

# KEY INVESTOR INFORMATION



This document provides you with key investor information about this 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 fund. You are advised to read it so you can make an informed decision about whether to invest.

## Mercer Global High Yield Bond Fund (the "Fund") Share Class M1 USD Hedged (IE00BDCJPF54) (the "Share Class")

The Fund is a sub-fund of **MGI Funds plc** and is managed by Mercer Global Investments Management Limited

### OBJECTIVE AND INVESTMENT POLICY

The investment objective of the Fund is to achieve attractive risk adjusted returns.

The Fund will seek to achieve its objective by primarily investing in a diversified portfolio of below investment grade (i.e. debt securities which are rated lower than Baa3 by Moody's Investor Services or lower than BBB- by Standard & Poor's ) fixed and floating rate debt securities including bonds and other fixed income securities of varying maturities. Debt securities will be issued by governments and corporate entities globally and will be denominated in major currencies. Debt securities are securities which represent an obligation of the entity issuing the security to repay the amount received for the security plus interest. The interest rates paid may be variable or fixed and payment may be deferred or paid in kind.

The Fund is actively managed and will seek to outperform the ICE BofAML BB-B Rated Developed Markets High Yield Constrained Index (the "Index") by 0.2% - 0.5%, 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. The Investment Manager may use its discretion to invest in, for example, securities, issuers, companies or sectors not included in the Index. The Index includes USD, CAD, GBP and EUR denominated, BB-B rated (based on the average of Moody's, S&P and Fitch) corporate debt publicly issued in the major domestic or eurobond markets. There is no guarantee the Fund will outperform the Index.

The Fund is anticipated to have a tracking error within a range of 0.5% - 2.0% on an ex-post basis, although this is not a target or a restriction and there is no guarantee the Fund will stay within this range. Tracking error is an indicator of the degree to which the Fund's performance may deviate from that of the Index.

Certain indices (including the Index) may also be used in the management of the Fund, including for investment purposes, as detailed in the Supplement.

The Fund seeks to promote environmental and social characteristics within the meaning of Article 8 of the Sustainable Finance Disclosure Regulation.

The Fund will promote environmental characteristics by seeking to mitigate the impact of climate change through reducing the potential carbon footprint of the Fund. The 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 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 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 Fund may invest no more than 50% of its assets in emerging markets.

The 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 purposes. The Fund is not intended to be leveraged. The Fund may not invest in FDI that would result in losses exceeding the Net Asset Value of the Fund.

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

You can buy and sell shares in the 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 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:

**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.

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

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

**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 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.

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

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

**Equities:** The value of equities and equity-related securities can be affected by daily stock market movements. Other influential factors include political and economic news, company earnings and significant corporate events.

**Hedged Share Classes:** The currency hedging approach may not be successful, so changes in exchange rates may cause the value of investments to decrease or increase.

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

## CHARGES

The charges you pay are used to pay the cost of running the 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	0.45%
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### Charges taken from the fund under certain specific conditions

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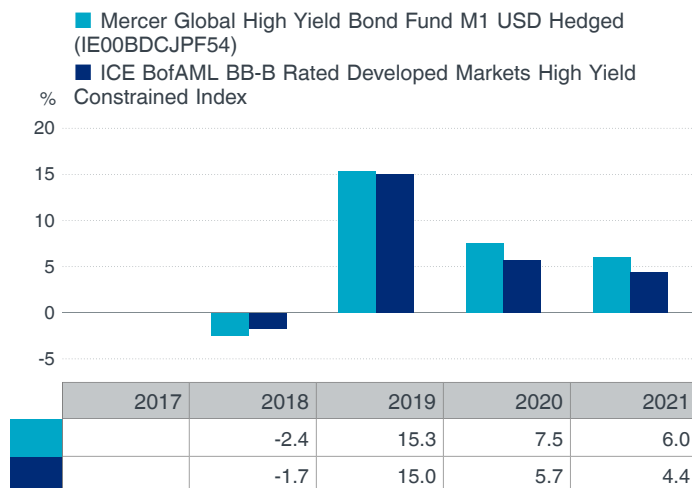
The entry and exit charges shown are maximum figures. In some cases, you might pay less – you can find this out from your investment advisor or distributor.

The ongoing charges figure is based on expenses for the twelve month period ending 31st December 2021. 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 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 Fund was launched on 21/06/2012.

The Share Class was launched on 04/07/2017.

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

Past Performance is not tracking the Index.

As this document relates to a share class where certain foreign currency exposure is reduced through the use of hedging, the past performance data reflects the performance of a hedged version of the Benchmark, ICE BofAML BB-B Rated Developed Markets High Yield Constrained Index (so as to accurately reflect relative performance, once the costs and gains/losses of the currency hedging are factored).

## PRACTICAL INFORMATION

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

**Further Information:** The 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

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

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

**Tax Legislation:** The 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 Fund.