INVESTOR QUESTIONNAIRE

What type of investor are you?

ENTER

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As a member of a Marsh & McLennan Companies (UK) defined contribution (DC) pension arrangement, one of the most important decisions you face when saving for retirement is deciding where best to invest your Individual Account. Whilst some people may be comfortable making such investment decisions, many find these decisions quite daunting. However, it can be a lot easier to make these decisions if you take the time to think about what type of investor you are.

This questionnaire is designed to help you decide which investment options available to you as a DC member may be most suitable for you. Simply answer the following questions by choosing the response that best describes how you think, and then use the table at the end to work out what type of investor you are.

In using this questionnaire you should remember:

- There is not always a 'right' answer when it comes to investment. Often it will depend on your personal circumstances and your view of the risks involved.
- You cannot predict the future by looking at what has happened in the past. So just because a fund has performed well up until now, it is no guarantee it will carry on doing so.
- All of the funds you can invest in can fall in value as well as go up, so you could lose some of the original capital invested.
- There are many different types of risk. For example, there is a risk posed by inflation, as even if your investments do not fall in value they may not rise in line with inflation.
- If you have any doubts over your investment decisions you should seek professional financial advice on your choices.

NEXT

How this questionnaire works

Please complete Part 1, ticking the most appropriate answer to each of the questions. Add up the number of As, Bs and Cs you chose and record your totals. Your highest scoring letter will help you determine your risk profile.

Depending on your score, you may then want to repeat the process and complete ***Part 2 and / or Part 3*** of this questionnaire.

START QUESTIONNAIRE

Part 1

1 Do you wish to actively choose your own pension investments?

- ◯ **A** No. I would really prefer to follow a predetermined investment strategy, where I do not have to actively choose my pension investments over my working life.
- ◯ **B** Yes. I think it is really important to make a personal choice.

2 What type of investor would you describe yourself as?

- ◯ **A** I am definitely not an investment expert and I am not really comfortable selecting my own mix of investment funds.
- ◯ **B** I am confident about selecting my own mix of investment funds, but I would not describe myself as an investment expert.
- ◯ **C** I would describe myself as an investment expert and I want to select my own mix of investment funds.

3 How often are you likely to review your investment decisions?

- ◯ **A** Rarely. Once I have made a choice I am unlikely to want to re-consider it.
- ◯ **B** Occasionally. I might consider reviewing my investment strategy if my personal circumstances changed.
- ◯ **C** Regularly. I think reviewing my investment selection is an important part of my investment strategy. I believe it is important to make sure my contributions are invested to meet my changing needs.

4 Do you intend to take all of your retirement benefits at your target retirement age, or might you want to defer purchasing your retirement benefits?

- ◯ **A** I intend to take all of my retirement benefits at my target retirement age.
- ◯ **B** I do not know what choice I will make.
- ◯ **C** I intend to keep my fund invested after my target retirement age and defer purchasing my retirement benefits.

5 Are you comfortable regularly monitoring and switching your investments to more suitable (lower risk) investments as you approach retirement?

- ◯ **A** No – I don’t think I will have the time/won’t remember/don’t feel comfortable with that level of responsibility.
- ◯ **B** I would prefer not to but would be able to if I didn’t feel the Fund’s investment options suited my requirements.
- ◯ **C** Definitely – I feel comfortable creating, monitoring and implementing my own investment strategy to ensure my Individual Account fits my unique/personal requirements.

Mostly A's

You would prefer not to be actively involved in making any investment decisions and would like the reassurance that someone else is taking care of the investment of your Individual Account on your behalf.

Mercer SmartPath Target Drawdown could be a suitable investment strategy for you. It is a specially designed investment strategy (set by the Trustee with the aid of their investment advisers) which automatically and gradually switches your investments as you approach retirement, to help reduce unexpected fluctuations (relative to the amount of pension you could buy) in the value of your pension fund. Please note that this option is aimed at members who are expecting to drawdown income during retirement. Members are also able to withdraw their retirement benefits as cash, or leave them invested through retirement.

If you are unsure whether the Mercer SmartPath Target Drawdown will best meet your likely requirements in retirement, we recommend you go to Part 2 of this questionnaire.

How did you score?

Mostly ◯ A’s ◯ B’s ◯ C’s

Part 2

Have you considered how you are likely to take your benefits at retirement?

YES I have thought about this carefully and have a clear idea about what I am going to do.

I haven't had a chance to do this yet **NO**

As you have given the decision careful thought, are you looking to take the full value of your benefits as cash, remain invested through retirement and make regular or ad hoc withdrawals (known as "drawdown"), or purchase a fixed annuity?

I intend to take my benefits as Cash	***Mercer SmartPath Target Cash*** may be suitable for you.
I intend to take my benefits through Drawdown	***Mercer SmartPath Target Drawdown*** may be suitable for you.
I intend to take my benefits by purchasing an annuity	***Mercer SmartPath Target Annuity*** may be suitable for you.
I intend to take my benefits using a combination of the above	You are not currently able to invest in multiple SmartPath strategies. If you wish to take a combination of the above, you will need to create your own investment strategy including manually switching to more appropriate funds as you approach retirement.

Important notices

Please note: The guidance given in this questionnaire does not constitute individual financial advice. Any opinions contained herein are not intended to convey any guarantees as to the future investment performance of these products. Whilst the Trustee and the MMC UK Pensions Administrator can provide you with information about the available investment options, they cannot offer you advice which is specific to your circumstances. Your choice of investment options will be based on a number of personal factors, including your attitude to taking risk and the length of time until your retirement. If you need advice based on your personal circumstances, you should speak to a Professional Financial Adviser. You can find a regulated financial adviser in your area by visiting **www.fca.org.uk/consumers/finding-adviser**.

Do you expect to have defined contribution savings in excess of £50,000*, across all arrangements, at retirement?

less than **£50k***

No, I don't

Yes, I do

more than **£50k***

*You will need to be aware of the wider implications of how you choose to withdraw your retirement benefits. For members with smaller pots (for which, a representative figure of £50,000 has been used for indicative purposes only), Income Drawdown is less likely to be appropriate, given the potential level of fixed initial / ongoing costs and risks involved. For members with larger pots (over £50,000), a one-off lump sum Cash withdrawal is less likely to be appropriate, given that a payment of this size may well result in you paying higher rate tax on some of the money received.

Do you want immediate access to the full value of your defined contribution savings at retirement, or would you prefer to secure a modest level of guaranteed regular income in retirement?

Yes. I would prefer to have immediate access to the cash value of my defined contribution savings and am comfortable with the risks associated with not buying any guaranteed income in retirement and the potential income tax I may have to pay.

Mercer SmartPath Target Cash may be suitable for you.

No, my priority is for certainty and security. It may take me many years to receive as income the cash value of my defined contribution savings, but I prefer this to taking it all in one go and having less guaranteed income in retirement.

Mercer SmartPath Target Annuity may be suitable for you.

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Are you looking for a guaranteed, regular income in retirement, at the expense of future flexibility and the ability to pass any unused funds to your chosen beneficiaries?

Yes, my priority is for certainty and security. I am happy to forego the potential for investment growth in retirement and the ability to pass funds on to my chosen beneficiaries.

Mercer SmartPath Target Annuity may be suitable for you.

No. I would prefer to retain greater flexibility in how I use my defined contribution savings in retirement, including flexibility over the timing and amount of income withdrawals and what happens to any unused funds that remain, and am comfortable taking investment risk in retirement.

Mercer SmartPath Target Drawdown may be suitable for you.

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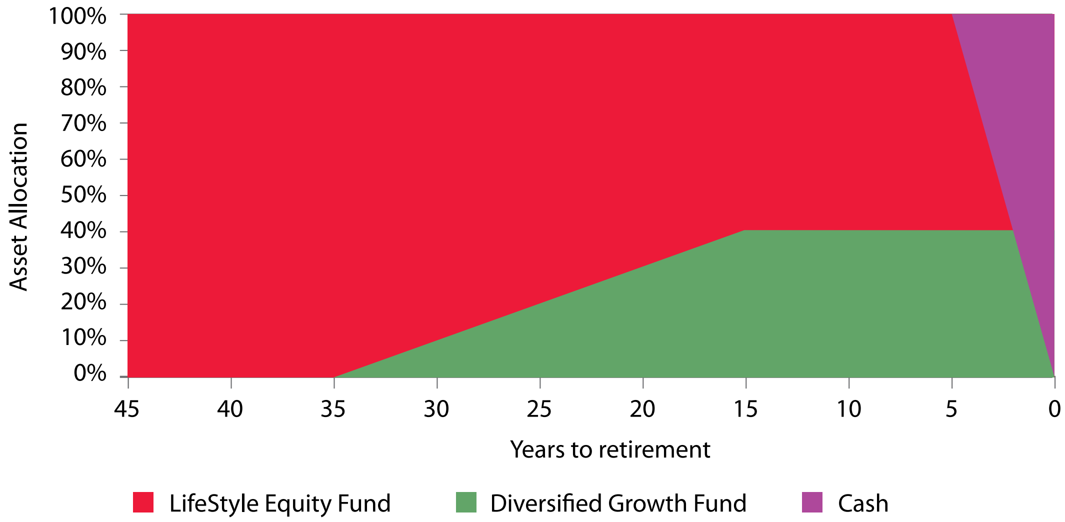
Mercer SmartPath Target Cash

Based on the answers you have given, investing in **Mercer SmartPath Target Cash** could be an appropriate choice for you. However, if you want a more detailed review of which option is best suited to your individual circumstances and preferences, you should consider taking guidance, or advice, from an appropriate source. More information on how to go about this is included in the "Important Notices" on the previous page.

Mercer SmartPath Target Cash invests in "growth funds" in the early years and then gradually and automatically switches your Individual Account into cash as you approach retirement.



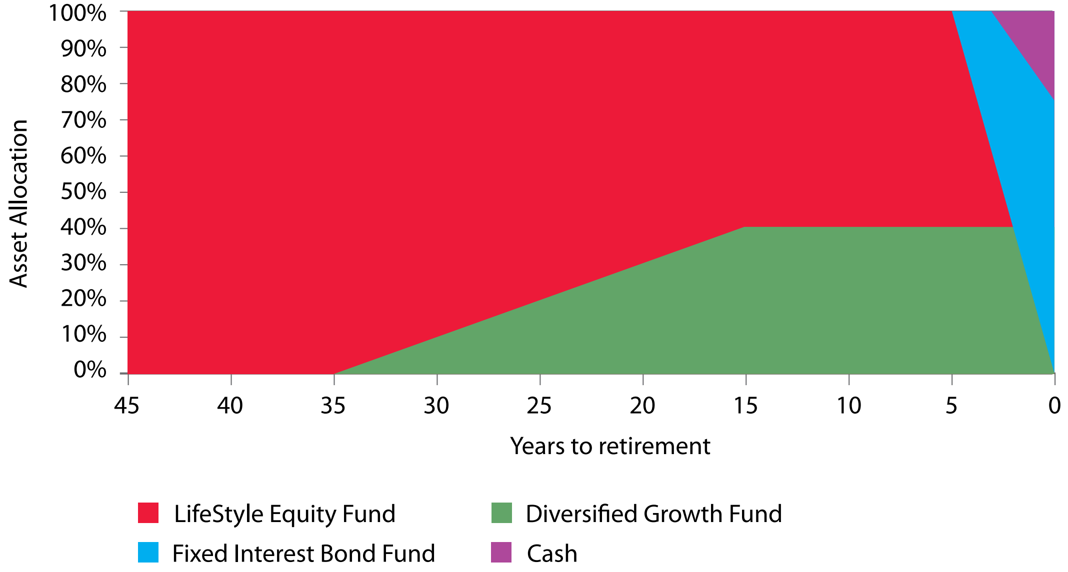
- This strategy aims to assist if you are looking to withdraw your entire pension pot as cash at retirement.
  This could be relevant if:
  - You have a relatively small amount of DC savings
  - You have specific short term expenditure to meet
- If you are thinking about withdrawing your DC savings as cash, please be aware that:
  - Any cash withdrawal, beyond any tax free cash entitlement you may have, will be added to your income from all other sources, and taxed accordingly.
  - If this is your only source of retirement income, withdrawing it all as cash will reduce the level of income you receive in retirement.

More details on the funds used in this matrix and the options for taking cash payments can be found in the Investment Guide and the DC Flexibility Guide, 'It's your money: It's your choice'.

Mercer SmartPath Target Annuity

Based on the answers you have given, investing in **Mercer SmartPath Target Annuity** could be an appropriate choice for you. However, if you want a more detailed review of which option is best suited to your individual circumstances and preferences, you should consider taking guidance, or advice, from an appropriate source. More information on how to go about this is included in the "Important Notices" on the previous page.

Mercer SmartPath Target Annuity invests in "growth funds" in the early years and then gradually and automatically switches your Individual Account into lower risk, less volatile investments which aim to target withdrawal of a 25% cash lump sum and the purchase of a fixed annuity.



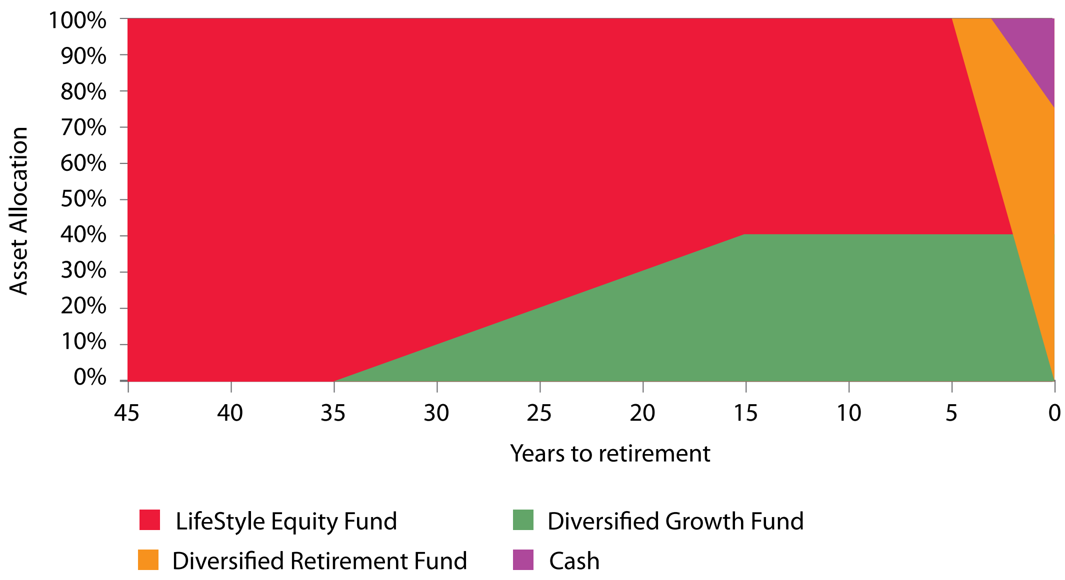
- This strategy aims to assist if you are looking to take a 25% tax free cash lump sum and purchase a level, or fixed annuity with the remainder of your pension pot at retirement. This could be appropriate if:
  - You want the certainty of a guaranteed income for life in retirement.
  - You do not wish to take any investment risk in retirement.
  - You do not want the complexity of managing financial affairs in retirement.
- If you are thinking about purchasing an annuity with your retirement savings, please be aware that:
  - Annuity purchase is a one-off purchase, and cannot easily be revoked.
  - You may not have any unused funds to pass on to your chosen beneficiaries, and will have to accept a lower level of income if you wish to guarantee a level of payments or leave a pension income to your spouse or other financial dependants.

More details on the funds used in this matrix can be found in the Investment Guide.

Mercer SmartPath Target Drawdown

Based on the answers you have given, investing in **Mercer SmartPath Target Drawdown** could be an appropriate choice for you. However, if you want a more detailed review of which option is best suited to your individual circumstances and preferences, you should consider taking guidance, or advice, from an appropriate source. More information on how to go about this is included in the "Important Notices" on the previous page.

Mercer SmartPath Target Drawdown invests in "growth funds" in the early years and then gradually and automatically switches your Individual Account into lower risk, less volatile investments which aim to target withdrawal of a 25% cash lump sum with the rest of the account remaining invested through retirement.



- This strategy aims to assist if you are looking to remain invested through retirement and make regular or ad hoc withdrawals from your retirement savings, while holding 25% of your retirement savings to cash to provide a source for a tax free cash lump sum, if required. This could be appropriate if:
  - You want to retain flexibility in how you take benefits from your retirement savings, including delaying purchasing an annuity until later in retirement.
  - You are confident in making investment choices and want to retain control of how your retirement savings are managed.
  - You want the ability to pass some, or all, of any unused funds onto your chosen beneficiaries.
- If you are thinking about taking benefits through income drawdown, please be aware that:
  - You retirement savings will generally need to be invested in assets that have the potential to fall in value, as well as rise, and may underperform your expectations.
  - The level of income available is not guaranteed and you could run out of money prematurely.
  - You will need to more actively manage your retirement savings, and may need to pay for the services of a financial adviser to assist with investment and tax planning.

Please note that there are some restrictions on how you can access your savings in the MMC UK Pension Fund via drawdown.
More information is available in the Members Guide.

Part 3

1 Just two months after you put money into a long-term investment, the price falls by a quarter of the value you paid for it. You think it is probably still a good long-term investment. What do you do?

- ◯ **A** Sell to avoid further worry and buy something else.
- ◯ **B** Do nothing and wait for the investment to return to its previous level.
- ◯ **C** Buy more. It was a good investment before, so now it is a cheap investment too.

2 Which of the following is the closest to how you think?

- ◯ **A** I would prefer to keep my investment risks at very low levels, so that the value of my savings increases gradually over time. I am happy with this even if it means I am likely to get a smaller sum in my Individual Account or have to pay a higher regular contribution.
- ◯ **B** I would rather take a moderate level of investment risk, even if it brings lower returns than could be achieved by taking a higher level of risk. I appreciate that the value of my savings can fall but I am happy to take this risk to target a higher value in the longer term.
- ◯ **C** I am ready to take a higher level of investment risk. I am willing to risk the value of my savings falling in the short term, in order to earn potentially higher returns in the long term.

3 When do you realistically think you will start to draw your pension? (As a DC member, with Company and Trustee consent, you can retire early at any time from age 55 (age 57 from April 2028)).

- ◯ **A** In the next five years.
- ◯ **B** In five to ten years' time.
- ◯ **C** In more than ten years' time.

4 Your benefits at retirement need to replace at least a proportion of your current salary to provide for your retirement. As a result you may wish your investment returns to keep pace - or even exceed - your salary growth throughout your career. Which assumption would you like to make about your pay?

- ◯ **A** I would like to invest on the basis that my pay will not increase and it may even go down (for example, if you are close to retirement or planning to work part time).
- ◯ **B** I would like to invest on the basis that I expect my pay to increase in line with inflation. I am not expecting any big increases.
- ◯ **C** I would like to invest on the basis that my pay will increase substantially from now until my retirement.

5 When you retire, what proportion of your retirement income do you expect to get from your MMC UK DC pension arrangement?

- ◯ **A** I expect these retirement benefits to give me most of my retirement income. It is the most important element of my savings.
- ◯ **B** These retirement benefits will be a significant part of my retirement income but I do have other savings/investments which I can count on.
- ◯ **C** I expect that these retirement benefits will give me less than half of my income in retirement. I have other pensions, savings and investments that I anticipate will give me most of what I need.

6 The value of your investments can go down as well as up. How much would an investment have to fall in value before you would consider selling?

- ◯ **A** If it went down at all I would want to sell it. I cannot really afford to lose any money.
- ◯ **B** If it dropped a bit I would not mind, but if it did not bounce back quickly I would consider selling.
- ◯ **C** It would not matter how much it fell over the short term, provided my long–term reasons for holding the particular investments remained the same.

How did you score?

Mostly ◯ A's ◯ B's ◯ C's

Thank you for your time

CLOSE