

# 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 Diversified Retirement Fund

### Mercer Diversified Retirement Fund M1 GBP (IE00BV0L7Z36) (the "Fund")

a sub-fund of MGI Funds plc

This Fund is managed by Mercer Global Investments Management Limited

#### OBJECTIVE AND INVESTMENT POLICY

The Fund will invest in a range of assets including shares, equity interests fixed and floating rate bonds issued by government and other corporate entities and indices on which commodities such as energy, agricultural and industrial products and precious metals are traded.

The Fund can invest in these securities directly and it can invest up to 100% of its assets in other funds ('Underlying Funds') which are consistent with the Fund's investment objectives and restrictions, but no more than 20% may be invested in any one Underlying Fund. Underlying Funds can include other sub-funds of MGI Funds plc.

The Fund may invest up to 20% of its assets in real estate investment funds, up to 35% of its assets in Underlying Funds which invest in, or directly in securities issued or traded in emerging markets, and up to 10% of its assets in equity securities listed or traded on Russian exchanges.

The Fund may invest no more than 30% in bonds which are rated below investment grade.

The Fund may use financial derivative instruments (instruments for which the price is dependent on one or more underlying asset, 'FDI') extensively. This can be to achieve the investment objective, to hedge a given investment or to hedge against anticipated movements in a market or other sector or to manage the portfolio more efficiently. FDI may enable the Fund to obtain market exposure in excess of the value of the Fund's assets. The Fund may be leveraged up to 10% of its assets through FDI. The use of FDI may multiply the gains or losses made by the Fund on a given investment or on its investments generally.

Income and capital gains from the Fund are reinvested.

You can buy and sell shares in the Fund on demand each business day.

Recommendation: This Fund may not be appropriate for investors who plan to withdraw their money within five years.

#### RISK AND REWARD PROFILE

**Lower risk** Potentially lower reward **Higher risk** Potentially higher reward



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

**Fund of Funds:** The Fund is a fund of funds, which means that the Fund invests in other Underlying Funds and each of the Underlying Funds into which it invests may in turn be subject to risks arising from the investments which that Underlying Fund makes. There can be no assurance that suitable Underlying Funds can be successfully selected or that the managers of the Underlying Funds will be successful in their investment strategies.

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

**Financial derivative instruments (FDIs):** The use of FDIs is highly specialised. FDIs are used to increase, lower or maintain

the risk level of the Fund. The loss on FDIs may exceed the amount invested and may have a negative effect on your investment. Risks associated with FDIs include the risk that the other party with which the Fund enters into an FDI will not meet its payment obligations.

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

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

**Exchange traded funds (ETFs):** The risks of owning shares in an ETF reflects the risks of owning the underlying securities that the ETF is designed to track. The value of the ETF could go up or down more than the underlying securities depending on market demand for the ETF.

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

**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.

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

**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.

**Sector specific:** Investment risk is concentrated in specific sectors, countries, currencies or companies. This means that the Fund is more sensitive to any localised economic, market, political or regulatory events.

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	0.25%
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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 an estimate. This figure may vary from year to year. It excludes:

- Performance fees
- 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.

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

## PAST PERFORMANCE



Past Performance, once available, is not a guide to future results.

Past Performance will take account of all charges and costs and entry/exit charges will be excluded from the calculation of past performance.

The Fund launched less than 1 year from date of KIID. Past Performance will be provided once available.

## PRACTICAL INFORMATION

**Custodian & Administrator:** The Fund's assets are held through its custodian, 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.

**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.