

KEY INVESTOR INFORMATION

This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.



Merian Global Strategic Bond Fund U2 (GBP) Accumulation Shares (GB00BHBX8024)

A sub-fund of Merian Investment Funds Series II. Managed by Merian Investment Management Limited

OBJECTIVES AND INVESTMENT POLICY

**Objective:** a total return comprised of income and capital growth by investing in bonds and similar debt investments issued by companies, governments and other public entities located throughout the world.

**Policy:** the Fund will invest in bonds and similar debt investments anywhere in the world. The Fund will not invest more than 20% in sub-investment grade bonds and similar debt investments (e.g. those with a rating of below BBB - as rated by Standard and Poor's or below Baa3 by Moody's). The Fund will not invest more than 20% in investments issued in emerging market countries.

The Fund will not invest more than 20% in contingent convertible bonds ("CoCos") issued by banks, finance and insurance companies. A CoCo is a type of bond which, upon a pre-specified trigger event, may convert into either a set number of company shares, or may be subject to a partial or full write-off.

The Fund's base currency is British Pounds. The Fund may gain exposure to additional currencies in order to generate additional returns through changes in the exchange rates.

The Fund uses derivatives (i.e. financial contracts whose value is linked to the expected price movements of an underlying investment), with the

aim of generating returns and/or reducing the overall costs and risks of the Fund.

Portfolio construction is driven by an on-going assessment of the drivers of returns such as interest rates, bond prices, the economic outlook, inflationary expectations and global political issues. This will also include an assessment of any issuer's default risk and value relative to similar bonds in the market.

The Bloomberg Barclays Global Aggregate Index (GBP Hedged) is a point of reference against which the performance of the Fund may be measured. The Fund is managed having regard to the Index; however the Fund does not track the Index.

**Recommendation:** the Fund may not be appropriate for investors who plan to withdraw their money within 5 years.

**Treatment of income:** as shares in this class are accumulation shares, income from investments will be reinvested into the Fund and reflected in the value of the shares.

**Dealing:** you can buy and sell shares on any working day in London.

RISK AND REWARD PROFILE



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the Fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the Fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Funds in category 3 have in the past shown moderately low volatility. With a fund of category 3, you have a moderately low risk of losing money but your chance for gains is also moderately low.

**Investment risk** - there is no guarantee that the Fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

**Emerging markets risk** - less developed countries may face more political, economic or structural challenges than developed countries.

**Credit risk** - the issuer of a bond or a similar investment within the Fund may not pay income or repay capital to the Fund when due. Bonds which are rated below investment grade are considered to have

a higher risk exposure with respect to meeting their payment obligations.

**Interest rate risk** - investments in bonds are affected by interest rates and inflation trends which may affect the value of the Fund.

**Liquidity risk** - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the Fund's ability to meet redemption requests upon demand.

**Currency risk** - the Fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

**Derivative risk** - the Fund uses derivatives to generate returns and/or to reduce costs and the overall risk of the Fund. Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in a disproportionately large movement in the price of the derivative investment. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their contractual obligations.

**Capital erosion risk** - the Fund takes its charges from the income of the Fund in the first instance. The impact of Fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the Fund to cover these charges. Capital erosion may have the effect of reducing the level of income generated.

For a more detailed explanation of risks, please refer to the "Risks" section of the prospectus.

## CHARGES

These charges are used to pay the costs of running the Fund, including the costs of marketing and distribution. Overall, they reduce the growth of your investment.

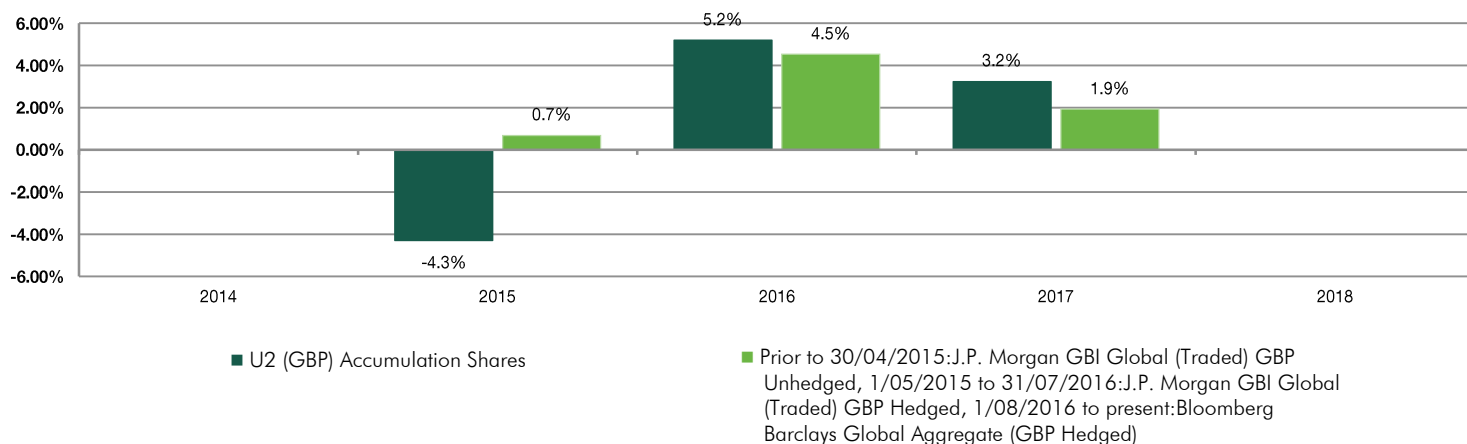
One-off charges taken before or after you invest	
Entry charge	None
Exit charge	None
<i>This is the maximum that might be taken out of your money before it is invested and before the proceeds of your investment are paid out.</i>	
Charges taken from the Fund over a year	
Ongoing charge	0.55%
Charges taken from the Fund under specific conditions	
Performance fee	None

The charges shown are the maximum figures. In some cases you might pay less. You can find out your actual charges from your financial adviser or distributor.

The ongoing charges figure is based on the fixed ongoing charge as detailed in the prospectus. It excludes portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling shares in another collective investment undertaking and may vary from year to year.

You can find out more details about the charges by looking at Schedule 1 of the prospectus.

## PAST PERFORMANCE



Past performance is not a guide to future performance.

The past performance shown does not take into account any entry or exit charges but does take into account the ongoing charge, as shown in the Charges section.

The value of the class is calculated in British Pounds. The Index is in British Pounds.

The Fund launched on 26 November 1991. This class started to issue shares on 17 February 2014. There have been no shareholders in this class since 15 June 2018.

## PRACTICAL INFORMATION

The Depositary is Citibank Europe plc, UK branch.

Merian Global Strategic Bond Fund is a sub-fund of Merian Investment Funds Series II (the "Company"). The assets and liabilities of each sub-fund are segregated from other sub-funds although it is not yet known whether a foreign court would give effect to segregated liability under a foreign law contract and so this is not certain in every circumstance.

Further information about the Company, copies of its prospectus, annual and half-yearly reports may be obtained, for the entire Company, free of charge in English from the registrar, FNZ TA Services Ltd, PO Box 1398, Sunderland, SR5 9QN or visit [www.merian.com](http://www.merian.com).

Details of Merian Investment Management Limited's remuneration policy which includes a description of how remuneration and benefits are calculated, the identities of the persons responsible for awarding remuneration and benefits and details of the remuneration committee, are available at [www.merian.com](http://www.merian.com). A paper copy will be made available free of charge upon request to Merian Investment Management Limited. The latest share prices are available from the registrar during normal business hours and will be published daily at [www.merian.com](http://www.merian.com).

You may switch your shares to the shares of another sub-fund of the Company free of charge. For further details see the "Switching" section of the prospectus.

This Fund is subject to tax laws and regulations of the United Kingdom. Depending on your home country of residence, this might have an impact on your personal tax position. For further details, please speak to your financial adviser.

Merian Investment Management Limited may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Company.

This Fund is authorised in the United Kingdom and regulated by the Financial Conduct Authority.

Merian Investment Management Limited is authorised in the United Kingdom and regulated by the Financial Conduct Authority.

This key investor information is accurate as at 1 April 2019.