

Mercer Non-US Core Equity Fund

As of June 30, 2025.

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1. Mercer Investments U.S. OCIO Update
2. Non-US Core Equity Fund Design Process & Performance
3. Sub-Advisor Fund Performance and Positioning
4. Sub-Advisor Investment Summary
5. Investment Team Biographies

Agenda

Mercer Investments U.S. OCIO Update



Office Of The CIO

Advisory & OCIO



Olaolu Aganga
US Chief Investment Officer

Equity Portfolio Management			
Senior Portfolio Manager		Senior Portfolio Manager	
	Larry Vasquez <i>Boston</i>		Sean Chatburn <i>Chicago</i>
Portfolio Manager		Portfolio Manager	
	Matt Parlengas <i>Boston</i>		Sean Hennessy <i>Boston</i>
Portfolio Manager		Portfolio Manager	
	Perry Maheras <i>Boston</i>		DeJon Gonzalez <i>New York</i>
Portfolio Manager		Investment Associate	
	Justin Clinger <i>Philadelphia</i>		Salonee Bhuta <i>Mumbai</i>

Portfolio Design, Analytics, & Risk (PDAR)			
Head of PDAR			
	Travis Simon <i>Minneapolis</i>		
Principal		Senior Associate	
	Hasmik Vardanyan <i>Boston</i>		Adam Shanfeld <i>King of Prussia</i>
Analyst		Analyst	
	Aditya Gudsoorkar <i>Mumbai</i>		Chinmay Goyal <i>Mumbai</i>

Manager Research			
Global Research Team			
200+ Research Specialists			
Additional OCIO Teams			
Fixed Income Portfolio Management		Segment Specific	
Erin Lefkowitz		Shaum Shrinivas (NFP)	
Emma Koch		Terrance Jones (NFP)	
Chris Chen		Lisa Kots (Wealth)	
Michael Cohen		Tamara Larsen (Values Aligned/SI)	
Andrea Vercruysse		Pedro da Silva (Values Aligned/SI)	
Alternatives (HF, PC, PE)		Alternatives (RA)	
John Lake (Hedge Funds)		Gurjeet Dosanjh (Real Assets)	
Matthew Vokes (Private Credit)		Paul Kolevsohn (Real Assets)	
Richard Pugmire (Private Equity)		Laryssa Wynnnychenko (Real Assets)	
Schon Williams (Private Equity)			

Non-US Core Equity Fund Design Process & Performance

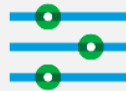
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Multi-Manager Equity Fund Investment Process



Understanding the Market

Each market is unique with various drivers of returns. As a foundation to our investment process, we believe that understanding the drivers of returns within the market is imperative to achieving long-term investment results.



Evidence Based Investing

We apply this understanding to construct a portfolio that has exposure to various styles and factors which have been shown to add value through a market cycle.



Assess Manager Potential

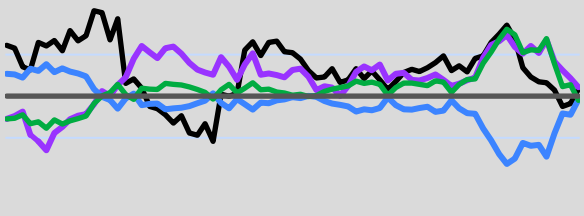
Our team leverages Mercer's 200+ manager research specialists¹ with a proven track record of identifying skillful managers. We combine our highest conviction managers that deliver a combination of skill and predictable style exposures.



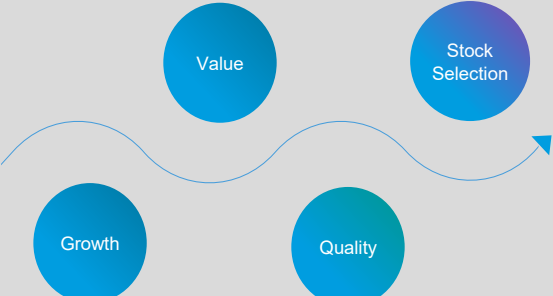
Construction and Monitoring

The markets are not stable, and market risks can change. Ongoing monitoring and portfolio management is critical.

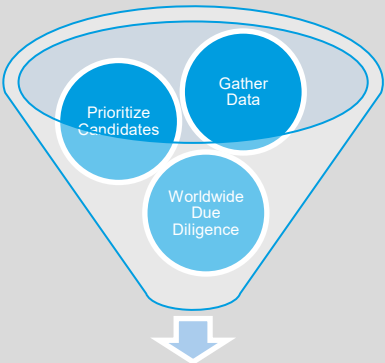
Understanding the market



Evidence based investing

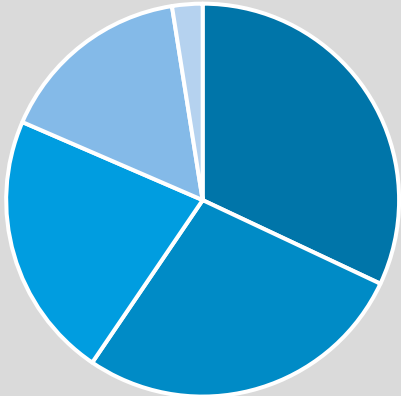


Assess manager potential²



A Rated Managers

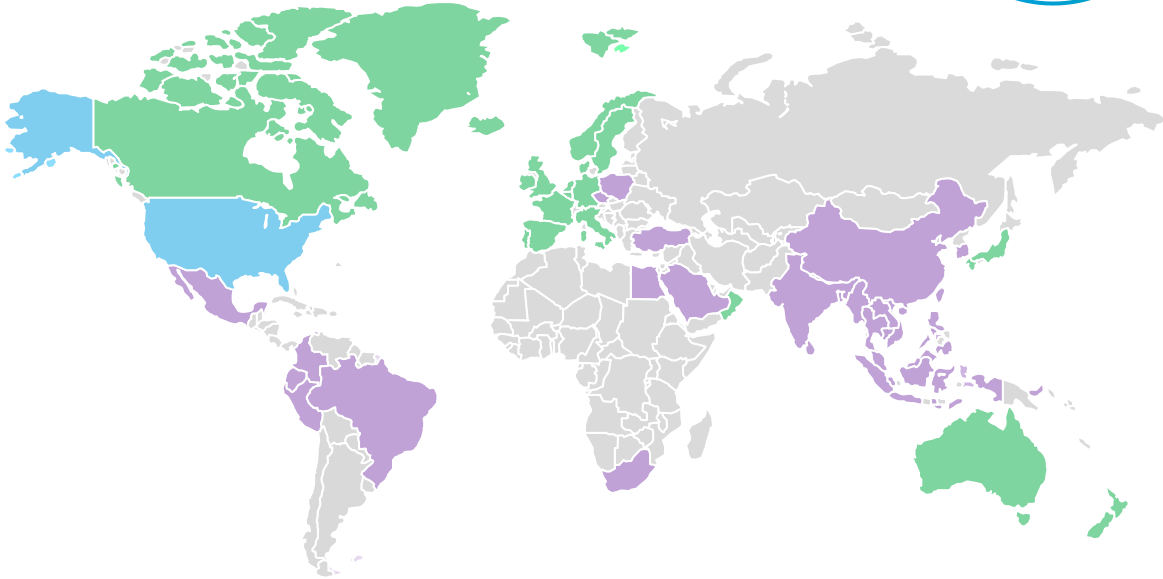
Construction and Monitoring



¹ As of June 30, 2025.

² Please see the Guide to Mercer's Investment Strategy Ratings: https://www.mercer.com/assets/us/en_us/shared-assets/local/attachments/pdf-wealth-guide-to-mercers-investment-strategy-research-ratings-merc-2023.pdf. The rating assigned to a strategy may or may not be consistent with its past performance. Although the rating reflects our expectations on future performance over a time frame appropriate for the particular strategy, we do not guarantee that these expectations will be fulfilled.

Understanding the Market



>\$80T

Global
Market Cap

c.8,500

Constituents

US Equity (c.65% ACWI IMI)

US Large Cap

- Highly concentrated, by sector (IT c.30% and stock (top 5 >30%)
- Highly efficient in price discovery and extensive analyst coverage

US Small Cap

- Diversified by sector (no sector >20%)
- Inefficient market, lower price discovery and analyst coverage
- More susceptible to market stress

International Developed (c.25% ACWI IMI)

International Developed Large Cap

- 23 markets across developed Europe, Asia, Pacific and Japan
- Diversified by country: Japan largest exposure (c.20%)
- 3 sectors account for c.50% (Financials, Industrials, and Healthcare)
- Typically discounted valuations relative to US

International Developed Small Cap

- Fairly diversified by sector (industrials largest exposure at c.20%)
- c.30% Japan
- Inefficient market, lower price discovery and analyst coverage
- More susceptible to market stress

EM (c.10% ACWI IMI)

Emerging Markets

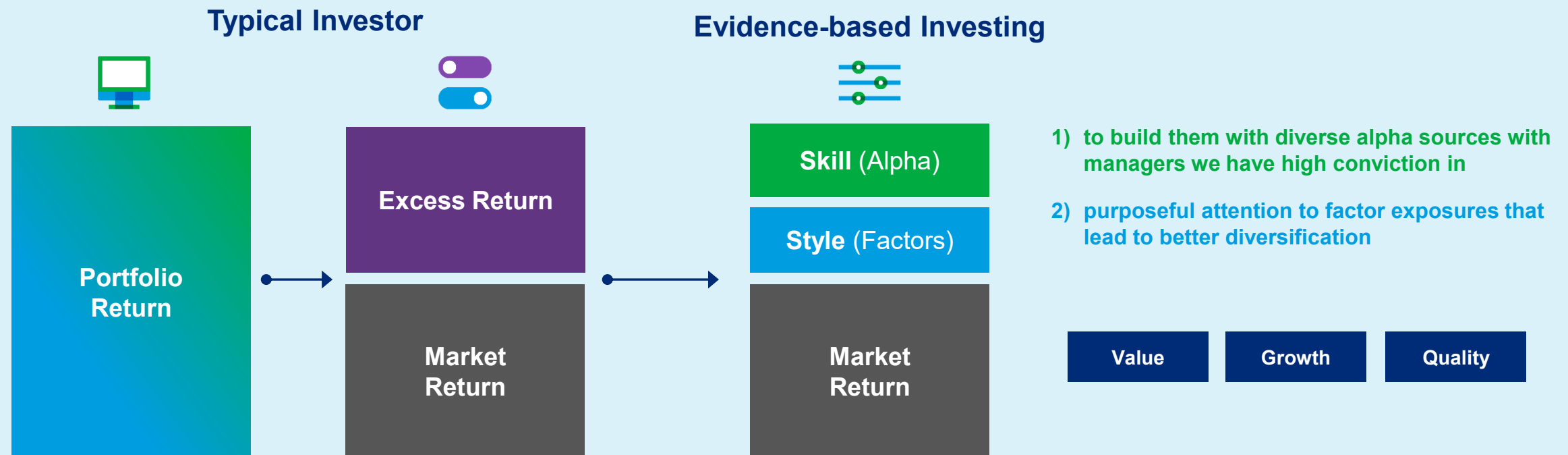
- c.24 countries across Asia (80%), Europe (7%), and Latin America (2%)
- 4 countries account for >75% of market cap
- Family-owned businesses to conglomerates
- Risks may include state-owned enterprises
- Information Technology and Financials dominate (>45%)
- Inefficient and lower analyst coverage

Source: Mercer, MSCI.com;
as of 31 December 2024

Evidence Based Investing: Understanding Factor Related Performance Drivers

Guiding principles:

We believe the most effective way to capture consistent alpha in custom multi-manager portfolios is to build them with diverse alpha sources, purposeful attention to factor exposures that lead to better diversification, and managers we have high conviction in.



For illustrative purposes only.
There is no guarantee expected results can or will be achieved. Fee savings cannot be guaranteed. Diversification does not eliminate market risk.

Assess Manager Potential: Manager Research Process

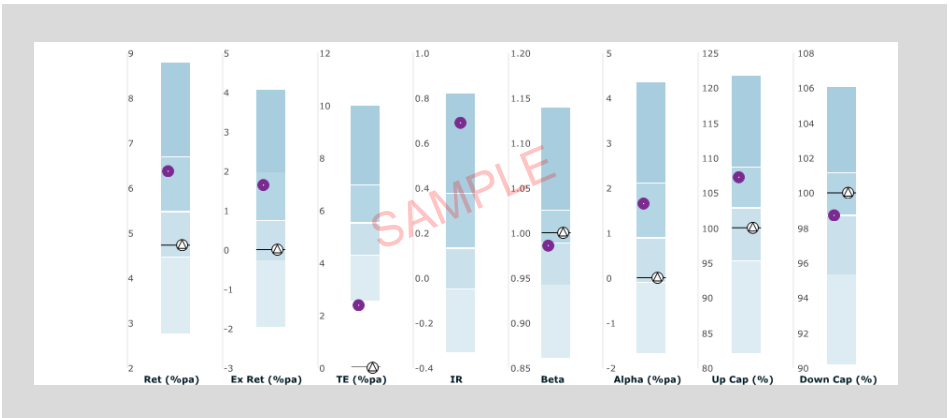


*Manager and Strategy Statistics as of June 2025, includes sub advised strategies.

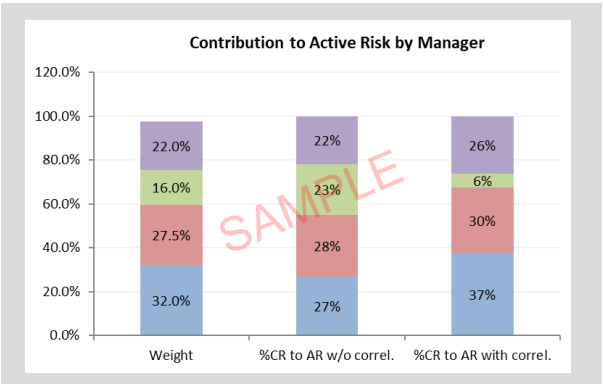
Pursuant to Mercer's proprietary rating process the rating assigned to a strategy may or may not be consistent with its past performance. Although the rating reflects our expectations on future performance over a time frame appropriate for the particular strategy, we do not guarantee that these expectations will be fulfilled. Please see the Guide to Mercer's Investment Strategy Ratings: https://www.mercer.com/assets/us/en_us/shared-assets/local/attachments/pdf-wealth-guide-to-mercers-investment-strategy-research-ratings-merc-2023.pdf

Construction and Monitoring

Performance Characteristics



Barra risk analytics



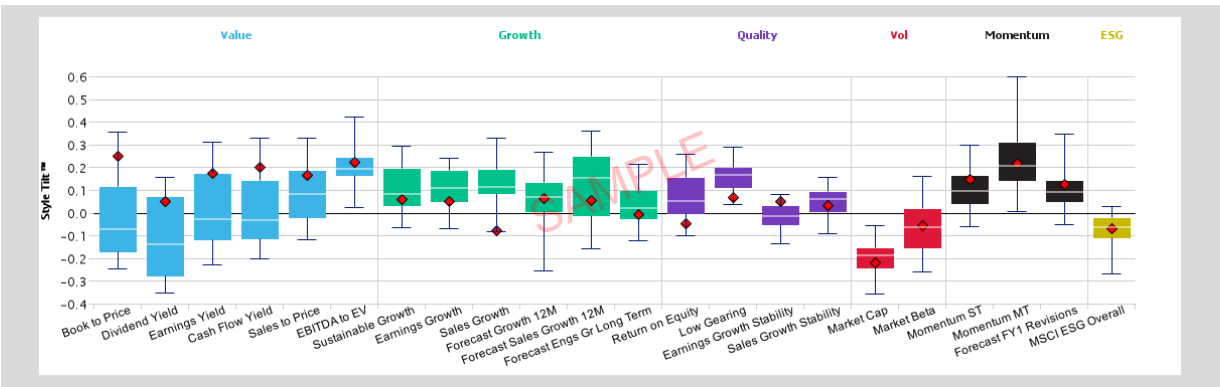
Manager Decision Drivers

Performance outside of expectations

Investment team turnover

Firm stability

Style analytics



Monitoring

- Trading, compliance and performance updates
- Quarterly manager calls/meetings with direct access to investment team
- Mercer manager research onsite review schedule
- Market cycle informs on risk and allocations
- Mercer innovation leads to structural enhancements

Asset Allocation Decisions

Market monitoring

Risk sourcing & measurement

New investment idea

Data shown here is for illustrative purposes. Please see the Guide to Mercer's Investment Strategy Ratings: https://www.mercer.com/assets/us/en_us/shared-assets/local/attachments/pdf-wealth-guide-to-mercers-investment-strategy-research-ratings-merc-2023.pdf

Mercer Non-US Core Equity Fund

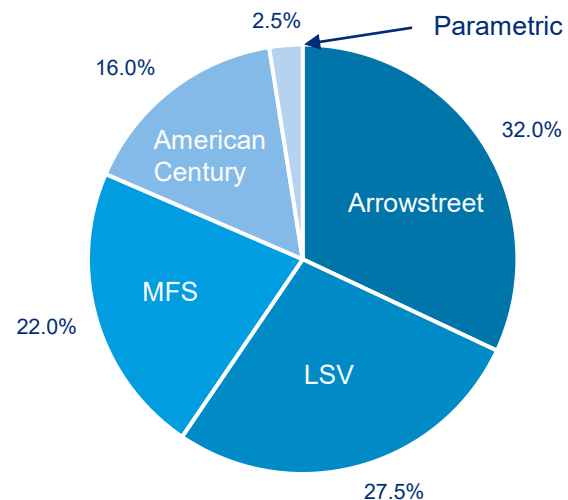
Overview and Performance

Investment Objective: The investment objective of the Fund is to provide long-term total return, which includes capital appreciation and income.

Benchmark: Non-US Benchmark¹

	Y3	I
Ticker	MNCEX	MNCSX
Portfolio Assets	\$3,273.82 Million	\$416.23 Million
Gross Expense Ratio	0.75%	1.01%
Net Expense Ratio	0.37%	0.62%
New Investors	Open	Open
Fund Inception	08/17/2006	07/22/2021

Manager Allocations² and Style Bias



■ Core ■ Value ■ Quality ■ Growth ■ Cash Equitization

Periodic Performance (%)

As of June 30, 2025

	3 Month	Year-to-Date	1 Year	3 Year	5 Year	10 Year	Inception
Y3 Shares	12.91	23.49	22.41	17.89	12.47	8.14	5.52
I Shares	12.76	23.24	22.14	17.58	-	-	7.18
Non-US Benchmark	12.70	20.42	18.69	16.28	11.34	6.60	4.70

Calendar Year Performance (%)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Y3 Shares	6.30	18.80	-16.83	11.92	12.96	24.40	-13.12	27.45	1.10	1.48
I Shares	6.00	18.57	-17.01	-	-	-	-	-	-	-
Non-US Benchmark ¹	3.82	18.24	-14.45	11.26	7.82	22.01	-13.79	25.03	1.00	-0.81

¹ The Fund changed its regulatory benchmark to the MSCI World ex USA IMI Index (Net) effective February 28, 2025. Prior to that date it was the MSCI EAFE Index (Net). Performance shown represents the Fund's former benchmark, the MSCI EAFE Index (Net), from inception through February 28, 2025, and the MSCI World ex USA IMI Index (Net) thereafter. The performance data quoted reflects past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data shown herein. Performance shown is net of fees and assumes the reinvestment of dividend and capital gain distributions. For more information including performance current to the most recent month-end, please call 1-800-346-2510.

Mercer Investments LLC (the "Advisor") has contractually agreed, until at least July 31, 2026, to waive any portion of its management fee that exceeds the aggregate amount of the subadvisory fees that the Advisor is required to pay to the Fund's subadvisors.

The Gross Expense Ratio is taken from the most recent Fund Prospectus and represents the total operating expense excluding the impact of these waivers while the Net Expense Ratio includes the impact of these waivers.

A 2.00% redemption fee applies to shares owned less than 30 days.

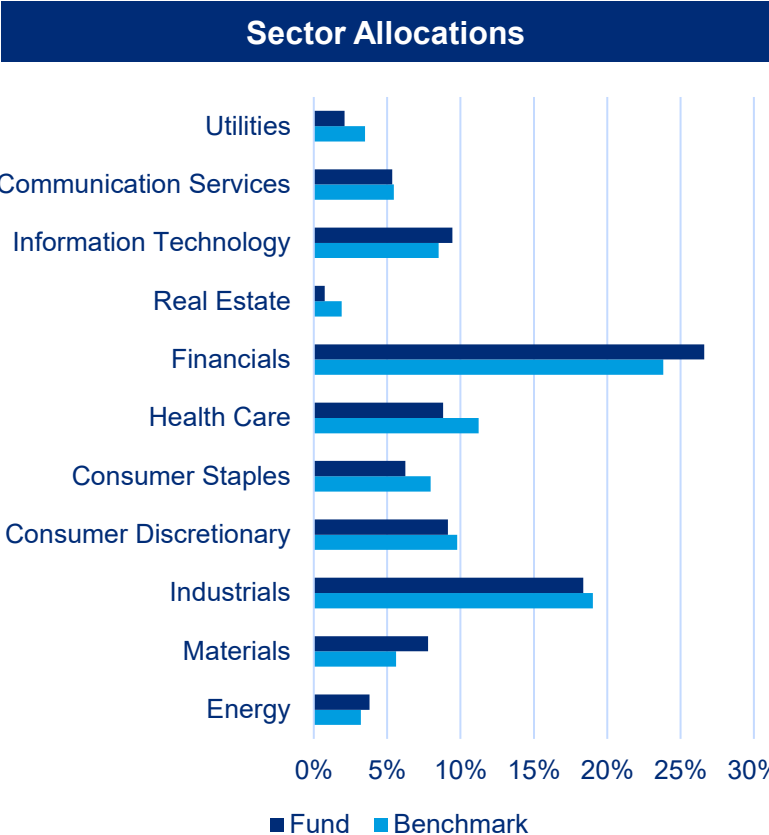
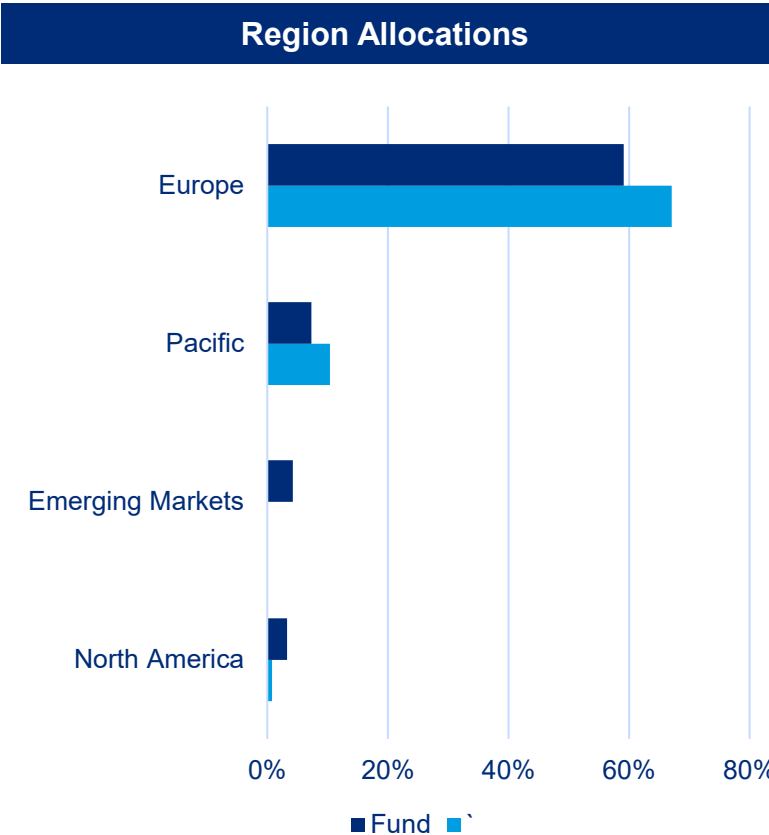
Class Y-3 shares generally are available only to "Institutional Investors" which include, but are not limited to "Institutional Accounts" as defined under the rules of the Financial Industry Regulatory Authority, Inc. ("FINRA").

² Allocations are as of the date listed and are subject to change. The managers identified do not represent all of the managers selected or recommended for all clients. It should not be assumed that allocation to the managers identified was or will be profitable.

Mercer Non-US Core Equity Fund

Portfolio Characteristics and Exposures

Portfolio Characteristics	Fund	Benchmark
Wtd Avg Mkt Cap (\$M)	75,249	80,967
P/E	12.4	14.1
P/B	1.7	1.9
ROE	14.5%	14.9%
Earnings Growth	8.0%	7.0%
Tracking Error	2.1	--
Beta	1.00	--
Active Share	56.8%	--
Top 10 Holdings	10.5%	9.7%



Fund and Subadvisor Performance and Positioning



Mercer Non-US Core Equity Fund & Subadviser Performance

As of June 30, 2025

Fund/Strategy	Market Value (\$M)	QTD	YTD	1 yr	3 yr	5 yr	SI	SI Date
Non-US Equity – Gross	3,690	13.01%	23.71%	22.86%	18.35%	12.90%	6.23%	Gross / Class Y3 18 Aug 2006
Non-US Equity Y3 - Net		12.91%	23.49%	22.41%	17.89%	12.47%	5.52%	
Non-US Equity Fund Class I – Net		12.76%	23.24%	22.14%	17.58%		7.18%	
Non-US Core Equity Benchmark		12.70%	20.42%	18.69%	16.28%	11.34%	4.70%	
Value Add*		0.31%	3.29%	4.17%	2.07%	1.56%	1.53%	Class I 22 Jul 2021
Arrowstreet - Gross	1,459	13.81%	26.96%	26.73%	21.59%	16.56%	9.59%	16 Dec 2010
Non-US Core Equity Benchmark		12.70%	20.42%	18.69%	16.28%	11.34%	6.31%	
Value Add		1.11%	6.54%	8.04%	5.31%	5.22%	3.28%	
LSV - Gross	858	12.89%	27.02%	25.98%	19.79%	15.21%	7.43%	02 Jul 2015
Non-US Core Equity Benchmark		12.70%	20.42%	18.69%	16.28%	11.34%	6.52%	
Value Add		0.19%	6.60%	7.29%	3.51%	3.87%	0.91%	
American Century - Gross	524	14.24%	15.31%	12.17%	11.02%	6.44%	6.90%	14 Nov 2013
Non-US Core Equity Benchmark		12.70%	20.42%	18.69%	16.28%	11.34%	6.05%	
Value Add		1.54%	-5.11%	-6.52%	-5.26%	-4.90%	0.85%	
MFS Intrinsic Value - Gross	751	10.58%	20.36%	21.14%	17.50%	9.68%	10.11%	16 Nov 2009
Non-US Core Equity Benchmark		12.70%	20.42%	18.69%	16.28%	11.34%	6.27%	
Value Add		-2.12%	-0.06%	2.45%	1.22%	-1.66%	3.84%	

The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance shown is net of fees and assumes the reinvestment of dividend and capital gain distributions. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance, please call (800) 346-2510. Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus with the above information and other information about the Fund, please call (800) 346-2510 or visit our website at <https://www.mercer.us/what-we-do/wealth-and-investments/delegated-solutions-us.html>. Read the prospectus or summary prospectus carefully before investing. Please see the following link for information on indexes: <https://www.mercer.com/content/dam/mercer/attachments/private/nurture-cycle/gi-investment-management-index-definitions-mercer.pdf>. One cannot invest directly in an index.

*Value add using Non-US Equity – Gross

¹ The Fund changed its regulatory benchmark to the MSCI World ex USA IMI Index (Net) effective February 28, 2025. Prior to that date it was the MSCI EAFE Index (Net). Performance shown represents the Fund's former benchmark, the MSCI EAFE Index (Net), from inception through February 28, 2025, and the MSCI World ex USA IMI Index (Net) thereafter.

Includes only current subadvisers as of the date reflected, excluding Parametric (cash equitization strategy). Total market value includes assets within Parametric, the Portfolio's cash equitization manager. Subadvisor performance is gross of fees. Totals may not sum due to rounding.

Mercer Non-US Core Equity Fund Fundamentals

As of June 30, 2025

Fundamentals

	Non-US	MSCI World ex USA IMI
P/E	12.4	14.1
P/B	1.7	1.9
Earnings Growth	8.0	7.0
ROE	14.5	14.9
Wtd Mkt Cap (\$M)	75,249	80,967
Tracking Error	2.1	
Beta	1.00	
Active Share	56.8%	

Source: Style Analytics & MSCI Barra.

Regional Exposure

Region	Current	MSCI World ex USA IMI	Active
Euro	67.4%	67.1%	0.03%
Japan	18.1%	21.8%	-3.7%
EME	4.3%	0.0%	4.3%
US	3.3%	0.08%	3.2%
AUD/NZ	2.4%	7.0%	-4.6%
Singapore/ HK	2.9%	3.3%	-0.4%
Cash	1.6%	0.0%	1.6%

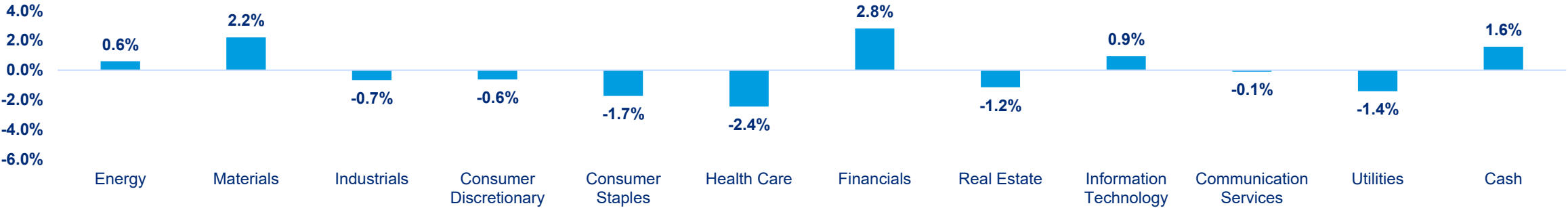
Source: MSCI Barra, figures may not sum due to rounding.

Top 10 Active Weight Holdings

Security Name	Port Weight	MSCI World ex USA IMI	Active Weight
FRANCO-NEVADA CORP	0.99%	0.00%	0.99%
BARCLAYS PLC	1.16%	0.35%	0.81%
LEONARDO SPA	0.78%	0.12%	0.66%
NATWEST GROUP PLC	0.96%	0.30%	0.66%
BARRICK MINING CORP	0.62%	0.00%	0.62%
COMCAST CORP	0.61%	0.00%	0.61%
AGNICO EAGLE MINES LTD	0.60%	0.00%	0.60%
AIB GROUP PLC	0.63%	0.09%	0.54%
WHEATON PRECIOUS METALS CORP	0.53%	0.00%	0.53%
RYOHIN KEIKAKU CO LTD	0.51%	0.00%	0.51%

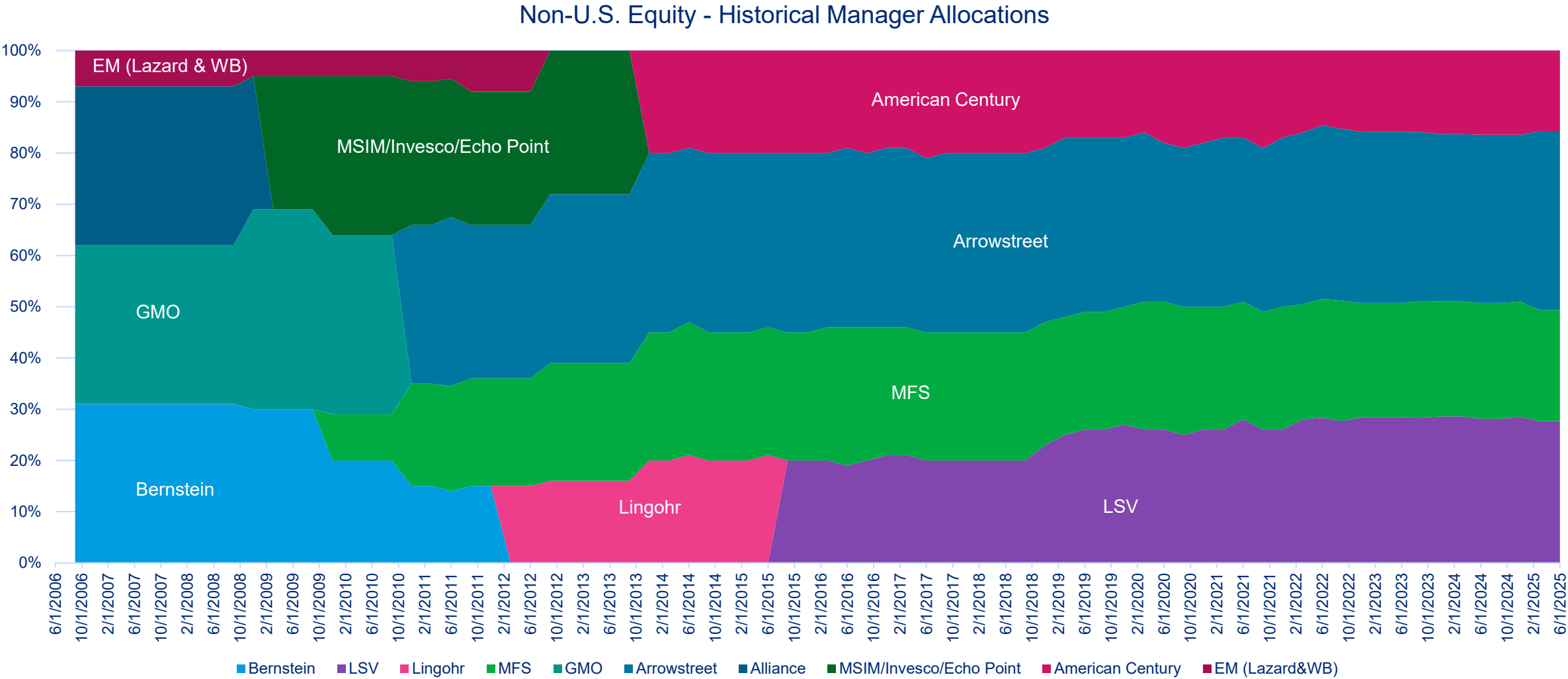
Source: Bloomberg, figures may not sum due to rounding.

Active Sector Weights



Source: MSCI Barra.

Non-U.S. Core Equity Fund - Historical Manager Allocations



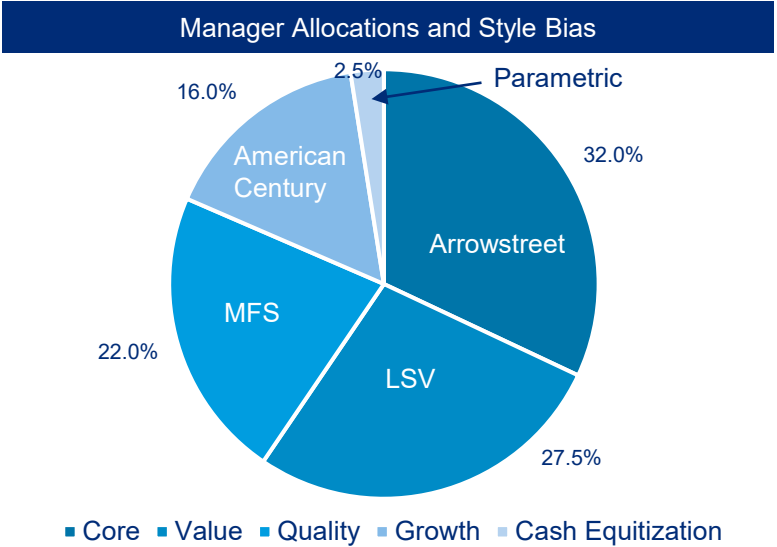
Sub-Advisor Investment Summary

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Mercer Non-US Core Equity Fund

Subadvisor detail as of 3/31/25

Investment Objective: The investment objective of the Fund is to provide long-term total return, which includes capital appreciation and income.



Strategy	Style Diversification				PM Team Comments
	Value	Growth / Momentum	Small Size	Quality	
Arrowstreet Capital, L.P.	X	X	X		Core Systematic: Quantitative process based on fundamental and technical signals utilizing adaptable models to changing market environments; typically has momentum, small cap and value bias; however, biggest bets are done in the areas with highest forecasted payoff in a risk-controlled fashion.
LSV Asset Management	X		X		Deep Value: Focuses on seeking securities which management and the PM team believes are inexpensive relative to the market based on market multiples such as P/E, P/CF, and P/B.
MFS - Intrinsic Value			X	X	Core Quality: Fundamental strategy with long-term investment horizon and low stock turnover, investing in high quality companies where the team believes valuations are not adequately reflected in the stock price from long-term investment point of view.
American Century Investment Management, Inc.		X			Growth/Momentum: Fundamental, concentrated portfolio seeking accelerating growth in earnings and revenues that are sustainable over time.
Parametric Portfolio Associates LLC					Cash equitization strategy.

Allocations are as of the date listed and are subject to change. The managers identified do not represent all of the managers selected or recommended for all clients. It should not be assumed that allocation to the managers identified was or will be profitable.

Manager Implementation Expectations

Manager	Summary Guidelines
Arrowstreet	400 to 800 stocks with turnover range of 100-150%. Active sector and country constraints are around +/- 10% and country/sector (basket) constraints at +/- 5% around the index. Max stock positions range +/- 3% around the index.
LSV	200 to 270 stocks with turnover around 30%. Active sector and country allocations versus benchmark are relatively moderate at around +/- 5%.
MFS	80 to 120 stocks with turnover around 20%. Sector and regional agnostic. No more than 5% held in a single issuer and not more than 25% allocated to individual industry.
American Century	35-50 stocks with turnover around 50%. Sector and regional agnostic. No more than 5% held in a single issuer.

Excludes Parametric (cash equitization strategy).

Investment Team Biographies

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Larry Vasquez



Larry Vasquez is a Senior Portfolio Manager and Partner at Mercer Investment Management overseeing equities and DC multi-asset solutions. His primary responsibilities include asset allocation, manager selection, portfolio construction, and ongoing oversight of Defined Contribution custom clients and supporting Defined Benefit growth portfolio construction. He is also the OCIO DC investment segment lead, in addition to investment decisions, his role includes working closely with DC clients on plan design, innovation and broader market considerations in decision making. He leads a team of investment professionals with expertise in manager selection, portfolio construction, risk management, trading, and portfolio analytics. Larry is co-chair of Mercer's Equity Strategic Research Committee, and a voting member on several global governance committees, including the Global Equity Committee, Manager Selection Committee and the Defined Contribution Investment Committee.

Larry's investment career began in 1997 at BARRA RogersCasey as a consulting analyst. He joined SEI in 2000, where he held progressively senior positions, managing mutual funds in domestic and international multi-managed equities. He joined from UBS, where he was a Portfolio Manager responsible for multi-managed equity portfolios.

He is a graduate of Drexel University, with a B.S. in Commerce and Engineering and a concentration in Finance. He is also a Chartered Financial Analyst.

Travis Simon



Travis Simon leads the Portfolio Design, Analytics & Risk team and is based in Minneapolis. In this role, he works to develop and enhance portfolio construction and management across the investment platform. He is a member of the US Asset Allocation and Manager Selection Committees and an advisor to Economics and Dynamic Asset Allocation team. Travis is a voting member of the Firm's Insurance Investment Committee. Travis has designed and used propriety asset allocation and risk measurement tools to devise strategic and tactical positioning to the evolving environment. Travis led development on Mercer's proprietary enterprise risk modeling module ("CARE model") which integrates a healthcare entity's investments with its operations, debt structure, pension, and philanthropic development efforts.

Prior to joining Mercer in 2011, Travis worked for RBC Capital Markets' transfer department and government bond desk's pricing and accounting programs. Travis developed several technical systems to increase the efficiency and accuracy of his team's daily processes.

Travis earned a B.S. in finance from Minnesota State University, Mankato. He is a Chartered Financial Analyst (CFA) charterholder and sits on the Education Committee for the CFA Society of Minnesota. He lives in Mendota Heights, Minnesota with his wife and 3-year-old son.

Important Notices

Must be preceded or accompanied by fund's prospectus. Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. To obtain a prospectus that contains this and other information, please visit <https://www.delegated-solutions.mercer.com/content/dam/merc-subdomains/delegated-solutions/USGeneralFundDocuments/us-2017-mutual-funds-class-Y-prospectus-with-supplements-1.pdf> or call 1-800-346-2510. Please carefully read the prospectus, and if available, summary prospectus, before investing.

References to Mercer shall be construed to include Mercer LLC and/or its associated companies.

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The assets under advisement data (AUA Data) reported here include aggregated assets under advisement for Mercer Investments LLC and their affiliated companies globally (Mercer). The AUA Data have been derived from a variety of sources, including, but not limited to, third-party custodians or investment managers, regulatory filings, and client self-reported data. Mercer has not independently verified the AUA Data. Where available, the AUA Data are provided as of the date indicated (the Reporting Date). To the extent information was not available as of the Reporting Date; information from a date closest in time to the Reporting Date, which may be of a date more or less recent in time than the Reporting Date, was included in the AUA Data. The AUA Data include assets of clients that have engaged Mercer to provide ongoing advice, clients that have engaged Mercer to provide project-based services at any time within the 12-month period ending on the Reporting Date, as well as assets of clients that subscribe to Mercer's Manager Research database delivered through the MercerInsight® platform as of the Reporting Date.

The assets under management data (the AUM Data) reported here include aggregated assets for which Mercer Investments LLC (Mercer Investments) and their global affiliates provide discretionary investment management services as of the dates indicated. The AUM Data reported here may differ from regulatory assets under management reported in the Form ADV for Mercer Investments. For regulatory assets under management, please see the Form ADV for Mercer Investments which is available upon request by contacting Compliance Department, Mercer Investments, 99 High Street, Boston, MA 02110.

Important Notices

Risks Factors

The Fund invests in both growth stocks and value stocks. Growth stocks may be particularly sensitive to market conditions. Investing in value stocks involves the risk that an investment made in undervalued securities may not appreciate in value as anticipated or remain undervalued for long periods of time. The Fund invests in foreign and emerging market securities which involves certain risks such as currency fluctuations, political and social instability and reduced market liquidity. Investing in emerging markets are subject to special risks that are not normally associated with more developed foreign markets. Investments made in small and mid-capitalization companies may be more volatile and less liquid due to limited resources or product lines and more sensitive to economic factors. The Fund may invest in derivatives (such as futures, forwards, options or swaps), which may cause the Fund to experience greater volatility and less liquidity. Derivatives may be more sensitive to changes in market conditions and may amplify the risk of loss for the Fund. The Fund may experience high portfolio turnover which could result in higher transaction costs and capital gains. There are no guarantees that dividend-paying stocks will continue to pay dividends. There can be no assurance that any fund will achieve its objective.

Key Terms

Active Share - A measure of how much a fund's holdings differ from its benchmark index. A higher Active Share indicates that the fund manager is taking a more active approach to investing, potentially leading to greater opportunities for outperformance compared to the index.

Alpha - Reflects how a Fund did relative to what would be expected given the Fund's beta and the performance of its benchmark. For example, alpha of 1.4 means the Fund outperformed its estimated return by 1.4%.

Beta - The Fund's sensitivity to market changes using its benchmark as an approximation of the market, beta greater than 1 is more volatile, beta less than 1 is less volatile.

Earnings Growth - Refers to the increase in a company's earnings over a specific period, usually expressed as a percentage. This growth can indicate how well a company is performing and its potential for future profitability. For investors, strong earnings growth can be a sign of a healthy business and may lead to higher stock prices.

Information Ratio - A measure of manager skill relative to the benchmark. Reflects the difference between the portfolio return and benchmark return, adjusted for the level of risk (tracking error).

Market Capitalization - The product of the market price and the total amount of a security outstanding. This represents the total market value of the security in the hands of its investors.

Price/Earnings (P/E) - A financial ratio calculated as current share price divided by current earnings per share. Earnings per share is the portion of a company's profit allocated to each outstanding share.

Price/Book (P/B) - A financial ratio calculated as current share price divided by book value per share. It compares how the market values a company to the value on the company's books.

Return on Equity (ROE) - A measure of how effectively a company uses its shareholders' equity to generate profits. It is calculated by dividing net income by shareholder equity. A higher ROE indicates that the company is efficiently using its capital to produce earnings, which can be an attractive quality for investors looking for profitable investments.

Tracking Error - A measure of active risk relative to the benchmark. Reflects the standard deviation of the difference between the portfolio return and benchmark return.

Weighted Average Market Cap - The weighted average market capitalization of a fund's equity portfolio gives you a measure of the size of the companies in which the fund invests. This is calculated by taking the weighted arithmetic mean of the market capitalizations of the stocks a fund owns.

Important Notices

Mercer universes

Mercer's universes are intended to provide collective samples of strategies that best allow for robust peer group comparisons over a chosen timeframe. Mercer does not assert that the peer groups are wholly representative of and applicable to all strategies available to investors. One cannot invest directly in a Mercer Universe.

Please see the following link for information on indexes: <https://www.mercer.com/content/dam/mercero/attachments/private/nurture-cycle/gi-2018-investment-management-index-definitions-mercero.pdf>

Information contained herein has been obtained from a range of third party sources. While the information is believed to be reliable, Mercer has not sought to verify it independently. As such, Mercer makes no representations or warranties as to the accuracy of the information presented and takes no responsibility or liability (including for indirect, consequential, or incidental damages) for any error, omission or inaccuracy in the data supplied by any third party.

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Important Notices

Measurement methodology

For most investment strategies that we research, we arrive at a rating on a four tier scale in which the possible ratings are A, B+, B and C. When we formulate short lists of candidates for clients to consider in manager searches, these are generally drawn from the list of strategies rated A within the relevant product category. We first began maintaining formal ratings on this basis in 1995, replacing less formal methods in place, and have extended this to cover all product categories that we actively research, over the period since.

Our methodology for measuring the performance of our ratings entails calculating the average performance of the strategies that we rated A within each product category each quarter, based on the ratings as they stood at the end of the previous quarter. Therefore there is no element of hindsight in the analysis. We then compound these quarterly results together to calculate performance over longer periods. Finally, we subtract the return for an appropriate and widely accepted benchmark index for the product category concerned to calculate value added. We also calculate a risk-adjusted measure of the value added known as the information ratio.

In essence, this methodology tracks the performance of a hypothetical Mercer client that is assumed to split its money evenly between all of the strategies rated A by Mercer within the product category concerned. This hypothetical client is assumed to have reviewed its manager line-up at the end of each quarter, based on the Mercer ratings as they stood at that point in time. A typical client would not invest in all strategies in all of the categories, as some may not be relevant to a particular client for a variety of reasons. Therefore the actual added value of strategies selected by a client would vary from the results depicted here. The average value added for each product category is detailed in this report.

Three types of strategy are excluded from the analysis. Firstly, we exclude strategies that are sub-advised by other investment managers, to avoid double-counting. Secondly, where a manager offers two variants of what is essentially just one strategy, we only include one of these in the analysis (we used to use the one with the longer track record but in 2011 we assigned the decision on which track record to use to the researcher responsible for the strategy), once again to avoid double counting. Thirdly, if a strategy's track record relates to a benchmark that is materially different to the benchmark used in the analysis for the product category concerned, it will be excluded from the analysis to avoid distortions that could arise solely as a result of the non-standard benchmark.

Where a manager offers equity strategies in a typical long only format and a variant which includes the ability to short we only include the long-only version.

For some product categories, where the use of custom benchmarks is prevalent, there is no single widely accepted benchmark that can be used as a basis for this analysis. We therefore use a slightly different methodology for these categories. In these cases we carry out the analysis by first calculating value added each quarter for each track record relative to its custom benchmark, then calculating the average of these value added figures each quarter, and then compounding the quarterly value added figures to calculate value added over longer periods.

We have carried out these calculations for most of the product categories where we both maintain ratings and for which we have reliable performance data (currently 73 categories), going back in each case to when we first had a reasonable spread of ratings for the product category concerned.

Important Notices

Some important caveats

All of the value added figures have been calculated by Mercer, but are based upon performance data provided to Mercer by the investment managers concerned. Mercer generally does not independently verify the performance information provided by investment managers.

The methodology described above does not allow for transaction costs that an investor would have incurred if it had actually changed its panel of investment managers every quarter in line with changes to the list of products rated A by Mercer within the product category concerned. In practice, the turnover of managers incurred by such an investor would have averaged about 15% per annum (the actual averages since inception for each product category are shown in the final section of the results). We have not attempted to estimate the transaction costs that would have been incurred as this would require assumptions on a number of factors, including the investor's cash flow position and how the changes had been implemented.

All investment performance data used was reported gross of investment management fees and certain other expenses, such as custody and administration. All the value added figures are also quoted before deduction of such fees. The figures are however net of all transaction costs that the managers concerned have incurred within their investment portfolios. Performance shown assumes the reinvestment of dividends and capital gains distributions. A client's return would be reduced by the advisory fees and any other expenses it may incur in the management of its account. Actual fees may vary depending on, among other things, the applicable fee schedule, portfolio size and/or investment management agreement. Further information regarding investment advisory fees are described in our Form ADV, Part 2A. As described above, the results of the analysis are based on performance data provided to Mercer by the investment managers concerned and other sources. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of information presented, and no responsibility or liability, including for consequential or incidental damages, can be accepted for any error, omission or inaccuracy in this information.

We have endeavored to obtain performance data for all investment products that have ever been rated A by Mercer for inclusion in the analysis, but in some cases this has not been possible. Where data could not be obtained, we have no option but to exclude the product from the analysis. We will continue to endeavor to obtain missing data for future updates of the analysis. This may result in some changes to the historic figures in future updates of the results.

As always, past performance cannot be relied on as a guide to future performance. Whilst Mercer commits considerable resources to manager research, in an effort to maximize the value added through our manager research recommendations, we do not provide any guarantees as to the future performance of the investment strategies that we recommend to our clients.