

# MERCER ADVISORS PRIVATE ASSET MANAGEMENT, INC.

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## **Item 1 – Cover Page**

**This brochure provides information about the qualifications and business practices of Mercer Advisors Private Asset Management, Inc. (“Mercer Private Asset”). If you have any questions about the contents of this brochure, please contact us at (888) 885-8101. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**References herein to Mercer Private Asset as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

**Additional information about Mercer Private Asset also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2            Material Changes**

Since the initial filing on November 13, 2023, There have been no material changes to this brochure.

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#### **Item 4            Advisory Business**

- A. Mercer Advisors Private Asset Management, Inc. (“Mercer Private Asset” of the “Firm”) is a corporation formed in the state of Delaware in January 2023. Mercer Private Asset became registered with the U.S. Securities and Exchange Commission (“SEC”) in September 2023. The Firm is solely owned by Mercer Advisors Private Holdings, Inc., which in turn is owned by Mercer Advisors Inc.

B.

#### **INVESTMENT ADVISORY SERVICES**

Mercer Private Asset provides discretionary investment advisory services on a fee basis limited to affiliated private investment vehicles.

#### **IMPLEMENTATION THROUGH AN AFFILIATED INVESTMENT ADVISER**

The Firm does not provide investment supervisory, investment management, investment reporting, or investment implementation services to participants of its affiliated private investment vehicles. Rather, in the event that individuals and/or institutions desire to implement investment advisory services, Mercer Private Asset will recommend Mercer Global Advisors Inc. (an affiliated SEC registered investment adviser firm, to provide investment advisory services (*See* Item 10.C below).

#### **Investment Manager of Affiliated Private Investment Funds**

Mercer Private Asset serves as the Investment Manager of, and provides discretionary investment management services to, affiliated private funds. The affiliated private funds are offered to qualified investors in accordance with the terms and conditions of the affiliated private funds offering documents.

The affiliated private funds are available to investors through introductions from the investor’s investment adviser. As such, other than confirming that the prospective investor qualifies for the affiliated private fund per the responses set forth on the affiliated private fund subscription documents, the individual’s investment advisor maintains initial and ongoing responsibility to counsel its investor client as to the suitability of the private fund and any of its underlying investment strategies.

#### **Important Disclosures**

**Use of Mutual and Exchange Traded Funds:** Most mutual funds and exchange traded funds are available directly to the public. Therefore, a prospective client can obtain many of the funds that may be utilized by Mercer Private Asset while managing its affiliated private funds, independent of becoming a fund participant.

In addition to the Firm’s investment advisory fee described below, and transaction and/or custodial fees discussed below, the affiliated funds will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).

**Portfolio Activity:** Mercer Private Asset has a fiduciary duty to provide services consistent with the client’s best interest. As part of its investment advisory services, the Firm will

review fund portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Mercer Private Asset determines that changes to a fund's portfolio are neither necessary nor prudent.

**Cash Positions:** Mercer Private Asset treats cash as an asset class. As such, unless determined to the contrary by the Firm, all cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating the Firm's advisory fee. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Mercer Private Asset's advisory fee could exceed the interest paid by the client's cash positions.

### **Additional Disclosures Related to the Affiliated Private Funds**

As discussed above, Mercer Private Asset serves as the Investment Manager of, and provides discretionary investment management services to the affiliated private funds. The terms and conditions for participation in the affiliated private funds including fees, conflicts of interest, and risk factors, are set forth in each fund's respective offering documents.

Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each investor for review and consideration. Unlike liquid investments that an investor may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective investor will be required to complete a Subscription Agreement, pursuant to which the investor shall establish that they are qualified for investment in the fund, and acknowledge and accept the various risk factors that are associated with such an investment.

- C. Mercer Private Asset shall provide investment advisory services specific to the needs of each of the affiliated private funds and the Firm shall allocate investment assets consistent with the designated investment objective of each of the affiliated private funds.
- D. Mercer Private Asset does not sponsor or provide investment management services through a wrap fee program.
- E. As of March 30, 2024, the Firm had \$0 in assets under management on a discretionary basis.

## **Item 5 Fees and Compensation**

A.

### **INVESTMENT ADVISORY SERVICES**

As the investment adviser to the affiliated private funds, Mercer Private Asset shall receive compensation in the form of management fees per the specific terms of each private fund.

For further information pertaining to the calculation of the Firm's management fee please review each fund's subscription documents and private placement memoranda.

- B. The affiliated private funds allow for Mercer Private Asset to deduct its fees directly from fund assets in compliance with regulatory procedures. In the limited event that the Firm bills an affiliated private fund directly, payment is due upon receipt of Mercer Private Asset's invoice.

In the event that an affiliated private fund does not have sufficient liquid assets to pay the Firm's fee, the fee shall accrue until such time that the affiliated private fund has sufficient liquid assets, at which time Mercer Private Asset shall collect the full amount of its fee.

- C. As discussed below, unless otherwise directed, Mercer Private Asset generally recommends Fidelity Investments, LLC ("Fidelity") serve as the broker-dealer/custodian for the affiliated private funds. Broker-dealers charge brokerage commissions and/or transaction fees for effecting certain securities transactions. In addition to Mercer Private Asset's investment management fee, brokerage commissions and/or transaction fees, the private funds will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).
- D. The Firm, in its sole discretion, may charge a lesser investment advisory fee or waive its fee entirely.
- E. Neither the Firm, nor its representatives accept compensation from the sale of securities or other investment products.

## **Item 6            Performance-Based Fees and Side-by-Side Management**

Mercer Private Asset does not receive performance fees or incentive compensation.

## **Item 7            Types of Clients**

Mercer Private Asset provides discretionary investment management services to affiliated private funds.

## **Item 8            Methods of Analysis, Investment Strategies and Risk of Loss**

- A. Mercer Private Asset may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
  - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

Mercer Private Asset may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

**Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Mercer Private Asset) will be profitable or equal any specific performance level(s).

All investment strategies have certain risks that are borne by the investor. Although there is no way to list all risks involved with investing, the following are common risks born by the majority of investors:

**Interest Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, bond prices generally fall.

**Market Risk:** Asset prices may drop in reaction to certain unforeseen events. Also referred to as exogenous risk, this type of risk is caused by external factors independent of a security's particular underlying fundamentals or intrinsic value. For example, geo-political, economic, legislative, and/or societal events may amplify market risk.

**Inflation Risk:** When inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

**Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

**Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.

**Business Risk:** These risks are associated with a particular industry or a particular company within an industry. Some industries and/or companies may have historically demonstrated more stability than others. Economic factors and business functions are constantly changing. Past results are no guarantee of future performance.

**Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product.

**Financial Risk:** Also referred to as leverage risk. Excessive borrowing to finance a business' operations may lead to financial strain and the ability to generate profits or meet certain obligations. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

**Counterparty Risk:** The risk that each party may not be able to meet its contractual obligations. This may also be referred to as default risk for fixed income investments. In rare circumstances, the underlying securities within registered investment products may become illiquid which may restrict the ability of investors to redeem shares at quoted prices.

**Execution Risk:** The risk that buy/sell transactions may not be executed at favorable prices. This may occur during periods of abnormal market conditions.

- B. Mercer Private Asset's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks.

Mercer Private Asset's primary investment strategies - Long Term Purchases and Short-Term Purchases are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer-term investment strategy.

- C. Currently, the Firm primarily allocate investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds, ETFs, real estate and unaffiliated private investment funds on a discretionary basis in accordance with each fund's respective strategy.

## **Item 9            Disciplinary Information**

Mercer Private Asset is obligated to disclose any disciplinary event that would be material to a client or potential client. Mercer Private Asset, as a firm, has no legal, financial, or other "disciplinary" item(s) to report.

Please refer to the Form ADV Part 2B for individual investment advisor disclosure information.

## **Item 10          Other Financial Industry Activities and Affiliations**

**Affiliated Investment Adviser Firms** Mercer Private Asset is solely owned by Mercer Advisors Private Holdings, Inc. and is affiliated with Mercer Global Advisors, Inc., a SEC registered investment advisor firm (CRD# 147363) ("Mercer Advisors") and Regis Acquisitions Inc., also a SEC registered investment advisor firm (CRD# 323495).

**Affiliated Broker Dealer** Heim, Young & Associates Inc. ("HYA") is an affiliated broker dealer (CRD #38993).

**Affiliated Insurance Companies** Mercer Advisors Insurance Services, LLC ("MAIS") and HYA are affiliated insurance agencies.

## **Item 11          Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

- A. Mercer Private Asset maintains an investment policy relative to personal securities transactions. This investment policy is part of Mercer Private Asset's overall Code of Ethics, which serves to establish a standard of business conduct for all of Mercer Private Asset's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Mercer Private

Asset also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Mercer Private Asset or any person associated with Mercer Private Asset.

- B. As disclosed above, Mercer Private Asset has a financial interest in the affiliated private funds. The terms and conditions for participation in the affiliated private funds, including management fees, conflicts of interest, and risk factors, are set forth in the fund's offering documents.
- C. Mercer Private Asset and/or representatives of Mercer Private Asset *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Mercer Private Asset and/or representatives of Mercer Private Asset are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Mercer Private Asset did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Mercer Private Asset's clients) and other potentially abusive practices.

Mercer Private Asset has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Mercer Private Asset's "Access Persons". Mercer Private Asset's securities transaction policy requires that an Access Person of Mercer Private Asset must provide the Chief Compliance Officer or their designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Mercer Private Asset selects; provided, however that at any time that Mercer Private Asset has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Mercer Private Asset and/or representatives of Mercer Private Asset *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Mercer Private Asset and/or representatives of Mercer Private Asset are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11.C, Mercer Private Asset has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Mercer Private Asset's Access Persons.

## **Item 12      Brokerage Practices**

- A. Mercer Private Asset generally recommends Fidelity as the broker-dealer/custodian for the affiliated private funds.

Prior to engaging Mercer Private Asset to provide investment management services, affiliated private funds will be required to enter into a formal advisory agreement with Mercer Private Asset setting forth the terms and conditions under which Mercer Private



Asset shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Mercer Private Asset considers in recommending any other broker-dealer/custodian to clients include historical relationship with Mercer Private Asset, financial strength, reputation, execution capabilities, pricing, research, and service.

Although the commissions and/or transaction fees paid by Mercer Private Asset's affiliated private funds shall comply with Mercer Private Asset's duty to seek best execution, a fund may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Mercer Private Asset determines, in good faith, that the commission/transaction fee is reasonable.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Mercer Private Asset will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions.

The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Mercer Private Asset's investment management fee. Mercer Private Asset's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that an affiliated private fund utilize the services of a particular broker-dealer/custodian, Mercer Private Asset may receive from broker-dealers/custodians, investment platforms, unaffiliated investment managers, vendors, unaffiliated products/fund sponsors, or vendors - without cost and/or at a discount - support services and/or products, certain of which assist Mercer Private Asset to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Mercer Private Asset may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Mercer Private Asset in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products received may assist Mercer Private Asset in managing and administering fund accounts. Others do not directly provide such assistance, but rather assist Mercer Private Asset to manage and further develop its business enterprise.

There is no corresponding commitment made by Mercer Private Asset to any entity to invest any specific amount or percentage of fund assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

2. Mercer Private Asset does not receive referrals from broker-dealers.

3. Mercer Private Asset does not generally accept directed brokerage arrangements. In such directed arrangements, the fund will negotiate terms and arrangements for their account with that broker-dealer, and Mercer Private Asset will not seek better execution services or prices from other broker-dealers or be able to “batch” the client's transactions for execution through other broker-dealers with orders for other accounts managed by Mercer Private Asset. As a result, the fund may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs Mercer Private Asset to effect securities transactions for the client's accounts through a specific broker-dealer, the fund correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Mercer Private Asset. Higher transaction costs adversely impact account performance.

Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

- B. To the extent that Mercer Private Asset provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Mercer Private Asset decides to purchase or sell the same securities for multiple funds at approximately the same time. Mercer Private Asset may (but is not obligated to) combine or “bunch” such orders to seek best execution. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Mercer Private Asset shall not receive any additional compensation or remuneration as a result of such aggregation.

## **Item 13      Review of Accounts**

- A. Account reviews are conducted on an ongoing basis by Mercer Private Asset's representatives.
- B. Mercer Private Asset may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in fund objectives and/or financial situation, market corrections and fund request.
- C. Each fund is provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Mercer Private Asset may also provide a written periodic report summarizing account activity and performance.

#### **Item 14          Client Referrals and Other Compensation**

- A. As referenced in Item 12.A.1 above, Mercer Private Asset receives an economic benefit from broker-dealers. Mercer Private Asset, without cost (and/or at a discount), receives support services and/or products from broker-dealers.

There is no corresponding commitment made by Mercer Private Asset to a broker-dealer or any other entity to invest any specific amount or percentage of fund assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

- B. Neither Mercer Private Asset nor its representatives compensate any non-supervised persons for client referrals.

#### **Item 15          Custody**

Mercer Private Asset shall have the ability to have its advisory fee for each fund debited by the custodian on a quarterly basis. An independent public accountant audits the affiliated private funds annually and audited financial statements are distributed to the individual investors of the affiliated private funds.

#### **Item 16          Investment Discretion**

Mercer Private Asset provides investment advisory services on a discretionary basis. Prior to Mercer Private Asset assuming discretionary authority over a client's account, the fund shall be required to execute an *Investment Advisory Agreement*, naming Mercer Private Asset as the client's attorney and agent in fact, granting Mercer Private Asset full authority to buy, sell, or otherwise effect investment transactions involving the assets in the fund's name found in the discretionary account.

Reasonable restrictions may be imposed on Mercer Private Asset's management of a fund's assets at any time. Restrictions must be communicated in writing. Any restrictions on Mercer Private Asset's discretionary authority must be acknowledged by Mercer Private Asset prior to becoming effective.

#### **Item 17          Voting Client Securities**

- A. Mercer Private Asset is responsible for voting proxies. Mercer Private Asset shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. Mercer Private Asset shall monitor corporate actions of individual issuers and investment companies consistent with Mercer Private Asset's fiduciary duty to vote proxies in the best interests of its clients.

Although the factors which Mercer Private Asset will consider when determining how it will vote differ on a case-by-case basis, they may, but are not limited to, include a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation.

With respect to individual issuers, Mercer Private Asset may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), Mercer Private Asset may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. Mercer Private Asset shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how Mercer Private Asset voted on any specific proxy issue is also available upon written request. Requests should be made by contacting Mercer Private Asset's Chief Compliance Officer.

## **Item 18      Financial Information**

- A. Mercer Private Asset does not require prepayment of fees of more than \$1,200, per client, six months or more in advance.
- B. Mercer Private Asset is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Mercer Private Asset has not been the subject of a bankruptcy petition.