

Compliance policy

welcome to brighter



March 2021

Proxy Voting Policy

Summary

Mercer Investments LLC and Mercer Trust Company LLC (collectively, “Mercer”) retain highly qualified subadvisors to manage client accounts, including respectively, the Mercer Funds (“Funds”) and collective investment trusts. These managers have detailed knowledge of the investments they make on behalf of these clients and Funds and are therefore in a position to judge what is in the best interests of the clients and Funds as shareholder. With respect to the Funds, Mercer Investments LLC, as the Funds’ advisor, recommends and monitors subadvisors for the Funds, and therefore the Funds’ Board of Trustees believes it is in the best interest of the Funds to adopt the proxy voting policies of Mercer, as described below.

SCOPE

This policy applies to all Mercer colleagues and to the Mercer Funds.

POLICY STATEMENT

Mercer believes that voting rights have economic value and must be treated accordingly. Proxy votes that impact the economic value of client investments

[Internal use only](#)

This document supersedes and replaces any previous Mercer documents on this subject. Mercer reserves the right to modify, suspend or terminate this document at any time.

A business of Marsh McLennan

involve the exercise of fiduciary responsibility, and to that end, Mercer delegates this responsibility to subadvisors with respect to the underlying portfolio securities managed on behalf of client accounts, including the Funds. When voting (or not voting) proxies for retirement assets governed by the United States Department of Labor and its Employee Retirement Income Security Act of 1974 (ERISA), plan fiduciaries, including Mercer, must consider only the pecuniary impact of their proxy votes on the plan's investments. The use of ERISA plan assets to further policy-related or political issues through proxy resolutions that are not likely to enhance the economic value of an investment is prohibited.

Good corporate governance should, in the long term, lead toward both better corporate performance and improved shareholder value. Thus, Mercer expects subadvisors to vote based on the premise that board members of companies in which they have invested client assets should act in the service of the shareholders, view themselves as stewards of the financial assets of the company, exercise good judgment and practice diligent oversight with the management of the company. Underlying Mercer's voting policy are four fundamental objectives:

Mercer expects subadvisors to act in the best financial interests of Mercer clients and the Funds, as applicable, to protect and enhance the long-term value of their investments;

In order to do this effectively, Mercer expects subadvisors to utilize the full weight of Mercer client or Fund shareholdings in ensuring that their views have maximum impact in every vote;

Mercer expects subadvisors to have a strong commercial interest in ensuring that the companies in which they invest client and Fund assets are successful and to actively pursue this interest by promoting best practice in the boardroom; and

Mercer expects subadvisors to have appropriate procedures in place to deal with conflicts of interest in voting proxies; to that end, Mercer will not instruct subadvisors how to vote proxies.

For ERISA plan assets, when deciding whether to exercise – and in exercising – the right to vote proxies and other shareholder rights, in order to meet ERISA’s prudence and loyalty standards, fiduciaries, including Mercer, must comply with the following principles:

1. act solely in accordance with the economic interest of the plan client and/or collective investment trust;
2. consider any costs involved;
3. not subordinate the interests of the plan clients or collective investment trusts to any non-pecuniary objective, or promote non-pecuniary benefits or goals unrelated to those financial interests;
4. evaluate material facts that form the basis for any particular proxy vote or other exercise of shareholder rights;
5. maintain records on proxy voting activities and other exercises of shareholder rights; and
6. exercise prudence and diligence in the selection and monitoring of persons, if any, selected to advise or otherwise assist with exercises of shareholder rights, such as providing research and analysis, recommendations regarding proxy votes, administrative services with voting proxies, and recordkeeping and reporting services.

Mercer has implemented this policy in order to support and encourage subadvisors to exercise sound corporate governance practice when voting proxies. Mercer Investments LLC will require all Fund subadvisors to provide to it their proxy policies; any material revisions thereto must be provided to Mercer Investments LLC as soon as is practicable, and as part of the periodic compliance due diligence process (see “North America Subadvisor Due Diligence Procedures”). Mercer Investments LLC will ensure that the Funds’ Board of Trustees receive copies of subadvisors’ proxy policies, or summaries thereof, and Mercer Legal and/or Compliance personnel will review each Fund subadvisor’s proxy voting policy as part of that review process.

Proxies that are inadvertently delivered to Mercer rather than to a subadvisor will be sent immediately to the appropriate contact at that subadvisor. Additionally, Mercer personnel will follow up with the subadvisor contact to ensure receipt.

In certain circumstances, such as with respect to client investments in commingled investment funds managed by a subadvisor, Mercer retains responsibility to vote proxies on behalf of clients (unless directed otherwise by the client). In those cases, it is Mercer's policy to vote in the best financial interests of its clients and, as applicable, to protect and enhance the long-term value of their investments. The applicable discretionary investment committee with respect to the client account shall be authorized to vote these proxies after consideration of potential conflicts of interest as described below, and in the case of ERISA plan assets, in compliance with the six principles described above.

Conflicts of Interest

Mercer and each of its subadvisors have respectively adopted a Code of Ethics, Insider Trading Policy, and other compliance policies and procedures to preserve the independence of its investment advice to its clients (including the Mercer Funds). Nonetheless, from time to time, a proxy proposal may involve an apparent conflict between the interests of Mercer's or its subadvisors' clients and the interests of Mercer, its subadvisors or any affiliated person of Mercer. As described above, Mercer expects each subadvisor to have in place policies and procedures designed to address conflicts of interest in the proxy voting process. In those circumstances where Mercer votes a proxy related to a client or Fund holding, in reviewing these proxies to identify any potential material conflicts between the interests of Mercer and affiliated persons and those of its clients, Mercer will consider:

Whether Mercer, its subadvisors and affiliated persons have an economic incentive to vote in a manner that is not consistent with the best interests of Mercer's clients. For example, Mercer may have an economic incentive to vote in a manner that would please corporate management if Mercer or an affiliate were in the process of seeking a client relationship with a company and wanted that

company's corporate management to direct business to Mercer. Such business could include, among other things, managing company retirement plans or serving as consultant for the company and its pension plans;

Whether there are any existing business or personal (including familial) relationships between a Mercer employee and the officers or directors of a company whose securities are held in client accounts that may create an incentive to vote in a manner that is not consistent with the best interests of its clients; or

Whether the shareholder proposing a resolution on a proxy of a company whose securities are held in client accounts is also a client of Mercer.

Form N-PX – Reporting; Disclosure of Proxy Voting Information

Pursuant to Section 30 of the Investment Company Act of 1940, the Funds must file their complete proxy voting record with the Securities and Exchange Commission (“SEC”) on [Form N-PX](#) not later than August 31 of each year for the most recent twelve-month period ended June 30. Mercer Investments LLC has delegated the gathering of this information from the Fund's subadvisors to a proxy voting vendor. The vendor shall both file Form N-PX with the SEC and provide the required website to which Mercer Investments LLC may link its internet site in order to make such information available to Mercer Funds shareholders.

The Funds will disclose the Funds', Mercer Investments LLC's and each subadvisor's proxy voting policies, or will provide a description or copy of them, as applicable, in the Statement of Additional Information (the “SAI”) included in the Funds' Registration Statement on Form N-1A. The Funds will disclose that these proxy voting policies, or a description of them, are available without charge, upon request on the SEC's website at <http://www.sec.gov>. Upon any request for a proxy voting policy, or description, the policy or the description (or a copy of the most recent SAI containing the policy or description) will be sent by first-class mail or other prompt delivery method within three business days of receipt of the request. The Funds will also disclose in the SAI that information is available about how the

Funds voted proxies during the most recent twelve-month period ended June 30 on the SEC's website at <http://www.sec.gov>.

REPORTING

Clients other than the Funds and their shareholders may obtain information about how their proxies were voted by contacting Mercer. Availability of proxy voting reports shall be described in Mercer Investments LLC's Form ADV, Part 2A.

MAINTENANCE OF RECORDS

Mercer shall maintain and preserve permanently in an easily accessible place a copy of these Procedures and any modifications thereto. In addition, Mercer shall also maintain the following records relating to proxy voting in the event that Mercer, rather than a subadvisor, votes a proxy:

A copy of each proxy statement that Mercer receives regarding client securities which is not provided to a subadvisor;

A record of each vote cast by Mercer on behalf of a client;

Documentation relating to the identification and resolution of conflicts of interest related to the vote, if applicable.

All required records shall be maintained and preserved in an easily accessible place for a period of not less than seven years, the first two years in an easily accessible place.

DELEGATION

Nothing in this policy shall be interpreted to prevent Mercer Investments LLC's, Mercer Trust Company LLC's and/or the Funds' Chief Compliance Officer ("CCO") from relying upon work performed, and reports written, by persons under the CCO's supervision, provided the CCO determines that such delegation is appropriate.

EXCEPTIONS

Any exceptions to this policy must be approved, in writing, by the CCO.

RESOURCES

Any questions regarding this policy should be raised with the CCO or a member of the Legal & Compliance Department. ■

Last Amended:	March 2021
Last Reviewed:	March 2021