MERCER
A MARSH BUSINESS

Mercer Non-US Core Equity Fund

Fund Commentary | Q2 2026

Market Environment

International developed equities posted strong gains in Q2 2026, with the MSCI World ex USA IMI Index returning +10.1% for the quarter. Returns were supported by improving investor sentiment as geopolitical tensions in the Middle East de-escalated and oil prices moved lower, easing inflation and growth concerns, particularly in Europe. European equities performed well during the quarter, supported by resilient economic sentiment and recovering consumer confidence. Japan also outperformed, aided by continued progress in corporate governance and shareholder return initiatives, a weak yen that supported exporters, and ongoing enthusiasm for companies leveraged to the global AI and semiconductor capital spending cycle. From a style perspective, momentum and higher-beta growth stocks led, while quality and value lagged in the strong market rally.

Annualized Performance (%)

As of June 30, 2026

	3 Month	Year-to-Date	1 Year	3 Years	5 Years	10 Years	Inception	Inception Date
Y3 Shares	8.79	9.32	21.55	19.31	10.01	11.05	6.27	08/18/2006
*Non-US Benchmark**	*9.90*	*8.96*	*20.76*	*16.93*	*9.32*	*9.80*	*5.45*	
I Shares	8.73	9.18	21.33	19.04	-	-	9.90	07/22/2021
*Non-US Benchmark**	*9.90*	*8.96*	*20.76*	*16.93*	-	-	*9.62*	

*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.

Fund Performance

The Mercer Non-US Core Equity Fund underperformed the MSCI world ex USA IMI Index for the quarter. Three of the five sub advisors – Arrowstreet, Hardman Johnston & WCM generated positive excess returns, while LSV & MFS underperformed the benchmarks. Performance broadly in line with expectation, as the market continued to favor momentum & growth investment styles, presenting headwinds for value-oriented managers.

As a reminder, the fund's fair valuation process adjusts the pricing of foreign securities to reflect significant movements in US equity markets. Mercer's fair value trigger is activated when S&P 500 moves by more than 50 basis points. During the quarter, the fair value adjustment reduced reported performance by approximately 1.0%, accounting for the majority of funds relative underperformance.

LSV, the dedicated value manager, underperformed the MSCI EAFE Index during the quarter. Relative performance was supported by positive positioning in financials & services, but these gains were more than offset by weaker results in IT, materials & consumer discretionary. Overall, broad based weakness across both sector & country selection led to 3.94% of negative relative attribution.

Arrowstreet, the fund's core multifactor manager, outperformed the MSCI World ex USA IMI Index during the quarter. Relative performance was driven primarily with overweight positions in IT & consumer staples contributing positively. These gains more than offset detractors from energy, communication services & materials. Strong security selection across Asia Pacific & Western Europe added meaningful value. Overall, the portfolio generated 1.98% of positive attribution during the quarter.

MFS, the fund's core quality manager, underperformed the benchmark during the quarter. Relative performance primarily hindered by weak selection withing materials, IT & financials, although contributions from services, utilities & industrials provided a partial offset. Western Europe detracted significantly from performance, while pacific Asia added modest value. Overall, the portfolio's bottom-up stock selection across sectors & countries resulted in 2.96% of negative attribution.

Hardman Johnston & WCM have both outperformed the benchmark since April 20, 2026, when they were added as subadvisors to the Fund. Supported by strong stock selection across key growth-oriented sectors, IT remained the largest sector exposure for both, with holdings in semiconductor and technology related businesses contributing meaningfully.

Share Class Information

	Y3	I
Ticker	MNCEX	MNCSX
Gross Expense Ratio	0.60%	0.85%
Net Expense Ratio	0.39%	0.63%

Mercer Investments LLC (the "Advisor") has contractually agreed, until at least July 31, 2027, 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. Performance would have been lower without these waivers in effect.

Net Expense Ratio as of 3/31/2026 per the latest Annual Financial Statements. Net Expense Ratio includes the impact of fee waivers and excludes certain indirect expenses of underlying investments. 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").

Important Disclosures

The material in this fact sheet is based on information from a variety of sources we consider reliable, but we do not represent that the information is accurate or complete. Errors and omissions can occur. You may have a gain or a loss when you sell your shares of the Fund.

The Mercer Funds are distributed by MGI Funds Distributors, LLC.

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 Mercer's website at https://www.mercer.us/what-we-do/wealth-and-investments/delegated-solutions-us.html or call 1-800-346-2510. Please carefully read the prospectus, and if available, summary prospectus, before investing.

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Risk 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.

Index Disclosures

The indices listed are not managed and one cannot invest directly in an index.

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)**. The **MSCI World ex USA Investable Market Index (IMI) (Net)** captures large, mid and small cap representation across Developed Markets (DM) countries--excluding the United States. The index covers approximately 99% of the free float-adjusted market capitalization in each country. The Fund's prior regulatory benchmark, the **MSCI EAFE Index (Net)**, captures large and mid-cap representation across Developed Markets countries around the world, excluding the US and Canada. The index covers approximately 85% of the free float-adjusted market capitalization in each country.. The MSCI Net Index reflects reinvestment of dividends net of foreign withholding taxes. One cannot invest directly in an index.

Key Terms & Acronyms

Basis Point (bp) - One one-hundredth of a percentage point (0.01%, or 0.0001 in decimal), commonly used in finance to express small changes in interest rates, yields, or fees.
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.
Bias - A portfolio’s tendency to favor certain types of stocks (either unintentionally or by design). For example, a growth bias means it leans more toward growth-style stocks.
Dispersion - How spread out returns are across stocks, sectors, or managers (i.e., the “gap” between winners and losers).
Dividend Yield - The annual dividend per share divided by the current share price, expressed as a percentage, showing the return an investor receives from dividends relative to the stock’s price.
Growth - A style of investing focused on companies expected to grow revenues and earnings faster than average.
Momentum (or Price Momentum) - A tendency for stocks that have been rising recently to keep rising (and those falling to keep falling), at least for a period.
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.
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.
Quality - A style of investing focused on companies viewed as financially strong and well-run, often with characteristics such as consistent profits, strong balance sheets, stable cash flows, and high returns on capital.
Return on Equity (ROE) - A measure of a company's profitability calculated as net income divided by average shareholders' equity, expressed as a percentage, showing how efficiently the firm uses equity capital to generate profits.
Value - A style of investing focused on stocks that appear cheap relative to fundamentals (like earnings, book value, cash flow, or sales).
Volatility - A measure of how much an investment’s price varies (moves up and down) over time.