

The directors of MGI Funds plc (the “Directors”) listed in the Prospectus under the heading “THE COMPANY”, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Prospectus and this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

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## **MERCER ABSOLUTE RETURN FIXED INCOME FUND**

(A Sub-Fund of MGI Funds plc, an umbrella fund with segregated liability between Sub-Funds authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended)

**SUPPLEMENT DATED 12 MAY 2023**

**TO PROSPECTUS DATED 12 MAY 2023**

### **MANAGER**

## **MERCER GLOBAL INVESTMENTS MANAGEMENT LIMITED**

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This Supplement forms part of, and should be read in the context of, and together with the prospectus dated 12 May 2023 (the “Prospectus”), in relation to MGI Funds plc (the “Company”) and contains information relating to the Mercer Absolute Return Fixed Income Fund (the “Sub-Fund”) which is a separate portfolio of the Company, which issues the Share Classes outlined in this Supplement.

This Supplement should be read in conjunction with the general description of the Company contained in the Prospectus. All information contained in the Prospectus is deemed incorporated herein. Words and expressions not specifically defined in this Supplement bear the same meaning as that attributed to them in the Prospectus. To the extent that there is any inconsistency between this Supplement and the Prospectus, this Supplement shall prevail.

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## IMPORTANT INFORMATION

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This Supplement shall form part of, and should be read in conjunction with, the Prospectus. Statements made in this Supplement are, except where otherwise stated, based on the law and practice currently in force in Ireland and are subject to change.

This Supplement contains information relating to the Mercer Absolute Return Fixed Income Fund, a separate Sub-Fund of the Company, which is authorised and regulated by the Central Bank as a UCITS.

No person has been authorised to give any information or to make any representation in connection with the offering or placing of Shares other than those contained in this Supplement and the reports referred to below and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. The delivery of this Supplement (whether or not accompanied by the reports), or any issue of Shares, shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date of this Supplement.

The distribution of this Supplement and the offering and placing of Shares in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Supplement comes are required by the Company to inform themselves about and to observe such restrictions. This Supplement does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Distribution of this Supplement is not authorised unless it is accompanied by a copy of the Prospectus, the applicable KID and the Company's latest annual report and audited reports and/or half-yearly report and unaudited accounts (as applicable). These documents, delivered together, will comprise a complete current prospectus for the offering of Shares of the Sub-Fund.

Prospective investors should seek the advice of their legal, tax and financial advisers if they have any doubts regarding the contents of this Supplement.

**An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**The Sub-Fund may invest in financial derivative instruments ("FDIs") for investment, efficient portfolio management and/or hedging purposes.**

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## DEFINITIONS

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Words and terms defined in the Prospectus have the same meaning in this Supplement unless otherwise stated herein. The Sub-Fund is established pursuant to the UCITS Regulations and this Supplement shall be construed accordingly and will comply with the Central Bank UCITS Regulations, and as further restricted herein and/or the Prospectus.

For the purposes of Share dealings and valuations of the Sub-Fund, "**Dealing Day**" shall mean a day which is a bank business day in Ireland or the United Kingdom and/or such other day or days as the Directors shall from time to time determine and notify in advance to the Shareholders, provided that there shall be at least one Dealing Day per fortnight.

The Net Asset Value per Share in respect of any Dealing Day with respect to the Sub-Fund will be calculated at 12:00 midday (Irish time) on the Business Day following the Dealing Day and shall be published on the Business Day on which it is calculated on the following website [www.bloomberg.com](http://www.bloomberg.com), and on or through such other media as the Manager may from time to time determine. The Net Asset Value per Share published on the abovementioned website will be updated on each Business Day. The Net Asset Value per Share will also be available from the office of the Administrator.

The “**Valuation Point**” as at which prices shall be used when valuing the assets of the Sub-Fund shall be such time on a Dealing Day which reflects the close of business in the markets relevant to the assets and liabilities of the Sub-Fund or such other time on that Dealing Day as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the Valuation Point for any Dealing Day shall always be a time on that Dealing Day and the time at which the Net Asset Value is calculated will always be after the Dealing Deadline.

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## THE SUB-FUND

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The Sub-Fund is a sub-fund of the Company, an investment company with variable capital incorporated as a public limited company in Ireland with registered number 421179 and established as an umbrella fund with segregated liability between Sub-Funds.

The list of Classes of Shares in the Sub-Fund offered by the Company is set out under “FEES AND EXPENSES” below.

The Directors may determine to redeem all the outstanding Shares of the Sub-Fund in the event that the Sub-Fund’s Net Asset Value falls below €25 million (or its equivalent in the Base Currency for the Sub-Fund) or such other amount as may be determined by the Directors from time to time and notified in advance to Shareholders.

### BASE CURRENCY

The Base Currency for the Sub-Fund shall be Euro or such other currency as the Directors shall from time to time determine and notify to the Shareholders.

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## INVESTMENT OBJECTIVE AND POLICIES

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### INVESTMENT OBJECTIVE

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

**Investors should note that there can be no guarantee that the Sub-Fund will achieve its investment objective.**

### INVESTMENT POLICY

The Sub-Fund will seek to achieve its objective by opportunistically accessing a variety of global return sources such as credit, government bonds, interest rates, currencies and Emerging Markets securities, taking both long and short positions.

The Sub-Fund seeks to promote environmental and social characteristics within the meaning of Article 8 of the SFDR. Information about the environmental and/ or social characteristics of the Sub-Fund is available below and in the Annex to this Supplement. Please also see further information in the “Sustainability Policies” section of the Prospectus.

The Sub-Fund is actively managed.

### *Use of the Cash Benchmark for Performance Measurement*

The Sub-Fund seeks 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. The Investment Manager may use different benchmarks as outperformance targets for the Sub-Investment Managers. The Sub-Fund will be actively managed and its investment objective and investment policy are in no way constrained by any benchmark. For the purposes of the calculation of outperformance of cash, an appropriate rate is used for each relevant Share Class currency. For example, the Investment Manager may determine that the FTSE GBP 1 Month Euro Deposit benchmark rate is the most appropriate measure for the

outperformance calculation of a Sterling Share Class or that the FTSE EUR 1 Month Euro Deposit benchmark rate is the most appropriate measure for a Euro Share Class. The benchmark rate used for the outperformance calculation for each Share Class is disclosed in the past performance document referenced in the KID for that Share Class. Investors should note that there is no guarantee that the Sub-Fund will outperform cash.

### *Investment Selection*

As detailed in the section headed "INVESTMENT MANAGER AND SUB-INVESTMENT MANAGERS", the Investment Manager will allocate some or all of the Sub-Fund's assets to one or more Sub-Investment Managers. The Investment Manager is responsible for selecting each Sub-Investment Manager and for determining the amount of the Sub-Fund's assets to allocate to each of them with the aim of combining a single portfolio in line with the investment objective of the Sub-Fund.

Investments will be selected for the Sub-Fund based on what the Investment Manager or Sub-Investment Manager believes to be potentially attractive with the aim of seeking to achieve the Sub-Fund's investment objective, and will include an assessment of the various debt instruments' (referred below) 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 Investment Manager will monitor the performance of each Sub-Investment Manager and may in their absolute discretion alter the allocation of assets to all or any of the Sub-Investment Managers at any time subsequent to their appointment.

### *SFDR Disclosure*

The Sub-Fund seeks to promote environmental characteristics, within the meaning of Article 8 of the SFDR, namely to seek to mitigate the impact of climate change by reducing the potential carbon footprint of the Sub-Fund.

The Sub-Fund seeks to avoid exposure to, in the opinion of the Investment Manager (or its delegate), the worst carbon emitters with the lowest carbon transition potential, being those companies:

- whose carbon emissions intensity exceed 3,000 tonnes/ m\$USD revenue, being, in the opinion of the Investment Manager (or its delegate), the worst carbon emitters, unless the Investment Manager's (or its delegates'), proprietary analysis of such companies indicates strong carbon transition potential. Carbon emissions intensity of a given company will be measured having regard to guidance from the Task Force on Climate-Related Financial Disclosures, and will be based on available data comparing the volume of annual carbon emissions of the company (using estimated Scope 1 and 2 carbon emissions only) against that company's annual sales. Scope 1 emissions are direct emissions from owned or controlled sources, scope 2 emissions are indirect emissions from the generation of purchased energy; or
- that generate more than 1% of their revenue from (i) thermal coal extraction; (ii) arctic drilling; or (iii) oil tar sand mining.

The Sub-Fund seeks to promote social characteristics within the meaning of Article 8 of the SFDR by avoiding investment in companies that (i) are involved in the manufacture, distribution or sales of controversial weapons such as landmines, cluster munitions, chemical and biological weapons, nuclear weapons and (semi) automatic civilian firearms; or (ii) manufacture tobacco products or generate more than 50% of their revenue from tobacco distribution or sales.

In addition to the exclusions listed above, the Sub-Fund also seeks to avoid investing in companies with:

- material exposure (generally in excess of 50% of overall revenue) to the following:

- Serious environmental damage (to be determined with reference to internationally accepted standards including, without limitation, the UN Convention on Biological Diversity and the UN Framework Convention on Climate Change)
- Violation of international law/human rights
- Corruption and economic crime
- Recreational cannabis
- a low sustainability rating within a high-risk industry (such as those industrial activities considered as having greater adverse impact on the environment or society, including extractive industries (such as mining, oil and gas) or textiles). Ratings are determined by having reference to information made available by specialist ESG data providers and on the relevant company's exposure to sustainability risks and its positive contribution to achievement of UN Sustainable Development Goals.

The Investment Manager (or its delegate) is required to follow good governance standards in the selection of securities for investment. The Sub-Fund uses third party data providers to identify companies that are deemed to be in breach of United Nations Global Compact principles (including companies breaching United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises). An engagement and escalation framework is in place, seeking to remedy breaches within an acceptable time-frame. If the Investment Manager (or its delegate) deems the likelihood of the remediation within an acceptable time-frame low, such companies may be added to the list of exclusions.

The above exclusions are implemented and monitored in accordance with the "Sustainability Policies" section of the Prospectus.

#### *Sustainability Risk*

The Investment Manager integrates Sustainability Risks throughout the investment process for the Sub-Fund, including in portfolio construction, Sub-Investment Manager selection and monitoring, and in ongoing risk management and portfolio monitoring as set out in the "Sustainability Policies" section of the Prospectus.

Developed market portfolios may have exposure to a wide variety of Sustainability Risks, including impacts relating to the transition to a low-carbon economy and associated policy or regulatory developments.

Emerging markets portfolios will typically have higher sensitivity to the impact of certain Sustainability Risks such as the impact of physical damages and resource availability due to climate change, or the impact of bribery or corruption or poor labour standards of issuers.

Sovereign bonds may have exposure to a wide variety of Sustainability Risks, such as the impact of climate change on interest rates or inflation.

Given the manner in which Sustainability Risk is integrated in the investment process of the Sub-Fund, together with the binding environmental and social characteristics promoted by the Sub-Fund, the Investment Manager does not believe that Sustainability Risks will have a material negative impact on the long-term returns of the Sub-Fund. However, the assessment of the impact of Sustainability Risks on the performance of the Sub-Fund is difficult to predict and is subject to inherent limitations such as the availability and quality of the data. Furthermore, Sustainability Risk is an evolving, multi-faceted risk category and the likely impact of Sustainability Risk on the Sub-Fund's performance may vary during the lifetime of the Sub-Fund.

#### *Permissible Investments and Limits*

The types of instruments in which the Sub-Fund may invest include:

- debt securities issued or guaranteed by governments globally, their sub-divisions, agencies or instrumentalities,

- corporate debt securities such as debentures, fixed or floating rate bonds (including zero coupon bonds) and notes,
- inflation indexed bonds issued both by governments and corporations,
- debt securities of international agencies or supranational entities such as freely transferable promissory notes, bonds and debentures,
- municipal bonds which are debt securities issued by local governments and their agencies,
- freely transferable leveraged and unleveraged structured notes, up to a maximum of 10% of the Net Asset Value of the Sub-Fund in aggregate,
- mortgage-backed and other asset-backed securities (including but not limited to collateralised mortgage obligations and collateralised loan obligations) which are transferable securities that are collateralised by receivables or other assets. The Sub-Fund may invest up to 10% of its Net Asset Value in aggregate in collateralised mortgage obligations and collateralised loan obligations,
- freely transferable and unleveraged hybrid securities which are FDIs that combine a traditional stock or bond with an option or forward contract (such as convertible securities),
- the Sub-Fund may invest up to 10% of its Net Asset Value in contingent convertible bonds which are securities which have the potential to convert to equity dependent/contingent upon a specified event, such as the capital ratio of the contingent convertible bond issuer falling below a certain threshold. The trigger event is ordinarily linked to the financial position of the issuer and therefore the conversion is likely to occur as a result of a deterioration of the relative capital strength of the underlying security,
- credit and currency linked notes,
- loan instruments (which may be securitised or unsecuritised) which qualify as eligible investments in accordance with the requirements of the Central Bank. No more than 10% of the Net Asset Value of the Sub-Fund may be invested in securities not listed or traded on Recognised Markets (including unsecuritised loan instruments),
- eligible bonds traded on the China Interbank Bond Market ("**CIBM**") via Bond Connect and/or the QFII/RQFII regime. Please see the Prospectus for more detail on Bond Connect and the QFII/RQFII regime,
- the debt securities may have fixed, variable or floating rates of interest and may vary inversely with respect to a reference rate and may have varying or no maturities,
- no more than 50% of its Net Asset Value in Emerging Markets securities,
- the Sub-Fund may invest over 30% of its Net Asset Value in securities rated below Investment Grade,
  - Investment grade securities being bonds and debt securities which are rated Baa3 or higher by Moody's Investor Services ("**Moody's**") or BBB- or higher by Standards & Poor's ("**S&P**") or equivalent by an internationally recognized rating agency in line with applicable regulations, or, if unrated, determined by the Investment Manager (or its delegate) to be of comparable quality; and below investment grade securities being everything else.

#### *Use of Derivatives*

The Sub-Fund may, in accordance with the requirements of the Central Bank and the provisions set forth in the Prospectus, seek to achieve its investment objective by investing in FDIs as described in Appendix III to the Prospectus, including:

- futures (including bond futures, currency futures, inflation futures and interest rate futures),
- options (including interest rate options, bond options, stock options, currency options, index options (such indices being consistent with the investment policies of the Sub-Fund), inflation options, options on bond futures, options on currency futures and credit derivative index options), swaptions,
- swaps (including currency swaps, inflation swaps, credit default swaps and index credit default swap contracts (to buy and sell protection), interest rates swaps, total return swaps),
- currency and interest rate forward contracts.

The Sub-Fund may take positions in global currencies using the FDIs referenced above for investment purposes to generate additional returns, within prescribed limits which the Investment Manager (or its delegate) deems to be appropriate. Currencies will be selected based on the Investment Manager's (or its delegate's) views on the relative attractiveness of a currency as against other currencies and / or assets. For example, a long position may be taken in a currency that the Investment Manager (or its delegate) believes will appreciate relative to the shorted currency.

Such FDIs may be listed on Recognised Markets or traded over the counter and may be used for (i) hedging purposes (ii) efficient portfolio management and/or (iii) investment purposes. The reference assets that underlie the FDI shall be any security, basket of securities or indices which are consistent with the investment policies of the Sub-Fund described in this Supplement.

The counterparties to all swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Sub-Fund.

**The expected effect of utilising FDIs for hedging purposes and efficient portfolio management is a reduction in the volatility of the Sub-Fund's Net Asset Value and the expected effect of utilising FDIs for investment purposes is an increase in the volatility of the Sub-Fund's Net Asset Value.**

#### *Long Short Strategy*

The Sub-Fund may take both long and short positions. Synthetic short positions will only be taken through the use of the FDIs referenced above and may be utilised for investment purposes (i.e. where the Sub-Fund wishes to take exposure to a position it believes to be overvalued), hedging purposes or efficient portfolio management.

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, calculated using the sum of the notionals, depending on the Investment Manager's or Sub-Investment Manager's analysis of the prevailing market conditions and considered in light of the investment objective of the Sub-Fund.

#### *Information on the Use of Indices*

With regard to the use of indices as described in this "INVESTMENT POLICY" section, any exposure to an index will only be to UCITS eligible indices and details of these specific indices will be contained in the annual report produced in respect of the Company. Any index in which the Sub-Fund invests will be rebalanced regularly and on at least an annual basis, though such rebalancing may be more frequent subject to compliance with the requirements of the UCITS Regulations. Rebalancing may result in an increase in the costs of the Sub-Fund.



### *Ancillary Investments*

- The Sub-Fund may also hold up to 20% of its Net Asset Value in global equity securities listed on Recognised Markets and may include, without limitation, common stocks and warrants. The Sub-Fund will not buy such equities directly, but may hold them upon conversion of a convertible security or in connection with a reorganisation/restructure or as part of a merger, acquisition, takeover or similar event or issuer default.
- The Sub-Fund may invest no more than 10% of its Net Asset Value in equities listed or traded on Moscow Exchange Level 1 or Moscow Exchange Level 2 in Russia.
- The Sub-Fund may invest no more than 10% of its Net Asset Value in aggregate in regulated collective investment schemes.
- The Sub-Fund may invest in cash, money market instruments and / or other liquid instruments such as bank deposits, certificates of deposit, fixed and floating rate instruments, commercial paper, floating rate notes and freely transferable promissory notes for ancillary liquidity purposes which may be listed on Recognised Markets for liquidity purposes and for the purposes of paying any expenses due by it.

### *Securities Financing Transactions*

The Sub-Fund may enter into securities lending agreements, subject to the conditions and limits set out in the Prospectus.

The Sub-Fund's exposure to securities financing transactions is as set out below (in each case as a percentage of Net Asset Value):

	Expected	Maximum
Total Return Swaps	0 - 5%	20%
Repurchase Agreements	0 - 30%	100%
Reverse Repurchase Agreements	0 - 30%	100%
Securities Lending	0 - 10%	50%

### *Risk Management*

The Investment Manager (or its delegate) will employ a risk management process which will enable it to accurately measure, monitor and manage the risks attached to FDI positions and details of this process have been provided to the Central Bank. The Investment Manager (or its delegate) will not utilise FDIs which have not been included in the risk management process until such time as a revised risk management process has been submitted to the Central Bank. The Investment Manager (or its delegate) will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Investment Manager (or its delegate), including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The market risk associated with the use of FDIs will be covered and will be risk managed using the Value at Risk ("**VaR**") methodology in accordance with the Central Bank's requirements. VaR is a statistical methodology that predicts on a daily basis the potential maximum loss for the Sub-Fund based on an investment horizon of 20 Business Days (one month) and calculated to a 99% one-tailed confidence interval level using a historical observation period of at least one year (250 business days). However there is a 1% statistical chance that the daily VaR number may be exceeded. This process is described in detail in the statement of risk management procedures of the Company.

The VaR approach uses a historical observation period and thus the VaR result may be biased if abnormal market conditions are not prevalent or are omitted from the historical observation period. Accordingly, investors could suffer significant losses in abnormal market conditions. The Investment Manager (or its delegate) will attempt to minimise such risks by conducting regular back testing and stress testing of the VaR model in accordance with Central Bank requirements.

The Sub-Fund intends to use the Absolute VaR model. Accordingly, in accordance with the requirements of the Central Bank, the absolute VaR of the Sub-Fund on any day may not exceed 20% of the Net Asset Value of the Sub-Fund using a confidence interval of 99% and a holding period of 20 Business Days (one month) and a historical observation period of 1 year, unless the Investment Manager (or its delegate) believes that the current risk environment is better represented by applying a longer or shorter observation period.

The level of leverage for the Sub-Fund is not expected to exceed 5000% of Net Asset Value under normal market conditions, although investors should note that higher levels of leverage may be experienced. This expected leverage figure is calculated using the sum of the notional of the FDIs used, as required by the Central Bank. This calculation does not take into account any netting and hedging arrangements that the Sub-Fund may have in place at any time.

A significant contributing factor to the above leverage calculation is the utilisation of certain interest rate related FDIs, such as options, futures and swaps. Trades utilising these instruments may significantly increase the notional leverage exposure of the Sub-Fund (calculated using the sum of the notionals of FDIs) despite the fact that both the duration and volatility of these instruments may in some cases be relatively low. This is because such instruments are generally measured on a duration adjusted basis. Where long/short strategies are employed this will further increase the leverage calculation as the sum of notionals calculation methodology does not provide for any netting of offsetting positions. Shareholders should note that as the leverage calculation does not account for netting and hedging it is not representative of the investment exposure, which may be very low in comparison due to the netting of offsetting economic exposures.

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## PROFILE OF A TYPICAL INVESTOR

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Investment in the Sub-Fund is suitable only for those persons and institutions for whom such investment does not represent a complete investment program, who understand the degree of risk involved and believe that the investment is suitable based upon their respective investment objectives and financial needs. A typical investor will be seeking a positive total return on investment in the medium to long term and to achieve exposure to a global portfolio of assets.

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## SHARE CLASS HEDGING

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Each Share Class which has either “Hedged” or “H” in its name is referred to herein as the “**Hedged Share Classes**”.

Foreign exchange hedging will be utilised for the benefit of the Hedged Share Classes and its cost and related liabilities and/or benefits shall accrue solely to the relevant Classes of Shares. The Investment Manager (or its delegate) will hedge the foreign currency exposure of Hedged Share Classes denominated in a currency other than the Base Currency of the Sub-Fund so that Shareholders in each Hedged Share Class receive a return in the currency of that Hedged Share Class substantially in line with the investment objective of the Sub-Fund, although there is no guarantee that the Investment Manager (or its delegate) will be successful in this regard.

Shareholders of the Sub-Fund will still be exposed to fluctuations in foreign exchange rates as the Investment Manager (or its delegate) does not hedge against currency fluctuations at a portfolio level. As foreign exchange hedging will be utilised solely for the benefit of Hedged Share Classes, transactions will be clearly attributable to the relevant Hedged Share Classes and its costs and related liabilities and/or benefits will be for the account of the relevant Hedged Share Classes only. While Hedged Share Classes will hedge an investor’s currency exposure from a decline in the value of the Class Currency of the Hedged Share Classes against the Base Currency, investors in Hedged Share

Classes will not generally benefit when the Class Currency of the relevant Hedged Share Class appreciates against the Base Currency. A Hedged Share Class may not be leveraged as a result of the use of such techniques and instruments, but, subject to the below, hedging up to, but not exceeding 105% of the Net Asset Value attributable to the relevant Class, is permitted. The Investment Manager (or its delegate) will monitor hedging on at least a weekly basis to ensure that over-hedged positions do not exceed this limit and will ensure that any over-hedged positions are rectified without delay, and that under-hedged positions do not fall short of 95% of the portion of the Net Asset Value of the relevant Class which is to be hedged and are not carried forward from month to month. The Investment Manager (or its delegate) will ensure that positions materially in excess of 100% of the Net Asset Value attributable to the relevant Class will not be carried forward from month to month. While not the intention, over-hedged or under-hedged positions may arise due to factors outside the control of the Sub-Fund. Foreign exchange hedging will not be used for speculative purposes. Purchasers of a Hedged Share Class should note that there are various risks associated with foreign exchange hedging strategies. Please see “SPECIAL CONSIDERATIONS AND RISK FACTORS – SHARE CURRENCY DESIGNATION RISK” and “SPECIAL CONSIDERATIONS AND RISK FACTORS – FOREIGN EXCHANGE RISK” in the Prospectus for a description of the risks associated with hedging the foreign currency exposure of the Hedged Share Classes.

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## INVESTMENT MANAGER AND SUB-INVESTMENT MANAGERS

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The Manager has appointed the Investment Manager as investment manager to the Sub-Fund. The Investment Manager is an indirect, wholly-owned subsidiary of Marsh McLennan Companies, Inc. and commenced operations on 18 August 2006.

The Investment Manager may appoint one or more Sub-Investment Managers in respect of the Sub-Fund. Information relating to the Sub-Investment Managers appointed by the Investment Manager will be disclosed in the Appendix to the Supplement if such a Sub-Investment Manager is appointed. Furthermore, details of all Sub-Investment Managers will be disclosed in the most recent financial reports of the Company.

The fees of the Sub-Investment Manager(s) shall be paid out of the assets of the Sub-Fund and further information is set out under the heading “FEES AND EXPENSES” below.

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## HOW TO BUY SHARES

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All launched Share Classes are available at their Net Asset Value per Share on each Dealing Day.

The initial offer price per Share for each unlaunched Share Class will be in its respective Class Currency: GBP100, USD100, EUR100, NOK1000, SEK1000, AUD100, DKK1000, JPY10,000, CAD100, CHF100, NZD100, SGD100, HKD100, MXN100, ZAR100 and CNH100 (with the exception of the Class Z Shares which will have an initial offer price per Share for each unlaunched Share Class in its respective currency of GBP10,000, USD10,000, EUR10,000, NOK100,000, SEK100,000, AUD10,000, DKK100,000, JPY1,000,000, CAD10,000, CHF10,000, NZD10,000, SGD10,000, HKD100,000, MXN100,000, ZAR100,000 and CNH100,000).

Please refer to the table of Share Classes in the section headed “FEES AND EXPENSES” and please consult the Manager for details of the unlaunched Share Classes.

The initial offer period for all of the unlaunched Classes of Shares will run from 9:00 a.m. (Irish time) on 15 May 2023 to 5:00 p.m. (Irish time) on 13 November 2023, or, in respect of each Class of Shares, such earlier date on which the Company receives the first application for subscription in the relevant Class, or such other date as the Directors may determine and notify to the Central Bank (the “Closing Date”), subject to receipt in the manner described below of applications by 1:00 p.m. (Irish time) on the Closing Date and subscription proceeds within three clear Business Days following the Closing Date or such later time as the Directors may determine from time to time. Following the Closing Date of each of the above Share Classes, the relevant Shares will be issued at their Net Asset Value per Share on each Dealing Day.

Orders for Shares of all Classes of the Sub-Fund that are received and accepted by or on behalf of the Administrator or the Company at the address specified in the Application Form prior to 1:00 pm (Irish time) on the relevant Dealing Day (the “Dealing Deadline”) will be processed at the Net Asset Value per Share determined in respect of that Dealing Day.

Save where expressly provided herein or in the Prospectus, an Application Form forwarded by mail, fax or electronic communication, must be received by the Company, c/o the Administrator, at the address specified in the Application Form not later than the Dealing Deadline. Applications once received shall be irrevocable provided, however, that the Company reserves the right to reject in whole or in part any application for Shares. Orders to subscribe for Shares received and accepted by or on behalf of the Administrator or the Company after the Dealing Deadline for the Sub-Fund will be processed at the offering price determined in respect of the next Dealing Day. It is the responsibility of the Distributor and financial intermediaries as appointed in accordance with the requirements of the Central Bank to ensure that orders placed through them are transmitted onwards to the Administrator on a timely basis.

Payment should be made in the Class Currency by electronic transfer to the account specified in the Application Form so as to arrive no later than three Business Days following the relevant Dealing Day or such later time as the Directors may determine from time to time. No interest shall be payable on funds received by the Company in advance of the deadline set out herein for receipt of subscription monies.

Where the Company or the Administrator has received a duly completed Application Form by the Closing Date or Dealing Deadline but the Company, or the Depositary for the account of the Company, has not received the cleared subscription monies by the Closing Date or Dealing Deadline, the Directors may, in their sole discretion, accept the subscription, and provisionally allot Shares, subject to the receipt of the cleared subscription monies within three clear Business Days of the Closing Date or Dealing Deadline, or at such later time as the Directors may from time to time determine. In the event that subscription monies are not received by the Company, or the Depositary for the account of the Company, before the relevant Closing Date or Dealing Deadline, but pursuant to the above discretion, the subscription is accepted, the Company may temporarily borrow an amount equal to the subscription monies and invest such monies in accordance with the investment objectives and policies of the Sub-Fund. Once the subscription monies are received the Sub-Fund will use such subscription monies to repay the relevant borrowings and, where the subscription monies are not received within three clear Business Days of the Closing Date or Dealing Deadline, the Sub-Fund reserves the right to charge that investor interest on such outstanding subscription monies at normal commercial rates. In addition the investor shall indemnify the Company for any losses, costs or expenses suffered directly or indirectly by the Company or the Sub-Fund as a result of the investor's failure to pay for Shares applied for by the due date set forth in the Prospectus and this Supplement. The Company reserves the right to cancel the provisional allotment of the relevant Shares in those circumstances. In computing any losses covered under this paragraph, account shall be taken, where appropriate, of any movement in the price of the Shares concerned between the transaction date and cancellation of the transaction or redemption of the Shares, and of the costs incurred by the Company or the Sub-Fund in taking proceedings against the applicant.

**For additional information concerning subscriptions, please consult the section under the heading “INVESTING IN SHARES” in the Prospectus.**

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## HOW TO REDEEM SHARES

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Shareholders may redeem their Shares by mail, fax or in certain circumstances and where agreed in advance by the Manager and the Administrator, by electronic communication. Shareholders may request the Company to redeem their Shares on and with effect from any Dealing Day at a price based on the relevant Net Asset Value per Share in respect of such Dealing Day. Any amendments to a Shareholder's registration details or payment instructions will only be effected on receipt of original documentation.

Save where specified herein, the redemption notice will be irrevocable upon receipt by the Administrator and must be given in writing and received by the Administrator by 1:00 pm (Irish time) on the relevant Dealing Day (the **"Redemption Dealing Deadline"**).

No redemption payments will be made until the original subscription documentation required by the Company has been received by the Administrator (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed. Requests received after the Redemption Dealing Deadline on a Dealing Day shall be processed as at the next Dealing Day. All requests for redemption must be endorsed by the record owner(s) exactly as the Shares are registered. In addition, in some cases the Administrator may require the furnishing of additional documents such as where the Shares are registered in the name of a corporation, partnership or fiduciary.

**For additional information concerning redemptions and restrictions thereon, please consult the "INVESTING IN SHARES" – "REDEEMING SHARES" and "TEMPORARY SUSPENSION OF DEALINGS" sections in the Prospectus.**

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## DIVIDEND POLICY

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For the purposes of this Sub-Fund, dividend proceeds paid to Shareholders may be paid out of net revenue including interest and dividends and realised and unrealised profits on the disposal / valuation of the Sub-Fund's investments, less realised and unrealised losses (including fees and expenses) of the Sub-Fund.

Each Share Class which has "D" in its name is referred to herein as the **"Distributing Share Classes"**. The Sub-Fund will pay a dividend to the Shareholders of the Distributing Share Classes. For all other Classes of Shares, the Directors intend to automatically reinvest all investment income and net realised capital gains and do not intend paying dividends.

Dividends, if any, shall be declared on a quarterly basis on the last Business Day of each calendar quarter and such other Business Day on which the Directors may determine on an ad hoc basis, that dividends shall be declared.

Dividends will be paid by electronic transfer within one month of the relevant declaration date.

No dividends shall bear interest against the Sub-Fund. All unclaimed dividends may be invested or otherwise made use of for the benefit of the Sub-Fund until claimed. Any dividend unclaimed after six years from the date it first became payable shall be forfeited automatically, without the necessity for any declaration or other action by the Sub-Fund.

For tax and accounting purposes income equalisation arrangements may be effected by the Manager with a view to ensuring that the level of distributions payable in relation to the Distributing Share Classes is not affected by the issue, conversion or redemption of Distributing Share Classes, during the relevant accounting period.

The Directors may, however, at their discretion, change this dividend policy and upon advance notification to Shareholders, and amendment to this Supplement to reflect such change, pay dividends in respect of some or all of the Share Classes.

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## **SPECIAL CONSIDERATIONS AND RISK FACTORS**

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Investors should be aware of the risks of the Sub-Fund including, but not limited to, the risks described in the “SPECIAL CONSIDERATIONS AND RISK FACTORS” section of the Prospectus and in particular to the specific risk factors listed below. Investment in the Sub-Fund is suitable only for persons who are in a position to take such a risk. There can be no assurance that the Sub-Fund will achieve its investment objective.

### **Fixed Income Risks**

#### **Interest Rate Risk**

#### **Lower Quality And Lower Rated Debt Securities**

#### **Emerging Markets Risks**

#### **Derivatives Risks**

#### **Securities Lending Risk**

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## **FEES AND EXPENSES**

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A management fee shall be charged to each Class of the Sub-Fund in the amount set out below under the heading “LIST OF SHARE CLASSES AND MANAGEMENT FEES”.

The aggregate fees and expenses of the Manager, Administrator, Depositary, Distributor, Investment Manager (which shall accrue daily and be payable monthly in arrears) and Sub-Investment Manager (which shall accrue daily and be payable quarterly in arrears) will not exceed 3.00% per annum of the Net Asset Value of the Sub-Fund.

### **LIST OF SHARE CLASSES AND MANAGEMENT FEES**

Prospective investors should note the following in respect of the Share Classes listed below:

1. The five digit number in the name of the Share Classes listed in the first table below reflects the percentage per annum management fee. The management fees in the second table below are expressed as a percentage per annum. Management fees are based on the daily Net Asset Value of the Sub-Fund attributable to the relevant Share Class, will accrue daily, are payable monthly in arrears and will be payable in the Base Currency.
2. Share Classes are available in both accumulating and distributing versions. Where distributions are applicable, “D” will appear in the Share Class name on the dealing form when an investor subscribes for Shares, otherwise the Share Class should be considered to be accumulating.
3. Share Classes may be hedged or unhedged. Where hedging is applicable, “Hedged” or “H” will appear in the Share Class name, otherwise it will be unhedged. Hedged Share Classes are available in all currencies listed in (4) below except for the Base Currency. Base Currency Share Classes are available in unhedged versions only. Base Currency Hedged Share Classes which appear in the table are no longer available for subscription. Hedged Share Classes are subject to a fee of up to 0.0200% to reflect their hedging costs and expenses.
4. Share Classes will be available in the following currencies: U.S. Dollar (USD), Sterling (GBP), Euro (EUR), Swedish Krona (SEK), Norwegian Krone (NOK), Danish Krone (DKK), Japanese Yen (JPY), Canadian Dollar (CAD), Australian Dollar (AUD), Swiss Franc (CHF), New Zealand Dollar (NZD), Singapore Dollar (SGD), Hong Kong Dollar (HKD), Mexican Peso (MXN), South African Rand (ZAR), Chinese Yuan Renminbi (CNH).
5. Class B Shares are offered primarily to clients of the Investment Manager or its affiliates pursuant to a separate contractual arrangement.

6. Class Z Shares are offered primarily to clients of the Investment Manager or its affiliates pursuant to an investment management agreement. The Sub-Funds of the Company and any other fund for which the Manager or any of its affiliates may serve as manager or investment manager may also invest in Class Z Shares.
7. Class M and Z Shares in the second table below which have launched are, with the exception of such Shares in Base Currency Hedged Share Classes, available for subscription at the latest Net Asset Value as of the date of this Supplement.
8. In the instance where a suitable management fee for a given investor is not available from the Share Classes listed below, a new Share Class may be created in the Sub-Fund in accordance with the requirements of the Central Bank and using the following Share Class naming convention which is consistent with the naming convention within the first table below:
  - Share Class Type – Hedged/Unhedged – Management Fee – Accumulating/Distributing – Currency.
  - For example: A21-H-0.2845-GBP, A22-H-0.7355-D-USD, A14-0.3500-EUR

Any such new Share Class will be added to the Supplement in accordance with the requirements of the Central Bank. All details of such Share Classes (including the applicable management fee) will be disclosed to the prospective investor prior to subscribing for Shares.

9. Please note the example below the table and / or consult the Manager for further information.

Share Class Type	Share Class Name	Share Class Type	Share Class Name
A1	A1-H-0.0200	B1	B1-0.3500
A2	A2-0.0400		B1-H-0.3700
	A2-H-0.0600	B2	B2-0.4000
A3	A3-0.0500		B2-H-0.4200
	A3-H-0.0700	B3	B3-0.4250
A4	A4-0.0750		B3-H-0.4450
	A4-H-0.0950	B4	B4-0.4500
A5	A5-0.1000		B4-H-0.4700
	A5-H-0.1200	B5	B5-0.4750
A6	A6-0.1100		B5-H-0.4950
	A6-H-0.1300	B6	B6-0.5000
A7	A7-0.1350		B6-H-0.5200
	A7-H-0.1550	B7	B7-0.5250
A8	A8-0.1500		B7-H-0.5450
	A8-H-0.1700	B8	B8-0.5500
A9	A9-0.1750		B8-H-0.5700
	A9-H-0.1950	B9	B9-0.5750
A10	A10-0.2000		B9-H-0.5950
	A10-H-0.2200	B10	B10-0.6000
A11	A11-0.2250		B10-H-0.6200
	A11-H-0.2450	B11	B11-0.6100

Share Class Type	Share Class Name	Share Class Type	Share Class Name
A12	A12-0.2500	B12	B11-H-0.6300
	A12-H-0.2700		B12-0.6500
A13	A13-0.3000	B13	B12-H-0.6700
	A13-H-0.3200		B13-0.6750
A14	A14-0.3500	B14	B13-H-0.6950
	A14-H-0.3700		B14-0.7000
A15	A15-0.4000	B15	B14-H-0.7200
	A15-H-0.4200		B15-0.7500
A16	A16-0.4500	B16	B15-H-0.7700
	A16-H-0.4700		B16-0.8000
A17	A17-0.5000	B17	B16-H-0.8200
	A17-H-0.5200		B17-0.8500
A18	A18-0.6000	B18	B17-H-0.8700
	A18-H-0.6200		B18-0.9000
A19	A19-0.7000	B19	B18-H-0.9200
	A19-H-0.7200		B19-0.9500
A20	A20-0.8000	B20	B19-H-0.9700
	A20-H-0.8200		B20-1.0000
A21	A21-0.1700	B21	B20-H-1.0200
A22	A22-0.2700		B21-0.6300
A23	A23-0.1250		
	A23-H-0.1450	B22	B22-0.0000
Z1	Z1-0.0000		
Z2	Z2-H-0.0200	B23	B23-0.5800
			B23-H-0.6000

*Example: An A15 GBP Hedged Share Class will be named "A15-H-0.4200-GBP"*

Share Class	Management Fee
M-1 CAD Hedged	0.0500%
M-1 SGD Hedged	0.0200%
M-1 USD Hedged	0.2000%
M-10 JPY Hedged	0.1200%
M-2 EUR Hedged	0.2700%
M-3 GBP Hedged	0.2700%
M-3 NOK Hedged	0.3200%
M-3 SEK Hedged	0.2900%
M-3 USD Hedged	0.2000%



Share Class	Management Fee
M-6 EUR Hedged	0.4500%
M-8 GBP Hedged	0.3000%
M-8 USD Hedged	0.7700%
M-9 GBP Hedged	0.7900%
Z-1 EUR Hedged	0.0000%
M-1 EUR Hedged *	0.6000%
M-1 GBP Hedged *	0.6000%
Z-2 £ Hedged	0.0200%
Z-2 \$ Hedged	0.0200%

*\*Please refer to point 5 above regarding B type Share Classes. These M type Share Classes follow the same structure.*

## OPERATING EXPENSES

Certain costs and expenses incurred in the operation of the Sub-Fund, other than those expressly assumed by the Manager, will be borne out of the assets of the Sub-Fund, including without limitation, registration fees and other expenses relating to regulatory, supervisory or fiscal authorities in various jurisdictions, management, investment management, sub-investment management, administrative and custodial services; and the fees of any other person, firm or corporation providing professional advisory services to or for the benefit of the Sub-Fund, Directors' fees and expenses; client service fees; investor reporting fees including expenses incurred in connection with publication and supply of information to Shareholders; writing, translating, typesetting and printing the Prospectus and Supplement, sales, literature and other documents for Shareholders including the financial statements and any other reports to the Central Bank or to any other regulatory authority or to the Shareholders and the cost of all stationery and postage costs in connection with the preparation and distribution of information to Shareholders; taxes and commissions; issuing, purchasing, repurchasing and redeeming Shares; transfer agents, dividend dispersing agents, Shareholder servicing agents and registrars; auditing, accounting and legal expenses; reports to Shareholders and governmental agencies; meetings of Shareholders and proxy solicitations therefore (if any); insurance premiums; association and membership dues; and such non-recurring and extraordinary items as may arise.

Expenses of the Company will be allocated to the Sub-Fund or Sub-Funds to which, in the opinion of the Directors, they relate. If an expense is not readily attributable to any particular Sub-Fund, the expense will be allocated to all Sub-Funds pro rata to the value of the Net Asset Value of the relevant Sub-Fund.

The Manager, in its discretion, may rebate any or all of its management fees at any time.

Investors should refer to the section under the heading "FEES AND EXPENSES" in the Prospectus for Directors fees and any other fees that may be payable and which are not specifically mentioned here.

## VOLUNTARY CAP

No Voluntary Cap applies in respect of this Sub-Fund.

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## APPENDIX – LIST OF SUB-INVESTMENT MANAGERS

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### **Ardea Investment Management Pty Ltd**

As at the date of this Supplement, the Investment Manager has appointed Ardea Investment Management Pty Ltd (“**Ardea**”), having its principal place of business at Level 2, 5 Martin Place, Sydney, New South Wales, Australia 2000, as discretionary Sub-Investment Manager to the Sub-Fund. Ardea is an investment manager and advisor authorised and regulated by the Australian Securities and Investments Commission. Ardea was appointed pursuant to a sub-investment management agreement dated 11 January 2022 as amended from time to time (the “**Ardea Sub-IMA**”).

Pursuant to the Ardea Sub-IMA, Ardea shall not be liable for any loss or damage arising out of the performance or non-performance of its duties hereunder unless such loss or damage arose out of or in connection with its breach of the Ardea Sub-IMA or its negligence, wilful default, bad faith or fraud in the performance or non-performance of its duties thereunder. Under no circumstances shall Ardea be liable for any loss arising out of any act or omission of another sub-investment manager, or any other third party, in respect of any portion of the Company or Sub-Fund’s assets not managed by Ardea pursuant to the Ardea Sub-IMA. Ardea shall also indemnify and keep indemnified and hold harmless each of the Manager, the Investment Manager and the Company (and each of their respective directors, officers and agents) from and against any and all claims, actions, proceedings, judgments, liabilities, damages, losses, costs and expenses (including, without limitation, reasonable legal fees and expenses in relation thereto) suffered or incurred by them or any of them, in accordance with the relevant provisions in the Ardea Sub-IMA.

The Ardea Sub-IMA shall continue in force until termination pursuant to that agreement. Ardea may terminate the Ardea Sub-IMA at any time, without the payment of any penalty, upon ninety (90) days’ notice in writing to the Investment Manager. The Ardea Sub-IMA may be terminated with immediate effect at any time, without the payment of any penalty, by: (i) the Investment Manager; (ii) termination of the Investment Management Agreement between the Manager and the Investment Manager; or (iii) if the Directors so determine. The Ardea Sub-IMA may be terminated by either party at any time by notice in writing in a number of circumstances set out therein.

### **Newton Investment Management Limited**

As at the date of this Supplement, the Investment Manager has appointed Newton Investment Management Limited (“**Newton**”), having its principal place of business at Bny Mellon Centre, 160 Queen Victoria Street, London, EC4V 4LA as discretionary Sub-Investment Manager to the Sub-Fund. Newton is an investment manager and advisor authorised by the Financial Conduct Authority in the United Kingdom. Newton was appointed pursuant to a sub-investment management agreement dated 28 March 2018 as amended from time to time (the “**Newton Sub-IMA**”).

Pursuant to the Newton Sub-IMA, Newton shall not be liable for any loss or damage arising out of the performance or non-performance of its duties hereunder unless such loss or damage arose out of or in connection with its breach of the Newton Sub-IMA or its negligence, wilful default or fraud in the performance or non-performance of its duties thereunder. Under no circumstances shall Newton be liable for any loss arising out of any act or omission of another sub-investment manager, or any other third party, in respect of any portion of the Company or Sub-Fund’s assets not managed by Newton pursuant to the Newton Sub-IMA. Newton shall also indemnify and keep indemnified the Investment Manager from and against any and all claims, actions, proceedings, judgments, liabilities, damages, losses, costs and expenses (including, without limitation, reasonable legal fees and expenses in relation thereto) suffered or incurred by them or any of them, in accordance with the relevant provisions in the Newton Sub-IMA.

The Newton Sub-IMA shall continue in force until termination pursuant to that agreement. Newton may terminate the Newton Sub-IMA at any time, without the payment of any penalty, upon ninety (90) days’ notice in writing to the Investment Manager. The Newton Sub-IMA may be terminated at any time, without the payment of any penalty, by: (i) the Investment Manager; or (ii) termination of the Investment Management Agreement between the Manager and the Investment Manager. The Newton

Sub-IMA may be terminated by either party at any time by notice in writing in a number of circumstances set out therein.

### **Payden & Rygel**

As at the date of this Supplement, the Investment Manager has appointed Payden & Rygel ("**Payden & Rygel**"), having its principal place of business at 333 South Grand Avenue, Los Angeles, CA 90071 as discretionary Sub-Investment Manager to the Sub-Fund. Payden & Rygel is an investment manager and adviser authorised and regulated by the United States Securities and Exchange Commission. Payden & Rygel was appointed pursuant to a sub-investment management agreement dated 9 January 2019 as amended from time to time (the "**Payden & Rygel Sub-IMA**").

Pursuant to the Payden & Rygel Sub-IMA, Payden & Rygel shall not be liable for any loss or damage arising out of the performance or non-performance of its duties hereunder unless such loss or damage arose out of or in connection with its breach of the Payden & Rygel Sub-IMA or its negligence, wilful default, bad faith or fraud in the performance or non-performance of its duties thereunder. Under no circumstances shall Payden & Rygel be liable for any loss arising out of any act or omission of another sub-investment manager, or any other third party, in respect of any portion of the Company or Sub-Fund's assets not managed by Payden & Rygel pursuant to the Payden & Rygel Sub-IMA. Payden & Rygel shall also indemnify and keep indemnified and hold harmless each of the Manager and the Investment Manager (and each of their respective directors, officers and agents) from and against any and all claims, actions, proceedings, judgments, liabilities, damages, losses, costs and expenses (including, without limitation, reasonable legal fees and expenses in relation thereto) suffered or incurred by them or any of them, in accordance with the relevant provisions in the Payden & Rygel Sub-IMA.

The Payden & Rygel Sub-IMA shall continue in force until termination pursuant to that agreement. Payden & Rygel may terminate the Payden & Rygel Sub-IMA at any time, without the payment of any penalty, upon ninety (90) days' notice in writing to the Investment Manager. The Payden & Rygel Sub-IMA may be terminated at any time, without the payment of any penalty, by: (i) the Investment Manager; (ii) termination of the Investment Management Agreement between the Manager and the Investment Manager; or (iii) if the Directors so determine. The Payden & Rygel Sub-IMA may be terminated by either party at any time by notice in writing in a number of circumstances set out therein.

### **PIMCO Europe Ltd.**

As at the date of this Supplement, the Investment Manager has appointed PIMCO Europe Ltd. ("**PIMCO**"), having its principal place of business at 11 Baker Street, London W1U 3AH, United Kingdom, as a sub-investment manager to the Sub-Fund. PIMCO is authorised as an investment manager and advisor by the Financial Conduct Authority to provide investment management and advisory services. PIMCO was appointed pursuant to a sub-investment management agreement dated 17 October 2012, as amended (the "**PIMCO Sub-IMA**").

Pursuant to the PIMCO Sub-IMA, PIMCO shall not be liable for any loss or damage arising out of the performance or non-performance of its duties thereunder unless such loss or damage arose out of or in connection with its breach of the PIMCO Sub-IMA or its negligence, recklessness, wilful default, bad faith or fraud in the performance or non-performance of its duties thereunder. Under no circumstances shall PIMCO be liable for any loss arising out of any act or omission of another sub-investment manager, or any other third party, in respect of any portion of the Company's or Sub-Fund's assets not managed by PIMCO pursuant to the PIMCO Sub-IMA. PIMCO shall also indemnify and keep indemnified and hold harmless the Investment Manager (and each of their respective directors, officers and agents) from and against any and all claims, actions, proceedings, judgments, liabilities, damages, losses, costs and expenses (including, without limitation, reasonable legal fees and expenses in relation thereto) suffered or incurred by them or any of them, in accordance with the relevant provisions in the PIMCO Sub-IMA.

The PIMCO Sub-IMA shall continue in force until termination pursuant to that agreement. PIMCO may terminate the PIMCO Sub-IMA at any time, without the payment of any penalty, upon ninety (90) days' notice in writing to the Investment Manager. The PIMCO Sub-IMA may be terminated at any time, without the payment of any penalty, by: (i) the Investment Manager; (ii) termination of the Investment

Management Agreement between the Manager and the Investment Manager; or (iii) if the Directors so determine. The PIMCO Sub-IMA may be terminated by either party at any time by notice in writing in a number of circumstances set out therein.

## ANNEX

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 ('SFDR') and Article 6, first paragraph, of Regulation (EU) 2020/852 ('Taxonomy Regulation')**

<p><b>Sustainable investment</b> means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.</p> <p>The <b>EU Taxonomy</b> is a classification system laid down in Regulation (EU) 2020/852, establishing a list of <b>environmentally sustainable economic activities</b>. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.</p>	<p><b>Product name:</b></p>	<p>Mercer Absolute Return Fixed Income Fund</p>	<p><b>Legal entity identifier:</b></p>	<p>549300EQ9OZZOIZDGK60</p>
	<p><b>Environmental and/or social characteristics</b></p>			
	<p><b>Does this financial product have a sustainable investment objective?</b></p>			
	<p>● ● <input type="checkbox"/> Yes</p>		<p>● <input checked="" type="checkbox"/> No</p>	
	<p><input checked="" type="checkbox"/></p>	<p>It will make a minimum of <b>sustainable investments with an environmental objective:</b> ____%</p>	<p><input type="checkbox"/></p>	<p>It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 0% of sustainable investments</p>
	<p><input type="checkbox"/></p>	<p>in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p>	<p><input type="checkbox"/></p>	<p>with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p>
	<p><input type="checkbox"/></p>	<p>in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p>	<p><input type="checkbox"/></p>	<p>with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p>
	<p><input type="checkbox"/></p>	<p>It will make a minimum of <b>sustainable investments with a social objective:</b> ____%</p>	<p><input checked="" type="checkbox"/></p>	<p>It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>



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

**What environmental and/or social characteristics are promoted by this financial product?**

The Sub-Fund's environmental characteristics are to seek to mitigate the impact of climate change by reducing the potential carbon footprint of the Sub-Fund.

The Sub-Fund seeks to avoid exposure to, in the opinion of the Investment Manager (or its delegate), the worst carbon emitters with the lowest carbon transition potential, being those companies:

- whose carbon emissions intensity exceed 3,000 tonnes/ m\$USD revenue, being the worst carbon emitters, unless Investment Manager's (or its delegates') proprietary analysis of such companies indicates strong carbon transition potential; or
- that generate more than 1% of their revenue from (i) thermal coal extraction; (ii) arctic drilling; or (iii) oil tar sand mining

The Sub-Fund's social characteristics are to avoid investment in companies that (i) are involved in the manufacture, distribution or sales of controversial weapons such as landmines, cluster munitions, chemical and biological weapons, nuclear weapons and (semi) automatic civilian firearms; or (ii) manufacture tobacco products or generate more than 50% of their revenue from tobacco distribution or sales.

In addition to the above exclusions, the Sub-Fund seeks to avoid investing in companies with material exposure to the following:

- Serious environmental damage (to be determined with reference to internationally accepted standards including, without limitation, the UN Convention on Biological Diversity and the UN Framework Convention on Climate Change)
- Violation of international law/human rights
- Corruption and economic crime
- Recreational cannabis
- A low sustainability rating within a high-risk industry


● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Sub-Fund has no exposure to:

- companies excluded based on the environmental and social screens described above; and
- companies identified as in violation of UN Global Compact (“**UNGC**”) principles and in respect of which the Investment Manager has determined that there is no/low remediation opportunity of such issues by engagement within an acceptable timeframe.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A.

<p><b>Principal adverse impacts</b> are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti- corruption and anti- bribery matters.</p>	<p>● <b><i>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</i></b></p> <p>N/A.</p>
	<p><i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></p>
	<p><i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:</i></p>
	<p><i>The EU Taxonomy sets out a "do not significantly harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p>The "do not significantly harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
	<p><b>Does this financial product consider principal adverse impacts on sustainability factors?</b></p> <p><input checked="" type="checkbox"/> Yes, the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors for the Sub-Fund using the PAI Indicators as set out in the SFDR Level 2 RTS as applicable.</p> <p>Each PAI has been considered with respect to applicability and relevance to the Sub-Fund. Where appropriate, certain PAIs are considered in the construction of the Sub-Fund and reflected in the environmental and social characteristics promoted by the Sub-Fund as described herein.</p> <p>PAIs also inform the engagement framework employed by the Investment Manager which focuses on key engagement priority areas relating to climate change, pollution and natural resource degradation (including biodiversity and natural capital), human rights and labour practices, aligned remuneration and incentives and transparent disclosure of material ESG factors. These are communicated to the Sub-Investment Manager with the expectation that engagement efforts are directed towards these issues for companies held in the portfolio and the Investment Manager actively monitors appointed Sub-Investment Managers and their stewardship activities consistent with the engagement framework.</p> <p>Using data provided by specialist third party data providers, the Investment Manager periodically reviews the PAI Indicator data for the Sub-Fund's investments versus internal parameters in order to monitor the PAI of investment decisions on sustainability factors. Any items to note may be prioritised and escalated with the underlying Sub-Investment Manager as required.</p>

			The Sub-Fund's annual report will include information on the principal adverse impacts on sustainability factors set out above.
		<input checked="" type="checkbox"/>	No





<p><b>The investment strategy</b> guides investment decisions based on factors such as investment objectives and risk tolerance</p>	<p><b>What investment strategy does this financial product follow?</b></p> <p>The Investment Manager does not select investments directly; instead the Investment Manager intends to implement the investment objective and policies using a multi-manager approach.</p> <p>The Investment Manager oversees the activities of the Sub-Investment Managers to ensure that the investment process is implemented on a continuous basis and monitors the Sub-Fund using the ongoing monitoring of sustainability indicators.</p>
	<p>● <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></p>
	<p>The binding elements of the investment strategy used to attain its environmental and social characteristics are the environmental and social screens as described in the section "What environmental and/or social characteristics are promoted by this financial product?"</p>
	<p>● <b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></p>
	<p>None.</p>
<p><b>Good governance</b> practices include sound management structures, employee relations, remuneration of staff and tax compliance.</p>	<p>● <b><i>What is the policy to assess good governance practices of the investee companies?</i></b></p> <p>The Investment Manager (or its delegate) is required to follow good governance standards in the selection of securities for investment. The Sub-Fund uses third party data providers to identify companies that are deemed to be in breach of UNGC principles (including companies breaching United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises).</p> <p>An engagement and escalation framework is in place, seeking to remedy breaches within an acceptable time-frame. If the Investment Manager (or its delegate) deems the likelihood of the remediation within an acceptable time-frame low, such companies may be added to the list of exclusions.</p>



## What is the asset allocation planned for this financial product?

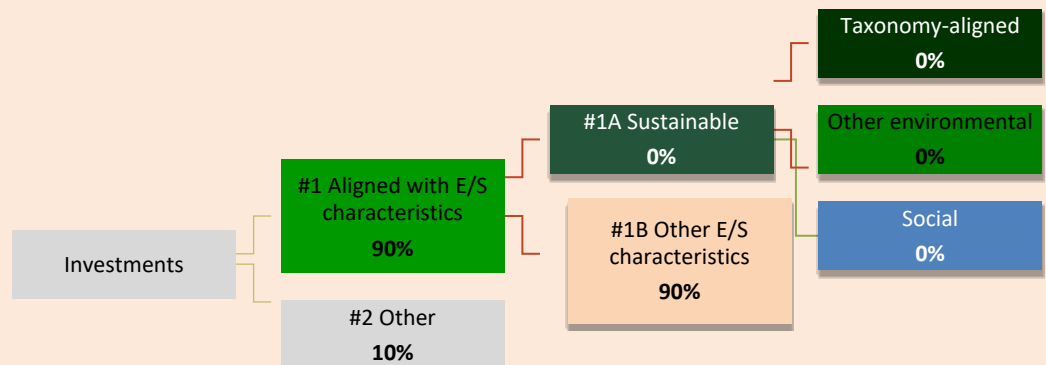
**Asset allocation** describes the share of investments in specific assets.

At least 90% of the Sub-Fund will be aligned with the environmental and social characteristics promoted by the Sub-Fund.

The remaining proportion of the Sub-Fund may include cash, money market instruments and / or other liquid instruments such as bank deposits, certificates of deposit, fixed and floating rate instruments, commercial paper, floating rate notes and freely transferable promissory notes for ancillary liquidity purposes.

Taxonomy-aligned activities are expressed as a share of:

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



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments

## ● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivative use, if any, does not contribute to attaining the environmental or social characteristics promoted by the Sub-Fund.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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

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

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

The Sub-Fund does not currently commit to investing more than 0% of its assets in investments in environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

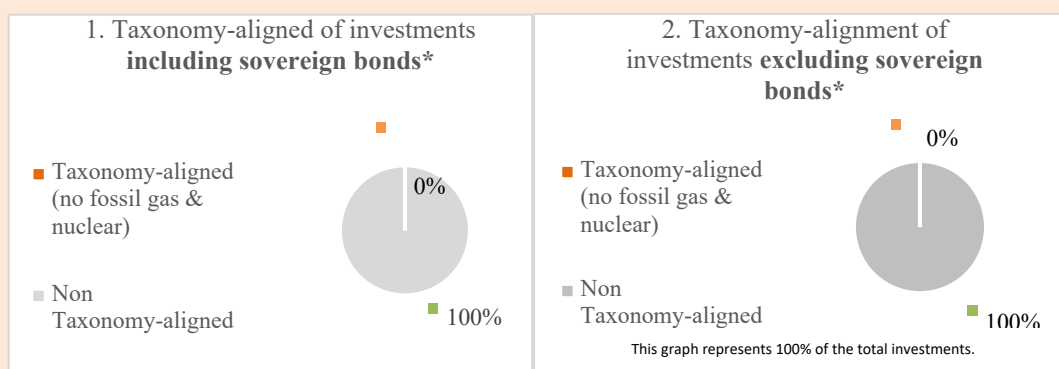
### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

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









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

### What is the minimum share of investments in transitional and enabling activities?

The Sub-Fund does not currently commit to investing more than 0% of its assets in transitional and enabling activities.

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

		
		<b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b>
are sustainable investments with an environmental objective that <b>do not take into account the criteria</b> for environmentally sustainable economic activities under the EU Taxonomy.	The Sub-Fund does not currently commit to investing more than 0% of its assets in sustainable investments.	
		<b>What is the minimum share of socially sustainable investments?</b>
		The Sub-Fund does not currently commit to investing more than 0% of its assets in sustainable investments.
		 <b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b>
		These investments comprise ancillary liquid assets and derivatives for efficient portfolio management purposes. Minimum environmental and social safeguards are not applicable due to the nature of the investments.
	<b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b>	
<b>Reference benchmarks</b> are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.	No.	
	<b>Where can I find more product specific information online?</b>	
		More product-specific information can be found on the website:  <a href="https://investment-solutions.mercer.com/global/all/en/investment-solutions-home/responsible-investment.html">https://investment-solutions.mercer.com/global/all/en/investment-solutions-home/responsible-investment.html</a>