

# MERCER ADVISORS™

## MERCER GLOBAL ADVISORS INC.

1200 17<sup>th</sup> Street, Suite 500  
Denver, Colorado 80202  
merceradvisors.com

March 28, 2025

### ITEM 1 – COVER PAGE

This Form ADV Part 2A is the Mercer Global Advisors Inc Client Brochure (“brochure”), This brochure provides information about the qualifications and business practices of Mercer Global Advisors Inc. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

If you have any questions about the content of this brochure, please contact us at 888.885.8101 or [CCO@merceradvisors.com](mailto:CCO@merceradvisors.com).

Mercer Global Advisors Inc. is registered with the SEC and delivers all investment-related services. Mercer Advisors Inc. is the parent company of Mercer Global Advisors Inc. and is not involved with investment services. Registration as an investment advisor does not imply a certain level of skill or training. Additional information about Mercer Global Advisors Inc. is also available on the SEC’s website at <https://adviserinfo.sec.gov/>

## ITEM 2 – MATERIAL CHANGES

Since the annual amendment of Form ADV Part 2A filing on March 28, 2024, there material changes to this brochure are as follows:

- **Item 4-** Advisory Business: Updated to disclose the addition of Mercer Advisors’ affiliated private investment fund offering, Aspen Partners Funds, as well as the Regis Funds that are both advised by Mercer Advisors’ affiliate, Mercer Advisors Private Asset Management, Inc. (“MAPAM”), along with information regarding conflicts related to affiliated funds.  
Additional information has been provided around certain limited financial consulting arrangements.
- **Item 5-** Fees and Compensation: Additional information on the minimum advisory fee for Regis segment clients and clarifying language on the availability of additional services for those clients. Fees may vary for assets related to trust accounts depending on the scope and complexity of the portfolio.
- **Item 10-** Other Financial Industry Activities and Affiliation: Addition of affiliated entities Mercer Advisors Private Asset Management and MAPAM GP I, LLC as well as an ongoing conflict of interest pertaining to two Mercer Advisors Employees who shall continue to receive payments from unaffiliated private fund entities for prior client investments, which economic arrangement pre-dated Mercer Advisors’ acquisition of employees’ prior investment advisory firm. (See item 10 Continued conflict of interest.)  
Addition of Private Client Services, LLC as a broker dealer for which some employees may retain trail income as part of an outside business activity.
- Certain below sections of this Brochure have been modified to reflect a change in Mercer Advisors’ billing practice (i.e., Mercer Advisors includes margin balances for managed accounts in our investment advisory calculation, thereby presenting the potential for conflict of interest).
- **Items 4 and 14-** Advisory Business and 14 Industry Affiliations and other Compensation: Mercer Advisors utilizes products and services from Orion Advisor Solutions and Orion Portfolio Solutions. Mercer Advisors can qualify to receive discounted pricing for the use of Orion services based upon total net revenues earned by Orion from Mercer Advisors and certain Mercer Advisors’ clients for participating in Orion sub-advisory services. In addition, one of Mercer Advisors’ equity owners has ownership interests in Orion. While a primary driver of this relationship is for Mercer Advisors to enhance our technology platform, as the result of the above arrangement/relationships, Mercer Advisors has a conflict of interest in utilizing Orion’s sub-advisory services.

Changes were made to formatting throughout the document to make this brochure easier to read and understand.

### ANY QUESTIONS:

Mercer Advisors’ Chief Compliance Officer, Kimberly Lorenz, remains available to address any questions regarding the above changes, or any other issue pertaining to this Brochure.

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## ITEM 4 – ADVISORY BUSINESS

### Description of Advisory Firm

Mercer Advisors was founded in 1985 by Kendrick Mercer and started as a law practice focused on estate planning for professionals and families. In May of 2008 Mercer Advisors registered with the Securities and Exchange commission. Today, Mercer Global Advisors Inc. (“Mercer Advisors”) is a private company that is owned (indirectly through parent companies) by employees, as well as outside investors. Mercer Advisors is organized as a corporation.

Mercer Advisors serves individuals, families, small business owners, plan sponsors, foundations, non-profits, and endowments. Mercer Advisors provides discretionary and/or non-discretionary investment advisory services on a fee basis. As of December 31, 2024, the firm provided discretionary investment management services on assets of \$57.7 billion and non-discretionary advisory services on assets of \$2.5 billion.

To the extent requested by a client, Mercer Advisors can also provide financial planning, tax planning, retirement planning, estate planning, consulting services, and tax preparation services. Planning and consulting services are offered to clients in varying combinations and with various corresponding fee arrangements depending upon the level and scope of the requested service(s) to be provided. If Mercer Advisors subsequently determines that the client requires additional and/or extraordinary planning and/or consultation services (to be determined in the sole discretion of Mercer Advisors), Mercer Advisors can determine to charge for such additional and/or extraordinary services, the dollar amount of which shall be set forth in a separate written notice to the client.

### Investment Advisory Services

Mercer Advisors provides discretionary investment advisory services on a fee basis. Mercer Advisors’ annual investment advisory fee includes investment advisory services, and to the extent specifically requested by the client and agreed upon by the applicable agreement, financial planning, and other related services (e.g., tax, estate planning, etc.). If the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of Mercer Advisors), Mercer Advisors can determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

Before engaging Mercer Advisors to provide investment advisory services, clients enter into an Investment Advisory Agreement with Mercer Advisors setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. In addition, if engaging in asset management services, the client must also enter into a separate custodial/clearing agreement with a designated broker-dealer/custodian.

Mercer Advisors will ascertain each client’s investment objective(s) and then allocate the client’s assets consistent with the client’s designated investment objective(s). Once allocated, Mercer Advisors thereafter provides ongoing monitoring of the account(s). Mercer Advisors generally requires the client(s) to grant our firm discretionary authority to manage their account(s). Discretionary authorization allows Mercer Advisors to determine the specific securities to be purchased or sold for your account without the client’s prior consent.

Mercer Advisors has a fiduciary duty to provide services consistent with the client’s best interest. During client’s initial onboarding with the firm, our intention is to evaluate the current portfolio, determine the client’s specific financial planning goals, determine the investment objective, and evaluate other relevant information to develop your investment plan. **Please Note:** Although client’s assets may not be fully invested in

agreed upon plan or investment objective during this transition period advisory fees will still be charged by Mercer Advisors on all assets (including assets not yet invested) as set forth in the client's Investment Advisory or Management Agreement.

Mercer Advisors reviews client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, market conditions, factor exposure, asset class or style drift, account additions/withdrawals, and/or a change in the client's investment objective, financial position, or tax situation. Based upon these factors, it is not uncommon that an extended period of time will pass where Mercer Advisors determines that changes to a client's portfolio are neither necessary nor prudent. Clients remain subject to the fees described in Item 5 below during periods of account inactivity.

New clients undergo a review of their current assets and investment objectives. As indicated above, during this analysis and transition period, assets may not be fully invested according to the designated investment objective. However, as also indicated above, advisory fees will still be charged by Mercer Advisors on all assets (including assets not invested) as set forth in the client's investment management agreement.

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### **Trustee Directed Plans**

Mercer Advisors provides both discretionary and non-discretionary investment advisory services to ERISA retirement plans, whereby the Firm shall manage Plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, Mercer Advisors will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("ERISA"). Mercer Advisors will generally provide services on an "assets under management" fee basis per the terms and conditions of an *Investment Advisory Agreement* or *Investment Management Agreement* between the Plan and the Firm.

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### **Participant Directed Retirement Plans**

Mercer Advisors also provides investment advisory and consulting services to participant directed retirement plans per the terms and conditions of an *Investment Advisory Agreement for Participant-Directed Plans* or *Investment Management Agreement for Participant-Directed Plans* between Mercer Advisors and the plan. For such engagements, Mercer Advisors shall assist the Plan sponsor with the selection of an investment platform and manage a diversified menu of investment options from which Plan participants shall make their respective investment choices (this can include investment strategies devised and managed by Mercer Advisors), and, to the extent engaged to do so, can also provide corresponding education to assist the participants with their decision-making process.

Mercer Advisors can also provide non-discretionary advisory services to ERISA retirement plans whereby the firm provides the Sponsor and the Plan with the recommended diversified investment options for the Plan from which Plan participants can choose.

If allowed, Mercer Advisors can also create specific asset allocation models (the "Models") comprised of any and/or all of the designated investment alternatives. When Mercer Advisors is providing non-discretionary advisory services, the Sponsor maintains absolute discretion as to whether to accept any of the Adviser's recommendations, including the Models.

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### **Client Retirement Plan Assets and Rollover**

**401(k) plan.** If requested to do so, Mercer Advisors can provide investment advisory services relative to 401(k) plan assets maintained by the client in conjunction with the retirement plan established by the client's employer. In such an event, Mercer Advisors shall allocate (or recommend that the client allocate) the

retirement account assets among the investment options available on the 401(k) platform. Mercer Advisors' ability shall be limited to the allocation of the assets among the investment alternatives available through the plan. Mercer Advisors will not receive any communications from the plan sponsor or custodian, and it shall remain the client's exclusive obligation to notify Mercer Advisors of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account. Unless expressly indicated by Mercer Advisors to the contrary, in writing, the client's 401(k) plan assets shall be included as assets under management for the purposes of Registrant calculating its advisory fee.

It is the client's exclusive obligation to notify Mercer Advisors of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account. Unless expressly indicated by Mercer Advisors to the contrary, in writing, the client's 401(k) plan assets shall be included as assets under management for the purposes of Mercer Advisors calculating its advisory fee.

Mercer Advisors can also provide non-discretionary advisory services to ERISA retirement plans whereby the firm provides the Sponsor and the Plan with the recommended diversified investment options for the Plan from which Plan participants can choose.

Mercer Advisors uses Account Bridge, a service platform offered through a third-party vendor, to view and advise on client assets. Plan participants who wish to opt into Account Bridge will pay a wealth management fee that is separate from fees under the agreement between the plan sponsor and Mercer Advisors. The Plan does not pay an additional fee when their participants choose to engage Mercer Advisors for Account Bridge services. Participants must enter into a separate agreement to utilize Account Bridge services. **See additional disclosure under Item 10- Financial Industry Activities and Affiliations.**

**Retirement Rollovers.** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Mercer Advisors recommends that a client roll over their retirement plan assets into an account to be managed by Mercer Advisors, such a recommendation creates a **conflict of interest** if Mercer Advisors will earn new (or increase its current) compensation because of the rollover. If Mercer Advisors provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), Mercer Advisors is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. **No client is under any obligation to roll over retirement plan assets to an account managed by Mercer Advisors, whether it is from an employer's plan or an existing IRA.**

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## **Charitable and Non-Profit Organizations**

Mercer Advisors offers investment management and planning for charities and non-profits. In addition to investment management, the organization can also engage Mercer Advisors for:

- Working with non-profit boards on investment policy statements and asset allocation strategy
- Planning for grants and other distributions; spending policy analysis
- Board education, particularly with respect to the fiduciary obligations of all parties
- Analysis of appropriate portfolio approaches, including environmental, social, and corporate governance considerations.

## Investment Strategies

Mercer Advisors seeks to build portfolios that are diversified across and within major global asset classes.

Mercer Advisors' investment strategies incorporate, as appropriate:

- Strategically weighted investments designed to isolate, capture, and compound incremental return from academically validated factors including value, size, momentum, high profitability, quality, low-beta, dividend yield, term, and credit factors.
- Broad asset class and multi-factor diversification to help diversify risk.
- Where possible, we utilize low expense ratio vehicles such as ETFs, index funds, third party SMAs, direct index strategies, and institutional funds.
- Interval funds or private funds to invest in private asset classes such as private equity, private credit, real estate, real assets, infrastructure, or hedge fund strategies.
- Regular rebalancing to maintain a targeted risk/return profile.

Primarily through Envestnet Asset Management, Inc. (“Envestnet”) and Orion Advisor Services, Inc. (“Orion”), unaffiliated registered investment advisers that offer various services to independent investment advisers such as Mercer Advisors, we have access to a range of fee-based investment offerings, research and due diligence on asset managers and funds, flexible online reporting on client accounts, and automation of essential back-office functions. Through Envestnet and Orion, we utilize web-based platforms to construct and rebalance client portfolios.

For various reasons, including embedded taxable gains, clients transferred to Mercer Advisors from acquired firms may continue to maintain investment holdings, strategies, and managers acquired prior to their Mercer Advisors engagement. It is Mercer Advisors' general intention to eventually transition such assets to appropriate Mercer Advisors offered investments and/or investment strategies.

## Investment Programs

### Market Series Program

*Harness the benefits of low-cost global diversification*

- Globally diversified asset allocation portfolios are designed to provide broad, global asset class diversification.
- Flexible approach to portfolio implementation allows for the use of any combination of approved, low-cost index mutual funds, index ETFs, or index-oriented Separate Account solutions (including direct indexing strategies and/or technologies).
- Tax-management solutions available for clients with low basis positions.
- Broad range of risk-based allocations available.

### Multifactor Series Program

*Put academic research to work in your portfolio*

- Globally diversified asset allocation portfolios are designed to provide broad global asset class diversification combined with tilts to academically identified factors such as value, profitability, quality, and momentum (among others).
- A flexible approach to portfolio implementation allows for the use of any combination of approved mutual funds, ETFs, or separate account solutions.

- As appropriate, it can include allocations to interval funds or private funds providing access to various private markets asset classes or alternatives strategies.
- Tax-management solutions available for clients with low basis legacy positions.
- Broad range of risk-based and US-only allocations available.

### Income Series Program

*Generate income to provide for retirement, education, and more*

- Globally diversified asset allocation portfolios are designed to provide broad global asset class diversification combined with an emphasis on income-oriented asset classes such as dividend-paying equities and non-investment grade bonds (among others).
- A flexible approach to portfolio implementation allows for the use of any combination of approved mutual funds, ETFs, or separate account solutions.
- As appropriate, can include allocations to interval funds or private funds providing access to various private markets asset classes or alternatives strategies.
- Tax-management solutions available for clients with low basis positions.
- Broad range of risk-based and US-only allocations available.

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### Separately Managed Account (SMA) Program & Unified Managed Account (UMA) Program

Mercer Advisors can allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated Independent Managers in accordance with the client's designated investment objective(s). In such situations, the Independent Manager shall have day-to-day responsibility for the active discretionary management of the allocated assets. Mercer Advisors shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation, and client investment objectives.

Factors which Mercer Advisors shall consider in recommending an Independent Manager include the client's designated investment objective(s), management style, performance, reputation, reporting, pricing, and research. The fee paid to the selected managers will be in addition to the advisory fees paid to Mercer Advisors. The fee charged by the manager, terms of payment, and termination of service, is determined by the manager.

Mercer Advisors Independent Manager Program provides clients (working through their advisor) the opportunity to invest, as appropriate, in any number of approved Separately Managed Accounts (SMA)

- SMA solutions are available for equities, fixed income (both taxable and tax-exempt), real estate, MLPs, preferred stocks, and covered call writing.
- Most approved SMAs are also UMA-compatible, allowing for their use in combination with other SMAs, mutual funds, and ETFs within a single account.

**Please Note:** The investment management fee charged by the Separate Account Manager[s] is separate from, and in addition to, Mercer Advisors' investment advisory fee disclosed at Item 5 below.

Clients of firms acquired through an acquisition could be invested in a proprietary SMA strategy administered by the acquired firm. At some point after acquisition, it is Mercer Advisors' general intention to evaluate the strategy and, if appropriate, transition such acquired firm clients to corresponding appropriate Mercer Advisors offered investments and/or investment strategies.



Mercer Advisors' UMA programs provide clients—working through their advisor—the opportunity to build, as appropriate, customized portfolios using any combination of approved separate account solutions, mutual funds, and/or ETFs. In doing so, advisors work directly with the firm's Investment Strategy Group ("ISG") to build customized solutions uniquely tailored to clients' individual goals, objectives, risk tolerances, and constraints.

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## **Annuities**

Mercer Advisors offers access to no-load variable annuities. The investment selections for the variable annuities are limited to the choices offered through the specific products. Specifics regarding the annuities are found in the annuities' prospectuses and application documents. Mercer Advisors can provide initial and ongoing advisory services regarding the allocation among, and monitoring of, the investment choices within the variable annuity product. Unless expressly indicated by Mercer Advisors to the contrary, in writing, the client's variable annuity assets shall be included as assets under management for the purposes of Mercer Advisors calculating its advisory fee.

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## **Schwab Institutional Intelligent Portfolios**

For certain clients acquired through mergers and acquisition, clients could choose to maintain, an automated investment program (the "Program") through which clients are invested in a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange-traded funds and mutual funds ("Funds") and a cash allocation. The client can instruct us to exclude up to three Funds from their portfolio. The client's portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. ("CS&Co"). We use the Institutional Intelligent Portfolios® platform ("Platform"), offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of CS&Co., to operate the Program. We are independent of and not owned by, affiliated with, sponsored or supervised by SPT, CS&Co., or their affiliates (together, "Schwab"). We, and not Schwab, are the client's investment advisor and primary point of contact with respect to the Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. We have contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the "System"). Based on the information the client provides to us we will recommend a portfolio via the System. The client can then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we make the final decision and select a portfolio based on all the client information. The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

We charge clients a fee for our services as described below under Item 5 Fees and Compensation. Our fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co. as part of the Program; however additional product-level fees may be incurred. It is important for clients to review their program document and fees under this program.

We do not pay SPT fees for the Platform as long as we maintain \$100 million in client assets in accounts at CS&Co. that are not enrolled in the Program. If we do not meet this condition, then we pay SPT an annual licensing fee of 0.10% (10 basis points) on the value of our clients' assets in the Program. This fee arrangement

gives us an incentive to recommend or request that our clients with accounts not enrolled in the Program be maintained with CS&Co.

While clients are required to use CS&Co. as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with CS&Co. by entering into a brokerage account agreement directly with CS&Co. We do not open the account for the client. If the client does not wish to place his or her assets with CS&Co., then we cannot manage the client's account through the Program.

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## Private Investments

Private investments can add value to the portfolios of qualified high-net-worth clients. Mercer Advisors can recommend certain private investments for use as part of a diversified, Mercer Advisors-managed investment strategy. These investments carry risk and are designed for investors that meet qualified purchaser, qualified client, or an accredited investor requirements as defined by the Securities and Exchange Commission ("SEC").

*Subscribing to a privately offered investment is a legal contract that is enforceable by the fund sponsor. Clients should take their capital commitments seriously. Private investments are not liquid and cannot be readily sold or converted to cash or other securities. Clients should ensure they have adequate liquidity before choosing to invest. See additional important disclosure regarding Affiliated and Unaffiliated Private Investment Funds in the Important Information Regarding the Advisor Business section below.*

## Other Services

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### Financial Planning Services and Consulting Services

Mercer Advisors can provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, divorce planning, etc.) to the extent specifically requested by a client. Financial planning or consulting fees are negotiable as described in Item-5 Fees and Compensation.

Depending on the types of financial planning services requested, the client may be required to pay a separate fee in addition to the fees paid to Mercer Advisors for investment advisory services, per our standard Wealth Management Agreement.

Mercer Advisors provides certain clients with access to an online platform hosted by eMoney Advisor Advisors, LLC ("eMoney"). The eMoney platform allows a client to view their complete asset allocation, including those assets that Mercer Advisors does not manage (the "Excluded Assets"). Mercer Advisors does not provide investment management, monitoring, or implementation services for Excluded Assets. The client can choose to engage Mercer Advisors to manage some or all Excluded Assets pursuant to the terms and conditions of an Investment Advisory Agreement between Mercer Advisors and the client.

The eMoney platform also provides access to other types of information and/or reports, including financial planning concepts. The generated information and/or reports are provided for educational purposes only and the client **should not** rely on it as the primary basis for insurance, investment, financial, or tax planning decisions. The generated report is not a recommendation of any investment strategy or transaction, rather it is a tool for Mercer Advisors and the client to collaboratively: (i) confirm the accuracy of the information on the client's risk tolerance, investment objectives and other personal and financial information, and (ii) solicit the client's input and feedback to refine the approach for the client's financial future. Mercer Advisors shall not be

held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the eMoney platform without Mercer Advisors' assistance or oversight.

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### Family Wealth Services

The goal for many high-net-worth families is to maintain and enhance their family legacy over multiple generations. Centralized wealth management is fundamental to this long-term wealth preservation objective.

The Mercer Advisors Family Wealth Services Team offers cohesive personalized solutions designed to help grow, protect, and transfer wealth across generations. Estate Planning services comprise complete estate planning review; extensive tax management, including exploration of the potential tax gaps between client intentions, existing plans, and ever-changing tax landscape; fraud protection for personal, business, and entity interests, and long-term care insurance analysis and recommendation. Mercer Advisors' team integrates a variety of sophisticated estate planning tools, allowing for the strategic and purposeful distribution of family wealth across generations, as directed by each client's family vision.

**Please Note:** Mercer Advisors is not a law firm, it does not prepare estate planning documents, and no portion of its services should be construed as legal advice or services. *See* disclosures regarding ASLG and Tax Specialist below.

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### Estate Planning

Mercer Advisors offers clients attorney led estate planning document preparation and other legal services through the law firm Advanced Services Law Group, Inc. ("ASLG"). Estate Planning Strategists employed by Mercer Advisors in our Estate Planning group separately act as Counsel with ASLG to provide these legal services to clients that specifically engage ASLG for such services. Although we recommend clients use the services of ASLG, clients are never obligated or required to use such services. The services of Mercer Advisors and ASLG are separate and distinct from one another, each with a separate agreement and compensation arrangement for services rendered. There is no common ownership between Mercer Advisors and ASLG.

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### Tax Planning and Preparation

Mercer Advisors offers a proactive tax planning service. Tax specialists can assist clients at the beginning of the year to create and implement a customized tax plan that helps minimize tax liability throughout the year. As the year progresses, Tax specialists can continue to analyze and support clients' tax needs to maintain a well-organized tax plan. Mercer Advisors' Tax specialists can help forecast future client needs to implement long-term strategies aimed at helping reduce client tax liability in years to come.

Mercer Advisors offers tax preparation services. Clients needing tax preparation may utilize our team of tax professionals and CPAs but are not obligated to do so. If you choose to engage us for tax preparation services, you will typically enter into a separate agreement and pay a separate fee in addition to the fees paid to Mercer Advisors for investment advisory or other services. **Please Note:** Mercer Advisors is not a certified public accounting (CPA) firm.

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### Retirement Planning Design and Administration

Mercer Advisors offers fiduciary investment management and fiduciary investment advisory services to employer sponsored retirement plans. Mercer Advisors partners with third-party recordkeepers and third-party administrators to provide retirement plan design, documentation, and administration services to meet each plan's unique objectives. Mercer Advisors' retirement plans, when optimally designed, can provide many

advantages including, 100% deductible contributions made to a Qualified Plan (up to established limits), tax deferred investment income generated within the plan, benefit distributions not subject to FICA or other payroll-based taxes, loan options based on plan balance, and should a plan participant experience financial difficulties, his/her plan assets are creditor-protected – an added level of retirement asset protection.

Mercer Advisors offers to provide a comprehensive analysis of the client's unique business demographics, financial resources and core philosophies to design a retirement program — a single plan or multiple programs – that maximizes the sponsor's retirement savings and tax advantages. Mercer Advisors works with third-party recordkeepers and third-party administrator service providers to provide retirement plans with tailored administration options, including Profit Sharing, 401(k), Cash Balance, and Defined Benefit plans. Each retirement plan offers a range of alternatives to fit the client's needs, including flexible contribution, multiple vesting, and numerous investment options. Additionally, retirement plans are granted access to Mercer Advisors' institutional-grade investment strategies. Professional unaffiliated third-party administrative staff perform all administrative functions for each client plan to help ensure the Retirement Plan follows all applicable federal regulations.

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### **Divorce Services**

Mercer Advisors may be engaged to provide divorce planning consulting services per the terms and conditions of a separate agreement and fee (fee arrangement to be disclosed in the agreement). The objective of the service is to assist the divorcing clients, and their respective divorce counsel(s), to understand the financial implications of various financial planning scenarios related to their divorce case and settlement options. Mercer Advisors is not a law firm and does not provide legal services. No portion of its consulting services serves as a substitute for the engagement of qualified divorce legal counsel. Given that Mercer Advisors will be providing services to divorcing clients, Mercer Advisors' engagement can present conflicts of interest, and all parties must be guided accordingly. No client is under any obligation to engage Mercer Advisors for such services. The clients are encouraged to address any such prospective divorce planning engagement with their respective legal counsel.

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### **Wellthy – Health Care Concierge Services**

Mercer Advisors has partnered with Wellthy to offer care management concierge services to clients with at least \$1MM in assets under management. Wellthy is an unaffiliated third-party vendor that offers a caregiving platform (the "Platform") to help our clients address the logistical and administrative tasks of caring for the ones they love. Costs are determined by Wellthy and no referral fees are received by Mercer Advisors for clients who choose to utilize the Platform. Mercer Advisors will provide the first six (6) months of the service free of charge to a qualifying client. After six months, the client can choose to continue to utilize Wellthy at a cost of \$450 per care project, charged directly to the specified client account.

Although Mercer Advisors recommends Wellthy service, no client is under any obligation or requirement to use the Platform service as part of their Mercer Advisors' relationship or continue to utilize this service after the initial six-month period. The services of Mercer Advisors and Wellthy are separate and distinct from each other, each with a separate agreement and compensation arrangement for services rendered. Clients can engage Wellthy directly, independent of Mercer Advisors, and could pay more or less for Wellthy than if they engage Wellthy through Mercer Advisors. In addition, the services provided by Wellthy may be available from other vendors at a higher or lower cost than that charged by Wellthy.

Mercer Advisors **does not** provide health care concierge service, and no portion of our services should be construed as such.

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## Financial Consulting

Certain Mercer Advisors' clients whose existing brokerage assets (primarily commission-based variable annuities and mutual funds—the “Assets”) were previously monitored by Mercer Advisors' investment adviser representatives in their prior separate licensed individual capacities as registered representatives of SEC registered and FINRA members broker-dealers, have transferred the Assets to Mutual Securities, Inc. (“Mutual”), a FINRA member and SEC registered broker-dealer. In conjunction with such transfer of Assets, Mercer Advisors has entered into an arrangement with Mutual whereby Mutual compensates Mercer Advisors on a quarterly basis to remain available to provide advisory monitoring/consulting services to such affected clients relative to the Assets. Except for the Mutual consulting fee (which is payable to Mercer quarterly as a flat fee), neither Mercer Advisors, nor any of its representatives, will receive any separate compensation from the clients relative to the Assets. The compensation payable by Mutual to the Firm does not result in higher fees payable by the clients to Mutual.

## Important Information Regarding the Advisory Business

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### Socially Responsible Investing Limitations

Socially Responsible Investing involves the incorporation of Environmental, Social and Governance (“ESG”) considerations into the investment due diligence process. ESG investing incorporates a set of criteria/factors used in evaluating potential investments: Environmental (i.e., considers how a company safeguards the environment); Social (i.e., the manner in which a company manages relationships with its employees, customers, and the communities in which it operates); and Governance (i.e., company management considerations). The number of companies that maintain an acceptable ESG mandate can be limited when compared to those that do not and could underperform broad market indices. **Investors must accept these limitations, including the potential for underperformance.** Correspondingly, the number of ESG mutual funds and exchange-traded funds are limited when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Mercer Advisors), there can be no assurance that investment in ESG securities or funds will be profitable or prove successful.

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### Mutual and Exchange Traded Funds

Mercer Advisors uses mutual funds and exchange traded funds for its client portfolios. In addition to Mercer Advisors' investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).

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### Use of DFA Mutual Funds

Mercer Advisors utilizes the mutual funds issued by Dimensional Fund Advisors (“DFA”). DFA funds are generally only available through registered investment advisers approved by DFA. Thus, if the client was to terminate Mercer Advisors services, and transition to another adviser who has not been approved by DFA to utilize DFA funds, restrictions regarding additional purchases of, or reallocation among other DFA funds, will generally apply.

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## Long/Short Equity Strategy

Mercer Advisors can allocate client assets to an unaffiliated separate account manager (the “Manager”) that employs a long/short equity investment strategy (the “Strategy”) whereby both long and short positions will be maintained within the same portfolio. Long-short equity is an investment strategy that seeks to take a long position in underpriced stocks while selling short, overpriced shares.

**Please Note:** There can be no assurance that the Strategy will prove successful.

**Please Also Note: The Strategy employs margin. The use of margin permits the Manager to borrow money to buy securities.** The broker/custodian for the Strategy account charges the account interest for the right to borrow money and uses the account securities as collateral. By using borrowed funds, the customer is employing leverage that will amplify both account gains and losses. To the extent that the Strategy employs margin, Mercer Advisors (and the Manager) will include the entire market value of the account when computing their respective advisory fees.

Accordingly, both the Manager’s and Mercer Advisors’ fees could be based upon a higher margined account value, resulting in both the Manager and Mercer Advisors’ earning a correspondingly higher advisory fee. As a result, the potential for conflict of interest arises since Mercer Advisors could have an economic incentive to recommend that the client invest in, (and once invested, have a disincentive to recommend that the client terminate) the Strategy. **Two Separate Strategy Advisory Fees.** The client will incur separate advisory fees for the Manager and Mercer Advisors.

**Opt-Out:** A client can advise Mercer Advisors, in writing, not to allocate any assets to the Strategy.

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## Interval Funds- Risk and Limitations

Where appropriate, Mercer Global Advisors, Inc. (“Mercer Global”) may utilize interval funds. An interval fund is a non-traditional type of closed-end mutual fund that periodically offers to buy back a percentage of outstanding shares from shareholders. Investments in an interval fund involve additional risk, including lack of liquidity and restrictions on withdrawals. During any time periods outside of the specified repurchase offer window(s), investors will be unable to sell their shares of the interval fund. There is no assurance that an investor will be able to tender shares when or in the amount desired. There can also be situations where an interval fund has a limited capacity to repurchase shares and may not be able to fulfill all purchase orders. In addition, the eventual sale price for the interval fund could be less than the interval fund value on the date that the sale was requested. While an interval fund periodically offers to repurchase a portion of its securities, there is no guarantee that investors may sell their shares at any given time or in the desired amount. As interval funds can expose investors to liquidity risk, investors should consider interval fund shares to be an illiquid investment. Typically, the interval funds are not listed on any securities exchange and are not publicly traded. Thus, there is no secondary market for the fund’s shares. Because these types of investments involve certain additional risk, these funds will only be utilized when consistent with a client’s investment objectives, individual situation, suitability, tolerance for risk and liquidity needs. Investment should be avoided where an investor has a short-term investing horizon and/or cannot bear the loss of some, or all, of the investment. There can be **no assurance** that an interval fund investment will prove profitable or successful. Rather, like any type of investment, an interval fund, at any specific point in time, or over any specific time period, can suffer losses, including the potential for substantial losses. **In light of these enhanced risks, a client may direct Mercer Global Advisors Inc., in writing, not to purchase interval funds for the client’s account.**

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## Cash Positions

Mercer Advisors continues to treat cash as an asset class. As such, unless determined to the contrary by Mercer Advisors, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for the purposes of calculating Mercer Advisors' advisory fee. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Mercer Advisors' advisory fee could exceed the interest paid by the client's money market fund.

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## Cash Sweep Accounts

Certain account custodians can require that cash proceeds from account transactions or new deposits, be swept to and/or initially maintained in a specific custodian designated sweep account. The yield on the sweep account will generally be lower than those available for other money market accounts.

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## Indexing

Mercer Advisors can employ an investment strategy referred to as *Direct Indexing*, a strategy that seeks to replicate an existing stock index, like the S&P 500, through direct ownership of individual stocks. Direct Indexing allows for portfolio customization and adjusting exposure to specific stocks or sectors. It can also provide a tax-loss harvesting benefit, which may help reduce tax bills by offsetting capital gains with losses from other positions.

Mercer advisors can utilize the sub-advisory services provided by Orion Portfolio Solutions, a subsidiary of Orion Advisor Solutions, Inc. (together "Orion") to offer direct indexing solutions. Orion's sub-advisory fee is paid by the client. **Please Note: Conflicts of Interest** Mercer Advisors can qualify to receive *Orion Preferred Advantage Pricing* based upon total net revenues earned by Orion from Mercer Advisors' clients. As a result, the amount payable by Mercer Advisors for certain other Orion-provided services is reduced if net revenues earned by Orion from Mercer Advisors' clients meet certain quarterly thresholds. Thus, Mercer Advisors has an economic incentive to allocate assets to Orion. In addition, one of Mercer Advisors' equity owners, Genstar Capital Partners, LLC, manages one or more private equity funds with ownership interests in Orion. As the result of the above arrangement/relationships, Mercer Advisors has a **conflict of interest** in utilizing Orion's sub-advisory services.

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## Margin Accounts-Risks and Conflict of Interest

As indicated above and below on this Brochure, Mercer Advisors can recommend the use of margin for investment purposes. As also indicated above and below, should a client determine to use margin, Mercer Advisors includes the market value of the margined assets when computing its advisory fee, thereby creating a **conflict of interest** (i.e., Mercer advisors could have an economic incentive to recommend that the client utilize and/or continue to utilize margin because it can earn a higher advisory fee from the higher margined account value).

**Please Note:** The use of margin can cause significant adverse financial consequences in the event of a market correction.

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## Unaffiliated Private Investment Funds

Mercer Advisors provides investment advice regarding unaffiliated private investment funds. Mercer Advisors, on a non-discretionary basis, recommends that certain qualified clients consider an investment in private investment funds, the description of which (the terms, conditions, risks, conflicts and fees, including incentive

compensation) is set forth in the fund's offering documents. Private investment funds generally involve various risk factors, including, but not limited to the potential for complete loss of principal, liquidity constraints, and lack of transparency. Mercer Advisors' role relative to unaffiliated private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become an unaffiliated private fund investor, the market value of the private fund(s) shall be included as part of "assets under management" for purposes of Mercer Advisors calculating its investment advisory fee. Mercer Advisors' fee shall be in addition to the fund's fees. Mercer Advisors' clients are under no obligation to consider or make an investment in any private investment fund(s).

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### **Affiliated Private Investment Funds**

Mercer Advisors recommends that certain qualified clients consider an investment in private investment funds. In addition to unaffiliated private investment funds, Mercer Advisors can also recommend that a client consider investing in private investment funds formed and managed by entities affiliated with Mercer Advisors. As disclosed below, private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency. A more complete discussion of these risks is set forth in each fund's offering documents, which will be provided to each client for review and consideration, pursuant to which the client shall establish that he/she is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.

#### **Please Note: Conflict of Interest**

#### **Aspen Partners Funds**

Mercer Advisors has an affiliated RIA, Mercer Advisors Private Asset Management ("MAPAM"). MAPAM was formed to create and deliver a series of private investment funds designed to meet the investment needs of Mercer Advisors' clients. This is accomplished through the Aspen Partners Platform, and specifically by launching the Aspen Partners Fund Family. There is a conflict of interest when an Adviser recommends clients to invest in an affiliated fund where the Adviser earns any additional compensation. This conflict of interest is mitigated because Mercer Advisors has no financial incentive to recommend an investment managed by MAPAM over any other investment. Mercer Advisors' clients do not pay any additional advisory fees when investing in an Aspen Partners fund over any other investment in their portfolio. The fund value is simply included as part of assets under management for purposes of Mercer Advisors calculating its investment advisory fee. In addition, Mercer Advisors' clients are not charged a management fee by the Aspen Partners Funds either. However, when a Mercer Advisors client who is invested in an Aspen Partners fund ceases to be a Mercer Advisors client, the fee structure of the Aspen Partners fund will change, and the former client will be charged a management fee by the Aspen Partners fund, which will be deducted from their capital account. That fee structure is disclosed in the Aspen Partners fund subscription agreement and offering materials.

#### **The Regis Funds**

As part of the acquisition of Regis Management Company LLC, MAPAM GP I, LLC, an affiliate of Mercer Advisors, was appointed as the General Partner ("GP") for the Regis Funds. The Regis Funds are closed to new investors. There are a limited number of current Mercer Advisors advisory clients who are investors in the Regis Funds.

Mercer Advisors' clients are under absolutely no obligation to consider or make an investment in any affiliated private investment fund. Given the conflicts of interest, Mercer Advisors clients should consider seeking advice from independent professionals (i.e., attorney, accountant, adviser, etc.) of their choosing prior to becoming an affiliated fund investor.



MAPAM serves as the investment manager to the Aspen Funds (the “Funds”). The Funds obtain certain “platform services” through its engagement of Opto Investments, Inc. (“Opto”), a platform provider serving the private fund industry. Opto charges the Funds for the platform services provided. Fund investors incur an administrative fee (“platform fee”) covering these third-party services, which is payable by the Fund, currently capped at 19 basis points of aggregate capital commitments. The remainder of the platform fee is absorbed by MAPAM’s parent company, Mercer Advisors Inc. Mercer Advisors introduces certain of its clients to the Funds.

**Please Note: Conflict of Interest:** Opto and the Parent (which is also the parent company of Mercer Advisors) have entered into a revenue sharing arrangement whereby Opto will share with the Parent a portion of the fees it earns from certain unaffiliated fund engagements. MAPAM, the Funds, Mercer Advisors, and the Parent have a **conflict of interest** resulting from the economic incentive provided by the Opto revenue sharing arrangement. No Mercer Advisors client is obligated to become a Fund investor.

**Private Investments**– Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity, constraints and lack of transparency, a complete discussion of which is set forth in each fund’s offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associate with such an investment.

**Valuation**– Mercer Advisors uses the most recent valuation as reported by the investment sponsor or fund manager for client portfolio reporting. Reporting from private investment funds generally lag by one to three months. Because of the nature of private investment reporting, the current value of an investor’s holdings could be more or less than the value reflected on the portfolio report. Unless otherwise indicated, Mercer Advisors shall calculate its advisory fee based upon the most recent value provided by the investment sponsor or fund manager.

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### Separate Account Managers

As indicated above, Mercer Advisors can allocate a portion of the client’s investment assets among unaffiliated separate account managers in accordance with the client’s designated investment objective(s). In such situations, the Separate Account Manager[s] shall have day-to-day responsibility for the active discretionary management of the allocated assets. Mercer Advisors shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors that Mercer Advisors shall consider in recommending Separate Account Manager[s] include the client’s designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

**Please Note:** The investment management fee charged by the Separate Account Manager[s] is separate from, and in addition to, Mercer Advisors’ investment advisory fee disclosed at Item 5 below. The payment authority granted to the custodian to debit the client’s account for advisory fees shall (to the extent applicable) extend to, and be inclusive of, the fees payable to unaffiliated separate account managers engaged by Mercer to manage a portion of the client’s assets. Clients of firms acquired through an acquisition could be invested in a proprietary SMA strategy administered by the acquired firm. At some point subsequent to acquisition, it is Mercer Advisors’ general intention to transition such acquired firm clients to corresponding appropriate Mercer offered investments and/or investment strategies.

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## Reporting Services

Mercer Advisors can also provide account reporting services, which can incorporate client investment assets that are not part of the assets that Mercer Advisors manages (the “Excluded Assets”). Unless agreed to otherwise, in writing, the client and/or his/her/its other advisors that maintain trading authority, and not Mercer Advisors, shall be exclusively responsible for the investment performance of the Excluded Assets. Unless also agreed to otherwise, in writing, Mercer Advisors does not provide investment management, monitoring or implementation services for the Excluded Assets. The client can engage Mercer Advisors to provide investment management services for the Excluded Assets pursuant to the terms and conditions of the *Investment Advisory Agreement* between Mercer Advisors and the client.

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## Non-Discretionary Service Limitations

Clients that determine to engage Mercer Advisors on a non-discretionary investment advisory basis must be willing to accept that Mercer Advisors cannot affect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that Mercer Advisors would like to make a transaction for a client’s account, and client is unavailable, Mercer Advisors will be unable to affect the account transaction (as it would for its discretionary clients) without first obtaining the client’s consent.

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## Client’s Obligation

In performing our services, Mercer Advisors shall not be required to verify any information received from the client or from the client’s other professionals and is expressly authorized to rely thereon. Moreover, it remains each client’s responsibility to promptly notify Mercer Advisors if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

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## Investment Risk

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Mercer Advisors) will be profitable or equal any specific performance level(s). Limitations of Financial Planning and Non-Investment Consulting/Implementation Services

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## Limitations of Financial Planning and Non-Investment Consulting/Implementation Services

To the extent requested by the client, Mercer Advisors will generally provide financial planning and related consulting services regarding non-investment related matters, such as tax and estate planning, insurance, etc. Mercer Advisors may provide such consulting services inclusive of its advisory fee set forth at Item 5 below (exceptions could occur based upon assets under management, special projects, extraordinary events or circumstances, stand-alone planning engagements, etc. for which Firm charges a separate or additional fee).

**Please Note:** Mercer Advisors believes that it is important for the client to address financial planning issues on an ongoing basis. Mercer Advisors’ advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with Mercer Advisors.

**Please Also Note:** Mercer Advisors does not serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as such. Accordingly, Mercer Advisors does not prepare legal documents or sell insurance products. To the extent requested by a client, we will recommend the services of other professionals for non-investment implementation purposes (e.g., attorneys, accountants, insurance, etc.),

including Mercer Advisors' affiliates, Mercer Advisors Insurance Services, LLC ("Insurance" ) and Heim, Young & Associates, Inc. ("HYA"), in their separate capacities as licensed insurance agencies, and HYA's separate capacity as an SEC registered and FINRA Member broker-dealer. In such capacities, Insurance and/or HYA can offer both insurance and securities-related advice and products on a commission compensation basis. Certain Mercer Advisors' representatives also serve as licensed agents and registered representatives of Insurance and HYA. In addition, some Mercer Advisors representatives offer insurance products on a commission compensation basis in their separate individual licensed capacities independent of Insurance or HYA, and as registered representatives of a broker-dealer other than HYA. **The commission compensation earned by Insurance and/or HYA and its agents/representatives is separate from, and in addition to, Mercer Advisors investment advisory fee.**

**Please Note: Conflict of Interest** The recommendation by a Mercer Advisors representative that a client consider the purchase of an insurance product from Insurance or HYA presents a **conflict of interest**, as the potential receipt of an insurance or securities commission compensation by Insurance or HYA and its agent(s) provides an incentive for Mercer Advisors representatives to recommend insurance products based on compensation to be received by its affiliated entity and representative rather than on a particular client's needs. **No client is under any obligation to purchase any insurance product from a Mercer Advisors' affiliated entity or from an employee of Mercer Advisors.** Clients can purchase insurance and securities products through other, non-affiliated insurance agencies, agents, broker-dealers, and registered representatives.

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### **Custodian Charges-Additional Fees**

As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Mercer Advisors generally recommends that *Schwab*, *Fidelity*, or *Raymond James* serve as the broker-dealer/custodian for client investment management assets. Broker-dealers charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians, including *Schwab*, *Fidelity*, and *Raymond James* do not currently charge fees on individual equity transactions (including ETFs), others do.

**Please Note:** there can be no assurance that any of these custodians will not change their transaction fee pricing in the future. These fees/charges are in addition to Mercer Advisors' investment advisory fee in Item 5 below. Mercer Advisors does not receive any portion of these fees/charges.

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### **Portfolio Activity**

Mercer Advisors has a fiduciary duty to provide services consistent with the client's best interest. Mercer Advisors will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Mercer Advisors determines that changes to a client's portfolio are neither necessary, nor prudent. Clients remain subject to the fees described in Item 5 below during periods of account inactivity.

**Account Bridge:** Mercer Advisors Account Bridge service uses an investment platform made available by Pontera Solutions, Inc. ("Pontera"), a third-party online platform, to assist with management of clients' "held-away" accounts, including 401(k)s, 403(b)s, and 529 education savings plans. The Pontera platform

permits advisers to manage held-away assets without having to reflect that it has custody of such assets on Part 1 of Form ADV. The advisory fee charged by Mercer Advisors for the management of held-away assets is established in the client's *Investment Advisory Agreement*. Pontera charges Mercer Advisors an annual fee based upon the percentage of assets managed in the held-away accounts. Other than Mercer Advisors' advisory fee, clients do not pay any additional fee to Pontera or to Mercer Advisors in connection with the use of the Pontera platform.

**Cryptocurrency:** For clients who want exposure to cryptocurrencies, including Bitcoin, Mercer Advisors will advise the client to consider a potential investment in corresponding exchange traded securities, or an allocation to separate account managers and/or private funds that provide cryptocurrency exposure. Crypto is a digital currency that can be used to buy goods and services but uses an online ledger with strong cryptography (i.e., a method of protecting information and communications through the use of codes) to secure online transactions. Unlike conventional currencies issued by a monetary authority, cryptocurrencies are generally not controlled or regulated, and their price is determined by the supply and demand of their market. Because cryptocurrency is currently considered to be a speculative investment, Mercer Advisors will not exercise discretionary authority to purchase a cryptocurrency investment for client accounts. Rather, a client must expressly authorize the purchase of the cryptocurrency investment.

**Please Note:** Mercer Advisors **does not** recommend or advocate the purchase of, or investment in, cryptocurrencies. The Registrant considers such an investment to be speculative. **Please Also Note:** Clients who authorize the purchase of a cryptocurrency investment must be prepared for the potential for **liquidity constraints, extreme price volatility and complete loss of principal.**

## ITEM 5 – FEES AND COMPENSATION

Mercer Advisors reserves the right to negotiate investment management fee arrangements with prospective and existing clients. Mercer Advisors can agree to make exceptions to its standard fee schedule on a case-by-case basis at its discretion. Investment management and other fees assessed (including without limitation those associated with financial planning, tax, estate planning and other services) vary from client to client depending upon a number of factors, including the amount of assets under management, the nature of the assets, the type of analysis required to manage the account(s), the level of service required by the client, the longevity of the client relationship with Mercer Advisors, and other factors. Please see additional disclosure below.

Mercer Advisors collects fees monthly. Clients authorize Mercer Advisors to debit fees directly from the clients' account(s). For a limited number of accounts, the firm is unable to collect fees directly from client accounts, Mercer Advisors will bill the client directly. For limited situations, services, or payments due clients may be able to pay via credit card.

Management fees shall not be prorated for each capital contribution and/or withdrawal made during the applicable calendar month, unless otherwise agreed upon in writing. Accounts initiated or terminated during a calendar month will be assessed as a prorated fee. Upon termination of any account, any prepaid, unearned fees will be refunded promptly; any earned, unpaid fees will be due and payable.

For firms acquired by Mercer Advisors, generally the client will remain on their current fee schedule, billing calculation methodology and payment method until notice of a change in the fee or billing practice is provided to the client.

## Investment Management Fees

Mercer Advisors believes that individual and family clients can benefit by looking at their financial life holistically – blending investment, financial, tax and estate planning. The firm offers different service options to help meet the needs of our clients. **Please Note:** Not all services are included with each client offering. Clients choose the service level that they prefer. **Please reference important information regarding fees later in this section.**

For clients who do not desire a financial plan and the broader set of services, we offer a simplified Guided Investing solution. Guided Investing fees start at 1.10% for the first \$1 million in managed assets and have a lower minimum fee of \$800. Guided investing offers investment management services only. Ancillary services such as financial planning, estate planning, etc. are not included with Guided Investing.

### Wealth Path– Standard Fee Schedule

WEALTH PATH TIERED ADVISORY FEES-PERCENTAGE OF ASSETS MANAGED	
First \$1,000,000	1.30%
Next \$1,000,000	1.00%
Minimum Fee	\$4,000

### Wealth Management – Standard Fee Schedule

WEALTH MANAGEMENT TIERED ADVISORY FEES-PERCENTAGE OF ASSETS MANAGED	
First \$1,000,000	1.10%
Next \$1,000,000	1.00%
Next \$3,000,000	0.90%
Next \$5,000,000	0.75%
Over \$10,000,000	0.50%
Minimum Fee	\$10,000

### Ascend Group– Standard Fee Schedule

ASCEND GROUP TIERED ADVISORY FEES-PERCENTAGE OF ASSETS MANAGED	
First \$1,000,000	1.10%
Next \$1,000,000	1.00%
Next \$3,000,000	0.90%
Next \$5,000,000	0.75%
Over \$10,000,000	0.50%
<b>Minimum Fee</b>	<b>\$75,000</b>

Clients with greater than \$25 million in managed assets may be eligible for our Regis ultra-high net worth service offering. The Regis offering allows customized family office services for ultra-high net worth clients. Regis services vary depending on the client's needs. Fees are disclosed on the individual client agreements and the minimum advisory fee for the service offering is \$150,000.

**Additional sub-advisory fees apply when using Separately Managed Account (SMA) strategies. Funds and investments are held by third party custodians and will incur fees for certain transactions. Please refer to your agreement with the custodian for additional information.**

Investment Advisory fees will vary based on assets under management. Fees are charged and calculated monthly, in arrears based on the average daily balance. Investment Management fees can change from time to time with advanced notice to existing clients.

**Exceptions:** Certain clients maintain assets that deviate from the above billing method for various reasons. Such exceptions will be identified and communicated to the client, and Mercer Advisors will review to determine an exception disadvantages the client, and if does, how Mercer Advisors will seek to address/rectify such disadvantage (to the extent reasonably possible given the nature of the exception).

Mercer Advisors currently recommends no-load variable annuities to its clients when appropriate. In addition to Mercer Advisors fees, clients incur certain charges in connection with annuity investments including, but not limited to, variable annuity subaccount management fees, mortality expenses, and administrative expenses. Mercer Advisors manages a client's asset allocations within the annuity using the product's available subaccounts. Clients provide Mercer Advisors authorization to do so on the client's annuity application. To understand the specific fees and charges, clients should carefully review the product prospectus.

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#### **Retirement Plan Services: Standard Fee Schedule**

Fees will vary depending on the type of plan and/or services the client chooses to engage. See disclosure in Item 4 above.

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#### **Foundations and Endowments**

Fees will vary depending on the type of plan or services the client chooses to engage.

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#### **Employee Services**

Mercer Advisors provides portfolio management services to certain Mercer Advisors principals, employees, and their family members for fee rates that are lower than the rates generally available to other clients.

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#### **Schwab Institutional Intelligent Portfolios**

As described in Item 4 (Advisory Business), clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co. as part of the Program. Schwab receives other revenues, including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account; (iii) fees received by Schwab from mutual funds in the Schwab Mutual Fund

Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab receives from the market centers where it routes ETF trade orders for execution. Brokerage arrangements are further described below in Item 12 Brokerage Practices.

### Investment Advisory Other Fees

- Clients invested in institutional mutual funds, accumulation units, exchange traded funds (ETFs), and separate accounts pay a management fee, administration fee and other expenses, in addition to Mercer Advisors' advisory fees. Furthermore, certain clients pay custody or trustee fees.
- Mercer Advisors utilizes the services of third-party managers and/or sub-advisors to provide investment advisory services – it is important to note that these managers will charge a separate and additional fee for their services.
- Mercer Advisors does not receive compensation for the sale of securities to our clients. While some employees of Mercer Advisors are registered representatives of a broker-dealer (including an affiliated broker-dealer, Heim, Young & Associates, Inc), Mercer Global Advisors Inc. is not a broker-dealer.
- Mercer Advisors receives no compensation from any fund manager or third-party for the investments that it selects for client accounts. The only compensation types that Mercer Advisors receives are investment management fees as outlined in **Item 5 and Other Compensation in Item 14.**
- Mercer Advisors recommends clients use Charles Schwab & Co., Inc., National Advisors Trust (“NATC” – for trust related assets), Fidelity, and Raymond James as custodians for their assets. Mercer Advisors clients who use recommended custodians receive Mercer Advisors negotiated discounted commissions and/or other fees.

### Financial Planning, Family Wealth Services, Tax Planning and Tax Return Preparation

Mercer Advisors offers financial planning, tax planning and tax return preparation as standalone services on a limited basis.

Our financial planning-only service involves the advisor and client working together to review personal money management, investment planning, tax consultation and retirement planning. In addition, the financial planning process can include aspects of money management regarding spending and saving habits, evaluation and strategies for retirement planning, evaluation and planning for education funding, insurance assessment, employee benefit analysis and business planning. The advisor does not manage the client's investments. The advisor offers to meet with the client to analyze their financial situation, develop recommendations, and formulate a plan for the client to implement. The typical financial planning-only agreement is invoiced quarterly in advance and fees will vary depending on the complexity of the relationship. The fee for services is due at the time of engagement and is prorated for the remainder of the quarter in which services are rendered.

Tax preparation services are also available to clients at a negotiated rate. *See* disclosure in Item 4 above.

Estate planning consulting is included as a part of our wealth management service offering for clients as defined in their investment advisory agreement. Estate planning *does not include* the preparation of estate documents. Mercer Advisors offers clients estate planning document preparation and other legal services either through our client-led solution powered by Estatefy that has no additional charge or our attorney-led solution through the Advanced Services Law Group, Inc. (“ASLG”), for an additional fee. In most cases, clients who have over \$1.5 million in assets under management and who meet minimum fee requirements qualify to engage ASLG for the drafting of a foundational estate plan (consisting of a trust, will, and incapacity documents) at no additional fee. This \$1.5 million threshold is at the discretion of ASLG and subject to change without notice.

Additional fees may apply if clients engage for legal services performed by ASLG beyond the foundational plan. *See disclosure at Item 4-Advisory Business and Item 10-Other Industry Affiliations.*

## Advisory Services to Brokerage clients

As disclosed at *Item 10- Other Industry Affiliations below*, Mercer Advisors can receive an advisory fee from customers of unaffiliated broker-dealers.

## Important Information about Fees

### Fee Dispersion

Mercer Advisors, in its discretion, can charge a higher or lower investment advisory fee, charge a flat fee, waive its fee entirely, or charge a fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules including fee schedules of acquired advisory firms, employees and family members, courtesy accounts, competition, negotiations with client, etc.).

**Please Note:** As a result of the above, similarly situated clients could pay different fees. In addition, similar advisory services are available from other investment advisers for similar or lower fees. **Please Also Note:** In the event that the client is subject to an annual minimum fee, the client could pay a higher percentage fee than referenced above.

### Margin Accounts- Risks and Conflict of Interest

Mercer Advisors can recommend the use of margin for investment purposes. A margin account is a brokerage account that allows investors to borrow money to buy securities and/or for other non-investment borrowing purposes. The broker/custodian charges the investor interest for the right to borrow money and uses the securities as collateral. **By using borrowed funds, the customer is employing leverage that will amplify both account gains and losses.** Should a client determine to use margin, Mercer Advisors includes market value of the margined assets when computing its advisory fee thereby creating a conflict of interest (i.e., Mercer Advisors could have an economic incentive to recommend that the client utilize and/or continue to utilize margin because it can earn a higher advisory fee from the higher margined account value).

**Please Note:** The use of margin can cause significant adverse financial consequences in the event of a market correction.

### Wrap Programs Services

Some firms Mercer Advisors has acquired utilize a fee structure that combines both management and some or all the transaction fees charged by the third-party broker-dealer (custodian). This is known as a “wrap fee”. Except for the continuation of the wrap fee arrangement for affected clients for a period post-acquisition, Mercer Advisor does not offer wrap fee programs to its clients. At some point after becoming a Mercer Advisors client, Mercer Advisors anticipates that the wrap fee program clients will be transitioned to an appropriate Mercer Advisors investment offering at no higher fee than charged under the wrap program, unless additional services will be provided. **Participation in a wrap program may cost the participant more or less than purchasing such services separately.**



Mercer Advisors has a limited number of clients obtained via acquisition that have chosen to remain invested in certain Programs sponsored by an unaffiliated firm (i.e., Raymond James). Except for the continuation of the Program for those clients who have advised Mercer that they want to continue to utilize the Program (and its current investment managers' available Program), Mercer Advisor does not offer to provide nor provide services in conjunction with a wrap fee program.

**Mercer's Advisory Fee is Separate from Program Fee**; For those clients who have determined to retain the Program, Mercer Advisors' advisory fee shall be **separate from and in addition to** the Program wrap fee. Continued participation in the Program will be more expensive than if the client determined to sooner transition to an appropriate Mercer investment offering.

## ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Mercer Advisors does not utilize a performance-based fee structure given the potential conflict of interest. Mercer Advisors believes that performance-based compensation creates an incentive for an adviser to recommend an investment that carries a higher degree of risk for the client. Advisory fees are based on assets under management.

## ITEM 7 – TYPES OF CLIENTS

Mercer Advisors provides investment advisory services to individuals, high-net-worth individuals, pension and profit-sharing plans, corporations or other business entities, charitable/non-profit organizations, foundations, and brokerage customers, among others.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

### Mercer Advisors' Investment Philosophy

Our investment philosophy is grounded in the fundamentals of Modern Portfolio Theory and is built upon many decades of peer-reviewed academic research supporting market equilibrium, the integral relationship between risk and return, and the proven efficacy of a long-term investment strategy. Our approach to portfolio construction centers on building risk-appropriate, globally diversified portfolios that are diversified both across and within major asset classes. Where appropriate, Mercer Advisors' investment philosophy allows for the strategic use of private investments, which we believe provide diversification benefits relative to portfolios of publicly traded securities.

Mutual funds, ETFs, and separate account strategies are evaluated based on the following considerations: asset class and factor styles; fees; tax efficiency; inception date; manager tenure; net assets and daily liquidity; alpha; Sharpe ratio; returns; multiple regression; and several other considerations such as custodial availability and applicable transaction charges. We use a variety of industry leading tools to evaluate and monitor managers and portfolios, including Morningstar Direct®, FactSet, Ycharts, Fi360's Fiduciary Toolkit, Portfolio Visualizer (for regression analyses), and Retirement Plan Advisory Group (for ERISA plans).

Mercer Advisors' investment philosophy recommends risk-appropriate portfolios designed to help clients achieve their long-term investment objectives. We review clients' existing portfolios and deliver investment recommendations to reflect: (1) clients' individual risk tolerances; (2) ERISA policy for qualified plans; and (3) implementation of applicable Investment Policy Statement (IPS). The client is educated on investment strategy, and an investment plan is established using a specific asset allocation investment strategy. Clients may utilize a

combination of investment programs. Clients can establish custodial accounts through any of Mercer Advisors' recommended custodians.

## Consideration of Environmental, Social and Governance Factors

Mercer Advisors can incorporate socially responsible issues into our investment analysis and decision making for our ESG Program portfolios. We do so using such tools as MSCI ESG ratings, Morningstar Sustainability Scores, and additional ESG-metrics from other industry data providers. Clients must indicate any preference, restrictions or changes to their preferences to their advisor in order to be incorporated into the client's overall investment strategy.

**Socially Responsible (ESG) Investing Limitations** Socially Responsible Investing involves the incorporation of **Environmental, Social and Governance** ("ESG") considerations into the investment due diligence process. ESG investing incorporates a set of criteria/factors used in evaluating potential investments: **Environmental** (i.e., considers how a company safeguards the environment); **Social** (i.e., the manner in which a company manages relationships with its employees, customers, and the communities in which it operates); and **Governance** (i.e., company management considerations). The number of companies that meet an acceptable ESG mandate can be limited when compared to those that do not and could underperform broad market indices. Investors must accept these limitations, including the potential for underperformance. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Mercer Global), there can be no assurance that investment in ESG securities or funds will be profitable or prove successful. Mercer Global does not maintain or advocate an ESG investment strategy but will seek to employ ESG if directed by a client to do so. If implemented, Mercer Global shall rely upon the assessments undertaken by the unaffiliated mutual fund, exchange traded fund or separate account manager to determine that the fund's or portfolio's underlying company securities meet a socially responsible mandate.

## Risk of Loss- Material Risk

Investing in securities involves the risk of loss clients should be prepared to bear, including the loss of principal investment. Past performance may not be indicative of future results. Different types of investment involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Mercer Advisors) will be profitable or equal any specific performance level(s).

Securities may fluctuate in value or lose value. Mercer Advisors will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a client will meet their investment goals. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear.

- **Interest- rate Risk:** Fluctuations in interest rates cause investment prices to fluctuate. For example, when interest rates rise, coupons paid by existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund can drop in reaction to tangible and/or intangible events and/or conditions. This type of risk is caused by external factors, independent of a security's unique underlying circumstance(s). For example, political, economic, natural disasters, and/or social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation exists, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at a rate of inflation.

- **Currency Risk:** International investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Credit Risk:** The risk of loss caused by a counterparty's or debtor's failure to make a timely payment, or by the change in value of a financial instrument based upon changes in default risk.
- **Reinvestment Risk:** The risk that future proceeds from investments require reinvestment at a potentially lower rate or return (i.e., interest rate). This relates primarily to fixed income securities.
- **Business Risk:** The risk associated with a particular industry or company within an industry. For example, oil-drilling companies must find oil and then refine it- a lengthy process- before they are able to generate a profit. As such they carry a higher risk of profitability than does an electric company, which generates its income from a steady stream of customers who purchase electricity regardless of the economic environment.
- **Liquidity Risk:** Liquidity is the ability to convert an investment readily into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid whereas real estate property is not.
- **Financial Risk:** Excessive borrowing to finance business operations increases a company's risk of profitability, as the company must meet the terms of its obligations in both good times and bad. During periods of financial stress, the inability to meet loan obligations can result in bankruptcy and/or a declining market value.

### Risk of Factor Investing

Funds that concentrate investments in specific industries, sectors, markets, or asset classes may underperform or be more volatile than other industries, sectors, markets or asset classes and the general securities market. There can be no assurance that performance will be enhanced, or risk will be reduced for funds that seek to provide exposure to certain quantitative investment characteristics ("factors"). Exposure to such investment factors may detract from performance in some market environments, perhaps for extended periods. In such circumstances, a fund may seek to maintain exposure to the targeted investment factors and not adjust to target different factors, which could result in losses.

There are no guarantees that low-volatility stocks will provide low volatility. Investing in securities of small capitalization companies involves greater risk than customarily associated with investing in larger, more established companies. A value style of investing is subject to the risk that the valuations never improve or that the returns will trail other styles of investing or the overall stock markets. Momentum style of investing is subject to the risk that the securities are more volatile than the market as a whole or returns on securities that have previously exhibited price momentum are less than returns on other styles of investing.

### Risk of Separate Account Managers

Mercer Advisors is responsible for sourcing, conducting due diligence, approving, and monitoring Separate Account strategies recommended for use by Mercer Advisors clients (*see* disclosure at Item 4 above). Mercer Advisors' due diligence utilizes commercially available databases and evaluative tools to screen, track, and assess the universe of investment managers (e.g., mutual funds, ETFs, separately managed account managers referred to herein as "Separate Account Managers"). Mercer Advisors conducts due diligence on Separate Account Managers who have demonstrated a high degree of expertise at implementing a particular investment strategy or strategies.

## Options Strategies

Mercer Advisors may engage in (and/or engage or recommend that the client engage a separate amount to engage in) options transactions for the purpose of hedging risk and/or generating portfolio income. The use of options transactions as an investment strategy can involve a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment takes the form of either selling or purchasing a security, depending upon the nature of the option contract. Generally, the purchase or sale of an option contract shall be with the intent of “hedging” a potential market risk in a client’s portfolio and/or generating income for a client’s portfolio.

**Please Note:** Certain options-related strategies (i.e., straddles, short positions, etc.), in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept the enhanced volatility and principal risks associated with such strategies. Considering these enhanced risks, a client can direct Mercer Advisors, in writing, not to employ any or all such strategies for his/her/their/its accounts.

- ***Covered Call Writing***- Covered call writing is the sale of in-, at-, or out-of-the-money call options against a long security position held in a client portfolio. This type of transaction is intended to generate income. It also serves to create partial downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income can be reduced or lost to the extent it is determined to buy back the option position before its expiration. There can be no assurance that the security will not be called away by the option buyer, which will result in the client (option writer) losing ownership in the security and incurring potential unintended tax consequences. Covered call strategies are generally better suited for positions with lower price volatility.
- ***Long Put Option Purchases***- Long put option purchases allow the option holder to sell or “put” the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long-put option can increase in value depending upon the strike price and expiration. Long puts are often used to hedge a long stock position to protect against downside risk. The security/portfolio could still experience losses depending on the quantity of the puts bought strike price and expiration. In the event that the security is put to the option holder, it will result in the client (option seller) losing ownership in the security and incurring potential unintended tax consequences. Options are wasting assets and expire (usually within months of issuance).

**Please Note:** There can be no guarantee that an options strategy will achieve its objective or prove successful. No client is under any obligation to enter into any option transactions. However, if the client does so, the client must be prepared to accept the potential for unintended or undesired consequences (i.e., losing ownership of the security, incurring capital gains taxes).

## Risks of Specific Securities Utilized

Mercer Advisors generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, the firm will utilize short sales, margin transactions, and options writing. Short sales, margin transactions, and options writing generally hold greater risk of capital loss and clients should be aware that there is a material risk of loss using any of those strategies. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

- **Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you can lose money investing in mutual funds. All mutual funds have cost that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above.)
- **Equity** investment generally refers to buying shares of stocks by an individual or firm in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock of it decreasing in value and the investment will incur a loss.
- **Treasury Inflation Protected/Inflation Linked Bonds:** The risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.
- **Fixed Income** is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.
- **Debt securities** carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.
- **Stocks and Exchange-Traded Funds (ETFs):** Investing in stocks & ETF’s carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy.)
- **Annuities:** An annuity is a contract between the client and an insurance company that is designed to meet retirement and other long-range goals. Annuities can be fixed, variable or indexed, each carrying their own risk including liquidity, market, and interest rate risk. There are additional fees assessed by the insurance carrier. It is critical that investors are aware of the terms and read the prospectus for the product before purchasing an annuity.
- **Real estate funds face several kinds of risk that are inherent in this sector of the market.** Liquidity risk, market risk and interest rate risk are just some of the factors that can influence the gain or loss that is passed on to the investor. Liquidity and market risk tend to have a greater effect on funds that are more growth-oriented, as the sale of appreciated properties depends upon market demand. Conversely, interest rate risk impacts the amount of dividend income that is paid by income-oriented funds.
- **Hedge funds** are not suitable for all investors and involve a high degree of risk due to several factors that may contribute to above average gains or significant losses. Such factors include leveraging or other speculative investment practices, commodity trading, complex tax structures, a lack of transparency in the underlying investments, and generally the absence of a secondary market.
- **Real Estate Investment Trusts (REITs)** have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.
- **Private Investments** carry certain risks including liquidity risk, capacity risk, and transparency risk.
- **Alternative Investments** carry a substantial risk as they are largely unregulated offerings not subject to securities laws.
- **Precious Metal ETFs (Gold, Silver, and Palladium Bullion backed “electronic shares” not physical metal):** Investing in precious metal ETFs carries risk of capital loss.
- **Long-term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk and political/regulatory risk.
- **Short term trading** risks include liquidity, economic stability, and inflation.
- **Short sales risk** includes the upward trend of the market and infinite possibility of loss.
- **Margin transactions** use leverage that is borrowed from a brokerage firm as collateral.
- **Options writing** involves a contract to purchase a security at a given price, not necessarily at market value, depending on the market.

## ITEM 9 – DISCIPLINARY INFORMATION

Mercer Advisors, as a firm, has no legal, financial, or other “disciplinary” item(s) to report. Mercer Advisors is obligated to disclose any disciplinary event that would be material to a potential client when evaluating the firm to initiate a Client / Advisor relationship, or to continue a Client / Advisor relationship with the firm.

Please refer to the Form ADV Part 2B for individual Advisor information.

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### Insurance Services

Mercer Advisors has two related insurance agencies. Mercer Advisors Insurance Services, LLC (“MAIS”) and Heim Young & Associates, Inc. (“HYA”) are wholly owned subsidiaries of Mercer Advisors Inc. Employees of Mercer Advisors serve as officers of MAIS and HYA. MAIS and HYA provide individual life, disability, fixed/indexed securities, long-term care coverage, property and casualty coverage, and fixed and indexed annuities through various insurance companies. Heim, Young & Associates is also a broker/dealer and provides access to variable life and annuity products which require insurance licensing.

For Mercer Advisors clients who wish to purchase insurance products through MAIS, MAIS has entered into non-exclusive referral agreements with Howard Insurance Agency, Inc., AgencyONE, and Hub International. Howard Insurance, AgencyONE, or Hub International will provide necessary services relative to the marketing, placement, and servicing of the insurance products, including without limitation preparing and presenting illustrations, supporting the underwriting process, assisting with the completion and execution of applications, delivering policies, and servicing in-force business. MAIS and Howard Insurance Agency will be listed as “co-agents” on the policies.

While Mercer Advisors does not receive a referral fee, each of MAIS, Howard Insurance Agency, and/or AgencyONE, or Hub International in any combination, receives a percentage of the commission revenue. AgencyONE receives overrides from the insurance business written by MAIS, a portion of which is shared with MAIS. The receipt of insurance commissions is in addition to any advisory fees charged separately by Mercer Advisors. This practice presents a conflict of interest as certain Mercer Advisors’ employees are officers of MAIS and MAIS is an affiliate of Mercer Advisors.

MAIS has also entered into a relationship with Advisors Excel, LLC, an Insurance Marketing Agency, which provides services such as marketing support, carrier access and training and development. MAIS receives from selected insurance carrier 100% of the commission based on the product sold. Advisors Excel receives overrides from the insurance carrier on the business placed, a portion of which is shared with MAIS.

HYA also offers insurance products to clients, primarily, but not exclusively, as part of a larger broker-dealer relationship with HYA. The receipt of any commission for insurance through HYA is separate and in addition to advisory fees charged separately by Mercer Advisors. This practice presents a conflict of interest as certain Mercer Advisors’ employees are officers of HYA and HYA is an affiliate of Mercer Advisors.

HYA has entered into a non-exclusive referral relationship with AgencyONE to provide necessary services relative to the marketing, placement, and servicing of insurance products, including without limitation preparing and presenting illustrations, supporting the underwriting process, assisting with the completion and execution of applications, delivering policies and servicing in-force business. For these clients, HYA receives 100% of the commission on the product while AgencyONE receives overrides from the placed insurance products, which is shared with HYA.

**Clients are never obligated or required to purchase insurance products and are able to choose any independent insurance agent or insurance company to purchase insurance products.**

Separate from MAIS, employees who are licensed to sell insurance are required to report their licensure as an Outside Business Activity and the activity is disclosed on the individual's FINRA Form U-4 and ADV Part 2B filings, as appropriate.

Moreover, Mercer Advisors acquires firms who have affiliated insurance entities and/or employees who recommend insurance products and receive insurance commissions. As part of the acquisition process, any insurance entities are separate from and held outside Mercer Advisors. For those employees who retain and actively use their insurance licenses, they are required to report their licensure as an Outside Business Activity and the activity is properly disclosed on the individual's FINRA Form U-4 and Form ADV filings. Mercer Advisors periodically reviews these outside business activities.

These employees will earn commission-based compensation for selling insurance products. Insurance commissions earned by these people are separate and in addition to Mercer Advisors' advisory fees. Mercer Advisors does not receive any compensation for insurance products offered by these employees and the products are not provided, recommended, or approved by Mercer Advisors. This practice presents a conflict of interest because persons providing investment advice on behalf of Mercer Advisors who are insurance agents have an incentive to recommend insurance products to clients for the purpose of generating commissions rather than solely based on clients' needs.

**Please Note: Conflict of Interest** The recommendation by Mercer Advisors that a client consider the purchase of an insurance product through Mercer Advisors Insurance Services or Heim, Young & Associates, Inc. ("HYA") presents a conflict of interest, as the potential receipt of an insurance commission compensation by Mercer Advisors Insurance Services, HYA and their agent(s) provides an incentive for Mercer Advisors representatives to recommend insurance products based on compensation to be received by its affiliated entity and representative rather than on a particular client's needs. **No client is under any obligation to purchase any insurance product from a Mercer Advisors' affiliated entity or from an employee of Mercer Advisors.** Clients can purchase insurance products through other, non-affiliated insurance agencies and agents.

## **Securities Sales**

Mercer Global Advisors Inc. has an affiliated broker dealer entity, Heim, Young & Associates Inc. ("HYA"). HYA is a wholly owned subsidiary of Mercer Advisors Inc. Certain employees of Mercer Advisors serve as officers of HYA.

As indicated at Item 4 above, some Mercer Advisors' representatives, in their separate individual capacities, also serve as registered representatives of various SEC registered and FINRA member broker-dealers, including Private Client Services and Andrew Garrett Inc., both unaffiliated broker-dealers, and Heim, Young & Associates Inc.

**Please Note: Conflict of Interest** The recommendation by a Mercer Advisors' representative that a client purchase securities or any investment product on a commission basis from a Mercer Advisors' representative in his/her individual capacity as a representative of a broker-dealer, presents a conflict of interest, as the receipt of commission compensation provides an incentive to recommend investments and/or investment products based on commissions to be received, rather than on a particular client's need. The commission compensation is separate from, and in addition to, the investment advisory fees paid by the client to Mercer Advisors. Any commissions received by HYA are not paid directly to the advisors acting in their capacity as registered

representatives. **No client is under any obligation to purchase any securities commission products from a Mercer Advisors' representative.**

### **Affiliated Registered Investment Advisors**

Mercer Advisors Private Asset Management Inc. (“MAPAM”), an SEC registered investment advisor, is an affiliate of Mercer Global Advisors Inc. MAPAM provides investment advisory services to affiliated private funds. Information regarding Mercer Advisors Private Asset Management Inc. can be found on [the Investment Advisor Public Disclosure site](#).

### **Separate Affiliated Entity**

MAPAM GP I is an affiliate of Mercer Advisors, and they are the general partner for affiliated private investment funds.

### **Sponsorship of Podcasts**

Mercer Advisors offers various podcasts to help provide general aspects of financial education. The podcasts are widely available to both Mercer Advisors clients and non-clients and address various topics aimed at financial education, market commentary and current topics within the industry.

### **Other Financial Affiliations**

Mercer Advisors recommends, but does not direct clients to use, certain unaffiliated custodians, including Charles Schwab & Co., Inc., Fidelity Brokerage Services LLC, or Raymond James & Associates Inc., member New York Stock Exchange/SIPC, as custodians of their assets. In addition, as referenced at Item 10 above, Mercer Advisors has a relationship with NATC, whereby NATC can serve as custodian for trust assets and corporate trustee of trust clients. Mercer Advisors clients who use recommended custodians receive Mercer Advisors negotiated discounted commissions and/or other fees.

Clients that were obtained through the acquisition of other firms by Mercer Advisors may utilize custodians other than our recommended custodians. These custodian fees or other charges may be higher than those provided through our recommended custodians. **Our Advisors can recommend and/or clients can request to move their accounts to recommended custodians to take advantage of any discounted commissions and/or other fees. Higher fees can adversely impact account performance.**

**Continued Conflict of Interest** Mercer Global Advisors Inc. acquired substantially all the assets of Regis Management Company, LLC (“Regis”). Clients of Regis transitioned to Mercer Advisors in July 2024. Prior to the acquisition of Regis assets, two current representatives of Mercer Advisors, in their individual capacities as former Regis members (together, the “Members”) acquired a profits interests in certain private investment funds (the “Fund[s]”) managed by the following Fund managers (the “Managers”): Mainsail Partners, LLC, (private equity buyout funds), RMA Real Estate Investment Advisors (real estate investment funds), and Merus Capital, LLC (venture capital funds). The profits interests shall continue to be payable to the Members until such time as the respective Funds are terminated.

Regis, having disclosed the conflict pertaining to the Members' corresponding profits interests, introduced the Funds to certain of their clients, some of which became (and continue to be) Fund investors. As indicated above, certain Regis clients have transitioned their relationships to Mercer Advisors. In addition to these former Regis clients, Mercer Advisors could introduce additional clients to the newest Funds offered by



Mainsail, RMA, or Merus. While the two current Mercer employees would not have an economic interest in the newest funds, they will still be invested in an affiliate of the GP of the newest funds and thereby have a conflict.

If Mercer Advisors introduces additional clients to the newest Funds offered by Mainsail, RMA, or Merus, such conflict will be disclosed, in writing, prior to the client's Fund purchase. The Members do not receive any profits interests for any other Manager-affiliated private investment funds that were formed subsequent to 2012.

### **Retirement Planning Services**

Mercer Advisors can refer appropriate clients to Third Party Administration ("TPA") and Record-keeping services.

### **Advisory Services to Brokerage Customers**

Mercer Advisors has agreements with certain broker-dealers to provide investment advisory services to their brokerage customers. The broker dealers compensate Mercer Advisors for providing investment advisory services to their customers. The brokerage customers will execute an advisory agreement directly with Mercer Advisors.

### **Estate Planning Document Preparation**

As disclosed at Item 4 above, Mercer Advisors offers clients estate planning document preparation and other legal services in conjunction with Advanced Services Law Group, Inc. ("ASLG").

### **Trust and Estate Administration Services**

Mercer Advisors acquired Kanaly Trust Company through a merger and acquisition. As part of this acquisition, Mercer Global Advisors transitioned the trust services portion of Kanaly Trust Company to NATC (*see below*) but retained their asset management service relationships for all accounts. Since the trust services portion of the business was transitioned to NATC, all trust powers and trust authority previously granted to Kanaly Trust Company also transitioned to NATC.

Mercer Advisors has entered into an Estate Administration Services Agreement with National Advisors Holdings, Inc. and National Advisors Trust Company (collectively, "NATC"). Mercer Advisors will, by order of an applicable probate court, governing document, or such collateral agreements acceptable to NATC, be designated as NATC's delegee for each estate for which NATC provides estate administration services under the Estate Administration Services Agreement. Mercer Advisors' delegated powers are strictly limited by the terms of the Estate Administration Agreement, and, if so desired, further limited in writing by NATC. Duties of Mercer Advisors pursuant to the Estate Administration Services Agreement include: (1) identification and inventory of decedent's real and personal property; (2) obtainment of death certificate; (3) assisting a client in securing a decedent's safe deposit box (if applicable); (4) obtainment of names, addresses and SSNs on all heirs and other interested parties; and (5) obtainment of deeds and title documents on all real assets. Notwithstanding anything in the Estate Administration Services Agreement to the contrary, in no event shall Mercer Advisors' duties include authority with which Mercer Advisors could unilaterally possess or dispose of funds or securities in any form. **Please Note: Conflict of Interest** For estate administration services, probate fees are divided equally between NATC and Mercer Advisors. As a result of the probate fee sharing, Mercer Advisors has a conflict of interest when recommending NATC.

## ITEM 11 – CODE OF ETHICS AND PERSONAL SECURITIES TRANSACTIONS

Mercer Advisors has adopted a Code of Ethics expressing the firm’s commitment to ethical conduct. The Code of Ethics describes the firm’s fiduciary duties and responsibilities to clients and sets forth Mercer Advisors’ practice of monitoring employees’ personal securities transactions and prohibiting the use of material non-public information. Mercer Advisors will provide a complete copy of its Code of Ethics to any client or prospective client, upon request. Requests shall be submitted to the Compliance Department at Mercer Advisors, 1200 17th Street, Suite 500, Denver, Colorado 80202 or by emailing CCO@merceradvisors.com.

### Outside business Activity- Conflict of Interest

Outside business activities of Mercer Advisors’ employees pose a potential conflict of interest. Investment Advisor Representatives (IARs) are required to disclose their investment related outside business activities on their Form ADV Part 2B, copies of which remain available upon request. In addition, investment related outside business activities are disclosed for individual advisors in the Investment Advisor Public Disclosure (IAPD) website located at <https://advisorinfo.sec.gov/>

Dave Welling, CEO at Mercer Advisors, serves on the Board of Manager of Yukon YC Holdings LLC d/b/a YCharts (“YCharts”), a privately held company. Mercer Advisors entered an agreement with YCharts to obtain access to tools that assist Mercer Advisors with its investment-related analyses for client accounts and for presentations to the public. Mercer Advisors (not the client) pays for access to such tools.

## ITEM 12 – BROKERAGE PRACTICES

In the event the client requests that Mercer Advisors recommend a broker-dealer/custodian for execution and/or custodial services, Mercer Advisors generally recommends that investment advisory accounts be maintained at Schwab, Fidelity, or Raymond James. Prior to engaging Mercer Advisors to provide investment management services, the client will be required to enter into a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Mercer Advisors considers in recommending any broker-dealer/custodian to clients include historical relationship with Mercer Advisors, financial strength, reputation, execution capabilities, pricing, research, and service. Broker-dealers/custodians can charge transaction fees for effecting certain securities transactions (*See* Item 4 above). To the extent that a transaction fee will be payable by the client to a broker-dealer/custodian, the transaction fee shall be in addition to Mercer Advisors’ investment advisory fee referenced in Item 5 above.

Mercer Advisors has a duty to obtain best execution for client account transactions. However, such duty does not mean that the client will not pay a transaction fee that is higher than another qualified broker-dealer might charge to affect the same transaction where Mercer Advisors determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although Mercer Advisors will seek competitive rates, it will not necessarily obtain the lowest possible rates for client account transactions.

Mercer Advisors has entered into referral arrangements with the Schwab and Fidelity which is explained in **Item 14**.

## Research and Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Mercer Advisors can receive from Schwab, Fidelity, or Raymond James (or another broker-dealer/custodian, investment manager, platform sponsor, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist Mercer Advisors to better monitor and service client accounts maintained at such institutions. Included within the support services that can be obtained by Mercer Advisors can be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support-including client events, computer hardware and/or software and/or other products used by Mercer Advisors in furtherance of its investment advisory business operations.

Certain of the support services and/or products that are received assist Mercer Advisors in managing and administering client accounts. Others do not directly provide such assistance but rather assist Mercer Advisors to manage and further develop its business enterprise.

Mercer Advisors' clients do not pay more for investment transactions and/or assets maintained at Schwab, Fidelity, Raymond James, or other custodians as the result of this arrangement. There is no corresponding commitment made by Mercer Advisors to Schwab, or any other any entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**Schwab Monetary Assistance/Additional Benefit:** Mercer Advisors has entered into a separate agreement with *Schwab*, whereby *Schwab* provides monetary assistance to assist Mercer Advisors to defray certain costs that can be incurred relative to the transition of client accounts from an existing custodian to *Schwab*. *Schwab*'s support services are generally available on an unsolicited basis (Mercer Advisors doesn't have to request them) and at no charge to Mercer Advisor. Support services are offered on a tiered schedule based on the amount of client assets transferred to and maintained at Schwab over a period of 24 months. Mercer Advisors' recommendation that clients maintain their assets in accounts at Schwab could be based in part on the receipt by Mercer Advisors of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, **which creates a conflict of interest**.

## Directed Brokerage

A directed brokerage arrangement arises when a client requires that account transactions be affected through a specific broker-dealer/custodian, other than one generally recommended by Mercer Advisors. In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Firm will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Mercer Advisors. As a result, a client will likely pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Some clients of firms that are acquired by Mercer Advisors have accounts held at other custodians prior to their association with Mercer Advisors. Clients are always able to change their custodian to a Mercer Advisors recommended custodian. Should clients choose to retain their current custodian, these accounts will be treated as directed brokerage accounts.

**Please Note:** In the event that the client directs Mercer Advisors to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction could cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative arrangements that are available through Mercer Advisors.

**Please Also Note:** Higher transaction costs adversely impact account performance. **Please Further Note:** Transactions for directed accounts could be executed following the execution of portfolio transactions for non-directed accounts.

### **Order Aggregation**

Transactions for each client account generally will be affected independently unless Mercer Advisors decides to purchase or sell the same securities for several clients at approximately the same time. In these instances, the Firm will try to (but is not obligated to) combine or "batch" such orders for individual equity transactions (including ETFs) with the intention to obtain better price execution, to negotiate more favorable commission rates, or to allocate more equitably among the Firm's clients differences in prices and commissions or other transaction costs that might have occurred had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. If the Firm becomes aware that a Firm employee seeks to trade in the same security on the same day, the employee transaction will either be included in the "batch" transaction or transacted after all discretionary client transactions have been completed. The Firm shall not receive any additional compensation or remuneration as the result of such aggregation.

### **Trade Errors**

Mercer Advisors has an obligation to ensure that clients are not disadvantaged by trade errors. A trade error is an error in the placement, execution, or settlement of a client's trade. When a trade error occurs, we work with all relevant parties in the trading process to promptly correct the error while ensuring it does not disadvantage the client.

The correction of a trade error can generate a gain or a loss. A trade error gain is typically not paid to Mercer Advisors. The custodian/broker-dealer will either donate the gain to charity or allow a balance to accrue in an error account maintained on our behalf. In such cases, Mercer Advisors does not benefit from the gains in the error account, except to the extent that any gains that remain in the account can be used to offset any other trade error losses.

### **Tradeaway/Prime Broker Fees**

In limited circumstances, if, in the reasonable determination of Mercer Advisors, it would be beneficial for the client, individual fixed income transactions, equities, and ETFs will be effected through broker-dealers other than the account custodian, in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate "tradeaway" and/or prime broker fee charged by the account custodian (i.e., Schwab, Fidelity, Raymond James, etc.).

### **Soft Dollar Arrangements**

Mercer Advisors does not currently have any soft-dollar arrangements and does not anticipate entering into any soft-dollar arrangements in the future. However, as disclosed above and at Item 14 below, Mercer Advisors receives certain products and services from broker-dealers/custodians.

## ITEM 13 – REVIEW OF ACCOUNTS

The design and implementation of a financial plan is recommended for all clients. Reviews are conducted with clients to evaluate his/her plan to make necessary adjustments, when and where appropriate. Normally, the reviews will be coordinated through your client service team and conducted by the client's Advisor or Financial Planner. Reviews with clients are typically conducted at least annually.

**Clients should contact their advisor to report any changes in their personal situation that may impact their financial situation or the current financial plan.**

### Review Triggers

More frequent reviews may be triggered by material changes in variables including, but not limited to, unique client circumstances, style changes, and/or market conditions. Other conditions that trigger a portfolio review include changes in the securities laws, new investment information, and/or changes in client goals and/or circumstances.

### Regular Reports

Clients receive direct custodian reporting on at least a quarterly basis and from Mercer Advisors on a periodic basis. See additional disclosure in Item 15 below.

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

### Benefits Received

As indicated at Item 12 above, Mercer Advisors can receive from Schwab, Fidelity, or Raymond James (and others) without cost (and/or at a discount), support services and/or products. Mercer Advisors' clients do not pay more for investment transactions and/or assets maintained at Schwab, Fidelity, or Raymond James (or any other institution) as a result of this arrangement. There is no corresponding commitment made by Mercer Advisors to any such entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as the result of the above arrangements.

### Client Referrals

#### Charles Schwab & Co

Mercer Advisors receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through Mercer Advisors' participation in the Schwab Advisors Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Mercer Advisors. Schwab does not supervise Mercer Advisors and has no responsibility for Mercer Advisors' management of client portfolios, advice, or other services. Mercer Advisors pays Schwab a fee to receive client referrals through the Service. Mercer Advisors' participation in the Service raises potential conflicts of interest.

Mercer Advisors pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets within the account are transferred from, Schwab. This Fee does not apply if the client was solely responsible for the decision to remove asset custody from Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Mercer Advisors generally would pay in a single year.

Thus, Mercer Advisors will have an incentive to recommend that client accounts be held in custody at Schwab. The Participation and Non-Schwab Custody Fees are based on assets in accounts of Mercer Advisors' clients who were referred by Schwab and those referred clients' family members living in the same household. As such, Mercer Advisors will have an incentive to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Mercer Advisors fees directly from the accounts.

Mercer Advisors pays Schwab a Participation Fee for all referred client accounts maintained in custody at Schwab and a Non-Schwab Custody Fee for all accounts maintained at, or transferred to, another custodian. The Participation Fee paid by Mercer Advisors is a percentage of the fees paid by the client to Mercer Advisors or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Mercer Advisors pays Schwab a Participation Fee for as long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Mercer Advisors quarterly and may be increased, decreased, or waived by Schwab periodically. The Participation Fee is paid by Mercer Advisors, not by the client. Mercer Advisors has agreed not to charge clients referred through the Service any fees or costs greater than those charged to clients with similar portfolios who were not referred through the Service.

For Mercer Advisors client accounts maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from the clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on executed trades) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, **Mercer Advisors has an incentive to cause trades to be executed through Schwab rather than another broker-dealer.** Mercer Advisors nevertheless acknowledges its duty to seek best execution of trades for client accounts.

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### Fidelity Wealth Advisor Solutions®

Mercer Advisors participates in the Fidelity Wealth Advisor Solutions® Program (the "WAS Program"), through which Mercer Advisors receives referrals from Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser and Fidelity Investments company. Mercer Advisors is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control Mercer Advisors, and FPWA has no responsibility or oversight for Mercer Advisors provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for Mercer Advisors, and Mercer Advisors pays referral fees to FPWA for each referral received based on Mercer Advisors assets under management attributable to each client referred by FPWA or members of each client's household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to Mercer Advisors does not constitute a recommendation by FPWA of Mercer Advisors particular investment management services or strategies. More specifically, Mercer Advisors pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as "fixed income" assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, Mercer Advisors has agreed to pay FPWA an annual program fee of \$50,000 to participate in the WAS Program. These referral fees are paid by Mercer Advisors and not the client.

To receive referrals from the WAS Program, Mercer Advisors must meet certain minimum participation criteria, but Advisor has been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its

participation in the WAS Program, **Mercer Advisors has a conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and Advisor could have an incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to Mercer Advisors as part of the WAS Program.**

Under an agreement with FPWA, Mercer Advisors has agreed that Advisor will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, Mercer Advisors has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when Mercer Advisors' fiduciary duties would so require, and Advisor has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA's affiliates to another custodian; therefore, Mercer Advisors has an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit Mercer Advisors' duty to select brokers on the basis of best execution.

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### **Other Referral Arrangements**

Mercer Advisors has entered into referral agreements with various unaffiliated referral sources.

Under each of these agreements, Mercer Advisors agrees to pay to the referral source a fee for client referrals. The arrangements are structured to be compliant with applicable securities laws, including a formal contract between Mercer Advisors and the referring entity. Pursuant to the contract, each potential client is provided with a disclosure statement that describes the relationship between Mercer Advisors and the referring entity- including the compensation that will be paid to the referring entity- prior to or at the time the client enters into a client agreement. The notice confirms that Mercer Advisors will not charge the client a higher advisory fee as a result of the referral arrangement.

Mercer Advisor has implemented a program to compensate corporate employees for client referrals. The program is structured to comply with applicable securities law.

In addition, Mercer Advisors may hold client appreciation events, the invitation criteria for which could include whether the client has introduced prospective new client(s) to Mercer Advisors during the preceding year.

### **Other Compensation**

Mercer Global Advisors Inc. receives no other direct compensation from clients, outside of what has been disclosed in this brochure, beyond fees charged as described under "Fees and Compensation." All Mercer Advisors licensed, supervised employees are compensated based upon a combination of: (1) base salary; and (2) bonuses related to meeting certain criteria including revenue retention and adding new client assets.

Mercer Advisors' investment professionals and other employees, including tax advisors, also have the ability to earn a bonus for new money deposits into existing client accounts. This practice presents a conflict of interest because employees have an incentive to recommend adding additional assets to Mercer Advisors' care for the purpose of receiving incentive compensation rather than solely based on clients' needs.

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### **Third Party Sponsorship**

Mercer Advisors holds training sessions known as "Academies/National Symposium/Market Meetings" for employees. Certain organizations may cover a portion of the costs associated with these events. Sponsorship events include participating in or hosting educational, training, or other events for clients and/or

employees. These sponsors have greater access to our employees to provide educational and training opportunities. Because the attendee learning experience is our priority, sponsorship is granted on an invitation-only basis. Not all sponsors participate at the same level and participation is voluntary. **Sponsorship of corporate events is not a commitment that Mercer Advisors will utilize sponsor, related products, or services.**

Mercer Advisors is a large organization with several affiliated entities (together "Mercer Advisors"). Mercer Advisors has business relationships with many unaffiliated counterparties that it may utilize in conjunction with its service offerings to clients, including custodians, brokers, investment platforms, managers and fund sponsors (together, the "Counterparties"). Mercer Advisors and the Counterparties can participate in joint marketing and/or investment management efforts, including investment symposiums, and event sponsorships. However, these same Counterparties offer certain funds, investment managers, and/or investment products which are utilized in Mercer Advisors' client investment portfolios. The use of these services in client portfolios is evaluated independent of their sponsorship commitments to determine if it is consistent with Mercer Advisors' fiduciary duty. These parties can include our primary custodians or others that manage assets as part of our client's portfolio or in which Mercer Advisors may invest client assets.

Sponsors include companies utilized as primary custodians, companies that manage assets as a part of a client's portfolio, or companies in which Mercer Advisors may invest client assets. Sponsors include companies such as Charles Schwab, Fidelity, National Advisors Trust Company, Dimensional Funds Advisors, BlackRock, and Vanguard among others.

The InvestHERs program at Mercer Advisors has a dual mission: to be the wealth management firm of choice for female investors and to be the best place to work for women in the financial services industry. The initiative includes mentorship programs, educational events, and affinity groups. The InvestHERs program is a key initiative to drive diversity, equity and inclusion in the firm and financial services industry as a whole.

Annually the firm holds the InvestHERs summit to provide educational opportunities for the women of the firm. Dimensional Fund Advisors is the primary sponsor of the summit and provides educational support, facilities, and event planning staff for the event.

**As part of its fiduciary duties to clients, Mercer Advisors always endeavors to place client interests first. Clients should be made aware, however, that the receipt of economic benefits by Mercer Advisors or its related persons creates a potential conflict of interest that could influence the selection of sponsors' products or services.**

The benefits received by Mercer Advisors and/or its personnel through sponsorship are not dependent upon or tied to any current and/or future relationship we have with sponsors. Mercer Advisors' representatives do not receive additional compensation for recommending products or services offered by a sponsor.

Mercer Advisors will not share client information with any sponsor, except with client consent for the specific purposes described in Mercer Advisors' Privacy Notice. Before sharing client information, the client will be informed as to what will be shared and what shared information the client can limit.

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## Miscellaneous

Mercer Advisors can qualify to receive *Orion Preferred Advantage Pricing* based upon total net revenues earned by Orion from Mercer Advisors' clients. As a result, the amount payable by Mercer Advisors for certain other Orion-provided services is reduced if net revenues earned by Orion from Mercer Advisors including fees paid by clients to utilize Orion sub-advisory services meet certain quarterly thresholds. Thus, Mercer Advisors has an economic incentive to allocate assets to Orion. In addition, one of Mercer Advisors' equity owners, Genstar



Capital Partners, LLC, manages one or more private equity funds with ownership interests in Orion. As the result of the above arrangement/relationships, Mercer Advisors has a **conflict of interest** in utilizing Orion's sub-advisory services.

As described in Item 10- Mercer Advisors acquired Kanaly Trust Company through a merger and acquisition. As part of this acquisition, Mercer Global Advisors transitioned the trust services portion of Kanaly Trust Company to NATC but retained their asset management service relationships for all accounts. **Please Note: Conflict of Interest** For estate administration services, probate fees are divided equally between NATC and Mercer Advisors. As a result of the probate fee sharing, Mercer Advisors has a **conflict of interest** when recommending NATC.

## ITEM 15 – CUSTODY

Mercer Advisors shall have the ability to deduct its advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian at least quarterly. Clients should review all such notices and statements.

**Please Note:** To the extent that Mercer Advisors provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Mercer Advisors with the account statements received from the account custodian.

**Please Also Note:** The account custodian does not verify the accuracy of Mercer Advisors' advisory fee calculation.

Mercer Advisors and/or certain of its members engage in other services and/or practices (i.e., bill paying, password possession, trustee service, etc.) These services and practices result in Mercer Advisors having custody of client funds. Having such custody requires Mercer Advisors to undergo an annual surprise examination from a qualified CPA and make a corresponding disclosure filing with the SEC for as long as Mercer Advisors provides such services and/or engages in such practices.

In addition, certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from Mercer Advisors to transfer client funds or securities to third parties are not subject to the annual surprise examination.

## ITEM 16 – INVESTMENT DISCRETION

Mercer Advisors generally has discretionary trading authority (limited power(s) of attorney) on advisory accounts. Mercer Advisors has authority to buy or sell securities on the client's behalf, as designated for the specific account. Clients can impose restrictions, **in writing**, on Mercer Advisors' discretionary authority (e.g., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the use of margin, etc.).

## ITEM 17 – VOTING CLIENT SECURITIES

Mercer Advisors can accept the authority to vote proxies for clients. When voting proxies on behalf of our clients, Mercer Advisors assumes a fiduciary responsibility to vote in our clients' best interests. Authority to voting proxies is included in the client agreement and may also be addressed in the Investment Policy Statement. Relative to engagements by retirement plans under the Employee Retirement Income Securities Act of 1974 (ERISA), Mercer Advisors acknowledges its responsibility as a fiduciary to vote proxies prudently and

solely in the best interest of plan participants and beneficiaries. So that it fulfills these fiduciary responsibilities to clients,

To assist in this effort, Mercer Advisors has retained Broadridge Investor Communication Solutions, Inc. (“Broadridge”) to assist Mercer Advisors proxy voting advice and administrative services. In conjunction with Broadridge, Mercer Advisors has adopted and implemented written policies and procedures reasonably designed to ensure that it votes proxies in the best interest of clients.

Mercer Advisors may exercise its discretion to engage unaffiliated separate account managers and/or sub-advisors to provide portfolio management services to certain accounts. Consistent with its management responsibilities, these managers may assume the authority for voting proxies for these accounts.

You can request a copy of our proxy voting policies and procedures, or how proxies were voted on your behalf by contacting us at [CCO@merceradvisors.com](mailto:CCO@merceradvisors.com) or Compliance Department at 1200 17<sup>th</sup> Street Suite 500, Denver, CO 80202.

## **ITEM 18 – FINANCIAL INFORMATION**

Mercer Advisors has no financial conditions that would impair its ability to meet its contractual commitments to clients. Pursuant to SEC regulations, an audited balance sheet is not required to be provided because Mercer Advisors does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## SUPPLEMENTAL INFORMATION

### Business Continuity and Contingency Plan

**Disasters:** The company has a Business Continuity Plan which covers natural disasters such as snowstorms, hurricanes, tornados and/or flooding. The Plan covers human-caused disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and/or aircraft accident. Electronic files are backed up and archived offsite.

**Information Security:** Mercer Advisors maintains an information security program to reduce the risk that personal and confidential client information is breached. Mercer Advisors employs the use of firewalls, virus scanners, and other methods of securitization to ensure that client information is protected.

### Privacy Information

Our full Privacy policy along with other information on information security can be found on our website at the [Privacy and Security Center](#).

**Protection of Your Information:** Mercer Advisors' employees are committed and required to protect the confidentiality of client information. Employees may access client information only when necessary to perform their job functions. Mercer Advisors also maintains physical, electronic, and procedural safeguards to help protect client information.

**Access to and Correction of Information:** Should a client wish to review any file containing personal client information maintained by Mercer Advisors, he/she may contact his/her Wealth Management Team.

**Further Information:** Mercer Advisors reserves the right to change the Privacy Notice at any time without prior notification. Please contact Mercer Advisors for additional information.

### Brochure Supplements

Personnel Brochure Supplements (Form ADV Part 2Bs) are provided to each client by his/her Wealth Management Team.

**ANY QUESTIONS:** Mercer Advisors' Chief Compliance Officer remains available to address any questions regarding this Part 2A.