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Mercer & American Beacon Model Portfolios



The Mercer & American Beacon Model Portfolios integrate the complementary expertise of two investment organizations to support advisors in implementing diversified client allocations.

Built on a rigorous, structured research and portfolio-construction framework, these models are intended to promote consistent implementation, ongoing monitoring, and disciplined risk management.

Professionally managed to balance growth potential with prudent risk control, the models aim to enable advisors to tailor allocations that align with their clients' investment objectives and risk tolerances.

Who we serve

The Mercer & American Beacon Model Portfolio solutions are designed to support financial intermediaries — including wealth managers, financial advisors, and multi-family offices seeking straightforward, cost-effective, and risk-managed investment options. Accessing emerging and growth market trends can be challenging, and these model portfolios aim to provide diversified strategies that help address these complexities.



Model Portfolio Solutions

> Our model portfolios offer professionally managed solutions across allocation profiles.

Mercer Strategic Asset Allocation (SAA) and Dynamic Asset Allocation (DAA)

Mercer Thematic Investing

Mercer & American Beacon Model Portfolios

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Our asset allocation model portfolio solutions

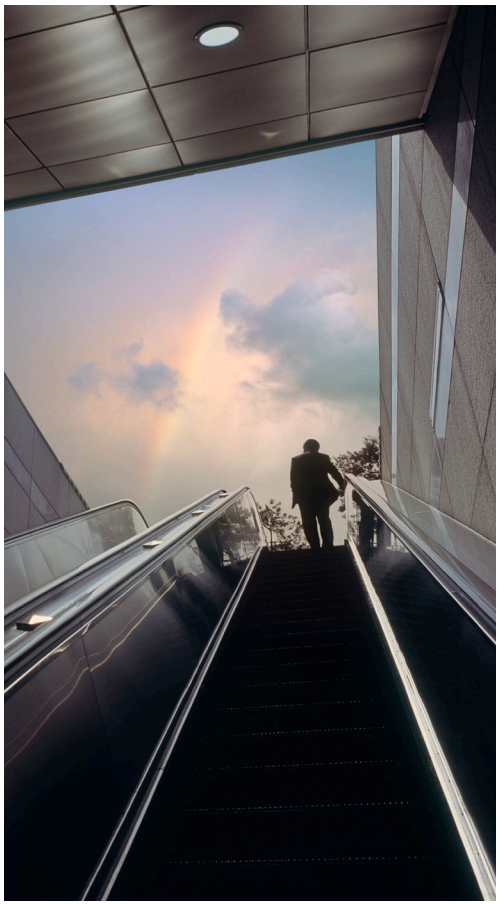
Asset allocation models **Objective:** Seek to maximize returns and control risk by adapting to changing economic and market regimes					
	20/80	**40/60**	**70/30**	**80/20**	**90/10**
Investment focus	Conservative	Low volatility with growth	Diversified portfolio	Growth	Growth
Thematic allocation	3%	6%	10.5%	12%	13.5%
Equity allocation	20%	40%	70%	80%	90%

Thematic Investing

Investors often struggle to capture high-growth global themes without exposing their portfolios to volatility. The Mercer & American Beacon Model Portfolios are designed to bridge this gap by implementing a thematic equity sleeve to capture targeted exposure to emerging themes and navigating structural risks.

Thematic investing is a forward-looking paradigm that transcends traditional geographic and sector silos to capitalize on structural megatrends, such as the AI revolution, the energy transition, and shifting global demographics, reshaping the global economy.

Rather than indexing the past, our thematic investing aims to capture "what's next" through a Three-Stage Precision Framework: it begins with Macro Discovery, a systematic global scan to identify tailwinds; moves to Strategic Distillation, where we filter the broad universe into a high-conviction, diversified subset of themes with strong alpha potential; and culminates in Active Architecture, the construction of a portfolio utilizing both global thematic managers and niche specialists to help ensure resilient, pure-play exposure to the drivers of future growth.



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Our dynamic approach

Traditional investment portfolios have the potential to lack dynamism if allocations remain constant. The Mercer & American Beacon asset allocation portfolios will incorporate Mercer's Dynamic Asset Allocation (DAA) investment ideas which look to generate alpha in the short to medium term.

Dynamic Asset Allocation

Dynamic Asset Allocation (DAA) is an investment strategy that aims to enhance returns and mitigate risk by making disciplined, short- to medium-term (one to three year investment horizon) adjustments to a portfolio's asset mix.

The DAA approach is focused principally on understanding the direction of the macroeconomic environment and then identifying asset classes that are attractive in these environments.

We use a time-tested framework which assesses the fundamental story, evaluates valuation attractiveness and identifies whether market technicals, such as positioning are a headwind or a tailwind. It is the disciplined combination of these three pillars that we believe could create repeatable value add over the medium term.

Our DAA investment philosophy is as follows:

- Markets are inefficient and prone to mispricing
- Utilizing a time-tested investment framework is central to getting dynamic decisions right
- Prudent risk assessment to inform position sizes is essential to a disciplined investment process
- Increase risk when opportunities are attractive and conviction is high; decrease risk when opposite
- No model can replace good judgement



Our Enhanced Income model solutions

The Mercer & American Beacon income model portfolios aim to provide a reliable income stream while upholding disciplined risk management and capital preservation. They feature two complementary strategies, one prioritizing capital preservation and the other targeting higher yields. These portfolios are tailored for income-focused investors who desire consistent cash flow, careful risk control, and adaptable, responsive asset allocation.

Our suite of asset allocation models utilizes a structured, total portfolio framework to offer investment strategies that align with each client's goals, time horizon, and risk tolerance.

Income models **Objective:** Balance the need for consistent income with risk management and capital preservation seeking to meet the financial goals of income-focused investors		
	Capital preservation	**Enhanced income**
Time horizon	Short (1-3) years	Intermediate (5-10 years)
Investment focus	Capital preservation	Income Focused
Short duration allocation	100%	20%

Contact us

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