

MERCER MASTER TRUST PLAN HIGHLIGHTS 2019

Your pension scheme, made available by your employer, is part of the Mercer Master Trust (“MMT”). Each year the Trustees of the MMT, who are responsible for the running of your pension scheme, prepare a ‘Chair’s Statement’ that describes how the MMT has been governed in your interests. Here are some highlights from this statement, as well as other highlights from 2019.

MISSION & STRATEGY

MMT MISSION

To serve the interests of employees, those who have left service and retirees, by offering a market leading workplace pension that maximises your participation through a range of educational and modelling tools and high quality investment funds, and helps you to make well informed decisions about your long-term saving.



TRUSTEES’ STRATEGY

Our strategy covers six areas that impact on your outcome and experience of the MMT:

1. Practical and cost effective oversight and investment framework
2. Serve you and your employer’s interests
3. Help you plan for an adequate income through retirement
4. Provide a suitable investment option for those members who don’t want to choose one themselves
5. Robust internal controls and reliable administration
6. Provide good value for you and other members

TOP DEVELOPMENTS IN 2019

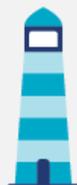
SUSTAINABILITY

Mercer, who oversees the investments for your pension, has undertaken significant work to improve the environmental and social impact of your pension scheme, and continues to make improvements in this area.



AUTHORISATION

All master trusts (this type of pension scheme) must be authorised by The Pensions Regulator. The MMT has now been authorised and now operates under the supervision regime.



YOUR EXPERIENCE

It’s important that your pension scheme works for you, and makes you feel empowered to take action when you need to. Over the year we have made enhancements in a number of areas. The main enhancements were to our customer service experience, which now aims to ensure your experience with us is positive and gives you the answer you need, rather than just ticking a box. We have also made enhancements to our digital offering in order to give you a seamless online experience. You can find out more about these enhancements and take action on your pension through your scheme website:

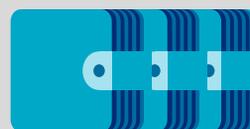
<https://www.avivamymoney.co.uk>

FACTS AND FIGURES FOR 2019



PENSION FUND GROWTH*

MERCER GROWTH PERFORMANCE (1 YEAR TO 31 DECEMBER 2019)



17.6%

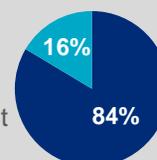
Longer term performance: www.uk.mercer.com/our-thinking/mercer-master-trust-default-fund-performance.html



MEMBER GROWTH

MEMBER INVESTMENT OPTIONS

28 investment funds



Invest via the default investment option
Self-select investments

DRIVING VALUE FOR MEMBERS



The Trustees regularly assesses the extent to which your pension scheme, within the Mercer Master Trust, provides you with value for money. It was concluded that the pension scheme provides **good value for members**. Value is not only about the price of services but also their quality, including their performance against the Trustee's required standards.

WHAT DO YOU RECEIVE THROUGH YOUR PENSION SCHEME?



Administration services



Self-help online tools and benefit modellers



Investment management



Support helpline and tools



Independent Trustees supported by a team of legal, investment and audit advisers



At-retirement services (including annuity broking)



Access to retirement advice

PROTECT YOUR PENSION

Don't get caught by a pension scam.

Visit the following website for more information:
www.thepensionsregulator.gov.uk/en/pension-scams

REDUCED CHARGES

The MMT's size helps the Trustees negotiate investment manager charges, saving you money for retirement.



Mercer changed the structure of the Mercer Growth Fund resulting in a reduction of charges by 2 basis points (e.g. an AMC of 0.34% p.a. would drop to 0.32% p.a. which is an approximate cost of £3.20 vs £3.40 on a pot of £1,000 per year.

STRONG RETURNS AND REDUCED RISK¹



Increase to your pot size in retirement over your working lifetime (40 years) as a result of Mercer's investment expertise (based on previous performance²).

¹ Based on the default investment option.



Increase in pot size versus inflation over the last 5 years, showing an increase in the spending power of your pension pot when you retire.

² Value added from Mercer's dynamic asset allocation decisions from 30 June 2011 to 31 December 2018



Reduction in risk (volatility) achieved by the fund over the past 5 years when compared to global stocks and shares, helping to **protect** your pension pot.



Reduction in the max daily loss over the past 5 years when compared to global stocks and shares³, **protecting** your pension pot when you need it.

³ Index used: MSCI World

WHAT YOU CAN DO

1. Transfer your other pensions

You can transfer your other pensions into this one, to help manage all your pensions in one place. You can do so by contacting the helpline on the right.

2. Tell us your beneficiaries

Beneficiaries are those that you want your pension to pass to should something happen. It is important that you let us know who these are.

3. Start saving earlier

If you start saving at 20, rather than 30, at retirement (assumed to be 65) your pot size could be around **50%** higher. In retirement, this means that you could have an extra income of **£7,500** per year, for life.

Based on ONS average salaries, 10% total contribution rate, 5% p.a. investment return, £0 starting pot size and prevailing annuity rate (single life, age 65).



HELP US HELP YOU

We encourage you to logon and discover more about your pension at <https://www.avivamymoney.co.uk>, or contact the Aviva helpline on 0345 600 6303. You can also contact the MMT Trustees with any comments or suggestions at mymoney.questions@aviva.com or at the following address: **The Trustees of the Mercer Master Trust, c/o BESTrustees, Five Kings House, 1 Queen Street, London, EC4R 1QS**

IMPORTANT NOTICES

© 2020 Mercer Limited. All rights reserved. This does not contain regulated investment advice in respect of actions you should take. No investment decision should be made based on this information without obtaining prior specific, professional advice relating to your own circumstances. This does not constitute an offer or a solicitation of an offer to buy or sell securities, commodities and/or any other financial instruments or products that constitute a solicitation on behalf of any of the investment managers, their affiliates, products or strategies that Mercer may evaluate or recommend.

You should speak to an impartial financial adviser if you would like assistance in reviewing your investment and / or retirement options. For details of an Financial Conduct Authority ("FCA")-regulated financial adviser in your area, you can visit www.unbiased.co.uk. You should check the specialist advice areas of any adviser as well as the cost of their advice before appointing them. Please note that the Trustees are not advising the use of any specific adviser. In addition, Pension Wise is a government service that will offer you free impartial guidance (online, over the telephone or face to face) to explain what options you have and help you think about how to make the best use of your pension savings. Information about this guidance can be found on www.pensionwise.gov.uk.

Please also note the value of investments can go down as well as up and you may not get back the amount you have invested. In addition investments denominated in a foreign currency will fluctuate with the value of the currency. Past performance is not a reliable indicator of future performance.

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