

MERCER GIMD™

GLOBAL INVESTMENT MANAGER DATABASE A GUIDE FOR MANAGERS

WHAT IS GIMD?

Mercer's Global Investment Manager Database (GIMD) is a proprietary, web-based database containing information on more than 6,100 investment managers (www.mercergimd.com). This global repository provides information and insights on investment managers and strategies across all asset classes: equity, bonds, real estate, and alternatives. The entries are maintained by the investment managers themselves, with our research consultants adding research notes, news items, research priorities, and ratings. The information in this database supports Mercer's global research on investment managers and the manager searches that we perform for our clients.

BENEFITS OF BEING IN THE DATABASE

There are many benefits to being in our database:

- **Live information:** GIMD is web-based, ensuring that (real-time) information is immediately available to all members of Mercer's Investments team. Managers can therefore communicate with our consulting staff globally in a single action.
- **Easier access to Mercer's research:** GIMD makes your firm visible to Mercer's global manager research team, which conducts more than 2,700 meetings with investment managers each year in order to identify investment strategies suitable for our clients. The database is a primary resource for identifying strategies suitable for research. During 2018, we used this research to help our clients with 756 manager searches worldwide, accounting for US\$50.3 billion worth of assets placed.
- **Easier access to information for clients via MercerInsight:** GIMD allows investment managers to respond directly to requests for information from our research platform subscribers who can screen and analyze investment products via MercerInsight. Our 231¹ MercerInsight subscribers account for approximately US\$7.0 trillion² globally of Mercer's and its affiliates' assets under advisement. The geographical distribution of these subscribers is approximately equally split between the Americas, EMEA, and Asia Pacific, and the clients are principally large pension funds,

Mercer is a leading global provider of investment services and offers customized guidance at every stage of the investment decision, risk management, and investment monitoring processes. We have been dedicated to meeting the needs of our clients for more than 40 years and we work with the fiduciaries of pension funds, foundations, endowments, wealth managers, and other investors in 43 countries. We assist with every aspect of institutional investing (and retail portfolios in some geographies), from strategy, structure, and implementation to ongoing fiduciary management.

Our skilled and experienced people provide services to our clients across the investment continuum by partnering with clients to help manage investment risk and return outcomes. We embrace our clients' challenges, from remote delivery of research through to hands-on delegated decision-making.

As of June 30, 2018, we provide investment advice and services to more than 2,190 clients with assets under advice of more than US\$11.6 trillion.³

All data as of December 31, 2018, unless otherwise noted.

³ Assets under advisement include aggregated data for Mercer Investment Consulting, Inc. and its affiliated companies globally ("Mercer"). Data is derived from a variety of sources, including, but not limited to, third-party custodians or investment managers, regulatory filings, and client self-reported data. Mercer has not independently verified the data. Where available, data is provided as of 30 June 2018 ("Reporting Date"). If data was not available as of the Reporting Date, information from a date closest in time to the Reporting Date, which may be of a more recent date than the Reporting Date, was included. Data includes assets of clients that have engaged Mercer to provide project based services within the 12-month period ending on the Reporting Date, and assets of clients that subscribe to Mercer's Manager Research database.

¹ MercerInsight subscriber-only clients and clients that receive access as part of an investment consulting advisory relationship.

² Includes the assets under advisement for clients referenced in footnote (1) as at June 30, 2018.

sovereign wealth funds, insurance companies, multi-managers, private banks, and family offices.

- Free of charge:** Creating and maintaining an entry on GIMD is free.
- Faster selection process:** Maintaining the information stored in GIMD often negates the need for our consultants to make requests for proposals or information (RFPs/RFIs). This reduces the strain investment managers often face when presented with multiple requests for similar information and makes the search process with Mercer significantly smoother and faster.

WHAT TYPE OF INFORMATION DOES GIMD CONTAIN?

The database allows investment managers to enter firmwide information, together with in-depth, product-specific detail. As a minimum, we would expect your entry to contain:

Manager Name: Test manager
Other Name: test manager
Year Founded: 1997 Manager Code: TEST
Organization Type: Independent Investment Firm
Manager type:
 Manager primarily provides Manager of Managers or Sub-advised Products
 Manager primarily provides Alternative Investment Products

Investment Overview of Firms 0-2 Sub-advised Investments
Test manager is a global investment management organization with financial strength, with a wide area of investments products. The firm's investment professionals based in New York, London, Paris, and Tokyo.

Breakdown of Total Assets under Management

Type	Assets
Total	\$ 0
External	\$ 0.0
Internal	\$ 0.0 million

Total Assets: \$0 million

Breakdown of Total Assets under Management

Type	Assets
Total	\$ 0
External	\$ 0.0
Internal	\$ 0.0 million

Round trieling as at 31 Dec 2011
\$0 Assets under Management

Total Staff: 10
Note: The Total Staff figure should include all investment professionals as well as support and management staff.

Firmwide details including:

- Assets under management.
- Offices.
- Number of staff.
- Ownership details.

General
Please answer the following questions regarding the strategy:
Investment Strategy Category
Expected Average Return over 3 Years (%): 10 (you may enter a range)
Expected Volatility over 3 Years (%): 15 (you may enter a range)
Can strategy be followed to partially or fully hedge benchmark?
Estimated Turnover (Defined as the lesser of purchases and sales divided by the average market value), excluding cash inflows
Can strategy be followed to partially or fully hedge
Strategy will hedge
Approach to Currency Management
Percentage Unit: % on Hedging for accounts with Unhedged currency assets
Expected Average Portfolio Weighted Over 1 Full Market Cycle
The weight of the portfolio to each asset
Maximum Allocation to Emerging Markets (%):
Use of Options/Futures and/or Options
Can strategy be followed to partially or fully hedge benchmark?
Can strategy be followed to partially or fully hedge
to each asset?
Does the strategy have a maximum weight to each asset? (e.g. 100.00, 100.00 etc.)
Typical % of portfolio in short position (you may enter a range)
Typical % of portfolio in long position (you may enter a range)

Characteristics of a Typical Portfolio

Product details including:

- Processes.
- Benchmarks.
- Available vehicles.
- Performance track records.

When undertaking new manager searches, our consulting staff and MercerInsight subscribers often screen the database for particular information. Criteria can include performance, fees, office locations, team turnover, risk levels, etc. As such, the more information you enter into GIMD, the more likely you are to be included in these screens, even if your strategy is not rated by Mercer. Unrated strategies that consistently appear in such screening tend to be prioritized for future research.

A GUIDE TO MERCER'S MANAGER RESEARCH PROCESS

This short guide is designed to assist investment managers and related parties when navigating through Mercer's manager research process.

GETTING STARTED – GIMD

GIMD is the starting point for our research. It is used globally by all researchers and consultants, acts as the primary source of investment manager information, and houses our research.

Additionally, numerous large investors subscribe directly to GIMD via MercerInsight (www.mercerinsight.com). Contact details for creating an account on GIMD (which is free) and for any technical queries can be found at www.mercergimd.com/contactus.asp.

The more information you include in GIMD detailing your investment team, investment process, and products, the better.

ASSIGNING A RESEARCHER

When a new investment manager account is created in GIMD, a Mercer researcher will be assigned. Factors such as geographic location, asset class, and focus will be considered when selecting the appropriate researcher. The name and contact details of this researcher are visible on GIMD and this person will be your primary contact at Mercer at a business level.

Over time, individual products may be assigned to different researchers – for example, a private debt product will be assigned to a specialist private debt researcher. Again, this researcher's name and contact details will be visible on GIMD and he or she will be your primary contact at a product level.

As we coordinate and share research globally, it is not necessary for investment managers to meet separately with our research consultants in each region.

SETTING PRIORITIES

New products on GIMD will have a default rating of N (not rated). Initially, we conduct a desktop review of new products, based on the information on GIMD and any supplemental materials we receive. We reassess existing products from time to time and will prioritize a product for further research if (1) our client base has demand for the asset class/strategy or if we anticipate future demand, and (2) our desktop review indicates that the product warrants further research. This assessment does not rely on past performance but rather a view of the people and process behind a product, including the experience and level of team resources.

RATING PRODUCTS

For those products that are prioritized for further research, we will arrange meetings with the individuals managing the product. Typically, at least one meeting will be on site; it is essential that we have access to the key decision makers. Our process aims to formulate forward-looking views on the future prospects of products. The factors we look at are broadly grouped into (1) idea generation, (2) portfolio construction, (3) implementation, and (4) business management. Our overall view of a product is summarized by its rating, which is on the scale A, B+, B, and C. Products rated A are those that we would expect consultants to recommend to clients. R ratings also exist, which implies a strategy is researched but not fully rated.

The formal rating process requires the researcher to write a research note that reviews the product and recommends a rating. The rating is then submitted to a ratings review committee that will approve it, agree a different rating, or request further research.

Mercer ratings help us to recommend products to our clients based on our assessment of future value, and are therefore proprietary and not disclosed externally. However, the assigned researcher for a product will give honest feedback to investment managers on our research findings.

ONGOING CONTACT WITH MERCER

We expect to have frequent contact with the managers of A-rated products. For other products, we typically reassess every 12 to 24 months, or if priorities change.

For all managers, we require notification of any significant changes in the areas of organization, people, or process. Ensuring you keep GIMD updated is clearly central to the research process as this is our primary means of internal communication relating to our manager research.

HOW DO I LIST MY FIRM AND STRATEGY DETAILS ON GIMD?

If you do not have an entry on GIMD, please contact your local helpdesk below, and our team will be happy to help. Our helpdesks can provide more information on GIMD and answer any questions.

ASIA (HONG KONG)

+852 3476 3964
gimdadmin.hk@mercer.com

ASIA (SINGAPORE)

+65 6398 2459
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RESEARCH RATINGS

For the most recent approved ratings of an investment strategy, and a fuller explanation of their meanings, contact your Mercer representative.

CONFLICTS OF INTEREST

For Mercer's conflict of interest disclosures, contact your Mercer representative or see www.mercer.com/conflictsofinterest.