

Sustainable Finance Disclosure Regulation ("SFDR") and Taxonomy Regulation Disclosures (continued)

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Product name:
Mercer Diversified Growth Fund

Legal entity identifier:
635400C72M37GX5EBX95

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective? <input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes <input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No	
<input type="checkbox"/> It made sustainable investments with an environmental objective : % <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective : %	<input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 31.1% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with a social objective <input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Sub-Fund's environmental characteristics are to seek to mitigate the impact of climate change through progressive decarbonisation within the Sub-Fund's portfolio. The Sub-Fund will seek to reduce carbon emissions with a view to achieving net zero carbon emissions by 2050, and with an expectation of a 6% annualised reduction with a view to achieving at least a 45% reduction from 2019 levels by 2030, calculated relative to the size of the Sub-Fund.

The Sub-Fund commits to making a minimum allocation to sustainable investments of 20%. The Investment Manager measured the attainment of the environmental and social characteristics by

- assessing the Weighted Average Carbon Intensity ('WACI') of the fund over the year to 30 June 2023 and since the baseline of end December 2019.
- assessing if the Sub-Fund met the minimum commitment to sustainable investments.

Please refer to the section below, "How did the sustainability indicators perform?", which provides information about the extent that the Fund met such environmental and social characteristics

● **How did the sustainability indicators perform?**

The Sub-Fund's WACI and absolute carbon emissions relative to the size of the Sub-Fund ("Carbon Footprint"), is set out below, as at December 2019 (the baseline), end of June 2022 and end of June 2023. Carbon footprint

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data is not available for December 2019.

The Sub-fund met its minimum commitment to sustainable investments throughout the applicable reporting period. The level of sustainable investments in the portfolio as at the date of reporting can be found in the table below.

Date	Carbon Footprint (Scope 1 and 2 emissions tCO2 per M invested)
31/12/2019	n/a
30/06/2022	82
30/06/2023	81

Date	WACI (Scope 1 and 2 emissions tCO2 per M Revenue)
31/12/2019	344
30/06/2022	272
30/06/2023	214

Level of Sustainable Investment
31.1%

● ***...and compared to previous periods?***

Not applicable. This is the first periodic reporting annex produced for this Sub-Fund.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The Sub-Fund's sustainable investments aimed to make a positive contribution to environmental objectives (namely, climate change adaptation and/or climate change mitigation) or social objectives (namely, the protection and/or advancement of economic, social and civil rights). Positive contribution to these objectives was measured under the Investment Manager's sustainable investments framework which requires positive alignment with reference to one or more of the UN Sustainable Development Goals (SDGs). The Investment Manager's set and applied an internal threshold for each of the environmental and social SDGs at a target level considered appropriate and representative of a sufficiently positive contribution.

During the period, the Investment Manager assessed (with ongoing monitoring) that those investments deemed to be sustainable investments, had a positive alignment exceeding the internal threshold set to one or more of the SDGs.

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Principal adverse impacts are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The Investment Manager assessed the sustainable investments to ensure that each investment did no significant harm to any environmental or socially sustainable investment objective through a consideration and appropriate use of relevant principal adverse sustainability indicators ("PAI Indicators").

How were the indicators for adverse impacts on sustainability factors taken into account?

Each PAI Indicator has been individually assessed, and where relevant, an absolute threshold or a relative threshold was set to ensure that the investee company did not breach the "do no significant harm" principle.

The Investment Manager has set an absolute threshold on PAIs 4,7,10 and 14, and relative thresholds on PAIs 2, 3, 6 and 13.

Any investment determined as breaching these thresholds was no longer considered a sustainable investment.

For certain PAI Indicators, the Investment Manager has determined that setting a threshold is not appropriate to determine that the investment does not cause significant harm. For example, certain PAI Indicators have inferior levels of data coverage and availability which can undermine the value or integrity of the given PAI Indicator. This can arise where data for a PAI Indicator is based on voluntary and non-standardised reporting by investee companies, or where the methodologies employed by investee companies are not comparable or available.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

For any potential sustainable investments, the Investment Manager considered the mandatory social PAIs (including PAI10 Violations of UNGC principles and OECD Guidelines for Multinational Enterprises) in reaching its determination that how sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The Investment Manager used a third-party data provider for information to assess and monitor companies for UNGC compliance.

Under the Investment Manager's framework any companies identified as UNGC violators are not considered sustainable investments.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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**How did this financial product consider principal adverse impacts on sustainability factors?**

Where a Principal Adverse Impact (PAI) is integrated into investment considerations, management of the portfolio is completed with due consideration to reducing the negative impact of that indicator. Identified PAIs and the impact of mitigating actions taken and any planned in respect of those PAIs are formally monitored at the quarterly investment risk management committee meetings and more regularly by the Portfolio Management team.

The PAIs for this financial product are set out below. These metrics are an average of each quarter end over the reporting period.

Indicator	Metric	Measure	Data Coverage %
Scope 1 GHG emissions	311553.7482	tCO2	63
Scope 2 GHG emissions	64838.87469	tCO2	63
Scope 3 GHG emissions	1625564.794	tCO2	63
Total GHG emissions (Scope 1,2 and 3 emissions)	2001957.417	tCO2	63
Carbon footprint (Scope 1,2 and 3 emissions)	584.7835089	tCO2 per M invested	53
GHG intensity of investee companies	1163.354697	tCO2	54
Exposure to companies active in the fossil fuel sector	15.76353677	Percentage	55
Share of non-renewable energy consumption and production	83.89999586	Percentage	40
Energy consumption intensity per high impact climate sector	34.06589059	GwH per million EUR invested	2
Activities negatively affecting biodiversity-sensitive areas	0.169854088	Percentage	53
Emissions to water	35.69448954	Tonnes per million EUR invested	4
Hazardous waste and radioactive waste ratio	2.799278958	Tonnes per million EUR invested	17
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.478098495	Percentage	54
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	65.79479546	Percentage	53
Unadjusted gender pay gap	12.7110904	Percentage	10
Board gender diversity	28.53844823	Percentage	29
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.028745964	Percentage	53
GHG intensity of investee countries	431.6016242	tCO2	2
Investee countries subject to social violations (absolute)	125	Percentage	6
Investee countries subject to social violations (relative)	1.820685435	Percentage	6
Investments in companies without carbon emission reduction initiatives	40.21249509	Percentage	6
Lack of a human rights policy	18.94567786	Percentage	53
Average income inequality score	39.18016426	Ratio	2

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What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: The top investments of the Sub-Fund as at the reporting period are shown below.

Largest investments	Sector	% Assets	Country
ISHARES GLOBAL INFLATION LINKE ISHARES GLB I LI BD IN FEA	PRIVATE	5.77%	IRELAND
PIMCO FUNDS GLOBAL INVESTORS PIMCO ASIA HGH YLD BD INSACC	PRIVATE	2.98%	IRELAND
INVESCO PHYSICAL GOLD ETC INVESCO PHYSICAL GOLD ETC	PRIVATE	2.94%	IRELAND
TREASURY BILL 08/23 0.00000	GOVERNMENT	1.90%	UNITED STATES
TAIWAN SEMICONDUCTOR MANUFAC COMMON STOCK TWD10.0	Information Technology	0.87%	TAIWAN
APPLE INC COMMON STOCK USD.00001	Information Technology	0.77%	UNITED STATES
TREASURY BILL 07/23 0.00000	GOVERNMENT	0.67%	UNITED STATES
TREASURY BILL 12/23 0.00000	GOVERNMENT	0.65%	UNITED STATES
PROLOGIS INC REIT USD.01	Real Estate	0.64%	UNITED STATES
MICROSOFT CORP COMMON STOCK USD.00000625	Information Technology	0.59%	UNITED STATES
TREASURY BILL 09/23 0.00000	GOVERNMENT	0.51%	UNITED STATES
TENCENT HOLDINGS LTD COMMON STOCK HKD.00002	Communication Services	0.50%	CAYMAN ISLANDS
SAMSUNG ELECTRONICS CO LTD COMMON STOCK KRW100.0	Information Technology	0.50%	KOREA
TREASURY BILL 11/23 0.00000	GOVERNMENT	0.42%	UNITED STATES

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Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

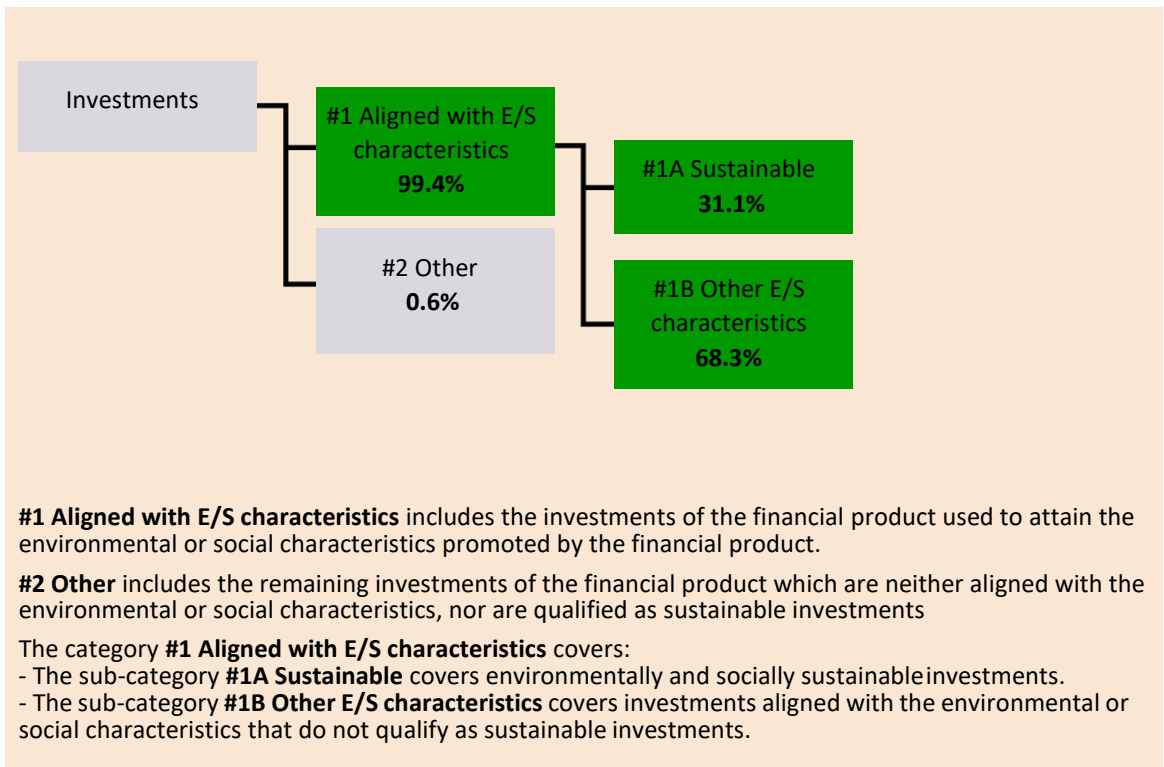
Please see the information below in this respect.

● **What was the asset allocation?**

99.4% of the Sub-Fund’s assets were delegated to the appointed Sub-Investment Manager(s) to manage the Sub-Fund in line with the environmental and/or social characteristics promoted by the Sub-Fund. The Sub-Fund did not use derivatives to attain the environmental or social characteristics promoted by the Sub-Fund. The Sub-Fund invested 31.1% in sustainable investments.

The remaining 0.6% of the Sub-Fund’s assets are in other investments (“#2 Other”), which are not aligned with environmental and/or social characteristics promoted by the Sub-Fund.

These figures and the below table is as at the reporting date. The Sub-Fund met its expected asset allocation and minimum sustainable investment commitment at all times during the reporting period.



Sustainable Finance Disclosure Regulation ("SFDR") and Taxonomy Regulation Disclosures (continued)

● **In which economic sectors were the investments made?**

The sectors and sub-sectors where investments of the Sub-Fund were made are set out below. These figures are as at the reporting date.

*Percentages may not add to 100% due to cash and derivative exposure.

Sector	Sub-Sector	% Assets
Government	Sovereign	14.48%
Government	Regional Banks	0.04%
Private	Funds	11.73%
Financials	Banks	5.53%
Financials	Insurance	1.66%
Financials	Financial Services	1.59%
Financials	Diversified Financials	0.64%
Financials	MULTI-NATIONAL	0.20%
Financials	SOVEREIGN	0.19%
Financials	Commercial & Professional Services	0.10%
Financials	Real Estate	0.09%
Financials	INVESTMENT COMPANIES	0.07%
Financials	REGIONAL(STATE/PROVNC)	0.03%
Real Estate	Equity Real Estate Investment	8.79%
Real Estate	Real Estate	0.70%
Real Estate	Real Estate Management & Devel	0.53%
Information Technology	Technology Hardware & Equipmen	2.94%
Information Technology	Semiconductors & Semiconductor	2.65%
Information Technology	Software & Services	2.47%
Information Technology	Capital Goods	0.08%
Information Technology	Telecommunication Services	0.06%
Information Technology	Commercial & Professional Services	0.02%
Industrials	Capital Goods	3.11%
Industrials	Transportation	2.56%
Industrials	Commercial & Professional Serv	1.28%
Industrials	Materials	0.15%
Industrials	Industrials	0.08%
Industrials	Consumer Services	0.07%
Industrials	Automobiles and Components	0.04%
Industrials	ENGINEERING&CONSTRUCTION	0.01%
Consumer Discretionary	Consumer Discretionary Distrib	1.19%
Consumer Discretionary	Automobiles & Components	1.92%
Consumer Discretionary	Consumer Durables & Apparel	1.07%
Consumer Discretionary	Consumer Services	0.93%
Consumer Discretionary	Retailing	0.55%
Consumer Discretionary	ENTERTAINMENT	0.31%
Consumer Discretionary	LODGING	0.26%
Consumer Discretionary	LEISURE TIME	0.18%
Consumer Discretionary	Commercial & Professional Services	0.17%
Consumer Discretionary	Real Estate	0.12%
Consumer Discretionary	Software & Services	0.08%
Consumer Discretionary	Household & Personal Products	0.08%
Consumer Discretionary	Food, Beverage & Tobacco	0.05%
Consumer Discretionary	Health Care Equipment & Services	0.02%
Utilities	Utilities	6.32%
Utilities	Energy	0.02%
Health Care	Pharmaceuticals Biotechnology	3.60%
Health Care	Health Care Equipment & Servic	1.86%

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Communication Services	Telecommunication Services	2.40%
Communication Services	Media & Entertainment	1.68%
Communication Services	Software & Services	0.85%
Communication Services	Commercial & Professional Services	0.07%
Communication Services	ENTERTAINMENT	0.07%
Materials	Materials	3.13%
Materials	Capital Goods	0.44%
Materials	MINING	0.03%
Consumer Staples	Food Beverage & Tobacco	1.99%
Consumer Staples	Household & Personal Products	1.00%
Consumer Staples	Consumer Staples Distribution	0.50%
Consumer Staples	AGRICULTURE	0.06%
Consumer Staples	Pharmaceuticals, Biotechnology & Life Sciences	0.02%
Consumer Staples	Health Care Equipment & Services	0.01%
Energy	Energy	2.70%
Energy	OIL&GAS	0.14%
Energy	Retailing	0.03%
Energy	PIPELINES	0.02%
Energy	Utilities	0.01%
MORTGAGE SECURITIES	UMBS COLLATERAL	0.09%
MORTGAGE SECURITIES	WL COLLATERAL CMO	0.04%
MORTGAGE SECURITIES	COMMERCIAL MBS	0.02%
DERIVATIVES	DERIVATIVES	0.14%
SHORT TERMS	Cash	-0.03%
ASSET BACKED SECURITIES	OTHER ABS	0.05%
ASSET BACKED SECURITIES	Automobile ABS	0.01%
ASSET BACKED SECURITIES	HOME EQUITY ABS	0.01%
Securitized	WL Collateral CMO	0.04%
Securitized	Other ABS	0.02%
Securitized	Commercial MBS	0.02%
Conglomerates	Holding Companies-Divers	0.02%

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To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:
 - **turnover** reflecting the share of revenue from green activities of investee companies
 - **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
 - **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not commit to making environmentally sustainable investments within the meaning of the EU Taxonomy Regulation, and, accordingly, 0% of its sustainable investments with an environmental objective are considered as aligned with the EU Taxonomy.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy⁽¹⁾?

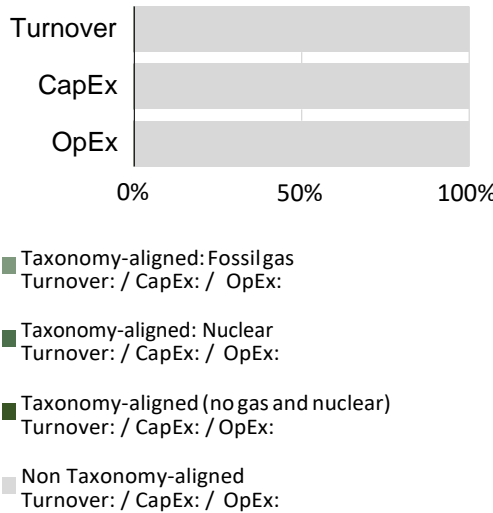
Yes:

In fossil gas In nuclear energy

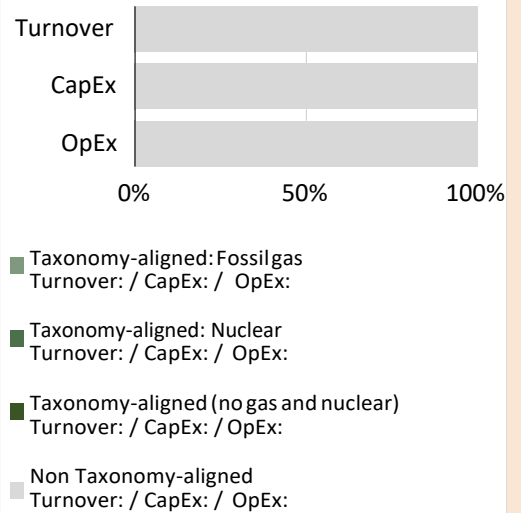
No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy alignment of sovereign bonds, the first graph shows the taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents of the total Investments.

* For the purpose of these graphs, 'sovereigns bonds' consist of all sovereign exposures.

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Sustainable Finance Disclosure Regulation ("SFDR") and Taxonomy Regulation Disclosures (continued)

● **What was the share of investments made in transitional and enabling activities?**

For the purposes of this report, 0% of the Sub-Fund's investments were identified as being in transitional and enabling activities within the meaning of the EU Taxonomy Regulation.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable. This is the first periodic reporting annex produced for this Sub-Fund.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



● **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Sub-Fund had 31.1% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy and/or sustainable investments with a social objective. The Investment Manager's sustainable investments framework measures contribution to an environmental and/or social objectives of the sustainable investments through their positive contribution to one or more of the environmental and social SDGs. Consequently, the Sub-Fund does not distinguish between sustainable investments with an environmental or social objective. Accordingly, the Sub-Fund's proportion of sustainable investments is a mix of sustainable investments with an environmental objective that is not aligned with the EU Taxonomy or a social objective or a combination of both, and the exact composition may fluctuate.



● **What was the share of socially sustainable investments?**

The Sub-Fund had 31.1% in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy and/or sustainable investments with a social objective.

The Investment Manager's sustainable investments framework measures contribution to an environmental and/or social objectives of the sustainable investments through their positive contribution to one or more of the environmental and social SDGs. Consequently, the Sub-Fund does not distinguish between sustainable investments with an environmental or social objective. Accordingly, the Sub-Fund's proportion of sustainable investments is a mix of sustainable investments with an environmental objective that is not aligned with the EU Taxonomy or a social objective or a combination of both, and the exact composition may fluctuate.



● **What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

The 0.6% of assets which fell into the sub-category "#2 Other" represents the assets which were used for efficient portfolio management purposes or ancillary liquidity only. Such assets were cash, FX and financial derivative instruments which are used for liquidity management and hedging, and such assets are not subject to any minimum environmental or social safeguards.

Sustainable Finance Disclosure Regulation ("SFDR") and Taxonomy Regulation Disclosures (continued)**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

In addition to identification and analysis of PAIs, the Investment Manager utilised the following mechanisms and guiding principles in order to meet the Sub-Fund's environmental characteristics during the reference period:

Investment Strategy: As part of the selection and continued monitoring of investments in underlying funds, the Investment Manager completed initial and ongoing diligence of underlying fund exposures by appointed sub-investment managers to the underlying funds. Carbon emissions and intensity metrics were taken into account by the portfolio management team when making asset allocation changes with the aim of ensuring that investment decisions were made in line with the binding commitment of progressive decarbonisation.

The Investment Manager implemented the strategy through investing in underlying funds which delegate investment management activities to appointed third party sub-investment managers (directly or at underlying fund level). The Investment Manager applied its oversight to the underlying fund portfolios and activities of the sub-investment managers throughout the reference period to ensure that the investment processes were implemented effectively on a continuous basis in line with the Sub-Fund's binding commitments and monitored the Sub-Fund's portfolio exposures using the ongoing monitoring of the sustainability indicators.

**How did this financial product perform compared to the reference benchmark?**

There is no index designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by this Sub-Fund.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.