1.4	1.9
Excess return — before fees	0.0	+0.1	+0.3	+0.3	+0.3	+0.4
Mercer Cash Fund – Term Deposit Units	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Total returns — before fees	0.1	0.2	1.1	1.6	1.9	2.5
Benchmark return	0.0	0.0	0.6	1.1	1.4	1.9
Excess return — before fees	+0.1	+0.2	+0.5	+0.5	+0.5	+0.6
Total returns (%) – after fees	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
Mercer Cash Fund – Cash Units	-0.1	-0.2	0.6	1.1	1.4	1.9
Mercer Cash Fund – Term Deposit Units	0.0	-0.1	0.7	1.2	1.6	2.1

Manager performance

The fund performed in line with the benchmark over the quarter. Over 1 and 3 years, the fund has outperformed the benchmark by 0.1% and 0.3% p.a. respectively.

Proportion of assets managed at quarter end		Manager returns relative to fund benchmark (+ or - %) - before fees					
Manager	%	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)	7 yrs (p.a.)	10 yrs (p.a.)
BlackRock	87.0	0.0	+0.1	+0.2	+0.2	+0.2	n/a
Challenger	13.0	0.0	+0.2	+0.4	+0.5	+0.5	+0.6

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Diversified funds

Mercer Diversified Shares Fund

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 4.0% per annum over rolling ten year periods. This objective for the ten years to quarter end was 5.9% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	10 yrs^ (p.a.)
Total returns	4.4	21.9	17.0	13.5
Benchmark return*	3.9	20.4	16.4	13.1
Excess returns	+0.5	+1.5	+0.6	+0.4

* Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs (p.a.)	10 yrs^ (p.a.)
Total returns	4.1	20.8	15.8	12.2

^ Time horizon for this fund's objective (refer above)

Asset allocation (%)		B'mark	Total
Shares	Australian Shares - Large Cap	40.0	39.5
	Australian Shares - Small Cap	5.0	4.9
	International Shares - Large Cap	31.0	31.7
	International Shares - Low Vol	10.0	10.4
	Global Shares - Small Cap	7.0	6.8
	Emerging Markets Shares	7.0	6.6
Cash	Cash	0.0	0.1
		100.0	100.0
FX Exposure		42.0	42.4

Performance attribution this quarter (%)	
Asset allocation	0.0
Stock/manager selection	0.4
Excess return for quarter – before fees	0.4

Mercer High Growth Fund

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 4.0% per annum over rolling seven year periods. This objective for the seven years to quarter end was 5.8% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs^ (p.a.)
Total returns	3.1	18.0	14.4	10.2
Benchmark return*	3.1	16.5	13.2	9.3
Excess returns	0.0	+1.5	+1.2	+0.9

* Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs^ (p.a.)
Total returns	2.8	16.7	13.2	9.0

^ Time horizon for this fund's objective (refer above)

Asset allocation (%)		B'mark	Actual at quarter end		
			Growth	Defensive	Total
Shares	Australian Shares - Large Cap	31.0	31.1	0.0	31.1
	Australian Shares - Small Cap	3.0	3.3	0.0	3.3
	International Shares - Lge Cap	23.0	26.6	0.0	26.6
	International Shares - Low Vol	6.0	4.3	0.0	4.3
	Global Shares - Small Cap	6.0	6.3	0.0	6.3
	Emerging Markets Shares	6.0	5.2	0.0	5.2
Real Assets	Global Listed Property**	0.0	1.2	0.0	1.2
	Australian Direct Property	7.0	3.1	3.1	6.2
	Global Listed Infrastructure**	0.0	0.9	0.0	0.9
	Global Unlisted Infrastructure	8.0	3.3	1.4	4.7
Alternatives	Natural Resources	1.0	1.5	0.0	1.5
	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opportunities	0.0	0.0	0.0	0.0
Growth Fixed Interest	Diversified Growth Funds	1.0	0.5	0.5	1.0
	Hedge Funds	0.0	0.0	0.0	0.0
	Private Debt	3.0	0.8	0.8	1.6
	High Yield Debt	0.0	0.0	0.0	0.0
Defensive Fixed Interest & Cash	Emerging Markets Debt	3.0	1.4	1.4	2.8
	Global Absolute Return Bonds	0.0	0.0	0.0	0.0
	Global Credit	0.0	0.0	0.0	0.0
	Australian Sovereign Bonds	0.0	0.0	1.4	1.4
	Global Sovereign Bonds	0.0	0.0	0.0	0.0
	Australian Inflation Plus	0.0	0.0	0.0	0.0
	Cash	2.0	0.0	1.9	1.9
		100.0	89.5	10.5	100.0

FX Exposure

34.0

33.9

** Refer to page 37 for more information on manager line up for this asset class

Performance attribution this quarter (%)	
Asset allocation	0.0
Stock/manager selection	0.0
Excess return for quarter – before fees	0.0

NOTE: Foreign currency exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Diversified funds

Mercer Growth Fund – Active Units

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 3.5% per annum over rolling five year periods. This objective for the five years to quarter end was 5.3% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs [^] (p.a.)
Total returns	3.0	15.7	13.1	10.1
Benchmark return*	2.6	13.1	11.5	8.9
Excess returns	+0.4	+2.6	+1.6	+1.2

*Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs [^] (p.a.)
Total returns	2.7	14.6	12.0	9.1

[^] Time horizon for this fund's objective (refer above)

Asset allocation (%)		B'mark	Actual at quarter end		
			Growth	Defensive	Total
Shares	Australian Shares - Large Cap	24.5	25.5	0.0	25.5
	Australian Shares - Small Cap	2.0	2.1	0.0	2.1
	International Shares - Lge Cap	20.5	23.7	0.0	23.7
	International Shares - Low Vol	6.0	4.2	0.0	4.2
	Global Shares - Small Cap	2.0	2.1	0.0	2.1
	Emerging Markets Shares	4.0	4.3	0.0	4.3
Real Assets	Global Listed Property**	0.0	1.2	0.0	1.2
	Australian Direct Property	7.0	3.1	3.1	6.2
	Global Listed Infrastructure**	0.0	0.9	0.0	0.9
	Global Unlisted Infrastructure	8.0	3.3	1.4	4.7
	Natural Resources	1.0	1.5	0.0	1.5
Alternatives	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opportunities	0.0	0.0	0.0	0.0
	Diversified Growth Funds	1.0	0.5	0.6	1.1
	Hedge Funds	0.0	0.0	0.0	0.0
Growth Fixed Interest	Private Debt	5.0	1.1	1.1	2.2
	High Yield Debt	2.0	1.0	1.0	2.0
	Emerging Markets Debt	4.0	1.9	2.0	3.9
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	2.0	0.0	2.9	2.9
	Global Credit	0.0	0.0	1.2	1.2
	Australian Sovereign Bonds	4.0	0.0	2.8	2.8
	Global Sovereign Bonds	4.0	0.0	2.7	2.7
	Australian Inflation Plus	0.0	0.0	1.3	1.3
	Cash	3.0	0.0	3.5	3.5
		100.0	76.4	23.6	100.0

FX Exposure 28.0 29.0

** Refer to page 37 for more information on manager line up for this asset class

Performance attribution this quarter (%)	
Asset allocation	0.0
Stock/manager selection	0.3
Excess return for quarter – before fees	0.3

Mercer Moderate Growth Fund – Active Units

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 2.5% per annum over rolling four year periods. This objective for the four years to quarter end was 4.3% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	4 yrs [^] (p.a.)
Total returns	2.0	10.5	9.4	7.2
Benchmark return*	1.7	8.8	8.4	6.5
Excess returns	+0.3	+1.7	+1.0	+0.7

*Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs (p.a.)	4 yrs [^] (p.a.)
Total returns	1.8	9.6	8.5	6.4

[^] Time horizon for this fund's objective (refer above)

Asset allocation (%)		B'mark	Actual at quarter end		
			Growth	Defensive	Total
Shares	Australian Shares - Large Cap	18.5	18.8	0.0	18.8
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	International Shares - Lge Cap	12.0	15.4	0.0	15.4
	International Shares - Low Vol	6.0	4.1	0.0	4.1
	Global Shares - Small Cap	0.0	0.0	0.0	0.0
	Emerging Markets Shares	4.0	3.0	0.0	3.0
Real Assets	Global Listed Property**	0.0	1.0	0.0	1.0
	Australian Direct Property	5.5	2.6	2.5	5.1
	Global Listed Infrastructure**	0.0	0.6	0.0	0.6
	Global Unlisted Infrastructure	5.5	2.4	1.0	3.4
	Natural Resources	1.0	1.6	0.0	1.6
Alternatives	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opportunities	0.0	0.0	0.0	0.0
	Diversified Growth Funds	1.0	0.6	0.5	1.1
	Hedge Funds	0.0	0.0	0.0	0.0
Growth Fixed Interest	Private Debt	5.4	1.3	1.3	2.6
	High Yield Debt	2.0	1.1	1.1	2.2
	Emerging Markets Debt	4.1	1.9	1.8	3.7
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	3.0	0.0	4.8	4.8
	Global Credit	2.5	0.0	4.0	4.0
	Australian Sovereign Bonds	7.0	0.0	7.5	7.5
	Global Sovereign Bonds	6.0	0.0	4.6	4.6
	Australian Inflation Plus	5.0	0.0	4.0	4.0
	Cash	11.5	0.0	12.5	12.5
		100.0	54.4	45.6	100.0

FX Exposure 23.5 23.0

** Refer to page 37 for more information on manager line up for this asset class

Performance attribution this quarter (%)	
Asset allocation	0.0
Stock/manager selection	0.3
Excess return for quarter – before fees	0.3

NOTE: Foreign currency exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Diversified funds

Mercer Conservative Growth Fund – Active Units

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 1.5% per annum over rolling three year periods. This objective for the three years to quarter end was 3.3% per annum.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs [^] (p.a.)	5 yrs (p.a.)
Total returns	1.6	7.2	7.1	6.0
Benchmark return*	1.4	5.8	6.3	5.3
Excess returns	+0.2	+1.4	+0.8	+0.7

*Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs [^] (p.a.)	5 yrs (p.a.)
Total returns	1.4	6.4	6.3	5.3

[^] Time horizon for this fund's objective (refer above)

Asset allocation (%)		B'mark	Actual at quarter end		
			Growth	Defensive	Total
Shares	Australian Shares - Large Cap	10.0	11.0	0.0	11.0
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	International Shares - Lge Cap	6.1	9.4	0.0	9.4
	International Shares - Low Vol	5.9	4.5	0.0	4.5
	Global Shares - Small Cap	0.0	0.0	0.0	0.0
	Emerging Markets Shares	0.0	0.0	0.0	0.0
Real Assets	Global Listed Property**	2.0	2.7	0.0	2.7
	Australian Direct Property	4.0	1.8	1.7	3.5
	Global Listed Infrastructure**	0.0	0.6	0.0	0.6
	Global Unlisted Infrastructure	5.0	2.1	0.9	3.0
	Natural Resources	1.0	1.5	0.0	1.5
Alternatives	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opportunities	0.0	0.0	0.0	0.0
	Diversified Growth Funds	1.0	0.5	0.5	1.0
	Hedge Funds	0.0	0.0	0.0	0.0
Growth Fixed Interest	Private Debt	4.5	1.1	1.0	2.1
	High Yield Debt	2.0	1.0	1.0	2.0
	Emerging Markets Debt	2.0	1.0	0.9	1.9
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	4.0	0.0	4.4	4.4
	Global Credit	3.0	0.0	6.1	6.1
	Australian Sovereign Bonds	11.0	0.0	10.5	10.5
	Global Sovereign Bonds	10.0	0.0	7.6	7.6
	Australian Inflation Plus	7.0	0.0	6.9	6.9
	Cash	21.5	0.0	21.3	21.3
		100.0	37.2	62.8	100.0

FX Exposure 12.0 12.6

** Refer to page 37 for more information on manager line up for this asset class

Performance attribution this quarter (%)	
Asset allocation	0.1
Stock/manager selection	0.2
Excess return for quarter – before fees	0.3

Mercer Growth Fund – Enhanced Passive Units

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 2.5% per annum over rolling five year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs [^] (p.a.)
Total returns	3.5	15.1	n/a	n/a
Benchmark return*	3.2	14.9	n/a	n/a
Excess returns	+0.3	+0.2	n/a	n/a

*Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs [^] (p.a.)
Total returns	3.4	14.8	n/a	n/a

[^] Time horizon for this fund's objective (refer above)

Asset allocation (%)		B'mark	Actual at quarter end		
			Growth	Defensive	Total
Shares	Australian Shares - Large Cap	30.0	31.0	0.0	31.0
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	International Shares - Lge Cap	28.0	31.6	0.0	31.6
	International Shares - Low Vol	2.0	2.0	0.0	2.0
	Global Shares - Small Cap	0.0	0.0	0.0	0.0
	Emerging Markets Shares	7.0	3.9	0.0	3.9
Real Assets	Global Listed Property**	5.0	5.1	0.0	5.1
	Australian Direct Property	0.0	0.0	0.0	0.0
	Global Listed Infrastructure**	0.0	0.0	0.0	0.0
	Global Unlisted Infrastructure	0.0	0.0	0.0	0.0
	Natural Resources	0.0	0.0	0.0	0.0
Alternatives	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opportunities	0.0	0.0	0.0	0.0
	Diversified Growth Funds	0.0	0.0	0.0	0.0
	Hedge Funds	0.0	0.0	0.0	0.0
Growth Fixed Interest	Private Debt	0.0	0.0	0.0	0.0
	High Yield Debt	6.5	2.4	2.5	4.9
	Emerging Markets Debt	0.0	0.0	0.0	0.0
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0	0.0	0.0
	Global Credit	0.0	0.0	1.9	1.9
	Australian Sovereign Bonds	7.0	0.0	6.4	6.4
	Global Sovereign Bonds	7.0	0.0	6.2	6.2
	Australian Inflation Plus	3.0	0.0	3.6	3.6
	Cash	4.5	0.0	3.4	3.4
		100.0	76.0	24.0	100.0

FX Exposure 30.0 27.7

** Refer to page 37 for more information on manager line up for this asset class

Performance attribution this quarter (%)	
Asset allocation	0.2
Stock/manager selection	0.1
Excess return for quarter – before fees	0.3

NOTE: Foreign currency exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Diversified funds

Mercer Moderate Growth Fund – Enhanced Passive Units

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 1.5% per annum over rolling four year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	4 yrs [^] (p.a.)
Total returns	2.2	11.0	n/a	n/a
Benchmark return*	2.3	10.5	n/a	n/a
Excess returns	-0.1	+0.5	n/a	n/a

*Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs (p.a.)	4 yrs [^] (p.a.)
Total returns	2.1	10.7	n/a	n/a

[^] Time horizon for this fund's objective (refer above)

Asset allocation (%)		B'mark	Actual at quarter end		
			Growth	Defensive	Total
Shares	Australian Shares - Large Cap	22.0	22.7	0.0	22.7
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	International Shares - Lge Cap	19.5	20.4	0.0	20.4
	International Shares - Low Vol	2.0	2.4	0.0	2.4
	Global Shares - Small Cap	0.0	0.0	0.0	0.0
	Emerging Markets Shares	5.0	5.5	0.0	5.5
Real Assets	Global Listed Property**	3.5	3.9	0.0	3.9
	Australian Direct Property	0.0	0.0	0.0	0.0
	Global Listed Infrastructure**	0.0	0.0	0.0	0.0
	Global Unlisted Infrastructure	0.0	0.0	0.0	0.0
	Natural Resources	0.0	0.0	0.0	0.0
Alternatives	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opportunities	0.0	0.0	0.0	0.0
	Diversified Growth Funds	0.0	0.0	0.0	0.0
	Hedge Funds	0.0	0.0	0.0	0.0
Growth Fixed Interest	Private Debt	0.0	0.0	0.0	0.0
	High Yield Debt	6.5	2.5	2.5	5.0
	Emerging Markets Debt	0.0	0.0	0.0	0.0
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0	0.0	0.0
	Global Credit	2.5	0.0	2.7	2.7
	Australian Sovereign Bonds	10.0	0.0	9.4	9.4
	Global Sovereign Bonds	9.5	0.0	10.4	10.4
	Australian Inflation Plus	6.5	0.0	5.3	5.3
	Cash	13.0	0.0	12.3	12.3
		100.0	57.4	42.6	100.0

FX Exposure 22.5 23.5

** Refer to page 37 for more information on manager line up for this asset class

Performance attribution this quarter (%)	
Asset allocation	0.0
Stock/manager selection	-0.1
Excess return for quarter – before fees	-0.1

Mercer Conservative Growth Fund – Enhanced Passive Units

Objectives

- To achieve a return (before management costs) that exceeds CPI increases by at least 1.0% per annum over rolling three year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Total returns	1.3	6.2	n/a	n/a
Benchmark return*	1.4	6.3	n/a	n/a
Excess returns	-0.1	-0.1	n/a	n/a

*Composite benchmark of relevant indices

Total returns - after fees (%)	3 months	1 year	3 yrs [^] (p.a.)	5 yrs (p.a.)
Total returns	1.2	6.0	n/a	n/a

[^] Time horizon for this fund's objective (refer above)

Asset allocation (%)		B'mark	Actual at quarter end		
			Growth	Defensive	Total
Shares	Australian Shares - Large Cap	14.0	13.9	0.0	13.9
	Australian Shares - Small Cap	0.0	0.0	0.0	0.0
	International Shares - Lge Cap	11.0	12.5	0.0	12.5
	International Shares - Low Vol	2.0	2.1	0.0	2.1
	Global Shares - Small Cap	0.0	0.0	0.0	0.0
	Emerging Markets Shares	3.0	1.9	0.0	1.9
Real Assets	Global Listed Property**	2.0	2.2	0.0	2.2
	Australian Direct Property	0.0	0.0	0.0	0.0
	Global Listed Infrastructure**	0.0	0.0	0.0	0.0
	Global Unlisted Infrastructure	0.0	0.0	0.0	0.0
	Natural Resources	0.0	0.0	0.0	0.0
Alternatives	Private Equity	0.0	0.0	0.0	0.0
	Sustainable Opportunities	0.0	0.0	0.0	0.0
	Diversified Growth Funds	0.0	0.0	0.0	0.0
	Hedge Funds	0.0	0.0	0.0	0.0
Growth Fixed Interest	Private Debt	0.0	0.0	0.0	0.0
	High Yield Debt	6.5	2.5	2.5	5.0
	Emerging Markets Debt	0.0	0.0	0.0	0.0
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0	0.0	0.0
	Global Credit	5.0	0.0	7.3	7.3
	Australian Sovereign Bonds	13.0	0.0	18.3	18.3
	Global Sovereign Bonds	12.0	0.0	11.4	11.4
	Australian Inflation Plus	10.0	0.0	5.1	5.1
	Cash	21.5	0.0	20.3	20.3
		100.0	35.1	64.9	100.0

FX Exposure 15.0 14.6

** Refer to page 37 for more information on manager line up for this asset class

Performance attribution this quarter (%)	
Asset allocation	-0.1
Stock/manager selection	0.0
Excess return for quarter – before fees	-0.1

NOTE: Foreign currency exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Mercer SmartPath® Funds

Mercer SmartPath 1989-1993

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 4.5% per annum over rolling seven year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	3.2	18.2	14.3	10.0
Benchmark return*	3.0	16.4	13.3	9.2
Excess returns	+0.2	+1.8	+1.0	+0.8

**Composite benchmark of relevant indices*

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs [^] (p.a.)	7 yrs (p.a.)
Total returns	3.0	17.0	13.2	8.9

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	32.0	31.7
	Australian Shares - Small Cap	3.0	3.8
	International Shares - Large Cap	23.0	27.6
	International Shares - Low Vol	6.0	4.1
	Global Shares - Small Cap	5.0	4.9
	Emerging Markets Shares	8.0	7.1
Real Assets	Global Listed Property**	0.0	1.2
	Australian Direct Property	7.0	5.8
	Global Listed Infrastructure**	0.0	0.8
	Global Unlisted Infrastructure	8.0	4.4
	Natural Resources	1.0	1.4
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	0.5	1.0
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	2.1	1.2
	High Yield Debt	0.0	0.0
	Emerging Markets Debt	2.9	2.9
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0
	Global Credit	0.0	0.2
	Australian Sovereign Bonds	0.0	0.1
	Global Sovereign Bonds	0.0	0.0
	Australian Inflation Plus	0.0	0.0
	Cash	1.5	1.8
		100.0	100.0
FX Exposure		37.0	36.0

** Refer to page 37 for more information on manager line up for this asset class

Mercer SmartPath 1984-1988

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 4.5% per annum over rolling seven year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	3.2	18.3	14.4	10.0
Benchmark return*	3.0	16.4	13.3	9.2
Excess returns	+0.2	+1.9	+1.1	+0.8

**Composite benchmark of relevant indices*

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs [^] (p.a.)	7 yrs (p.a.)
Total returns	3.1	17.1	13.2	9.0

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	32.0	31.9
	Australian Shares - Small Cap	3.0	3.6
	International Shares - Large Cap	23.0	27.4
	International Shares - Low Vol	6.0	4.2
	Global Shares - Small Cap	5.0	5.1
	Emerging Markets Shares	8.0	7.3
Real Assets	Global Listed Property**	0.0	1.2
	Australian Direct Property	7.0	6.0
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	4.6
	Natural Resources	1.0	1.5
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	0.5	1.0
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	2.1	1.2
	High Yield Debt	0.0	0.0
	Emerging Markets Debt	2.9	2.8
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0
	Global Credit	0.0	0.2
	Australian Sovereign Bonds	0.0	0.1
	Global Sovereign Bonds	0.0	0.0
	Australian Inflation Plus	0.0	0.0
	Cash	1.5	1.0
		100.0	100.0
FX Exposure		37.0	36.9

** Refer to page 37 for more information on manager line up for this asset class

NOTE: Foreign currency exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Mercer SmartPath® Funds

Mercer SmartPath 1979-1983

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 4.5% per annum over rolling seven year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	3.3	18.4	14.4	10.0
Benchmark return*	3.0	16.4	13.3	9.2
Excess returns	+0.3	+2.0	+1.1	+0.8

*Composite benchmark of relevant indices

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	3.1	17.2	13.2	9.0

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	32.0	31.9
	Australian Shares - Small Cap	3.0	3.7
	International Shares - Large Cap	23.0	27.4
	International Shares - Low Vol	6.0	4.1
	Global Shares - Small Cap	5.0	5.0
	Emerging Markets Shares	8.0	7.0
Real Assets	Global Listed Property**	0.0	1.2
	Australian Direct Property	7.0	6.0
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	4.6
	Natural Resources	1.0	1.5
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	0.5	1.0
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	2.1	1.2
	High Yield Debt	0.0	0.0
	Emerging Markets Debt	2.9	2.9
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0
	Global Credit	0.0	0.2
	Australian Sovereign Bonds	0.0	0.1
	Global Sovereign Bonds	0.0	0.0
	Australian Inflation Plus	0.0	0.0
	Cash	1.5	1.3
		100.0	100.0
FX Exposure		37.0	36.5

** Refer to page 37 for more information on manager line up for this asset class

Mercer SmartPath 1974-1978

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 4.5% per annum over rolling seven year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	3.2	18.4	14.3	10.0
Benchmark return*	3.0	16.4	13.3	9.2
Excess returns	+0.2	+2.0	+1.0	+0.8

*Composite benchmark of relevant indices

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	3.1	17.2	13.1	8.9

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	32.0	32.0
	Australian Shares - Small Cap	3.0	3.7
	International Shares - Large Cap	23.0	27.0
	International Shares - Low Vol	6.0	4.2
	Global Shares - Small Cap	5.0	5.1
	Emerging Markets Shares	8.0	7.2
Real Assets	Global Listed Property**	0.0	1.2
	Australian Direct Property	7.0	6.1
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	4.6
	Natural Resources	1.0	1.5
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	0.5	1.0
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	2.1	1.2
	High Yield Debt	0.0	0.0
	Emerging Markets Debt	2.9	2.9
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0
	Global Credit	0.0	0.2
	Australian Sovereign Bonds	0.0	0.1
	Global Sovereign Bonds	0.0	0.0
	Australian Inflation Plus	0.0	0.0
	Cash	1.5	1.1
		100.0	100.0
FX Exposure		37.0	36.5

** Refer to page 37 for more information on manager line up for this asset class

NOTE: Foreign currency exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Mercer SmartPath® Funds

Mercer SmartPath 1969-1973

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 4.5% per annum over rolling seven year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	3.3	18.2	14.2	10.0
Benchmark return*	3.0	16.0	13.2	9.2
Excess returns	+0.3	+2.2	+1.0	+0.8

*Composite benchmark of relevant indices

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	3.1	17.0	13.0	8.9

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	32.0	32.6
	Australian Shares - Small Cap	3.0	3.6
	International Shares - Large Cap	23.0	26.8
	International Shares - Low Vol	6.0	4.3
	Global Shares - Small Cap	5.0	5.1
	Emerging Markets Shares	8.0	7.1
Real Assets	Global Listed Property**	0.0	1.2
	Australian Direct Property	7.0	6.1
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	4.7
	Natural Resources	1.0	1.5
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	0.5	1.0
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	2.1	1.3
	High Yield Debt	0.0	0.0
	Emerging Markets Debt	2.9	2.8
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	0.0
	Global Credit	0.0	0.0
	Australian Sovereign Bonds	0.0	0.2
	Global Sovereign Bonds	0.0	0.0
	Australian Inflation Plus	0.0	0.0
	Cash	1.5	0.8
		100.0	100.0
FX Exposure		37.0	36.7

** Refer to page 37 for more information on manager line up for this asset class

Mercer SmartPath 1964-1968

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 4.25% per annum over rolling seven year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	3.1	16.7	13.3	9.5
Benchmark return*	2.9	14.7	12.2	8.6
Excess returns	+0.2	+2.0	+1.1	+0.9

*Composite benchmark of relevant indices

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	3.0	15.5	12.1	8.4

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	30.0	29.0
	Australian Shares - Small Cap	2.5	2.9
	International Shares - Large Cap	21.5	25.5
	International Shares - Low Vol	6.0	4.2
	Global Shares - Small Cap	4.5	4.0
	Emerging Markets Shares	7.0	5.8
Real Assets	Global Listed Property**	0.5	1.7
	Australian Direct Property	7.0	6.2
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	4.7
	Natural Resources	1.0	1.5
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	1.5	1.6
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	2.6	1.5
	High Yield Debt	1.0	1.1
	Emerging Markets Debt	2.9	2.9
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	0.0	1.1
	Global Credit	0.0	0.0
	Australian Sovereign Bonds	1.1	1.1
	Global Sovereign Bonds	1.1	1.0
	Australian Inflation Plus	0.5	0.7
	Cash	1.3	2.6
		100.0	100.0
FX Exposure		36.0	33.8

** Refer to page 37 for more information on manager line up for this asset class

NOTE: Foreign currency exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

NOTE: Past performance is not a reliable indicator of future performance.

Refer to page 37 – 'Important notes about this report' - for further information on the calculation of returns.

Refer to page 38 for Asset class benchmarks.

Mercer SmartPath® Funds

Mercer SmartPath 1959-1963

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 3.75% per annum over rolling seven year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	2.8	14.4	11.6	8.5
Benchmark return*	2.5	12.3	10.5	7.7
Excess returns	+0.3	+2.1	+1.1	+0.8

*Composite benchmark of relevant indices

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	7 yrs (p.a.)
Total returns	2.6	13.3	10.6	7.5

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	24.5	24.4
	Australian Shares - Small Cap	1.5	2.3
	International Shares - Large Cap	18.0	20.8
	International Shares - Low Vol	6.0	4.2
	Global Shares - Small Cap	2.5	2.2
	Emerging Markets Shares	5.5	4.9
Real Assets	Global Listed Property**	1.0	2.3
	Australian Direct Property	7.0	6.4
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	4.9
	Natural Resources	1.0	1.6
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	1.5	1.6
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	4.4	2.1
	High Yield Debt	3.0	3.3
	Emerging Markets Debt	4.1	3.9
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	1.5	2.4
	Global Credit	0.0	2.0
	Australian Sovereign Bonds	3.0	2.3
	Global Sovereign Bonds	3.0	2.2
	Australian Inflation Plus	1.0	1.2
	Cash	3.5	4.1
		100.0	100.0
FX Exposure		31.5	30.5

** Refer to page 37 for more information on manager line up for this asset class

Mercer SmartPath 1954-1958

Objectives

- To achieve a return (before tax and management costs) that exceeds CPI increases by at least 3.25% per annum over rolling six year periods.

Total & excess returns - before fees (%)	3 months	1 year	3 yrs (p.a.)	6 yrs (p.a.)
Total returns	2.3	11.7	10.1	7.6
Benchmark return*	2.1	10.1	9.0	6.8
Excess returns	+0.2	+1.6	+1.1	+0.8

*Composite benchmark of relevant indices

Total returns - after fees & taxes (%)	3 months	1 year	3 yrs (p.a.)	6 yrs (p.a.)
Total returns	2.1	10.7	9.2	6.7

Asset allocation (%)		B'mark	Actual
Shares	Australian Shares - Large Cap	19.5	19.2
	Australian Shares - Small Cap	1.0	1.6
	International Shares - Large Cap	13.9	14.8
	International Shares - Low Vol	6.1	4.3
	Global Shares - Small Cap	1.0	0.7
	Emerging Markets Shares	4.0	5.5
Real Assets	Global Listed Property**	1.5	2.9
	Australian Direct Property	7.0	6.6
	Global Listed Infrastructure**	0.0	0.9
	Global Unlisted Infrastructure	8.0	5.1
	Natural Resources	1.0	1.6
Alternatives	Private Equity	0.0	0.0
	Sustainable Opportunities	0.0	0.0
	Diversified Growth Funds	1.5	2.2
	Hedge Funds	0.0	0.0
Growth Fixed Interest	Private Debt	6.0	3.1
	High Yield Debt	5.0	5.4
	Emerging Markets Debt	5.0	4.9
Defensive Fixed Interest & Cash	Global Absolute Return Bonds	3.0	4.0
	Global Credit	0.0	1.9
	Australian Sovereign Bonds	5.0	2.7
	Global Sovereign Bonds	5.0	4.2
	Australian Inflation Plus	1.5	2.9
	Cash	5.0	5.5
		100.0	100.0
FX Exposure		28.5	28.9

** Refer to page 37 for more information on manager line up for this asset class

NOTE: Foreign currency exposure under key statistics includes unhedged allocation to International Shares Large Cap, Global Low Volatility Shares, Global Small Companies, Emerging Markets Shares, Emerging Markets Debt, Private Equity and Sustainable Opportunities.

Important notes about this report

Throughout this report, please note that:

- **Past performance is not a reliable indicator of future performance.**
- Only Mercer Funds (MFs) that were invested in at the end of the quarter are reported on.
- **Total returns** are based on exit prices. Total returns are shown both before and allowing for deduction of investment management fees.
- **Excess returns** relative to the benchmark are calculated by the difference between performance (before investment management fees) and the asset-weighted benchmark return.

Asset weights used are those shown in the MFs' Product Disclosure Statement (PDS) and Information Memorandum (IM) as relevant.

The benchmark used for each Fund is noted in the summary of its before-fees performance. As noted, for certain Funds (i.e. those invested in multiple sectors) a composite of the relevant benchmarks applies.

- **Performance attribution** refers to another way of deriving the excess return. With performance attribution, the performance above or below the benchmark return can be "attributed" to two factors:
 1. Asset allocation: the degree to which actual asset allocation varies from the benchmark asset allocation.
 2. Stock/manager selection: the degree to which returns achieved by underlying managers in the various asset classes vary from the relevant benchmark returns for those asset classes.
- Performance (before investment management fees) may be provisional depending on information available at the time of publication and may be subject to adjustment.
- The underlying investment manager line ups of the diversified Funds also include managers who have 'passive' mandates in respect of listed property and listed infrastructure, as shown below. These managers are only relevant to certain diversified Funds.

Manager Returns Relative to Fund Benchmark* (+ or - %) - before fees				
Managers	3 months	1 year	3 yrs (p.a.)	5 yrs (p.a.)
Listed Property				
Macquarie Investment Management	-0.1	-0.1	0.0	0.0
Listed Infrastructure				
Macquarie Investment Management	-0.1	0.0	+0.1	+0.1

- Returns throughout this report may be subject to rounding error.

Asset class benchmarks

Shares	
Australian Shares	S&P/ASX 300 Accumulation Index
Australian Shares Tax Exempt	S&P/ASX 300 Accumulation Index Grossed up for Franking Credits
Australian Small Companies	S&P/ASX Small Ordinaries Accumulation Index
International Shares	Unhedged: MSCI World Index (ex Australia) in A\$ with net dividends reinvested Hedged: MSCI World Index (ex Australia) - in A\$ (Hedged) with net dividends reinvested Passive Unhedged: MSCI World Index (ex Australia, ex tobacco, ex controversial weapons) in A\$ Passive Hedged: MSCI World Index (ex Australia, ex tobacco, ex controversial weapons) in A\$ (Hedged)
Global Low Volatility Shares	Enhanced: MSCI Min Vol \$A Optimised in \$A unhedged
Global Small Companies	MSCI World Small Cap Index in A\$ <i>Prior to September 2014, the benchmark was S&P Developed Small Cap Index. Therefore, calculations for longer period benchmark returns are inclusive of this report</i>
Sustainable Plus Australian Shares	S&P/ASX 300 Accumulation Index
Socially Responsible Global Shares Fund	Unhedged: MSCI World (NRD) Index in A\$ Hedged: MSCI World (NRD) Index in A\$ (Hedged)
Emerging Markets	MSCI Emerging Markets Index (ex Tobacco and Controversial Weapons) in A\$
Real assets	
Direct Property	CPI + 4%
Global Listed Property	FTSE EPRA/NAREIT Developed Index in A\$ (Hedged) <i>Prior to October 2012, the benchmark was UBS Investors Index - in A\$ (Hedged). Therefore, calculations for longer period benchmark returns are inclusive of this data.</i>
Passive Australian Listed Property	S&P/ASX 200 Property Trusts Accumulation Index
Global Unlisted Infrastructure	CPI + 5% <i>Prior to 1 January 2019 the benchmark was CPI + 3%</i>
Listed Infrastructure	FTSE Global Core Infrastructure 50/50 Index in A\$ (Hedged)
Passive Listed Infrastructure	FTSE Developed Core Infrastructure 50/50 Index – in A\$ (Hedged)
Alternatives	
Diversified Alternatives	HFRI FOF: Market Defensive Index in A\$ (Hedged) <i>Prior to November 2016, the benchmark was Bloomberg AusBond Bank Bill Index. Therefore, calculations for longer period benchmark returns are inclusive of this data</i>
Growth fixed interest	
Emerging Markets Debt	JP Morgan GBI-EM Global Diversified Index (Unhedged)
Global High Yield Bond	Bank of America Merrill Lynch BB-B Developed Markets High Yield Constrained Index in A\$ (Hedged) <i>Prior to August 2016: Bank of America BB-B Developed Markets High Yield Constrained Index in A\$ (Hedged).</i>
Global Private Debt	Bloomberg AusBond Bank Bill Index +3%
Defensive fixed interest	
Global Absolute Return Bonds	Bloomberg AusBond Bank Bill Index +1%
Global Credit	60% Barclays Global Aggregate - Corporate Index - A\$ (Hedged) 40% Barclays Capital Global Aggregate ex Government ex Treasuries Index (A\$ Hedged)
Australian Sovereign Bonds	Bloomberg AusBond Treasury Index 0+ (All Maturities)
Overseas Sovereign Bonds	JP Morgan Global Sovereign Bond Index in A\$ (Hedged) <i>From December 2013 to January 2017, the benchmark was JP Morgan Global Sovereign Bond Index (Customised) in A\$ Hedged. Prior to November 2013, the benchmark was 50% JP Morgan Global Government Bond Index in A\$ Hedged and 50% JP Morgan Customised Index. Therefore, calculations for longer period benchmark returns are inclusive of this data. Alternate benchmarks may apply to managers individually.</i>
Australian Inflation Plus	CPI +1%
Cash	
Cash and Term Deposits	Bloomberg AusBond Bank Bill Index

For further information

General enquiries

t: 1300 728 928

e: MercerFundsAU@mercer.com

w: <https://www.mercer.com.au/mercerfunds>

This Report is issued by Mercer Investments (Australia) Limited ABN 66 008 612 397 (MIAL), Australian Financial Services Licence #244385 as the Responsible Entity of the Mercer Funds. 'Mercer' and 'Mercer SmartPath' are Australian registered trademarks of Mercer (Australia) Pty Ltd, ABN 32 005 315 917.

Investors should be aware that the value of an investment in any Mercer Fund may rise and fall from time to time and that neither MIAL nor any related companies guarantees the investment performance, earnings or return of capital invested in any Mercer Fund. If you are investing directly into any Mercer Fund, you will need to complete an application form included in, or accompanying, a current Mercer Funds Product Disclosure Statement which is issued by and available from MIAL. If you are investing indirectly into a Mercer Fund through an Investor Directed Portfolio Service (IDPS) or an IDPS-like service (such as a master trust, wrap account, custody or nominees service) (Service) you will need to complete the forms or documents your Service provider requires. The information contained in this Report is of a general nature only and does not take into account the personal objectives, financial situation or needs of individual investors. It is important that you consider these matters, read the: (a) current Mercer Fund Product Disclosure Statement if you are investing directly; or (b) current Product Disclosure Statement for any Mercer Fund issued by MIAL, together with the Product Disclosure Statement, Target Market Document and/or any other offer documents applicable to your Service (available from your Service provider) if you are investing indirectly into a Mercer Fund through a Service, and obtain personal financial advice from a licensed, or appropriately, authorised financial adviser. The investment returns shown for any Mercer Fund throughout this Report do not take into account the unique characteristics that apply to each investor (such as timing of cash flow). As a result, the actual investment returns applying to a particular investor may differ from the investment returns shown in this Report. You should also remember that past performance should not be relied upon as an indicator of future performance.

Copyright 2022 Mercer Investments (Australia) Limited. All rights reserved. Report Finalised: 7 February 2022