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Mercer Investments LLC

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March 29, 2019

ADV Part 2A

This brochure provides information about the qualifications and business practices of Mercer Investments LLC (formerly known as Mercer Investment Management, Inc.) ("Mercer"). If you have any questions about the contents of this brochure, please contact us via email at compliance-mercercic@mercerc.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Mercer is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training. When hiring or retaining an adviser you should carefully assess the qualifications, including the skill and training, of that adviser based on the oral and written communications of that adviser.

Additional information about Mercer also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Mercer has made updates to reflect the consolidation of its affiliated entities - Mercer Investment Consulting LLC, Pavilion Advisory Group, Inc., and Pavilion Alternatives Group LLC - into Mercer, effective March 29, 2019. In addition, Mercer has registered with the Commodity Futures Trading Commission as a commodity trading adviser.

There have been no other material changes since the revision of the brochure dated December 18, 2018.

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Item 4 – Advisory Business

Mercer provides investment management services and oversees the asset allocation, investment decisions, rebalancing and investment monitoring of client portfolios. Mercer also provides investment consulting services and offers guidance at each stage of the investment decision, risk management, and investment monitoring processes. Our clients include sponsors and fiduciaries of employee benefit plans, foundations, endowments, healthcare organizations, and other investors. Mercer has been registered with the SEC as an investment adviser since 2005. Effective March 29, 2019, Mercer Investment Consulting LLC (“MIC”), Pavilion Advisory Group, Ltd. (“PAG”), and Pavilion Alternatives Group LLC (“PALTS”), each an affiliate of Mercer, combined with Mercer.¹ Mercer delivers certain of its investment services to not-for-profit clients, including, but not limited to, healthcare organizations, foundations and endowments, through its division, Pavilion, a Mercer Practice. Mercer provides services related to alternative asset class investing (e.g., hedge funds, private markets, real estate) through its division, Mercer Alternatives.

Mercer is wholly owned by Mercer (US), Inc., which is an indirect wholly-owned subsidiary of Marsh & McLennan Companies, Inc. Marsh & McLennan Companies, Inc. is a public corporation listed on the New York, Chicago, and London stock exchanges (ticker symbol: MMC). Marsh & McLennan Companies, Inc.’s website address is www.mmc.com.

As of December 31, 2018, Mercer’s discretionary assets under management, on a consolidated basis with MIC, PAG, and PALTS, were approximately \$89.8 billion, and non-discretionary assets under management, on a consolidated basis, were approximately \$5.1 billion. As of December 31, 2018, Mercer’s assets under advisement, which generally includes assets over which Mercer provides ongoing non-discretionary investment consulting services, as described below, were approximately \$2.7 trillion on a consolidated basis with MIC, PAG, and PALTS.²

Mercer’s Investment Management Services

Mercer provides investment management services primarily utilizing a multi-manager approach to investing. Mercer’s multi-manager approach is typically implemented through the use of proprietary multi-manager investment vehicles, including registered investment companies, common, collective, and group trust funds, and private investment funds, including private markets and hedge fund-of-funds (collectively, “Affiliated Funds”). Mercer manages a series of pre-defined and/or custom investment strategies that differ by risk and potential return characteristics. Mercer’s investment strategies employ unaffiliated third party investment managers (“subadvisors”), typically multiple subadvisors in a single strategy, to seek desired diversification and risk characteristics. For more information on the Affiliated Funds please refer to their respective offering documents or contact your Mercer representative for additional information.

The decision to invest client assets in pooled investment vehicles (which may include Affiliated Funds) or separate accounts is based on a number of factors, including the client’s investment strategy, objectives, restrictions, size, subadvisor minimum asset size requirements for separate accounts, and available assets

¹ MIC had been registered with the SEC as an investment adviser since 1973, PAG (formerly, Stratford Advisory Group, Inc.) had been registered with the SEC as an investment adviser since 2005, and PALTS (formerly LP Capital Advisors, LLC) had been registered with the SEC as an investment adviser since 2010.

² Discretionary assets under management as of December 31, 2018 on a non-consolidated basis were approximately \$84.5 billion, \$1.0 billion, \$4.3 billion, and \$0 for Mercer, MIC, PAG, and PALTS, respectively. Non-discretionary assets under management as of December 31, 2018 were approximately \$3.5 billion, \$1.4 billion, \$0, and \$180 million for Mercer, MIC, PAG, and PALTS, respectively. Assets under advisement as of December 31, 2018 were approximately \$124.0 billion, \$2.3 trillion, \$235.9 billion, and \$26.1 billion for Mercer, MIC, PAG, and PALTS, respectively.

and cash. Among the reasons why Mercer may from time to time conclude that investment of client assets in Affiliated Funds would be appropriate for a particular client is that in so doing, the client may achieve greater diversification at a given level of fees and simplification of investment lineup, and operational risk management by Mercer may be more readily facilitated, including as it relates to liability-driven fixed income investment, rebalancing, and liquidity management including for purposes of deploying contributions and making benefit payments.

Mercer may also assist clients with developing overall investment objectives and restrictions, an asset allocation strategy, and may provide portfolio structure analysis and asset rebalancing; however, the final decision regarding these matters generally remains with the client.

Mercer's Investment Consulting Services

Mercer provides ongoing as well as project-based advice on investment policy and asset allocation, based upon a client's specific investment objectives for risk and return. Clients typically retain final decision making authority for the overall content of their investment policy statement, including asset allocation targets, overall investment objectives, and selection of investment strategies. Mercer's consulting services include:

1. Assisting clients with developing and documenting investment objectives, risk tolerance, and cash flow needs, relative to market opportunities;
2. Establishing and advising on asset allocation and portfolio structures;
3. Consulting on the effect of asset mix on projected asset values and cash flows;
4. Providing Mercer's economic forecast, based upon Mercer's capital markets assumptions, concerning the expected returns and risks of a variety of asset classes; and
5. Recommending the client select certain investment strategies, retain or terminate certain investment managers, or reallocate assets among various managers or strategies.

Mercer prepares and presents regular performance measurement reports for clients. These typically include:

1. Commentary and recommendations regarding manager performance and asset allocation;
2. Observations on current investment market and trends;
3. Special reports and analyses on topical issues such as alternative investments and transaction cost analysis; and
4. Performance attribution, which analyzes portfolio and/or fund performance, broken down into its various sub-component sources of risk and return.

In preparing such reports, Mercer may leverage the administrative and support functions of its global affiliates.

Mercer also consults with clients regarding the appropriate benchmarks against which to measure investment performance, which may involve comparisons against market indices, benchmark portfolios, and/or Mercer-developed peer groups based on Mercer's manager research group ("Manager Research").

Mercer's Executive Benefits Group (EBG) provides non-discretionary investment advice on the design and funding of executive nonqualified benefit plans. This includes:

1. Evaluating existing funding strategies and products
2. Analysis and modeling of financing alternatives
3. Evaluating providers of life insurance products

Other Services

- Mercer Sentinel®, a specialty research and consulting division of Mercer, provides consulting advice regarding investment operations. This includes advice regarding the selection and ongoing performance assessment of custodians and transition managers, assessing the operational efficiency and risk of service providers (including investment managers), securities lending programs and foreign exchange execution. Mercer Sentinel® also offers trading cost analysis, which provides an analysis of the execution cost of each broker in an investment portfolio.
- Mercer, in conjunction with its global affiliates, produces Global Investment Forum (Forum) conferences. The goal of the Forum is to provide clients with intellectual capital from Mercer's investment consulting and research areas as well as other areas of Mercer's business. The Forum provides Mercer a platform to examine topics of importance, develop and/or disseminate Mercer's intellectual capital and research, and disseminate survey-based investment research and other related information to plan sponsors, other institutional investors, investment managers, and Mercer investment consultants around the world.
- MercerInsight® is an institutional data analytics and research platform, sold on a subscription basis to plan sponsors, other institutional investors, and investment advisors. MercerInsight provides subscribers with the capability to filter and retrieve investment manager information and performance, Mercer's ratings and research material for these investment managers' products, and other related information, which is stored in Mercer's Global Investment Manager Database™ (GIMD™), a proprietary web-based database. Investment managers provide information relating to their investment advisory business and investment products to GIMD at no charge, either directly or through the AssetLogic interface.
- The 'Analyze' component of MercerInsight offers a performance evaluation tool as a software package and is sold to plan sponsors and other institutional investors on a subscription basis as a standalone product. MercerInsight's 'Analyze' component provides comprehensive analysis of investment managers' past performance against peers and against benchmark indices. This standalone product is also available to investment managers. However, a subscription by investment managers to this standalone product does not give access to the rest of MercerInsight, including Mercer's proprietary ratings and research material.
- The Mercer Manager Analysis Portal (Mercer MAP) is an analytical software available under the terms of a licensing agreement to Mercer's wealth management clients. Mercer MAP combines comprehensive retail investment fund data, sourced from third parties, with GIMD™-sourced proprietary research and analysis on those investment funds which is also licensed to clients of Mercer.

Certain of Mercer's services may be delegated to, or provided in connection with, one or more of its affiliates as described in Item 10. These services may include investment manager research, operational due diligence, performance reporting, retirement plan consulting, financial wellness consulting, and client servicing. Mercer also offers certain specialized consulting services to its clients, in conjunction with its affiliates. These services include but are not limited to planned pension de-risking solutions, research on custodians and transition brokers, strategic investment advice and other services. Additional consulting services provided to plan sponsors of defined contribution retirement plans and other employee benefit plans (such as non-qualified deferred compensation plans) may include advising on plan governance, fiduciary obligations, and plan participant education efforts, assisting with requests for proposal for plan service providers, conducting plan service provider benchmarking projects, and assisting with implementation of plan changes.

Additionally, Mercer may be engaged by investment consulting clients to perform certain non-fiduciary administrative and operational services at the client's direction. The services generally include items such as assistance with opening or utilizing client custodial or brokerage accounts and communication of trading instructions, as well as general operational/administration assistance. Clients may pay an additional fee for these services. Any such fees are negotiable and not subject to a standard fee schedule.

Item 5 – Fees and Compensation

Mercer does not have a standardized or uniform fee schedule across its service offerings. Mercer's fees are negotiated on a per-client basis and vary based on, for example, the amount of assets under management, the nature and complexity of the client's circumstances, the services to be provided, and other factors. For example, a discretionary engagement will typically have a higher fee than an advisory engagement. Likewise, Mercer may charge an additional or higher fee when providing investment management or advisory services with respect to alternative asset classes than it does with respect to traditional asset classes, all else being equal. The manner in which fees are charged by Mercer is established in a client's written agreement with Mercer. Mercer generally bills its fees monthly or quarterly in arrears, although a client's written agreement with Mercer may provide for fees to be billed in advance.

In most cases, Mercer sends an invoice to each client and the client pays, or instructs its custodian or recordkeeper to pay, Mercer. Mercer typically does not directly deduct fees from client accounts. Certain clients, however, may prefer that Mercer deduct their fees directly from their accounts. Mercer will consider such arrangements on a case-by-case basis.

Unless otherwise specified in a client's agreement with Mercer, clients have the right to terminate their investment advisory agreement with Mercer at any time without penalty upon reasonable notice as set out in the agreement. If a client terminates its relationship with Mercer, Mercer will accrue and charge its fee up to and including the termination date. In the event of termination, any fee paid to Mercer by the client in advance, where associated services have not yet been provided, will be refunded. Such refunded amount will be determined based upon the terms of the agreement; for instance the agreement may specify that any prepaid, unearned fees will be prorated and promptly refunded.

For investment management services, Mercer's fees typically:

- are calculated as a percentage of assets under management;
- are based upon the market value (which may be daily, month-end, or quarter-end market value, as agreed with the client) of the client's account during the relevant billing period, as the case may be; and
- do not include trustee fees, custody fees, brokerage commissions or transaction costs, and mutual fund expenses.

Mercer's investment management fee may be structured to include fees paid by Mercer to subadvisors engaged by Mercer to manage client assets (a "bundled fee"). Alternatively, Mercer's investment management fee may be structured to be separate from, and in addition to, such subadvisor fees (an "unbundled fee"). Typically, Mercer's clients will select the form of Mercer's fee structure (bundled or unbundled), based on their own requirements or preferences. Mercer, or affiliates of Mercer, may negotiate a fee schedule with a subadvisor pursuant to which the subadvisor fee increases or decreases based on the overall amount of assets managed by the subadvisor for clients of Mercer and Mercer's affiliates, including Affiliated Funds. In some cases, Mercer and/or its affiliates may benefit financially from such arrangements. As a result, Mercer may have an incentive to allocate client assets to such subadvisors. Mercer has taken steps to manage the conflicts of interest such arrangements may create and discloses this to clients in the client agreement fee schedule.

For investment consulting services, clients are billed according to one of the following options:

- Flat fee/retainer;
- Time and expense; or

- Basis of fees calculated as a percentage of assets advised based upon the market value (which may be daily, month-end, or quarter-end market value, as agreed with the client) of the client's account during the relevant billing period, as the case may be.

Mercer's investment consulting fees do not include: fees and expenses paid for any investments, or charged by managers, recommended by Mercer, or any trustee fees, custody fees, brokerage commissions or transaction costs, or mutual fund expenses.

For fees based as a percentage of assets under management or advisement, asset values are typically provided by the client's custodian on a daily, month-end, or quarter-end basis, as agreed with the client. For certain assets that are priced infrequently, Mercer may use the most recently available value.

For fees based on hourly rates, these rates may range from \$125 per hour to \$1,000 per hour, depending upon the service rendered and the skill level of the particular personnel involved.

Mercer and a client may agree to fees which can fluctuate based upon Mercer's level of service to the client (not investment performance- based). Clients may be charged for travel and related expenses incurred in providing investment consulting services pursuant to the terms of the client agreement.

The fees Mercer, or its affiliates, earn from Affiliated Funds, if any, are described in the Affiliated Funds' offering documents. While any such fee arrangements could raise a conflict of interest for Mercer, fees (and waivers as necessary) are structured to avoid such conflicts and to comply with applicable law, including regulations and guidance applicable to client portfolios subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Operational risk assessment reports on investment managers prepared by Mercer Sentinel® are made available to subscribers of MercerInsight and through direct sales. In certain limited cases, the investment managers being assessed may arrange to pay Mercer Sentinel® the fee for delivery of the report to parties considering investing with such investment manager instead of having the potential investors pay the fee themselves.

Through MercerInsight, the standalone 'Analyze' component of MercerInsight, and Mercer MAP (as described in Item 4 above), Mercer sells manager data and research to clients. Clients pay subscription fees for MercerInsight, the standalone 'Analyze' component of MercerInsight, and Mercer MAP, ranging up to \$585,000 per year. The subscription fees charged for services and products are dependent upon the level of data, research and service for which a client wishes to engage Mercer.

There are typically no fees to Mercer clients for attending Mercer Forums. Financial institutions, including investment managers, and other attendees pay fees which range from \$10,000 to \$14,000 and up based upon content, location and other factors, including how many tickets are purchased to attend the Forum.

Mercer does not charge investment managers a fee to be included in Mercer's Global Investment Manager Database (GIMD™). Furthermore, investment managers do not compensate Mercer or its affiliates to be recommended or selected by Mercer or its affiliates for clients. From time to time, an investment manager or its affiliates may engage Mercer or its affiliates to provide certain services. For example, Mercer or its affiliates may perform operational risk consulting for investment managers and, in a limited number of non-U.S. jurisdictions, affiliates of Mercer may evaluate retail investment strategies offered by investment managers at the request of the investment manager. Mercer or its affiliates would be compensated by those investment managers or their affiliates for such services. Such investment managers may also be included in GIMD™ and Mercer may, consistent with its fiduciary duty and in accordance with applicable law, review,

evaluate, recommend or select such investment managers, as appropriate. Mercer has established conflicts of interest protocols and procedures to address and mitigate conflicts arising from such relationships.

Neither Mercer nor any affiliate accepts compensation for the sale of securities or other investment products to Mercer's clients. However, certain clients of MMC Securities LLC ("MMCSL"), an affiliate of Mercer, may select MMCSL as their broker of record, and MMCSL may receive commissions or 12b-1 payments (for mutual funds or variable products), which are used to offset the advisory fees paid by the client to MMCSL. Also, certain employees and affiliated persons of Mercer may receive compensation in connection with client referrals and sales, as described below in Item 14.

Please see Item 12 of this brochure for a discussion of Mercer's brokerage practices.

Please refer to Appendix B – Mercer Investments Conflicts of Interest Statement for information regarding any potential fee and compensation conflicts.

Item 6 – Performance-Based Fees and Side-By-Side Management

Except as described below with respect to Affiliated Funds, Mercer typically does not enter into performance-based fee arrangements. However, while rare, Mercer may enter into an agreement with a client where Mercer is paid a base annual fee (either a fixed fee or percentage of assets) plus an additional amount if certain specific performance objectives are achieved.

For certain Affiliated Funds, Mercer or its affiliates may be entitled to receive a performance-based fee adjustment (for example, in the form of carried interest). Any such arrangement will be disclosed in the offering documents of such Affiliated Funds. Certain underlying third party funds or subadvisors in which Affiliated Funds may invest may charge performance-based fees. Mercer may also invest client assets directly with subadvisors in third party investment vehicles and/or with third party funds that may charge a performance-based fee.

Performance-based fee arrangements may create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Mercer has adopted procedures reasonably designed to address the fair and equal treatment of all clients and to seek to prevent this conflict from influencing the allocation of investment opportunities among clients. The existence of a performance-based fee from an Affiliated Fund may create an incentive for Mercer or its affiliates to make investments on the Affiliated Fund's behalf that are risky or more speculative than would be the case in the absence of such performance-based compensation arrangement, or to place greater emphasis on the maximization of returns at the expense of other criteria, such as preservation of capital, in order to achieve higher performance-based compensation. Mercer seeks to address this potential conflict of interest by following a documented process of due diligence and investment analysis when considering investments for such Affiliated Funds.

Item 7 – Types of Clients

Mercer provides investment management and investment advisory services primarily to US and international institutions, including pensions and profit-sharing plans, corporations, wealth management and other financial services firms, registered investment companies and other pooled investment vehicles (including common, group, or collective investment trusts, and private investment funds), and other business entities. Mercer provides these services to US endowments, foundations and charitable organizations, healthcare organizations, and insurance pools through its division, Pavilion, a Mercer Practice,

While Mercer does not typically require a minimum investment or account balance to open or maintain an account, certain Affiliated Funds have minimum investment requirements.

Mercer has a large and diverse client base and it is likely that some of our clients will operate in the same industry or sector as other clients. Some clients have, or develop, commercial interests that are adverse to those of other clients. Mercer may advise parties with competing interests in a particular matter. Mercer recognizes that its business interests in serving clients that are perceived to be more influential or more valuable to Mercer, poses the risk that Mercer could favor some clients over other clients. Mercer has taken reasonable steps to avoid or mitigate such conflicts.

Mercer does not favor certain clients over others, including with respect to the timing of the release of ratings information. However, Mercer may treat clients differently, depending on their individual circumstances, in the provision of investment advice. Mercer believes that clients benefit from the diversity of opinions and the individualized and sometimes subjective judgments of each consultant with respect to each client. Accordingly, a Mercer consultant need not provide identical investment advice to all clients, even those that have similar circumstances.

In order to treat all of Mercer's clients fairly, we release material research information and ratings of investment managers internally and externally in a manner that is designed to minimize the risk that some recipients will have the opportunity to act on this information sooner than others.

In addition, if Mercer is asked to advise clients that may have competing interests on the same matter, it will disclose the potential conflict to each client and may seek client consent and/or establish procedures to protect client confidentiality.

Please see Appendix B - Mercer Investments Conflicts of Interest Statement for additional information regarding potential conflicts.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Mercer typically (but not always) recommends or selects subadvisors from a universe of investment managers that are rated highly by Manager Research. Manager Research's rating of an investment manager's strategy is also considered by Mercer with respect to retaining or terminating a subadvisor. Manager Research evaluates investment managers based on quantitative and qualitative factors, including but not limited to:

- an assessment of the strength of the overall investment management organization;
- the qualifications, credentials, and investment track records of the people involved in the investment process;
- the appropriateness of the investment product and its composites; and
- an analysis of the investment manager's investment philosophy and process, risk-adjusted performance, consistency of performance, and the style purity of the product.

Mercer also makes recommendations regarding classes of assets using historical performance characteristics and economic analysis. Mercer uses information provided by investment managers in its investment manager evaluation process. Mercer tailors its assessment of an investment manager and/or any products or separate accounts offered by such investment manager based on the asset class or investment strategy of the investment manager. For example, investment managers offering private equity co-investment opportunities will receive a customized analysis.

Although the ratings of Manager Research are given substantial weight in the investment decision making process, Mercer's investment personnel perform their own analysis of potential and existing subadvisors. With respect to client portfolios over which Mercer has been given discretionary authority, Mercer and its affiliates have established various Discretionary Governance Committees to promote robust analysis of proposed asset allocations, portfolio construction, and investment manager selection, among other client portfolio matters. While unlikely, there is a possibility that Mercer's decision with respect to a particular subadvisor may differ from recommendations made by Mercer's affiliates. Clients will not be notified when Mercer's decision differs from recommendations by Mercer's affiliates. To help mitigate potential conflicts, Mercer's investment personnel follow a well-defined investment process based on investment characteristics and processes of candidate subadvisors and their fit in a prospective portfolio. Mercer will provide clients with Manager Research ratings for their subadvisors upon request.

Clients may invest in the Affiliated Funds or in funds or separate accounts managed by subadvisors. Such separate accounts or funds, including Affiliated Funds, invest in securities that are subject to inherent market risks and fluctuations in value due to earnings, economic and political conditions and other factors. These risks could adversely affect the net asset value and total return of the pooled investment vehicles or the Affiliated Funds, the value of the pooled investment vehicles or the Affiliated Funds' investments, and the clients' accounts. Investing in securities involves risk of loss that clients should be prepared to bear. These risks may be more pronounced in alternative asset class investments, which typically are not suitable for clients and investors unless they are experienced and sophisticated investors who can bear the economic risk of the loss of their entire investment, and who have limited need for liquidity in their investment. Information about the material risks of a pooled investment vehicle (including the Affiliated Funds) can be found in the relevant fund disclosure documents.

Mercer, in providing investment advice to its clients, may look to investment principles developed among Mercer and its affiliates regarding active versus passive management, risk management, operational

efficiency, dynamic asset allocation, and sustainable and responsible investing principles. At all times, however, Mercer is solely responsible for the investment advice provided to its clients, including the Affiliated Funds.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client or potential client's evaluation of Mercer or the integrity of Mercer's management. Mercer has no such information to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

As described above, Mercer is a subsidiary of Marsh & McLennan Companies, Inc. (MMC), a large diversified professional services company. As a result, Mercer will have arrangements that are material to its advisory business with MMC and its subsidiaries. The following describes the material arrangements that Mercer has with subsidiaries of MMC, along with any applicable conflicts of interest.

The Affiliated Funds

As described in Item 4 above, Mercer serves as the investment manager to the Affiliated Funds, including: the Mercer Funds, an open-ended investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”), and the following private funds that are operated to rely on the exemptions from registration under the 1940 Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof.

- Mercer Canadian Hedge Fund Investors Limited, a Cayman Islands exempted company;
- Mercer Diocese of Brooklyn LLC – Growth Strategy
- Mercer Diocese of Brooklyn LLC – Risk Reduction Strategy
- Mercer Domestic Hedge Fund Investors, LLC, a Delaware limited liability company;
- Mercer FFTC Emerging Markets Equity Investment Portfolio LLC, a Delaware limited liability company;
- Mercer FFTC Hedge Fund Investors, Ltd., a Cayman Islands exempted company;
- Mercer FFTC Non-US Equity Investment Portfolio LLC, a Delaware limited liability company;
- Mercer FFTC US Equity Investment Portfolio LLC, a Delaware limited liability company;
- Mercer FFTC US Fixed Income Investment Portfolio LLC, a Delaware limited liability company;
- Mercer Global Multi-Asset Fund, LLC, a Delaware limited liability company;
- Mercer Global Opportunities Ltd., a Cayman Islands exempted company;
- Mercer Hedge Fund Investors SPC, a Cayman Islands segregated portfolio company;
- Mercer Private Investment Partners, LP, a Delaware limited partnership;
- Mercer Private Investment Partners II, LP, a Delaware limited partnership;
- Mercer Private Investment Partners III, LP, a Delaware limited partnership;
- Mercer Private Investment Partners III (Offshore), LP, a Cayman Islands limited partnership;
- Mercer Private Investment Partners IV, LP, a Delaware limited partnership; and,
- Mercer Private Investment Partners V, LP, a Delaware limited partnership.
- Summit Strategies Solutions, LLC, a Delaware series limited liability company (currently comprised of 7 separate series);
- Summit Strategies COI Fund I, L.P., a Delaware limited partnership; and

- Summit Private Capital, LLC, a Delaware limited liability company.
- Mercer Audax Credit Feeder Fund, LP, a Cayman Islands limited partnership
- Mercer Ares Credit Feeder Fund, LP, a Cayman Islands limited partnership

Mercer also serves as manager of managers to the Mercer Group Trust and the Mercer Collective Trust, and provides certain support services with respect to The American Bar Association Members/MTC Collective Trust, each a collective investment trust maintained by Mercer's affiliated trust company, Mercer Trust Company LLC.

To the extent permitted by applicable law, clients may invest in the Affiliated Funds. Mercer, however, structures its fees (and waivers as necessary) to avoid or disclose conflicts and to comply with applicable law, including regulations and guidance applicable to client portfolios subject to ERISA. Mercer has policies and procedures in place to mitigate the potential conflict of interest inherent in offering a range of investment solutions. These conflicts, and related controls, are described in Item 5 and Appendix B - Mercer Investments Conflicts of Interest Statement.

Mercer Trust Company LLC ("MTC")

MTC, a New Hampshire limited purpose trust company affiliated with Mercer, serves as trustee for the Mercer Collective Trust, Mercer Group Trust and American Bar Association Members/MTC Collective Trust, in which Mercer clients may invest. Mercer compensates MTC for expenses MTC incurs for serving as trustee for the Mercer Collective Trust and Mercer Group Trust. MTC is compensated by the American Bar Association Members/MTC Collective Trust for serving as trustee to such Trust.

MTC also serves as directed trustee for the defined contribution plan clients for which Mercer serves as administrator and investment manager pursuant to its Mercer Wise offering.

MMC Securities LLC ("MMCSL")

MMCSL provides retirement plan consulting services primarily to plan sponsors of defined contribution plans through its DC Advisors division. MMCSL is registered with the SEC as broker-dealer and an investment adviser and is a member of the Financial Industry Regulatory Authority (FINRA). MMCSL also is registered with the United States Commodity Futures Trading Commission (CFTC) as an Introducing Broker and is a Member of the National Futures Association (NFA).

Certain Mercer employees are registered as registered representatives with MMCSL. Further, MMCSL also serves as a selling dealer and placement agent for certain Affiliated Funds. Expenses associated with these services are paid by Mercer, not directly by Mercer's clients.

The discretionary investment management services offered by Mercer (and the Affiliated Funds) may be appropriate for certain MMCSL clients. To avoid any potential or apparent conflict of interest, MMCSL will not evaluate or recommend Mercer, any of its affiliates, or any Affiliated Funds to its clients. MMCSL has adopted policies, procedures and disclosures that are reasonably designed to address these matters.

Mercer Health & Benefits LLC ("Mercer H&B")

Mercer H&B provides pension consulting advice (non-investment related), including, for example, advice on managing pension risk through annuity buyouts and similar strategies, to clients of Mercer. Mercer

H&B's advice could result in an increase in assets and/or the duration of such assets being advised by Mercer on behalf of the client, or an increased allocation of assets and/or the duration of allocation of such assets to certain asset classes, in either case resulting in Mercer or its affiliates receiving greater revenue. In this context, Mercer H&B has adopted standards it believes are reasonably designed to provide advice in a manner that is independent of Mercer's involvement and consistent with applicable law and in the best interest of its clients. Those standards prohibit Mercer H&B from providing advice or engaging in any activity that places the interests of Mercer or its affiliates above those of its clients.

MMA Securities LLC ("MMA Securities")

MMA Securities and Mercer are affiliated companies whose ultimate parent is MMC. MMA Securities is an SEC-registered investment adviser that primarily engages in pension consulting services to 401(K) clients. Effective September 1, 2017, MMA Securities and Mercer entered into an intercompany sharing agreement under which MMA Securities agreed, in exchange for certain compensation from Mercer, to share certain personnel with Mercer and allow such shared personnel to provide certain marketing and client services to Mercer with respect to Mercer's Mercer Wise product. In such case, the shared personnel of MMA Securities are deemed to be supervised persons of Mercer and are subject to Mercer's supervision and related policies and procedures. To avoid any potential or apparent conflict of interest, MMA Securities will ensure that the shared personnel will not market to existing MMA Securities clients for which such personnel currently acts as "fiduciary" as defined in Section 3(21) of ERISA or the Advisers Act, as applicable, or to any state, local or municipal government, agency, political entity; and will only market to prospective Mercer Wise Program clients that are reasonably believed to meet the suitability and other requirements established by Mercer. MMA Securities and Mercer have adopted policies, procedures and disclosures that are reasonably designed to address these matters.

Mercer's Global Investments Affiliates

Mercer affiliates provide investment services in jurisdictions worldwide. Employees of Mercer's global affiliates contribute to the investment manager research and operational due diligence that Mercer utilizes. Mercer employees may also consult with employees of its global affiliates in formulating investment principles regarding active versus passive management, risk management, operational efficiency, dynamic asset allocation, sustainable and responsible investing, and alternative asset class investing. In certain instances, Mercer's global affiliates may share personnel with, or provide certain services through, Mercer. In these cases, described below, Mercer and the relevant global affiliate have entered into an Affiliates Agreement pursuant to which the affiliate has agreed, among other things, that all personnel of the affiliate who are involved in the provision of investment advice to Mercer's clients, are subject to the compliance program and Code of Ethics of Mercer.

Mercer Investment Japan Ltd. (MIJ)

MIJ is a Japanese-licensed investment manager providing discretionary management services to institutional investors in Japan. Pursuant to an Affiliates Agreement between Mercer and MIJ, employees of MIJ may perform advisory and client servicing functions to Mercer clients, under Mercer's supervision. MIJ may recommend to its own clients, or invest on behalf of its own clients in, securities that are the subject of recommendations to, or discretionary trading on behalf of, Mercer's clients. Mercer has adopted policies, procedures and disclosures that are reasonably designed to address this potential conflict of interest.

Mercer Alternatives Limited (formerly, Pavilion Alternatives Group Limited) ("MAL") is a Financial Conduct Authority (FCA) and SEC registered investment adviser that provides discretionary and non-discretionary investment consulting services across alternative asset classes including private equity, private credit, real assets and hedge funds. Pursuant to an Affiliates

Agreement, MAL employees may perform advisory and client servicing functions to Mercer clients, under Mercer's supervision. For example, Mercer may leverage the resources and capabilities of MAL regarding alternative asset class advice for a client, and the client will typically incur additional or higher investment advisory fees as the complexity of these investments requires more extensive research and resources than traditional investment types. Mercer and MAL manage this conflict through, among other things, committee structures designed to ensure that the advice and recommendations provided to clients are consistent with the client's investment policy, objectives and goals and transparency regarding fees. Client agreements identify the scope of services provided and the scope of fees.

Other Activities

For certain defined contribution plans, Mercer provides plan administration services as well as investment management services pursuant to its Mercer Wise offering. Mercer also provides non-investment services to retirement plan clients, including plan governance and fiduciary education services, as well as employee financial wellness programs. Additionally, certain associated persons of Mercer and/or affiliates of Mercer may serve on advisory boards to private investment funds that Mercer may recommend to clients. In this capacity, these individuals may be asked to provide advice to the private investment funds on a wide array of matters, including possible conflicts of interest encountered by the fund. These individuals receive no compensation for serving on these advisory boards. The private funds may reimburse reasonable expenses incurred by advisory board members in attending meetings of the advisory board.

In addition, Mercer, in conjunction with Mercer (US) Inc., MMCSL and/or other affiliates, may be engaged by clients to provide analysis and advice on the feasibility and design of retirement plan programs in the public or private sector.

As described in Items 4 and 5, Mercer recommends or selects other investment managers for its clients. These investment managers do not compensate Mercer or its affiliates to be recommended or selected by Mercer or its affiliates. These investment managers or their affiliates may be clients of Mercer or its affiliates, and they may pay to attend Mercer's Global Investment Forum. Please see Appendix B – Mercer Investments Conflicts of Interest Statement for information on how Mercer addresses and mitigates these conflicts.

Mercer is registered with the CFTC as a Commodity Pool Operator and as a Commodity Trading Advisor, and is a member of the NFA. Certain affiliated persons of Mercer are currently registered or have an application pending to register with the NFA as Associated Persons and/or Principals of Mercer.

Please see Appendix B – Mercer Investments Conflicts of Interest Statement for additional information regarding potential conflicts.

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

As a condition of employment, Mercer's employees are required to comply with the code of ethics which consists of the MMC Code of Conduct – *The Greater Good* - and a personal investing policy (collectively the "Mercer Code of Ethics"). The Mercer Code of Ethics is intended to provide guidance for dealing with ethical matters including, among other things, establishing that personal investing activities by Mercer employees must be consistent with Mercer's fiduciary duty to its clients. The Mercer Code of Ethics requires certain employees to report covered securities transactions and to provide copies of their brokerage statements to Mercer's compliance department. A copy of the Mercer Code of Ethics is available at no charge to any client or prospective client upon request.

Directors, officers and employees of Mercer and its affiliates may from time to time hold, have acquired or sold, or may subsequently acquire or sell, for their personal accounts (either directly or through commingled vehicle), securities (including shares of Affiliated Funds) that may also be held, or have been purchased or sold, for the accounts of Mercer's clients. Mercer's employees may also have a personal or financial incentive to select an investment manager or its strategies on behalf of its clients. This typically arises when employees:

- recommend or select managers that have purchased MMC stock for their own accounts or for those of their clients;
- invest in publicly traded asset management firms and/or their products;
- receive gifts or entertainment from a manager; or,
- have a family or other personal relationship with a manager.

We manage these potential conflicts by requiring that any transaction be made in compliance with the Mercer Code of Ethics and receipt of brokerage statements by the Mercer compliance department.

In addition, as described in Items 4 and 10, Mercer's clients may invest in the Affiliated Funds to implement investment recommendations. Mercer may have a financial interest in those funds to the extent that it or its affiliates earns a fee from them. Mercer, or its affiliates, may also provide consulting or delegated investment implementation services to parent companies or affiliates to investment managers that are recommended or used by Mercer or its affiliates globally. Fees and any other related conflicts are described in Items 5, 10, and Appendix B - Mercer Investments Conflicts of Interest Statement.

Mercer has also adopted a policy designed to manage the receipt and giving of gifts and entertainment.

Failure to comply with the requirements of the Mercer Code of Ethics and all laws, rules and regulations applicable to Mercer's business, may result in disciplinary action by Mercer, up to and including termination of employment.

Item 12 – Brokerage Practices

Except as noted below, Mercer does not select or recommend broker-dealers for client transactions. Subject to certain guidelines and restrictions, Mercer delegates that responsibility to the subadvisors it retains to manage client assets. Mercer requires that each subadvisor have its own policies and procedures for the selection of broker-dealers, for seeking best execution and for allocating trades fairly, and reviews such policies and procedures for adequacy prior to hiring a subadvisor, and periodically thereafter.

For a limited number of clients, Mercer communicates trading instructions to the client's designated broker-dealer, pursuant to the client's agreement with Mercer. In these cases, clients direct the use of a particular broker-dealer, and Mercer does not have the discretion to choose the broker-dealer or the commission rates to be paid. In certain instances, Mercer may recommend that a client use a particular broker-dealer. In recommending a particular broker, Mercer considers a number of factors, including for example, cost relative to services provided; ease of use for trading and transacting; availability of investment options; and reporting and strength of technological tools. However, clients typically maintain discretion to ultimately direct brokerage. In certain instances involving endowments to charitable institutions, Pavilion, a Mercer Practice, may recommend brokers to facilitate the sale of donor's stock. The charitable institutions are not required to use the recommended brokers. Pavilion, a Mercer Practice, does not receive any compensation from the brokers.

Mercer does not accept fees, commissions or other compensation (either soft-dollar or otherwise) from any broker-dealer in connection with the execution of transactions. If a client elects to establish a brokerage account with a broker-dealer, it should be understood that Mercer will not have authority to negotiate commissions or obtain volume discounts which may cause a disparity in commission charges relative to the commissions charged to other clients. Therefore, clients who direct the use of a particular broker-dealer may not achieve best execution and Mercer will not make a determination or advise as to the quality of any execution obtained from a client directed brokerage.

Mercer may assist clients in hiring a transition broker to assist with investing substantial additions to a client's account, or raising cash to meet a client withdrawal. Mercer may also hire a transition broker when it replaces a subadvisor to re-align an existing portfolio with recommendations provided by the new subadvisor. Mercer selects transition brokers following an analysis of the likelihood of the transition broker to most effectively carry out a transition. Mercer does not always select a transition broker that in hindsight, could have offered the most favorable commissions to the account. Rather, in determining which transition broker may be able to best effect the transition, Mercer considers the totality of the services that the transition broker can provide, factors such as: commission structure; its capability to execute difficult trades (possible market impact, size of the order and market liquidity); opportunity for block transactions; confidentiality; resources; responsiveness; access to markets; and/or financial stability.

Mercer does not participate in soft dollar or other client commission arrangements. Subadvisors selected or recommended by Mercer, however, may utilize soft dollar programs pursuant to their own policies and procedures.

Item 13 – Review of Accounts

With respect to investment management services, Mercer reviews client portfolios on a regular basis to, among other things, confirm that allocations are within target ranges and are consistent with the client's investment policy. Mercer regularly monitors subadvisor activity to confirm that the subadvisor is acting in accordance with relevant guidelines and restrictions set forth in investment guidelines, investment advisory agreements and/or other applicable documents.

With respect to investment consulting services, retainer client accounts are typically reviewed at least quarterly through the Mercer review process, although depending on the client, and the size and complexity of the engagement, reviews may be annual or semi-annual. Quarterly investment reports usually include an analysis of the recent market environment, of each relevant investment manager's performance relative to the market environment, the client's overall investment strategy and applicable investment recommendations, if any, to the client.

Mercer also has a peer review process in which material written communications to a client are reviewed by a qualified peer reviewer prior to dissemination to the client. Selection of the peer reviewer(s) is based upon the expertise required based on the technical contents of the material. Reviewers are instructed to include in their review, among other things, the following: (1) technical accuracy; (2) recommendations consistent with analysis; and (3) format and appearance.

The frequency and content of client reporting is agreed to in writing with each client. Generally, at a minimum, clients receive quarterly reports.

Item 14 – Client Referrals and Other Compensation

Employees of Mercer and certain of its affiliates may receive indirect compensation or credit toward new business goals to the extent business is referred to Mercer or its affiliates. An employee's total compensation is typically based upon several factors, including the performance of:

- the employee;
- the business unit; and,
- Mercer, its affiliates, and parent company.

Certain employees of Mercer and Mercer's affiliates are eligible to receive direct sales commissions and/or revenue sharing for new business introduced to Mercer, including investment in certain Affiliated Funds. Sales commissions and/or revenue sharing are paid by Mercer or its affiliates out of their own assets, and are not directly paid by the client or out of an Affiliated Fund's assets. These arrangements are structured to comply with Rule 206(4)-3 under the Advisers Act, including appropriate disclosures.

Mercer has entered into a solicitation arrangement with Capital Integration Systems LLC ("CAIS") pursuant to which CAIS is authorized to solicit prospective clients for Mercer. Mercer may pay CAIS a solicitation fee equal to 20% per annum of the annual aggregate fees paid to Mercer by a client referred to Mercer by CAIS in accordance with the agreement between Mercer and CAIS, for the first five years of such client's engagement with Mercer. Mercer and CAIS have structured this arrangement to comply with SEC Rule 206(4)-3. Mercer may in the future enter into distribution arrangements with third parties for the solicitation of investment or non-investment services or products (including the Affiliated Funds) offered by Mercer or its affiliates. Such arrangements will be disclosed to prospective clients in accordance with applicable regulation.

Mercer's discretionary investment management services (and Affiliated Funds) may be appropriate for certain clients of Mercer's affiliates. To avoid any potential or apparent conflict of interest, Mercer's affiliates will not evaluate or recommend Mercer, or any of its affiliates, or any Affiliated Funds, to a fiduciary client. Mercer and its affiliates have adopted policies, procedures and disclosures that are reasonably designed to address these matters. Please see Item 10 above.

Item 15 – Custody

Mercer does not accept or seek to maintain physical custody of assets or securities for any client. Client assets are generally held in custodial accounts with banks, broker-dealers or other qualified custodians retained by clients. However, under the SEC custody rule, Mercer is deemed to have custody of client assets that are invested in Affiliated Funds for which MTC, an affiliate of Mercer, serves as trustee or for which Mercer or an affiliate serves as managing member or general partner. All assets invested in Affiliated Funds, other than securities that have been acquired from the issuer in a transaction or chain of transactions not involving any public offering, are held by third party qualified custodians.

Affiliated Funds that are private pooled investment vehicles are exempt from certain requirements of the SEC's custody rule because:

- the Affiliated Funds undergo an annual audit by independent accountants subject to inspection by the Public Company Accounting Oversight Board (PCAOB); and,
- the results of such audit are distributed to each investor in the Affiliated Funds in accordance with the SEC's custody rule and relevant SEC staff positions.

Mercer provides each client with information pertaining to the custodian promptly upon investing client assets in the Affiliated Funds.

In addition, Mercer is deemed to have custody over the assets of clients who have permitted Mercer to deduct its fees from the client's account or have authorized Mercer to initiate disbursements from the client's account to third parties. Mercer urges its clients to review the quarterly (or more frequent) statements provided by the client's qualified custodian carefully and to compare such official custodial records to the performance evaluation reports that Mercer provides. Mercer's performance evaluation reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Clients may appoint Mercer as a discretionary investment manager for all or a portion of their assets and delegate authority to Mercer to manage their securities accounts through an investment management agreement negotiated and executed between the client and Mercer. These clients typically grant Mercer the discretionary authority to select investment funds, to retain or terminate investment managers or to reallocate assets among various managers or funds.

Mercer generally requires each client to provide Mercer with a written statement of its investment objectives, asset allocation parameters, and specific investment restrictions.

Item 17 – Voting Client Securities

Where Mercer has discretion over client accounts, Mercer has delegated proxy voting responsibility to the subadvisors it retains to manage client assets. In addition, for those clients that hold pooled investment vehicle interests such as mutual fund shares, Mercer typically does not accept proxy voting authority or responsibility.

With respect to its investment consulting clients, Mercer typically does not have any authority to and does not vote proxies on behalf of advisory clients. Clients typically retain the responsibility for receiving and voting proxies for securities maintained in their portfolios.

Mercer believes that good corporate governance should, in the long term, lead to both better corporate performance and improved shareholder value. Thus, it expects its subadvisors to vote based on the premise that board members of companies in which they have invested Mercer clients' 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 the Mercer voting policy are the following fundamental objectives:

- Mercer expects its subadvisors to seek to act in the best financial interests of its clients to protect and enhance the long-term value of their investments;
- Mercer expects its subadvisors to use the full weight of its clients' shareholdings in making its views felt;
- Mercer expects its subadvisors to actively promote best practice in the boardroom in order to help enhance the success of companies in which they invest clients' accounts; and
- Mercer expects its subadvisors to have appropriate procedures in place to deal with conflicts of interest in voting proxies.

When Mercer is instructed to vote proxies related to securities held in client accounts, Mercer follows its proxy voting policy (unless instructed by the client otherwise).

A copy of Mercer's proxy voting policies and procedures may be requested at no charge by contacting Mercer at Mercer Investments LLC, Compliance Department, 99 High Street, Boston, MA 02110 or via email at compliance-mercercic@mercerc.com. Mercer's clients may obtain a copy of its proxy voting record by contacting their Mercer representative.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. Mercer has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Appendix A

PRIVACY NOTICE

This notice describes the privacy policy of Mercer Investments LLC (“Mercer”). Mercer is committed to protecting the private information that it collects about individuals who are prospective, current or former advisory clients.

Mercer collects private information in connection with providing investment management services and to communicate information about its products and services (collectively, “Private Information”). Mercer obtains Private Information verbally and in written format, which may include name(s), address, social security number or tax identification number, financial information, creditworthiness, including individual transaction information, and other such related items.

Mercer limits access to Private Information to those individuals who require access to that information in order to service clients. These individuals are required to maintain and protect the confidentiality of Private Information. Mercer maintains physical, electronic and procedural safeguards to protect Private Information.

Mercer may share Private Information with its affiliates for marketing and other business purposes, such as to facilitate the servicing of accounts and to provide information about new products and services. Mercer affiliates are companies that are controlled by Mercer or are under common control with Mercer.

Mercer may share Private Information with non-affiliated third parties if those entities are under contract to service clients on behalf of Mercer or the advisory account, and as otherwise permitted by law. Any such contract entered into by Mercer will include provisions designed to ensure that the third party will uphold and maintain privacy standards when handling Private Information. Mercer may also disclose Private Information to regulatory authorities as required by applicable law.

Except as described herein, Mercer will not use Private Information for any other purpose unless Mercer describes the nature in which Private Information will be used, and clients may opt to decline approval of such use of their Private Information.

When you are no longer our customer, we may continue to share your information as described in this notice.

Appendix B – Mercer Investments Conflicts of Interest Statement

INTRODUCTION

Mercer is a global consulting leader in health, wealth and career. Mercer helps clients around the world advance the health, wealth, and performance of their most vital asset — their people. Mercer is a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC).

Mercer's Wealth business is a leading global provider of investment and retirement services. Mercer has been dedicated to meeting the needs of clients for more than 70 years.

Investment services provided by Mercer may include the provision of research, analytical tools, and investment advice, as well as the implementation of investment advice, which may include discretionary management of investment portfolios and commingled investment pools. This Statement summarizes general conflicts of interest that Mercer has identified with respect to the Investments segment of its Wealth business and describes how Mercer manages and mitigates them. It is not intended to provide an exhaustive list of all conflicts that currently exist or that may exist in the future. As a global disclosure document, this Statement is not intended to, and does not, address all conflicts of interest in each country or region where Mercer provides investment services and is not intended to take precedence over separate conflict of interest statements issued by Mercer to satisfy local regulations. It also does not cover conflicts of interest that may relate to your relationship with other Mercer businesses or segments.

Conflicts of interest — real or apparent — are instances where a person or firm may have an incentive to serve one interest at the expense of another. Some of these conflicts are inherent in any large, diversified professional services firm, while others stem from the nature of the services Mercer offers to clients. Mercer is committed to conducting business ethically and transparently. Mercer seeks to manage these conflicts primarily with policies and procedures that are designed to protect client interests as well as through disclosure. Moreover, Mercer's client relationships would be undermined by risking substandard investment results through decision-making based on factors other than investment processes and best thinking.

If you have any questions or would like more information about specific topics after reading this document, please call your Mercer contact.

DEFINITIONS

Terms used in this Conflicts of Interest Statement have the following meaning:

“Delegated Solutions” refers to investment management services provided by Mercer, typically where Mercer exercises discretionary authority over a client’s portfolio as well as where a client has invested in a Mercer Fund.

“MMC” refers to Marsh & McLennan Companies, Inc. together with its affiliates.

“Mercer” refers to an operating division of MMC.

“Mercer Fund” refers to an investment fund organized or managed by a Mercer regulated entity.

“Mercer Wealth” refers to Mercer’s line of business that provides investment and retirement services.

1

CONFLICT AWARENESS

The identification, management, and mitigation of conflicts of interest is an ongoing process. Mercer believes that it creates a conflict-aware environment through its governance and oversight processes, communications with clients, disclosure reviews, peer review procedures, and its ongoing training, monitoring, and testing. Core to this process are the following elements:

- *Code of Conduct* — Employees are required to comply with Mercer's Code of Conduct, [The Greater Good](#), as a condition of employment. *The Greater Good* has clear requirements and guidelines for dealing with ethical matters, including conflicts of interest.
- *Gifts and Entertainment Policy* — Employees are required to comply with Mercer's gifts and entertainment policy, which is designed to ensure that they are not unduly influenced by the receipt of gifts, meals, or entertainment.
- *Confidentiality Obligations* — Employees are made aware of their obligations to protect client confidentiality and to comply with insider trading and related laws and regulations.
- *Personal Investing Reporting* — Certain employees are also subject to policies governing their personal investing, which, in general, requires reporting and/or preclearance of certain personal investments.
- *Directorships and Outside Positions* — Employees are required to seek approval before accepting and holding non-Mercer positions that create conflicts of interest.

2

TYPES OF CONFLICTS

Conflicts can arise for example between:

- Mercer and its clients.
- Lines of business or legal entities within Mercer and/or MMC.
- Mercer management or employees and its clients.
- Clients or groups of clients.

Conflicts of interest may occur, for example:

- Through earning higher revenues or profits from certain types of client arrangements, including through providing a more complex, higher-cost solution for clients when a simpler, lower-cost solution may be available.
- From relationships Mercer may have with providers of services or products to its clients, including fee arrangements or commissions.
- Due to the receipt of confidential information.
- Through performance related remuneration paid to Mercer employees.
- Through personal relationships Mercer's employees may have with its clients or service providers.
- From gifts or entertainment provided to clients or prospects, or received by staff from current or prospective service providers.
- Due to employees holding non-Mercer positions.

3

SPECIFIC CONFLICTS

The following describes certain key conflicts of Mercer and how they are managed and mitigated.

CONFLICTS BETWEEN MERCER AND ITS CLIENTS

Mercer's investment services are delivered along a continuum that allows clients to select their preferred level of interaction with Mercer. While this business model provides significant flexibility for clients, Mercer recognizes that it also raises the potential for a conflict between Mercer's own interests and those of its clients. The following describes key conflicts of this type and how they are managed and mitigated.

Fee Arrangements with Clients

Mercer offers a wide range of investment services to its clients, with a variety of fee arrangements. Current fee arrangements include fixed fees, time based fees, commissions, fees based on assets under advisement or management, and fees with performance adjustments.

Mercer's Delegated Solutions are implemented using third-party asset managers. Mercer seeks to negotiate the lowest fee possible under the circumstances with third-party asset managers used in its Delegated Solutions products and services.

Depending on client preferences, Mercer has fee arrangements with some Delegated Solutions clients that result in a fee paid to Mercer that does not include investment management fees paid to third-party asset managers. Mercer refers to this arrangement as "net fee" or "unbundled fee". In addition, Mercer also has fee arrangements with some Delegated Solutions clients that result in a fee paid to Mercer that does include the investment management fees to be paid to third-party asset managers. Mercer refers to this arrangement as "gross fee" or "bundled fee". In a gross fee arrangement, Mercer may have an incentive to select asset classes or third-party asset managers where Mercer has negotiated a lower fee or a volume discount arrangement (i.e., the fee payable to the manager decreases as the amount of assets under management with that manager, increases). Mercer may also have an incentive to select third-party asset managers based primarily on those manager's fees.

MITIGATION

- Mercer follows documented processes for researching, rating, recommending, or selecting third-party asset managers using multiple factors and not based on fees alone. These processes follow consistent governance practices for all services.
- Mercer's fee arrangements are described clearly in disclosure documents and/or in client agreements and are structured to comply with applicable law.

- When making asset-allocation or funding decisions or recommendations, Mercer considers several factors unique to each client's investment needs and objectives, financial circumstances, risk tolerances, and the long-term return and risk profile of various asset classes. In addition, the client typically provides us with asset-allocation or risk parameters within which its account should be managed; these cannot be changed without client consent.
- Mercer typically establishes and regularly reviews performance and risk objectives with its clients.

Services and Solutions

Mercer offers clients a number of services and solutions ranging from advice on asset allocation, asset classes, investment strategies, specific investments and investment providers including manager recommendations, to implementation of investment recommendations or discretionary investment management arrangements. Mercer's Delegated Solutions seek to incorporate its best ideas in relation to investment management and may, in some situations, provide those services in conjunction with Mercer's best ideas in non-investment management areas. Examples of such solutions include implemented consulting and Mercer's dynamic de-risking service. Mercer may also provide a platform for accessing manager portfolios. These solutions, which typically use Mercer Funds, may create potential conflicts between Mercer's interests and the interests of clients.

When a client chooses to work with Mercer as a Delegated Solutions client, Mercer may earn more revenue or profit than if the client chooses to receive services under an advisory-only relationship. This could create an incentive for Mercer colleagues to inappropriately introduce Delegated Solutions to clients and prospective clients. Just as Mercer would not recommend to clients to use another provider's manager research, in the normal course, Mercer would not recommend the use of another provider's investment management services, where Mercer provides such services.

Mercer may continue to provide advisory services as a component part of its Delegated Solutions. The nature of the advice provided may at times be different from the type of advice that may previously have been provided by Mercer to a client under an advisory-only relationship. In particular, commentary on performance, and advice on potential alternatives, may be confined to the service being provided and solutions, strategies and funds available within Mercer's Delegated Solutions framework.

When a client retains Mercer to provide both investment and non-investment services (e.g., advice on managing pension risk through annuity buyouts and similar strategies) at the same time, this could create an incentive for Mercer to prolong the duration of the investment services resulting in Mercer receiving greater revenue.

MITIGATION

- Mercer has adopted strict protocols to be followed when introducing Delegated Solutions to clients. These protocols are designed to ensure that clients fully understand the difference between working with Mercer under an advisory-only approach and under a Delegated Solutions approach, so that clients can make an informed decision.
- It is Mercer's policy that Delegated Solutions are only to be offered to clients if such a solution would be appropriate for their needs.
- Clear disclosures regarding fees and services are provided to clients.

- The nature of the services provided is clearly outlined to clients in marketing and presentation material and legal agreements prior to take on.
- Employees providing investment advisory services do not receive any form of direct benefit as a result of an existing advisory-only client making the decision to move to Delegated Solutions.
- Where deemed appropriate, Mercer establishes information barriers between Mercer teams providing separate services to the same client (or connected clients) to ensure that the independence of each service is not compromised, consistent with applicable law, and in the best interests of the client.

CONFLICTS BETWEEN THE INTERESTS OF CLIENTS AND EMPLOYEES, THEIR FAMILY MEMBERS OR SIGNIFICANT PERSONAL RELATIONSHIPS

Circumstances can arise which create potential conflicts between the interests of clients and the interests of Mercer employees, their family members or persons with whom employees have significant personal relationships. Examples of such conflicts include:

- Benefit from access to confidential information in a corporate entity in which an employee has or could acquire a personal shareholding.
- Personal benefits received from service providers, e.g., gifts and entertainment.
- Remuneration of individuals linked to their achievement of certain financial goals such as revenue targets.
- Conflicts arising from an individual holding non-Mercer roles (such as serving as a director on a board of a non-Mercer business) in addition to their role at Mercer.

MITIGATION

- Mercer has policies, procedures and codes in place to minimize such conflicts including “*The Greater Good*”, Personal Securities Trading Policies, Gifts and Entertainment Policies and Policies on holding outside Directorships.
- Compliance with key policies is monitored and mandatory training is deployed to personnel.
- Mercer operates a formal performance appraisal and reward system, designed to take many factors into account (i.e., not only success in achieving sales goals) when determining an individual’s remuneration.

Availability of Asset Manager Research

Mercer may have an incentive to provide its research on third-party asset managers to certain clients or to Delegated Solutions teams before providing the same information to all of Mercer’s clients. Examples of potentially valuable information include a change to Mercer’s rating of an investment strategy offered by a third-party asset manager or a manager’s capacity to accept new investments in a particular strategy or fund.

In certain countries in Asia and Latin America, Mercer may offer Mercer FundWatch™, a web-based, publicly available ratings service based on Mercer’s global research on third-party asset managers that rates a manager’s funds available to individual investors in those countries. As part of this service, third-party asset managers of these funds pay Mercer to have their fund reviewed and rated and can elect to have the rating published on Mercer FundWatch. Since third-party asset managers who receive lower ratings may be less likely to pay for their funds to be listed, Mercer may have an incentive to provide higher ratings to those managers participating in Mercer FundWatch.

MITIGATION

- Mercer makes new or updated manager research available simultaneously to all subscribers (internally and externally). Research includes such information as news items regarding a third-party asset manager, decisions by the manager research team to change the rating of a manager's strategy, and information about a manager's capacity to accept new investments.
- Mercer has put in place and enforces rules that minimize its ability to act on new or updated information for its own advantage or for the advantage of some clients but not others.
- Mercer's manager research follows a uniform and consistent due diligence process in determining third-party asset manager ratings, including peer review and final determination of ratings by designated committees.
- Mercer's manager research team is separate and distinct from Mercer personnel who are responsible for the financial success of Mercer's manager research distribution, and the remuneration of Mercer's manager research team is not linked to sales of that research.

Arrangements with Asset Managers and Other Service Providers

Mercer may have an incentive to assign favorable ratings and allocate client assets to certain third-party asset managers based on fee arrangements in place between Mercer and the manager. For example, Mercer may have an incentive to favor third-party asset managers that provide volume discounts based on the amount of Mercer's clients' assets under management, or who pay for their investment fund to be rated via Mercer FundWatch.

In addition, Mercer may rate, review, and/or recommend strategies of third-party asset managers that are also clients of Mercer or its affiliates. These managers may engage Mercer or its affiliates to provide a range of consulting services, may purchase licenses to use Mercer's proprietary software and databases, and/or may pay to attend Mercer's Global Investment Forums. Mercer or its affiliates may also provide consulting or Delegated Solutions to parent companies or affiliates of managers that are recommended or used by Mercer or its affiliates globally. The revenue Mercer or its affiliates earn from these third-party asset managers may create incentives to recommend these managers or their strategies more highly than those of other managers, potentially impairing Mercer's ability to select or terminate them objectively.

In conjunction with providing Delegated Solutions services, Mercer may select and oversee other types of service providers with whom Mercer or its affiliates have other business relationships, including client relationships, distribution or referral arrangements, recordkeeping or administration, or subcontracting relationships. The commercial benefits received from these relationships could present a potential conflict of interest for Mercer in the selection, oversight and termination decisions with respect to such service providers.

MITIGATION

- Mercer follows documented processes for rating, recommending, or selecting a third-party asset manager's strategies. These processes follow consistent governance practices.
- Mercer does not consider the status of a third-party asset manager or other service provider as a client of Mercer or its affiliates, or other commercial relationships with a service provider, at any time during the investment evaluation, selection, or termination process.
- Mercer has adopted vendor selection processes that are reasonably designed to protect against preferential treatment for a third-party asset manager or other service provider that is also a client of Mercer or its affiliates.

CONFLICTS AMONG MERCER'S INVESTMENTS CLIENTS

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MITIGATION

- Mercer does not differentiate or favor certain clients over others with respect to timing of the release of manager research ratings information via the MercerInsight platform, but Mercer may provide different or customized advice to different clients, depending on their individual circumstances.
- Mercer allocates limited investment opportunities on a reasonable and fair basis to its clients pursuant to a Global Allocation policy, which takes into account the services Mercer has agreed to provide its clients, their individual objectives, mandates and/or investment strategies, and other relevant factors.
- Mercer believes clients benefit from the diversity of opinions and the individualized, and sometimes subjective, judgments of each consultant with respect to each client. Accordingly, investment advice is tailored to the individual client's objectives.

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