

Market Environment

U.S. bonds delivered returns of -0.05% in a volatile Q1 as an early-quarter rally gave way in March to a steep selloff after escalating hostilities in the Middle East sent energy and commodity prices sharply higher and reignited inflation concerns. Although the Federal Reserve held the policy rate steady at 3.50–3.75%, markets materially repriced expectations away from anticipated cuts to the possibility of tighter policy later in the year, driving yields higher across the curve. Performance was uneven across sectors, with asset backed and residential mortgage backed securities among the better-performing investment grade sectors while corporate bonds lagged, and overall conditions shifted from late 2025 risk optimism toward a more selective, higher dispersion environment as investors weighed attractive carry against headwinds like elevated Treasury supply, the commodity price impacts of the Iran conflict, durability of AI led investment, and broader fiscal dynamics.

The Treasury curve shifted higher for the quarter in a bear flattener. The 2-year yield finished March at 3.79%, up 32 bps on the year, while the 10-year rose only 12 bps to 4.30%. The 30-year yield went up 4 bps to 4.88%. Spreads were broadly higher to end the quarter with U.S. investment grade corporates widening +11bps and U.S. high yield corporates widening +51bps.

Annualized Performance (%)

As of March 31, 2026

	3 Month	Year-to-Date	1 Year	3 Years	5 Years	10 Years
Y3 Shares	-0.93	-0.93	7.13	6.35	2.42	3.71
I Shares	-1.11	-1.11	6.80	-	-	-
Custom Benchmark*	-0.75	-0.75	8.26	7.31	2.69	4.19

*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.

Fund Performance

The Mercer Opportunistic Fixed Income Fund underperformed the OFI Custom Benchmark during the quarter. Performance across the six sub advisors in the fund was mixed driven by sector allocation and security selection decisions surrounding a volatile quarter amid AI disruption and the conflict in the middle east.

Wellington outperformed the OFI custom secondary benchmark by +10bps in Q1, driven primarily by sector allocation decisions. The largest contributor to relative performance was an underweight to bank loans, as the sector came under pressure in February. Positive contribution was also driven from emerging market sovereign external allocation, supported by security selection. An allocation to securitized contributed positively with non-agency MBS and CMBS adding value while ABS exposure detracted. Lastly, an out of benchmark allocation to EMD corporates and converts, was a relative detractor.

PIMCO underperformed the OFI custom secondary benchmark by -4bps in Q1, largely driven by duration positioning given an overweight to the belly of the curve as rates sold off. EM local duration also detracted from relative returns particularly and overweight exposure to South Africa at the intermediate portion of the curve as rates sold off. Overweight exposure to high yield, via CDX, also detracted from performance as concern over geopolitical and AI-related disruptions weighed on market sentiment. An underweight exposure to select emerging market debt contributed to performance amid volatility in the Middle East. An underweight to the tech sector within loans was also a relative contributor.

Ares underperformed the relative assigned benchmark (½ HY, ½ Lev Loan) by -89bps on the quarter. The primary drivers of underperformance were allocations to BDC equity and CLO equity amid elevated fears surrounding AI disruption and general private credit sentiment. Ares maintains conviction in these "off benchmark" allocations and have marginally been adding to high quality BDC names given attractive discounts to NAV while fundamentals remain relatively stable.

Share Class Information

	Y3	I
Ticker	MOFIX	MOFTX
Gross Expense Ratio	0.84%	1.09%
Net Expense Ratio	0.43%	0.68%

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 Annual Financial Statement 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").

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.

Fund Performance (cont.)

Polen outperformed the relative assigned benchmark (high yield bonds) by +2bps in Q1, driven by security selection. Relative performance also benefits from the portfolio's income advantage and shorter duration amid rising treasury yields. Additional contributions came from the portfolio's consumer non-cyclical holdings as well as holdings rated Caa2, Ba3, Ba2 and B2, all of which outperformed those of the benchmark.

Crescent outperformed the relative assigned benchmark (loans) by +41bps in Q1, driven by underweight position and security selection in software as the fund avoided many of the issuers that sold off during the quarter. To a lesser extent, the Fund benefited from security selection in communications equipment and commercial services and supplies.

Ninety-One underperformed the relative assigned benchmark (J.P. Morgan EMBI Global Diversified Index) by -39bps in Q1. Underweight positioning in Venezuela's hard currency bonds detracted from relative performance as the bonds rallied sharply over January following the removal of President Maduro. Exposure to local bonds in Peru weakened toward the end of the quarter as these are sensitive to global moves in interest rates, with rising US treasury yields therefore weighing on this market. An overweight position in South Africa also detracted from performance. The bonds are sensitive to global risk sentiment which weakened in March, leading to significant outflows. The portfolio's underweight position in the United Arab Emirates (UAE) and Bahrain's hard currency bonds added to relative performance. The bonds came under pressure from both wider credit spreads and the rise in US Treasury yields.

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. 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 and especially frontier markets are subject to special risks that are not normally associated with more developed foreign markets. The magnification of risks in frontier markets is the result of potential for extreme price volatility and illiquidity, government ownership or control of parts of private sectors and new or unsettled securities laws in many frontier countries.

The Fund may invest in derivative instruments such as exchange-listed equity futures contracts, swaps and currency forwards 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 can be no assurance that any fund will achieve its objective.

Index Disclosures

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.

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.

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.