

Quarterly Factsheet

Mercer Overseas Sovereign Bonds Portfolio

June 2024

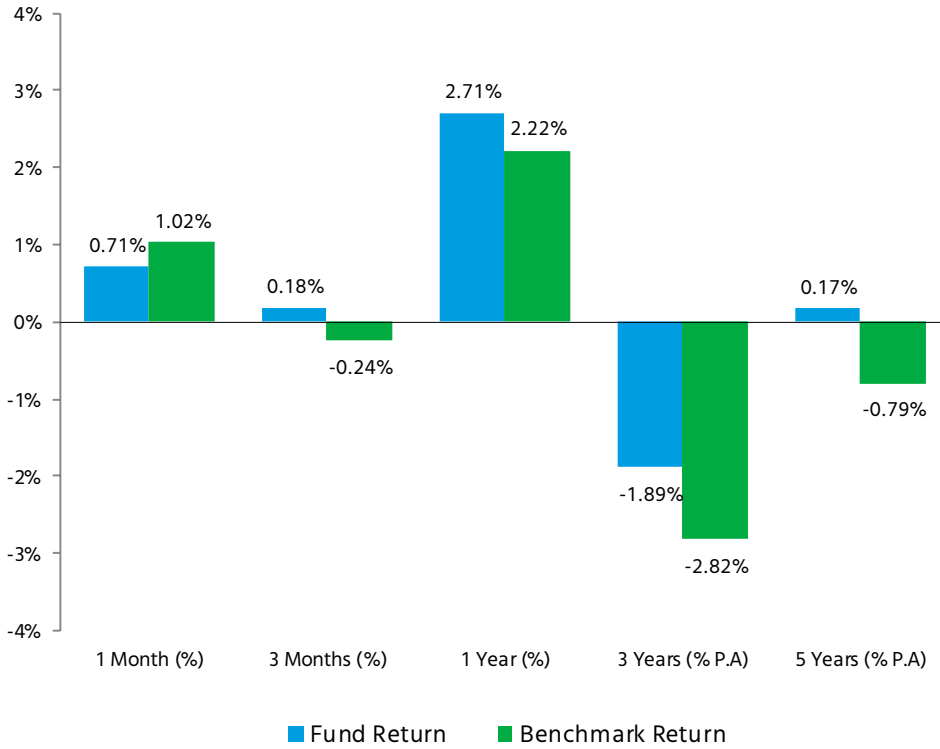
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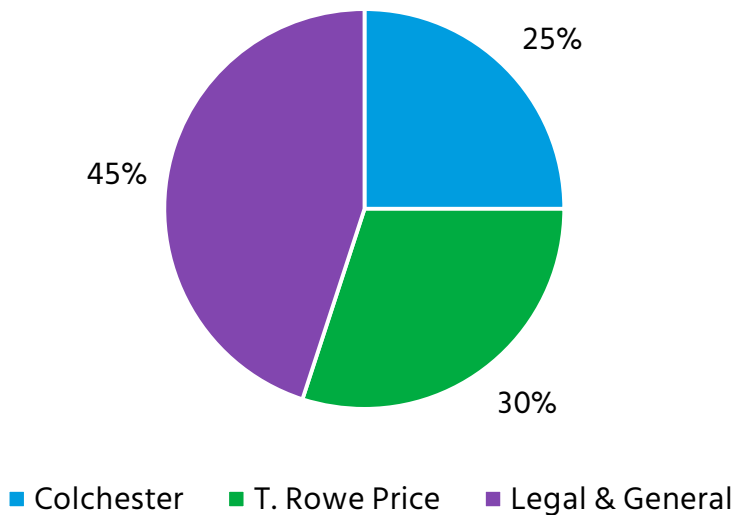
Overview

The Portfolio invests in overseas sovereign bond securities using either a single manager or multi-manager approach. Returns are hedged back to New Zealand dollars.

Fund Performance (before fees and taxes)



Manager Allocation



Fund Vehicle

Mercer Overseas Sovereign Bond Portfolio

Investment Vehicle

Portfolio Investment Entity (PIE)

Performance Benchmark

JP Morgan Global Government Bond Index (100% hedged to NZD on an after tax basis)

Performance Objective

To outperform the benchmark over the medium term

Fund Managers

Colchester, T. Rowe Price, Legal and General

Inception Date

June 2010

Fund Size

NZD \$830m

Price Frequency

Daily

Exclusions

Companies that manufacture whole weapons systems, or delivery platforms, or components that were developed or are significantly modified for exclusive use in cluster munitions, anti-personnel landmines, chemical, biological or nuclear weapons, as well as companies involved in the production and retailing of automatic and semi-automatic civilian firearms.

Companies involved in the manufacture and/or production of tobacco products (regardless of revenue), including subsidiaries and joint ventures, as well as any other company that derives 50% or more of revenue from other tobacco related business activities such as packaging, distribution and retail of tobacco products.

For More Information

Brian Kearney

t: +64 9 928 3193

e: Brian.L.Kearney@mercer.com

Performance as at reporting date with all other information based on most recent available data.

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Managers

Colchester

Management Style	Target Weight
Active Global	25%

Colchester adopt a value-oriented, benchmark agnostic approach to investing in sovereign bonds. Investment decisions are mainly based on real yields but also reflect an assessment of issuer finances. Currency exposure is determined primarily through purchasing power parity valuations. The larger the deviation in yields and exchange rates from their fair values, the greater the conviction.

T. Rowe Price

Management Style	Target Weight
Active Global	30%

This is a global government bond strategy which, through a risk-aware mind-set, aims to achieve its performance target through a combination of top-down and bottom-up fundamental research to generate ideas. Duration management, country and currency selection are expected to be large drivers of returns. T. Rowe believes in a disciplined investment approach combining fundamental research, extensive risk management, and strong execution.

Legal and General Investment Management

Management Style	Target Weight
Passive	45%

Legal and General Investment Management (LGIM) use a pragmatic approach to the replication of indices, with lower turnover to match the key risks of the benchmark rather than trading all of the index changes. LGIM use value enhancing techniques to cover the cost of index replication via timing of rebalancing, new issues to improve pricing efficiency, and crossing trades with the active team.

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For further information

BRIAN KEARNEY

t: +64 9 928 3193

e: brian.l.kearney@mercer.com

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