MARSH

Mercer Opportunistic Fixed Income Fund

Fund Commentary| Q3 2026

Annualized Performance (%)

As of September 30, 2026

	3 Month	CYTD	1 Year	3 Year	5 Year	10 Year	Inception*	Inception Date*
Y3 Shares	-1.66	0.57	2.30	6.97	2.26	3.12	2.37	09/01/2013
*Custom Benchmark**	*-1.26*	*0.92*	*2.88*	*7.84*	*2.64*	*3.58*	*3.18*	
I Shares	-1.73	0.26	2.01	6.69	-	-	5.54	07/01/2023
*Custom Benchmark**	*-1.26*	*0.92*	*2.88*	*7.84*	-	-	*6.80*	

*The benchmark index shown represents the Fund's performance benchmark index, which is different from the Fund's regulatory benchmark index. The Fund's regulatory benchmark index is the Bloomberg U.S. Aggregate Index and it is included in the Fund's prospectus. Effective May 1, 2025, the performance benchmark consists of 33.3% Bloomberg Barclays US High Yield (USD) Index, 33.3% Morningstar LSTA US Leveraged Loan Index, and 33.3% JP Morgan EMBI Global Diversified (USD) Index. Prior to May 1, 2025, the benchmark included different indexes at different weights, reflective of the underlying investable universes over time.

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. *Inception return is calculated from the first complete month of performance.

Market Environment

Against a backdrop of broadly rising yields, fixed income performance was generally challenged in Q3 2026. U.S. bonds declined in the third quarter as bond yields rose meaningfully across the board, driven by better-than-expected economic growth due to AI related spending and a strong consumer, heightened inflation from rising oil prices and concerns about the growing U.S. fiscal deficit. Correspondingly, the Fed raised short term interest rates for the first time in over three years.

IG credit spreads widened slightly over the quarter, with rising yields mainly responsible for negative performance in this sector. The bifurcation in high yield widened further from last quarter, with lower quality CCC bonds underperforming their higher quality counterparts. Both higher quality and lower quality high yield posted a loss over the quarter.

Leveraged loans were the only positive performing market of the quarter, particularly higher-quality loans, which were protected from rising rates due to their floating rate nature. EMD hard currency underperformed due to rising U.S. Treasury yields, as well as modest spread widening driven by outflows and rising energy costs.

Fund Performance

The Mercer Opportunistic Fixed Income Fund underperformed the OFI custom secondary benchmark for the quarter. Performance across the six sub advisors in the fund was mixed driven by curve/duration positioning, sector allocation and security selection decisions, in a quarter that saw generally negative fixed income returns primarily attributable to rising yields.

Wellington underperformed its respective benchmark for the quarter. Much of this underperformance was driven by duration positioning; the portfolio maintained a longer effective duration vs. the benchmark throughout the quarter, which detracted as treasury yields moved higher. Though Wellington narrowed the overweight to duration over the quarter, the overall long duration bias detracted. Sector allocation was also a detractor, primary due to allocations to EM corporates and an underweight exposure to bank loans.

PIMCO underperformed its respective benchmark for the quarter. Similar to Wellington, an overweight to US duration detracted, particularly exposure to the front-end and belly of the curve as rates rose over the quarter. Non-US duration positioning, especially in the UK, was a detractor as UK rates also rose over the quarter. Underweight exposure to select EM sovereign debt and tactical exposure to securitized credit offset some of the duration driven negative returns.

Ares underperformed its respective benchmark for the quarter. The underperformance was driven by relative underweight exposure to loans vs. high yield as well as selection, over a quarter which saw substantial divergence between fixed and floating rate asset exposure. CLO debt, CLO equity and BDC equity allocations were additive as they benefitted from attractive income generation and resilient credit fundamentals.

Share Class Information

	Y3	I
Ticker	MOFIX	MOFTX
Portfolio Assets	$1,997.6 Million	$0.5 Million
Gross Expense Ratio	0.68 %	0.93 %
Net Expense Ratio	0.43 %	0.67 %
Fund Inception	08/21/2013	06/27/2023

Marsh Investments US 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 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.

Fund Performance (cont.)

The Crescent loans portfolio underperformed vs. the leveraged loan index for the quarter. The underperformance was attributable to underweight positioning and specific security selection in the software loans sector. The fund did not have exposure to several issuers that sold off early in the year however, these issuers generally bounced back in Q3 resulting in underperformance.

Polen outperformed its benchmark for the quarter. Relative performance benefitted from the portfolio's income advantage. Though lower quality (C rated) debt saw a greater magnitude of spread widening vs. higher quality high yield, Polen's security selection within this cohort was additive. Positive contributions came from holdings in communications, basic industry and consumer non-cyclical sectors.

Ninety One outperformed the EMD hard currency benchmark for the quarter. Underweight exposure to hard currency bonds and a corresponding overweight to local currency was a positive as local currency outperformed hard currency over the quarter. Hard currency underweights to Panama, Uruguay and Malaysia added to returns as these countries came under pressure following the rise in US treasury yields over the quarter. Overweights to FX and local currency bonds in Nigeria was a positive as bonds rallied in response to a surprise central bank rate cut.

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Allocation of Fund Assets

The Advisor, on behalf of the Fund, has entered into subadvisory agreements with subadvisors to manage allocated portions of the assets of the Fund. Under the subadvisory agreements, each subadvisor is responsible for the day-to-day portfolio management of a distinct portion of the Fund's portfolio, subject to the Advisor's oversight. The Fund's subadvisors are:

- Ares Capital Management II LLC
- Crescent Capital Group LP
- Ninety One North America, Inc
- Pacific Investment Management Company LLC
- Polen Capital Credit, LLC
- Wellington Management Company LLP

Risk Factors

The Fund is subject to the risks associated with the underlying bonds and other fixed income securities including credit, prepayment, call and interest rate risk. As interest rates rise, the value of the Fund can go down and an investor can lose principal. The Fund may invest in foreign securities which may expose the Fund to adverse currency and exchange rate fluctuations, political, social and economic risks. Investing in derivatives (such as futures, options or swaps) and high yield bonds (also known as 'junk' bonds) 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 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. Effective May 1, 2025, the performance benchmark consists of 33.3% Bloomberg Barclays US High Yield (USD) Index, 33.3% Morningstar LSTA US Leveraged Loan Index, and 33.3% JP Morgan EMBI Global Diversified (USD) Index. Prior to May 1, 2025, the benchmark included different indexes at different weights, reflective of the underlying investable universes over time. The **Bloomberg US Corporate High Yield Bond Index** measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The **J.P. Morgan EMBI Global Diversified Index** tracks liquid, US Dollar emerging market fixed and floating-rate debt instruments issued by sovereign and quasi-sovereign entities (quasi-sovereign entities are defined as being 100% guaranteed or 100% owned by the national government).The **Morningstar LSTA US Leveraged Loan Index** is a market-value weighted index designed to measure the performance of the US leveraged loan market.

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Key Terms & Acronyms

ABS – Asset-Backed Securities are financial products created by bundling together loans, such as car loans or credit card debt, which investors can buy to receive any regular payments on those loans.
Basis Points (bps) – 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.
BDC – Business Development Companies are investment firms that provide funding to small and growing businesses, offering investors a way to earn any income from those investments.
CDX – The Credit Default Swap Index is a benchmark index used to hedge or speculate on credit risk, encompassing a diverse set of credit default swaps from North American and emerging market companies.
Credit Rating – Credit ratings are assessments by agencies (such as S&P, Moody's, and Fitch) of a bond issuer's ability to repay its debt, intended to help investors gauge credit/default risk. Generally, ratings of BBB- (S&P/Fitch) or Baa3 (Moody's) are considered lower risk, or investment grade, while BB+ or Ba1 and lower are higher risk (subinvestment grade, high yield, or junk).
CLO – Collateralized Loan Obligations are investment products that pool many loans made to companies, allowing investors to earn any income from loan payments while spreading out the risk.
CMBS – Commercial Mortgage-Backed Securities are investment products made by pooling commercial property loans, like those for office buildings or shopping centers, which investors can buy to receive any income from those loan payments.
CPI – Consumer Price Index is a measure that tracks how the prices of everyday goods and services, such as food and clothing, change over time.
Duration – A measure of how sensitive a bond's price is to changes in interest rates.
Investment Grade (IG) – A category of bonds considered to have a relatively lower risk of default, based on ratings from major credit rating agencies. Investment grade typically includes ratings of BBB- / Baa3 or higher.
MBS – Mortgage-Backed Securities are investment products made up of bundles of residential or commercial property loans that investors can buy to earn any income from payments on those loans.
RMBS – Residential Mortgage-Backed Securities are investment products made up of bundles of home loans that investors can buy to earn any income from the mortgage payments homeowners make. These may include Agency RMBS, which include home loans backed by the government, and Non-Agency RMBS, which include home loans that are not.
Spread – The extra yield (interest rate) an investor earns for taking on additional risk compared with a safer benchmark, often U.S. Treasury bonds. When spreads widen, it usually signals investors are demanding more compensation for risk; when they narrow, it can indicate improving risk sentiment.