

# A wealth of choice

## Defined benefit Mercer Investment Solutions



### Investment solutions for defined benefit plans

All defined benefit (DB) plan sponsors are managing some version of a journey. Whether that journey is focused on long-term sustainability, eventual plan termination or something in between, the investment dynamics are increasingly complex. The need to optimize control and stabilize earnings has become a key priority.

Meanwhile, the path forward on improving funded status has been obscured by uncertain growth prospects, placing greater demands on internal resources to ensure there are “no surprises.” Against these top-of-mind issues, sponsors must also balance seismic demographic shifts, evolving regulations, governance challenges, risk management concerns, onerous fee structures, and environmental, social and governance (ESG) sensitivities.

In response, many companies are considering outsourcing all or some aspects of their DB plans’ investment and operational tasks to named fiduciaries, such as Mercer’s outsourced chief investment officer (OCIO) platform.

### Extensive insights and resources

Mercer brings solutions and ideas that meet the objectives of key stakeholders by aligning DB strategy with business strategy. With your fiduciary best interest in mind, Mercer’s

OCIO team applies a business focus to understand your objectives, takes a fresh look at program strategy with key stakeholders and, with a supportive business case, collaboratively develops a roadmap for your plan’s financial journey.

As the number-one globally ranked investment solutions provider,<sup>1</sup> Mercer helps companies reduce time and resources spent on managing pension plans. Whatever your desired destination, Mercer can help you set the appropriate journey path — and take responsibility for executing plan governance and operation along the way.



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We believe a successful investment platform is driven by three pillars, embodied by our OCIO approach:

Three pillars of effective OCIO investment solutions for DB plans		
Effective strategy	Dynamic asset management	Timely execution
<p>Formal analysis to build dynamic strategies allows you to balance program risk and cost to meet your unique objectives.</p> <ul style="list-style-type: none"> <li>• Glidepath</li> <li>• Funded status triggers</li> <li>• Interest rate triggers</li> </ul>	<p>Leveraging dedicated resources and manager research lets you take advantage of potential market opportunities and manager value-add.</p> <ul style="list-style-type: none"> <li>• Dynamic point of view</li> <li>• Manager research value-add</li> <li>• Scale</li> </ul>	<p>More frequent monitoring promotes faster execution on emerging opportunities.</p> <ul style="list-style-type: none"> <li>• Governance platform</li> <li>• Daily monitoring</li> <li>• Asset/liability integration</li> </ul>

## Evolving with your objectives in mind

Our dedicated portfolio management resources and strategic and manager research value-add are leveraged in all our investment solutions for DB plans, including the following:

<p><b>Outsourced CIO (OCIO)</b> Benefit from experienced, robust risk management, sophisticated and timely investment management, and potential cost savings through a comprehensive, delegated solution.</p>	<p><b>Traditional asset portfolios</b> Gain exposure to global opportunities and risks through daily liquid, fixed income, equity and real assets portfolios. A multi-manager approach gives access to strategic portfolio design and nimble decision-making and execution.</p>	<p><b>Multinational corporate solutions</b> Seek better control, outcomes and transparency through a global governance framework, universal reporting and aggregated purchasing power combined with local investment and regulatory expertise.</p>
<p><b>Hedge fund strategies</b> Potentially diversify out of public market risks, and capture nontraditional return sources and alpha opportunities through access to a prudently constructed portfolio of hedge fund strategies.</p>	<p><b>Private markets</b> Explore approaches aimed at diversifying public market risk, boosting returns and protecting against inflation with access to private equity, including secondaries and co-investments, private debt, real estate, infrastructure and other real assets.</p>	<p><b>Diversity, equity and inclusion</b> Pursue a broader universe of investment return opportunities by expanding diversity of thought and experience, and align with your organizational philosophy, incorporating considerations related to race, ethnicity and gender.</p>
<p><b>ESG and impact</b> Take steps to reduce risk and potentially benefit from the transition to a renewable and more equitable economy by integrating ESG themes into your portfolio.</p>		

## Mercer can help you:

Focus on the things that matter most	Build confidence in your strategic decisions	Pursue success together
<ul style="list-style-type: none"><li>• Outcome-oriented solutions</li><li>• Holistic perspective</li><li>• Specialty expertise</li></ul>	<ul style="list-style-type: none"><li>• Experience in your industry</li><li>• Global research and ideas</li><li>• Broad and deep resources</li></ul>	<ul style="list-style-type: none"><li>• A heritage of delivering “on-your-side advice”</li><li>• Customized solutions</li><li>• Trusted advice</li></ul>

### For more information

Contact your Mercer advisor to learn how Mercer’s scale, knowledgeable investment professionals, and broad range of global investment solutions and OCIO capabilities can help you seek improved governance and better investment outcomes for your DB plan.

[mercervs.us](https://www.mercer.us)

[Please see our Important Notices.](#)

ESG investing refers to environmental, social and governance considerations that may have a material impact on financial performance and therefore are taken into account, alongside other economic and financial metrics, in assessing the risk and return potential of an investment. Thematic investing involves investing with a goal, at least in part, to achieve an impact on an environmental, social or governance issue alongside generating return and mitigating risk. As always, the decision to invest in ESG-themed options, like all options, must be in the best financial interest of the plan and its participants. Under a recently proposed ERISA rule, ESG thematic investing may be subject to greater scrutiny; for example, its inclusion in an ERISA plan may trigger a heightened level of review of various objective criteria across all investment options. Active ownership efforts should be considered in light of the cost versus benefit to the plan of engaging in such efforts, as described in a recently proposed ERISA rule. Clients are encouraged to consult with ERISA counsel regarding these recently proposed rules.

*Pensions & Investments* rankings are based on survey responses from responding firms. Mercer may calculate worldwide assets under advisement and worldwide assets under management differently than other responding firms.