

# KEY INVESTOR INFORMATION



This document provides you with key investor information about this sub-fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this sub-fund. You are advised to read it so you can make an informed decision about whether to invest.

## Mercer Absolute Return Fixed Income Fund (the "Sub-Fund")

### A sub-fund of MGI Funds plc (the "Umbrella")

Mercer Global Investments Management Limited (the "Manager"), Marsh McLennan Companies, Inc. group  
M-2 EUR Hedged (IE00BYV6XK54) (the "Share Class")

This Sub-Fund is authorised in Ireland and regulated by the Central Bank of Ireland.

The Manager is authorised in Ireland and is regulated by the Central Bank of Ireland as a UCITS Management Company.

#### OBJECTIVE AND INVESTMENT POLICY

The investment objective of the Sub-Fund is to achieve a positive total return.

The Sub-Fund will seek to achieve its objective by opportunistically accessing a variety of global return sources such as government bonds, corporate debt securities, interest rates, currencies and emerging markets, taking both long and short positions which intend to deliver positive total returns over time.

The Sub-Fund may use financial derivative instruments (instruments for which the price is dependent on one or more underlying asset, "FDI") for hedging and/or efficient portfolio management and/or investment purposes. FDI may enable the Sub-Fund to obtain market exposure in excess of the value of the Sub-Fund's assets.

The Sub-Fund may invest in investment grade securities (Baa3 or higher by Moody's Investor Services or BBB- or higher by Standards & Poor's or equivalent as detailed in the Supplement) and may also fully invest in below investment grade or "high yield" bonds and fixed income securities.

The Sub-Fund is actively managed and will seek to outperform cash by 1.5%- 2.5%, gross of the fees of the Manager, the Investment Manager and the Distributor, but net of all other fees and expenses of the Sub-Fund, on average per annum over the medium to long term. For the purposes of the calculation of outperformance of cash, an appropriate rate has been used as detailed in the past performance section. The Sub-Fund is in no way constrained by any benchmark and there is no guarantee the Sub-Fund will outperform cash. Certain indices may also be used in the management of the Sub-Fund, including for investment purposes, as detailed in the Supplement.

The Sub-Fund seeks to promote environmental and social characteristics within the meaning of Article 8 of the Sustainable Finance Disclosure Regulation ("SFDR").

The Sub-Fund will promote environmental characteristics by seeking to mitigate the impact of climate change through reducing the potential carbon footprint of the Sub-Fund. The Sub-Fund will seek to avoid exposure to companies that are deemed by the Investment Manager and its delegates as the worst carbon emitters with the lowest carbon transition potential, being companies whose carbon emissions intensity exceeds 3,000 tonnes CO2 equivalent per \$1million revenue, or those companies that generate more than 1% of revenue from thermal coal extraction, arctic drilling, or oil tar sand mining.

The Sub-Fund will seek to promote social characteristics by avoiding investment in companies which are involved in the manufacture, distribution or sales of controversial weapons, or which manufacture

tobacco products or generate more than 50% of their revenue from tobacco distribution or sales.

The Sub-Fund follows good governance standards in the selection of securities for investment and seeks to engage with any companies identified as violating UN Global Compact Principles ("UNGC") to remediate where possible. UNGC is a set of globally accepted standards on human rights, labour, the environment and anti-corruption.

The Sub-Fund may invest in loan instruments. The Sub-Fund may not invest more than 50% of its net asset value in emerging markets.

In certain instances, the Sub-Fund may hold up to 20% of its assets in global equities and equity related securities listed on recognised markets but the Sub-Fund will not directly acquire such securities. Investment selection will include an assessment of the various assets' (referred above) risk/reward profiles (i.e. an investment's total return potential vs. historical and/or prospective risk) and the necessity to protect against adverse market conditions (which may involve adjusting the manner of implementation of the Sub-Fund's investment policies (i.e. such as holding cash) in response to changes in inflation, interest rates, currency appreciation/depreciation etc.).

The Sub-Fund may achieve exposure to China by investing in eligible bonds traded on the China Interbank Bond Market through Bond Connect and/or the QFI regime.

The Sub-Fund may invest up to 10% of its net asset value in contingent convertibles (bonds which may be converted into equity or be forced to suffer a write down of principal upon the occurrence of a pre-determined event).

The level of leverage for the Sub-Fund is not expected to exceed 5000% of its net asset value, although higher levels of leverage may be experienced. The Sub-Fund's market exposure may vary in time and range from an anticipated maximum long position of 5100% to an anticipated maximum short position of 5000% of the net asset value of the Sub-Fund.

Your shares will be hedged with the aim of mitigating the effect of exchange rate fluctuations between the currency of your share class and the Sub-Fund's base currency. The currency hedging approach may not be successful, so changes in exchange rates may adversely impact the value of your investment.

The Share Class will not distribute dividends. Income and capital gains from the Sub-Fund are reinvested.

You can buy and sell shares in the Sub-Fund on demand each day which is a bank business day in Ireland or the United Kingdom.

#### RISK AND REWARD PROFILE



The risk and reward indicator value is calculated using historical data and may not be a reliable indicator of the Sub-Fund's future risk profile. The risk category shown is not guaranteed and may change over time. The lowest category, 1, does not mean risk free.

The value of investments and income from them can go down as well as up and you may not get back the full amount you invested.

The Share Class is rated 4 due to the nature of its investments which include the risks listed below:

**Liquidity risk:** Lower liquidity means there are insufficient buyers or sellers to allow the Sub-Fund to sell or buy investments readily.

**Fixed income:** Investing in fixed income securities offers the chance to gain returns through growing capital and generating income. However, there is a risk that the institution that issues the security could fail to pay out on the bond, causing the Sub-Fund to lose its initial investment and expected income from the security.

Fixed income values are likely to fall if interest rates rise. If interest rates change considerably, as bonds mature, there is no guarantee that bonds of a similar type and yield will be available to replace them.

**Sovereign debt:** Investment in sovereign debt securities might involve special risks. The issuer of the debt or the governmental authority that controls the repayment of the debt might be unable or unwilling to repay principal or interest when due. Economic uncertainty might increase the volatility of market prices of sovereign debt.

**Credit risk:** The risk that an organisation does not pay out on a bond or other trade or transaction when it is supposed to.

**Investments in below investment grade securities:** Lower rated or unrated securities are generally subject to a greater default risk than such higher rated securities.

**Emerging markets:** Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries do. This means your money is at greater risk if it is invested in emerging markets.

**Financial derivative instruments (FDIs):** The use of FDIs is highly specialised. FDIs may increase, the risk level of the Sub-Fund. The loss on FDIs may exceed the amount invested and may have a negative effect on your investment. Risks associated with FDIs include the risk that the other party with which the Sub-Fund enters into an FDI will not meet its payment obligations.

**Counterparty risk:** The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Sub-Fund to financial loss.

**Operational risk:** All funds are subject to the risk that something could go wrong in the day-to-day running of an organisation.

For more information on risks please refer to the "Special Considerations and Risk Factors" section in the prospectus and in the supplement for the Sub-Fund.

## CHARGES

The charges you pay are used to pay the cost of running the Sub-Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

### One-off charges taken before or after you invest

Entry charge	none
Exit charge	none

This is the maximum that might be taken out of your money before it is invested and before the proceeds of your investment are paid out.

### Charges taken from the fund over a year

Ongoing charge	0.58%
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### Charges taken from the fund under certain specific conditions

Performance fee	none
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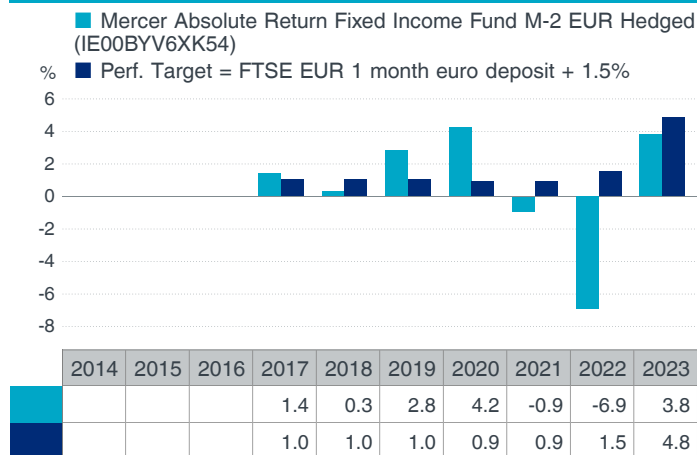
The entry and exit charges shown are maximum figures. In some cases, you might pay less – you can find this out from your investment advisor or distributor.

The ongoing charges figure is based on expenses for the twelve month period ending 31st December 2023. This figure may vary from year to year. It excludes:

- Portfolio transaction costs, except in the case of an entry/exit charge paid by the Sub-Fund when buying or selling units in another collective investment undertaking.
- Performance fees

For more information about charges and information about other share classes, please refer to the prospectus.

## PAST PERFORMANCE



Past performance is not a guide to future results.

The past performance shown here takes account of all charges and costs.

The Sub-Fund was launched on 02/11/2015.

The Share Class was launched on 17/02/2016.

Past performance has been calculated in EUR and is expressed as a percentage change in the net asset value of the Share Class at each year end.

The comparative performance target in the past performance chart is calculated using the lower number of the target outperformance range, i.e. 1.5% in addition to benchmark performance.

## PRACTICAL INFORMATION

**Depository & Administrator:** The Sub-Fund's assets are held through its depository, State Street Custodial Services (Ireland) Limited. State Street Fund Services (Ireland) Limited is the administrator of the Sub-Fund (the Administrator).

**Further Information:** The Sub-Fund is a sub-fund of MGI Funds plc. The prospectus and the latest annual and semi-annual reports, which are prepared for the entire umbrella, can be obtained free of charge from the Administrator.

**Remuneration:** The details of the current remuneration policy are available on <https://investment-solutions.mercer.com/global/all/en/investment-solutions-home/corporate-policies.html>. A paper copy will be made available free of charge upon request from the Administrator.

**Segregated Liability:** The assets and liabilities are segregated by law between the sub-funds of the umbrella. This means that the Sub-Fund's

assets are held separately from other sub-funds. Your investment in the Sub-Fund will not be affected by any claims made against any other sub-fund in the umbrella.

**Price Publication:** The value of the Sub-Fund's assets per share is available from the Administrator or at [www.bloomberg.com](http://www.bloomberg.com)

**Tax Legislation:** The Sub-Fund is subject to the tax laws and regulations of Ireland. This might have an impact on your investments depending on your country of residence. For further details, you should consult a tax advisor.

**Liability Statement:** Mercer Global Investments Management Limited may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Sub-Fund.