

FCA Chapter 8 Disclosures

Mercer Alternatives Limited

April 2026

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Background

The purpose of this document is to set out the MiFIDPRU Chapter 8 Disclosures of Mercer Alternatives Limited as at 31 December 2025.

1.1 Basis of Disclosures

The disclosures set out in this document are required by the FCA's Prudential Sourcebook for MiFID Investment firms as part of the Investment Firms Prudential Regime (IFPR).

Unless otherwise stated, all figures are based on the audited Annual Reports for the year ended 31 December 2025.

1.2 Frequency of Publication

The disclosures will be reviewed at least annually and, if appropriate, more frequently. Disclosures will be available as soon as practicable after the publication of the Annual Reports.

1.3 Verification

The information contained in this document has not and is not required to be audited by the external auditors and does not constitute any form of financial statement. The information should not be relied on in making any judgement on the entity.

Scope and Application

2.1 Regulatory Context

Mercer Alternatives Limited (the "Firm"), an FCA regulated entity that is categorised as per the conditions set out under MiFIDPRU 1.2, as a Small Interconnected ("SNI") MiFIDPRU investment firm.

Mercer Alternatives Limited ("the Company") is part of Marsh & McLennan Companies, Inc group of entities ('MMC' or 'the Group') and provides institutional clients with objectives, thoughtful and well-researched advice on alternative assets, within a culture that is entrepreneurial, client-focused and attuned to clients' fiduciary obligations.

The Company has been executing its strategy of assembling various expert and specialised teams to bring top quality investment advisory services and solutions to clients. It continues to collaborate with its existing clients to build successful, long term, global private market portfolios that meet their specific investment objectives. The Company will no longer bid for new clients and business but continue to manage its existing clients and business going forward.

The complexity of private markets, as measured by the breadth of strategies, structure and terms, has increased dramatically over the last 20 years. The Company works in partnership with its existing clients to assist them in all areas of their decisions and aims to offer a wider range of services providing access to an increasingly deeper pool of resources. The Group continuously maps the private markets universe and maintains relationships with both experienced and emerging managers, resulting in a strong record of access to premier investment opportunities, including:

- Private Equity - Buyouts, Venture Capital, Growth Equity, Turnaround

- Real Assets - Energy, Infrastructure, Timber, Minerals and Mining, Agriculture, Water
- Private Credit, Distressed, Special Situations, Senior/Direct Lending, Mezzanine
- Secondaries and Co-Investments

MAL currently has 8 employees.

Disclosure of Remuneration Policy and Practices

3.1 Remuneration Practices

Remuneration arrangements are designed to attract, retain, and motivate talented colleagues while complying with the overall Marsh policies, local legal and regulatory requirements.

The Firm follows the guiding principles established by Marsh for its compensation design, decisions, and actions. These align with stockholder value creation with a focus on balancing risk and reward in compensation programs, policies and practices; support a strong performance culture through short-term and long-term variable compensation, with the ability to differentiate among individuals based on actual results; set target compensation at competitive levels in markets where the Firm operates, with flexibility to recognise different business models and markets for talent; and maximise employees' perceived value of our programs through transparent processes and communication.

3.2 Remuneration Governance

The Board, will ensure that the remuneration and compensation policies and practices promote sound and effective risk management, are compliant with relevant legal and regulatory requirements, do not reward failure or irresponsible business conduct and promote awareness of risk and prudent risk taking that is in line with the level of tolerated risk of the firm. Remuneration and compensation policies are in line with the business strategy, objectives, values, and long-term interests of the Group; and support the fair treatment of clients and includes measures to avoid conflicts of interest.

Remuneration plans are reviewed on a regular basis to ensure their effectiveness and sustainability. The Firm will, at least annually, consider the implications on capital, liquidity and risks associated with variable remuneration, to ensure that it does not limit the firm's ability to strengthen its capital base, and that any performance measure used to calculate variable remuneration components or pools thereof take account of and adjust for current and future risks.

3.3 Fixed and Variable Remuneration

The Firm's remuneration principles are focused on paying for performance, and differentiating rewards based on achieved results and demonstrated behaviours. The remuneration approach seeks to remain competitive in the context of the broader colleague value proposition and market conditions; be competitive with similar sized organisations and Mercer competitors, while managing operational expenditures and the long-term interest of Mercer and its clients and shareholders.

MAL offers colleagues both fixed and variable pay opportunities while operating a pay for performance philosophy, with higher performance resulting in higher pay.

The most common example of fixed pay is Base Salary Mercer defines Base Salary to be the fixed level of compensation paid to an employee in return for work performed. Base salary is set at the appropriate level in order to be market competitive and attract and retain key talent for the Firm.

MAL's incentive schemes are designed to reward and incentivise standout performance and to align the success of Marsh with that of the individual colleague. Our remuneration design and structure focus on all elements of total compensation. Our variable remuneration includes short term and long-term incentives where appropriate. All Colleagues may be eligible to receive various forms of variable remuneration depending on role and seniority.

Common examples of our short-term variable remuneration include our annual discretionary bonus plans, recognition schemes / spot bonus awards, referral bonuses, retention bonuses, hiring / sign-on bonuses, project bonuses and severance payments. Short term variable remuneration is generally payable in cash.

For our long-term incentives, Marsh maintains multiple stock-based payment arrangements under which certain employees may receive an award. Marsh's current practice is to grant non-qualified stock options, restricted stock units ("RSUs") and/or performance stock units ("PSUs") on an annual basis to certain employees as part of their annual total compensation. Senior executives are granted options and PSU awards. In addition, a small group of other employees are granted options, PSU and RSU awards and a larger group of other employees are granted RSU awards.

Restricted Stock Units and Performance Stock Units: Marsh currently grants RSU and PSU awards under the 2020 Plan. The Marsh Compensation Committee determines the restrictions on such units, when the restrictions lapse, when the units vest and are paid, and under what terms the units are forfeited. RSU and PSU awards generally have a vesting period of 3 years. Dividend equivalents are not paid out unless and until such time that the award vests and shares are distributed.

Stock Options: The Firm currently grants non-qualified stock options under the 2020 Plan. The Marsh Compensation Committee determines when the options vest and may be exercised and under what terms the options are forfeited. Options are generally granted with an exercise price equal to the market value of the Firm's common stock on the date of grant. These option awards generally vest 25% per year and have a contractual term of 10 years.

Additionally, a small number of colleagues may be able to receive Carried Interest awards. Carried interest, or "Carry" is a performance-based fee structure that is common in private markets funds. Typically Carry is only payable once a fund's performance exceeds a designated level. If the fund does not achieve the required performance, no payout would be received.

All our incentive plans are regularly reviewed and are implemented subject to appropriate controls and approvals.

The various remuneration components ensure the Firm operates an appropriate and balanced remuneration structure.

3.4 Link Between Pay and Performance

The Firm's three most important performance measures are Total Shareholder Return, Earnings Per Share growth and Net Operating Income (NOI) Growth.

Individual performance is assessed against holistic goals set at the beginning of the year within the relevant goal setting framework covering financial (for example, revenue or NOI goals) and non-financial performance criteria such as client satisfaction, service delivery, quality assurance, people development, and other relevant behaviour and technical competencies. An individual's variable

reward outcome is determined by a mix of overall company performance as well as individual performance.

MAL uses a balanced approach to setting performance goals. This goal setting framework ensures a holistic approach to measuring and rewarding performance.

Variable pay plans will be assessed against the FCA's remuneration principles and any additional relevant regulatory obligations to determine if these plans are appropriately balanced from a risk perspective, in terms of the ratio between fixed and variable remuneration and the structure and period of deferrals.

3.5 Risk Adjustment

It is the Firm's policy that remuneration practices do not reward failure and do not incentivise poor conduct. To ensure this is not a practice in its severance payments, the Firm has a framework that is utilised to define payments that may be made in the event of an employee leaving. This framework includes the assessment of financial and non-financial criteria and ensures compliance with local laws and practices.

The intention to only reward performance is reflected in the policy where variable payments are not guaranteed. Variable payments are paid only to individuals who meet standards of performance and behaviour, including conduct.

Quantitative Disclosures as at 31/12/25

Total Fixed Remuneration	962,996
Total Variable Remuneration	413,828

	Senior Management	Other Staff
Total Remuneration		1,376,824
Total Fixed Remuneration		962,996
Total Variable Remuneration		413,828

Appendix A - Glossary

Abbreviation	Definition
IFPR	Investment Firms Prudential Regime
MiFIDPRU	Prudential Sourcebook for MiFID Investment Firms
PMR	Permanent Minimum Capital Requirement (as per MIFIDPRU 4)
KFR	K-Factor Requirement (as per MIFIDPRU 4)
FOR	Fixed Overhead Requirement (as per MIFIDPRU 4)