MMC UK Pension Fund – DC Section

Statement of Investment Principles

1. Introduction

1. MMC UK Pension Fund Trustee Limited ("the Trustee"), the corporate trustee of the MMC UK Pension Fund ("the Fund"), has drawn up this Statement of Investment Principles ("the Statement") to record the Fund's investment arrangements and the rationale behind them for the defined contribution assets. The investment arrangements for the defined benefit assets are contained in a separate statement.

2. This Statement is designed to comply with the requirements of the Pensions Act 1995 ("the Act") as amended by the Pensions Act 2004 and the Occupational Pension Schemes (Investment) Regulations 2005, as amended from time to time. It also aims to meet the requirements of the Pension Regulator's General Code.

3. As required under the Act, the Trustee has consulted a suitably qualified person by obtaining written advice from Mercer Limited as its investment consultant. In preparing this Statement, the Trustee has also consulted Marsh & McLennan Companies UK Limited ("the Company") as Principal Employer of the Fund.

4. The Trustee has established an Investment Committee ("the Committee") and delegated to it certain functions, which are contained in its terms of reference and include responsibility for assessing (in conjunction with advisers) the performance delivered by the delegated investment arrangements and their ongoing suitability for the Fund's membership. The Trustee receives minutes of the meetings of the Committee.

5. The day-to-day management of the investments is delegated to Mercer Limited (the "Delegated Investment Manager"). The Delegated Investment Manager in turn delegates responsibility for the investment of assets to a range of underlying investment managers. Mercer Workplace Savings ("MWS") provides investment governance services in relation to the arrangements with the Delegated Investment Manager.

6. The Trustee has contracted with MWS and Mobius Life Limited ("Mobius"), to deliver investment management services through its investment platform. The Trustee has delegated the day-to-day monitoring and management of the underlying investment managers, including asset allocation and manager selection decisions, in which the Fund's assets are invested. The Fund's investment platform is provided under contract with Mobius and MWS, both of whom are regulated by the Financial Conduct Authority (the "FCA").

7. This Statement documents the general principles underlying the Fund's investment policy. Details of how this policy has been implemented are set out in a separate Investment Implementation Policy Document ("IIPD"), which is not part of this Statement. The Statement of Investment Principles is publicly available at the following web address www.pensions.uk.mmc.com

8. The Trustee does not expect to revise this Statement frequently because it covers broad principles rather than their implementation. The Trustee will review it at least annually, and without delay if there are relevant, material changes to the Fund and/or the Company. The IIPD will be reviewed regularly and updated to reflect any amendments to the investment arrangements, and any changes will be agreed by the Trustee.

9. The Trustee will monitor compliance with this Statement a minimum of once every three years. In addition, the Trustee will review this Statement in response to any material changes to any aspects of the Fund and the attitude to risk of the Trustee and the Company which the Trustee judges to have a bearing on the stated investment policy. Any such review will be based on written expert investment advice and will be in consultation with the Company.

10. Assets in respect of members' Additional Voluntary Contributions ("AVCs") are invested in a range of investment funds. With the assistance of Mercer, the AVC arrangements are reviewed periodically to ensure that the investment profile of the funds available remains consistent with the objectives of the Trustee and the needs of the members. More information on the AVC providers is detailed in the DB IIPD.

Signed for and on behalf of MMC UK Pension Trustee Limited, as Trustee of the MMC UK Pension Fund:

Bruce Rigby

May 2026

2. Investment Objectives

11. The following encapsulates the Trustee's objectives in respect of the Fund:

A. To establish a default investment arrangement which will offer a high quality solution appropriate for most members saving into the Fund.

B. Provide a range of self-select investment options to meet the diversity of member needs throughout their working lives.

C. To offer investment funds that enable members to plan appropriately for their retirement.

D. To make available an appropriate range of funds to avoid unnecessarily complicating members' investment decisions.

E. To implement and deliver an attractive and compelling communication and engagement strategy that reflects the needs of members, specifically considering the nature of the Fund and the investment arrangements that are provided.

F. To put in place the necessary governance framework that will allow the ongoing suitability of the Fund, including the suitability of the investment arrangements, to be monitored over time.

3. Choosing Investments

12. The Trustee has selected a number of lifestyle strategies and funds for the self-select range that is offered to members. The Trustee regularly monitors the suitability of the funds provided. From time to time the Trustee may change the investment options if deemed appropriate based on advice received.

13. The Delegated Investment Manager is responsible for making decisions on asset allocation, selection, appointment, removal and monitoring of underlying investment managers in Mercer funds. The underlying investment managers have full discretion to buy and sell investments on behalf of the Trustee.

14. The Act distinguishes between investments where the management is delegated to a fund manager under a written contract and those where a product is purchased directly, e.g. the purchase of an insurance policy or units in a pooled vehicle. The latter are known as direct investments.

15. The policy of the Trustee is to review its direct investments and to obtain written advice about them at regular intervals.

16. When deciding whether or not to make any new direct investments the Trustee will obtain written advice and consider whether future decisions about those investments should be delegated to the fund manager(s) if this is appropriate. The advice received and arrangements implemented are, in the Trustee's opinion consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).

4. The kinds of investments to be held

17. The Trustee is permitted to invest in a wide range of assets including equities, bonds, property, subject to complying with relevant legislation.

18. The Trustee makes available a range of funds and lifestyle strategy options for the members of the Fund which the Trustee believe provide appropriate strategic choices for members' different saving objectives, risk profiles and time horizons.

5. The balance between different kinds of investments

19. Members have the ability to determine the fund(s) in which they choose to invest.

20. Members who do not indicate a preference are invested in the Fund's default investment arrangement – the Mercer SmartPath Target Drawdown strategy – which targets income drawdown at retirement. More information on the default investment arrangement is included in Appendix A.

21. Due to several historical consolidation exercises, it was necessary for the Trustee to transition assets without members' consent. This has led to the creation of multiple additional default arrangements which must be documented in the Statement. More information on the additional default investment arrangements is set out in Appendix B.

22. Alternative lifestyle strategies are available to members that reflect the different ways in which members might take their benefits at retirement (Mercer SmartPath Target Cash and Mercer SmartPath Target Annuity). Details of these strategies are contained in Appendices B and C respectively.

23. In addition to the above lifestyle strategies, there is a self-select range for members that want to build their own strategy. Details of all fund options and lifestyle strategies are set out in the IIPD.

24. The Trustee, with support from their investment consultant, when necessary, can select externally managed funds managed by specialist investment managers. These investment managers are responsible for buying and selling investments on behalf of the Trustee.

25. The Trustee is satisfied that the structure of the lifestyle options and the self-select range provide members with the ability to invest or build a suitably diversified investment strategy. The Trustee is responsible for the selection, appointment, removal and monitoring of the Delegated Investment Manager.

6. Expected return on investments

26. When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

27. The Trustee has regard to the relative investment return, net of fees, and risk that each asset class is expected to provide. The day-to-day selection of the investments is delegated to the underlying investment managers.

7. Realisation of investments

28. In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

29. The Trustee has delegated the responsibility for buying and selling securities within the funds to the underlying investment managers. This role includes considering the liquidity of the investments.

8. Investment risk

30. The Trustee has considered risk from a number of perspectives, and these risks have been considered in the building and reviewing of the overall investment arrangements.

31. The Trustee has put in place a structure to both monitor these risks and take action where the Trustee believes it appropriate to do so.

32. The list overleaf is not exhaustive but covers the main risks that the Trustee considers and how they are managed.

Risk	Description	Mitigation
Inflation Risk	The real value (i.e. post inflation) value of members' accounts decreases	The Trustee provides members with a range of funds, across various asset classes, with the majority expected to keep pace with inflation (except for the money market and fixed interest bond funds). The growth phase of the lifestyle strategies is designed to provide returns that are expected to exceed inflation.
Pension Conversion Risk	Member's investments do not match how they would like to use their pots in retirement.	The lifestyle strategies automatically switch member assets as they approach retirement into investments that are expected to be less volatile relative to how they wish to access their pension savings. These lifestyling strategies increase the proportion of assets that more closely match the chosen retirement destination as members approach retirement. The Trustee makes available three SmartPath lifestyle strategies for members, targeting either drawdown, cash or annuity.
Retirement Benefit Risk	The risk that investment market movements as members approach retirement lead to a substantial reduction in the anticipated level of retirement benefits	The lifestyle strategies are designed to de-risk member's savings as they approach retirement. This aims to reduce the risk of a substantial fall in the purchasing power of their accumulated savings near retirement.
Market Risk	The value of securities, including equities and interest bearing assets, can go down as well as up.	The Trustee provides members with a range of funds, across various asset classes. Members are able to set their own investment strategy in line with their risk tolerances. The investment managers are expected to invest in properly diversified portfolios and to spread assets across a number of individual shares and securities.
Credit Risk	Counterparty party to a financial instrument, either an underlying holding or pooled arrangement, cannot meet its obligation.	The Trustee undertakes an assessment of the security of assets. The investment consultant provides advice on the suitability of the investment arrangements. In some cases of insolvency, the Trustee Directors may be able to claim up to 100% of the value of the policy from the Financial Services Compensation Scheme ("FSCS"). Within the pooled arrangements the consideration of this risk is delegated to the Delegated Investment Managers, and in turn the underlying investment managers.
Currency Risk	The value of an investment in the member's base currency may change as a result of	The Trustee considers the movements in foreign currencies relative to pound sterling. This risk is monitored by the Delegated Investment Manager.

	fluctuating foreign exchange rates.	The Trustee provides diversified investment options that invest in local as well as overseas markets and currencies.
Operational Risk	A lack of robust internal processes, people and systems.	Strategies held within Mercer funds are reviewed by Mercer Sentinel from an operational risk perspective (Operational Risk Assessments) on a periodic basis. MWS report to the Trustee at regular intervals on such reviews completed on the funds. MWS review Mobius' operational performance against Service Level Agreements on an ongoing basis and they report on this annually to the Trustee.
Liquidity Risk	Assets may not be readily marketable when required.	The Trustee accesses daily dealt and daily priced pooled funds through a contract with Mobius.
Valuation Risk	The value of an illiquid asset is based on a valuer's opinion, realised value upon sale may differ from this valuation.	Some funds may hold illiquid assets. In such cases, the management of valuation risk is delegated to the external investment managers. Most investment managers invest solely in liquid quoted assets. The Trustee monitors performance of funds on a quarterly basis and delegates the monitoring of valuation risk to the Delegated Investment Manager.
Environmental, Social and Governance ("ESG") Risk	ESG factors can have a significant effect on the performance of the investments held by the Fund e.g. extreme weather events, poor governance.	The Trustee delegates the monitoring of the investment managers' policies in relation to ESG factors to the Delegated Investment Manager who in turn delegate this to the underlying investment managers. The Trustee's policy on monitoring ESG risks is set out in Section 9 of this Statement.
Investment manager risk	Investment managers may not meet expectations, leading to lower than expected returns to members.	The Trustee monitors fund performance and research ratings on an ongoing basis relative to the fund's benchmark and stated targets/objective. MWS provide performance information for the Trustee to monitor this risk. For the actively managed funds made available, the Delegated Investment Manager invests exclusively in underlying actively managed funds that are highly rated by Mercer Limited, based on forward-looking expectations of meeting objectives. The Delegated Investment Manager is responsible for the selection, appointment, removal and monitoring of these underlying investment managers.

9. Financially material considerations and engagement policy

33. In addition to those items detailed in section 8, the Trustee believes that good stewardship and environmental, social and corporate governance ("ESG") factors can have an impact on investment risk and return outcomes. The Trustee believes that having a broader perspective with regards to investment policy can improve risk management and lead to new opportunities. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

34. The Trustee has taken into account the expected time horizon of the Fund when considering how to integrate ESG and all financially material considerations into the investment decision making process.

35. The Trustee believes that active stewardship can create and preserve value for companies and markets as a whole.

36. The Trustee has given the Delegated Investment Manager full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments.

37. Investment managers are expected to exercise their voting rights in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. Managers' engagement polices are expected to include all relevant matters including performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance.

38. The Investment Committee consider the ESG manager ratings, as provided by MWS, on a quarterly basis. These ESG ratings are taken into account by the Delegated Investment Manager during the selection, retention and realisation of managers. ESG ratings are also considered by the Trustee when undertaking a review of the investment arrangements made available to members of the Fund.

39. The Delegated Investment Manager approaches responsible investment and corporate governance through a four pillar framework: integration, stewardship, thematic investment and screening, and the Mercer funds incorporate these four pillars as far as is practical. The Delegated Investment Manager reviews the investment managers and funds in line with this framework on an annual basis.

40. The Trustee reviews an Annual Stewardship Monitoring report which reviews voting and engagement activities of the underlying investment managers appointed by the Delegated Investment Manager. The Trustee also reviews the Annual UK Stewardship Code Review report, which reviews the policies of the underlying investment managers appointed by the Delegated Investment Manager against the UK Stewardship Code.

41. The Trustee has developed a Sustainable Investment Policy, which includes the Trustee's beliefs in relation to sustainable investment and climate change. This Policy also considers how the Delegated Investment Manager's own policies are incorporated into the Fund's investment strategy and monitored on an ongoing basis. The Trustee will review the Policy triennially or following any material changes to the investment strategy of the Fund, which it judges to have a bearing on the stated Sustainable Investment Policy.

10. Arrangements with asset managers

42. The Delegated Investment Manager appoints underlying investment managers, and the Trustee appoints investment managers of any externally managed funds based on their capabilities and, therefore the perceived likelihood of achieving the expected return and risk characteristics required. Mercer's manager research rating reflects Mercer's forward-looking assessment of a manager's ability to meet or exceed their objectives. As the Trustee invests in pooled investment vehicles, they accept that they have no ability to influence investment managers to align their decisions with the Trustee policies set out in this Statement. However, appropriate mandates can be selected to align with the overall investment strategy.

43. The Trustee, MWS and the Delegated Investment Manager expect investment managers to incorporate the consideration of longer term factors, such as ESG, into their decision making process where appropriate. The extent to which this is so will be considered during the selection, retention and realisation of manager appointments. Voting and engagement activity should be used by investment managers to discuss the performance of an issuer of debt or equity. The Delegated Investment Manager engages with investment managers on this activity and if dissatisfied will look to replace the manager.

44. The Trustee's focus is on longer-term performance, but shorter-term performance is monitored to ensure any concerns can be identified in a timely manner. The Trustee reviews both absolute and relative performance against a portfolio or underlying investment manager's benchmark on a quarterly basis, including assessments of both shorter and longer time horizons. The Trustee also relies upon Mercer's manager research capabilities. The remuneration for investment managers used by the Fund is based on assets under management; the levels of these fees are reviewed annually as part of the annual value for money assessment to ensure they continue to represent value for members. If performance is not satisfactory, the Trustee will ask the Delegated Investment Manager to provide additional rationale, and if not satisfied with this, may request further action be taken, including a review of fees.

45. Portfolio turnover costs for each of the funds are reviewed on an annual basis as part of the annual value for members' assessment. The ability to assess the appropriateness of these costs is limited by the availability of data. The Trustee will monitor industry developments in how to assess these costs and incorporate this in future value for members' assessments. Importantly, performance is reviewed net of portfolio turnover costs.

46. The Trustee is a long term investor; all funds are open-ended and therefore there is no set duration for manager appointments. The Delegated Investment Manager is responsible for the selection, appointment, monitoring and removal of the underlying investment managers. The Trustee is responsible for the selection, appointment and removal of any externally managed funds. The Trustee may also choose to remove a fund from the fund range, if no longer considered appropriate, and the fund range is reviewed on at least a triennial basis.

11. Non-financial matters

47. Member views have not explicitly been taken into account in the selection, retention and realisation of investments, however, when expressed, member views are taken into consideration relating to all financial and non-financial matters. The Trustee will take account of members' views on non-financial matters where it has good reason to believe that a significant number of members share those views and where doing so will have no significant financial detriment to the Fund.

Appendix A – Default Investment Arrangement – Mercer SmartPath Target Drawdown

For members who do not wish to take an active role in investment decisions, the Trustee offers a Target Date Fund as a default investment arrangement which gradually switches investments to an asset allocation designed to be appropriate for a member that wishes to access their benefits through drawdown at retirement.

Aims and objectives

The aims of the default investment arrangement, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To generate returns in excess of inflation during the growth phase of the strategy whilst managing downside risk.

  The default investment arrangement's multi-stage growth phase structure invests in equities and other growth-seeking assets through underlying multi-asset funds. These are structured to initially target higher growth before gradually introducing greater downside protection whilst still targeting returns in excess of inflation.

- To provide a strategy that reduces investment risk for members as they approach retirement.

  As a member's pension savings grow, investment risk will have a greater impact on member outcomes. Therefore, the Trustee believes that a default investment arrangement that seeks to reduce investment risk as a member approaches retirement is appropriate. This is achieved through gradual automated switches over an eight-year period to maturity of the Target Date Fund.

- *To offer members a mix of assets at retirement that is broadly appropriate for an individual planning to take their benefits through flexible drawdown in retirement alongside tax-free cash benefits.*

  At maturity of the Target Date Fund, assets will be invested in a mix of 90% Diversified Retirement Fund and 10% Mercer Active Money Market Fund. The Trustee believes this is suitable for a member who plans to withdraw their savings via income drawdown alongside taking tax-free cash benefits.

Risks

In designing the default investment arrangement, the Trustee has explicitly considered the trade-off between risk and expected returns. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In particular, when reviewing the investment strategy of the default investment arrangement, the Trustee considers risk in terms of the variability of investment returns and potential retirement outcomes for members. From a qualitative perspective, the Trustee also considers risk in terms of the (mis)alignment of investments with the retirement benefits targeted by the default investment arrangement.

Risk	How it is managed	How it is measured
Inflation Risk The real value (i.e. post inflation) value of members' accounts decreases.	During the multi-stage growth phase of the default investment arrangement, the Trustee invests in a range of growth-focused assets which are expected to grow in real terms. MWS consider inflation when building and modelling their portfolios.	Considering the real returns (i.e. return above inflation) of the funds, with positive values indicating returns that have kept pace with inflation. MWS provide performance information for the Trustee to monitor this risk.
Pension Conversion Risk Member's investments do not match how they would like to use their pots in retirement.	The default investment arrangement targets flexible income drawdown at retirement. The Trustee believes that a strategy targeting drawdown minimises the overall pension conversion risk for default members who decide to take their benefits in a different manner at retirement (annuity or drawdown).	Considering the returns of the funds used within the switching phase of the SmartPath strategy both in absolute terms as well as relative to inflation (the retirement destination). As part of the triennial default investment arrangement review, the Trustee ensures the default destination remains appropriate. The Trustee has delegated the monitoring and selection of the underlying components funds and allocations within the SmartPath strategies to MWS.
Market Risk The value of securities, including equities and interest bearing assets, can go down as well as up.	The default investment arrangement is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee. For the multi-asset funds which target non-market benchmarks, this is delegated to investment managers.	Monitoring the performance of the default investment arrangement on a quarterly basis. MWS provide performance information for the Trustee to monitor this risk.
Counterparty Risk A counterparty, either an underlying holding or pooled arrangement, cannot meet its obligation.	In line with the main DC section.	In line with the main DC section..
Currency Risk The value of an investment in the member's base currency may change as a result of fluctuating foreign exchange rates.	The default investment arrangement is invested in funds which have a currency hedging overlay. Investment strategy is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee.	Monitor the performance of external investment funds on a quarterly basis. Consider the movements in foreign currencies relative to pound sterling. This risk is monitored by MWS as part of the portfolio management process.

Risk	How it is managed	How it is measured
Operational Risk A lack of robust internal proceses, people and systems.	In line with the main DC Section.	In line with the main DC Section.
Liquidity Risk Assets may not be readily marketable when required.	In line with the main DC Section.	In line with the main DC Section.
Valuation Risk The value of an illiquid asset is based on a valuer's opinion, realised value upon sale may differ from this valuation.	In line with the main DC Section.	In line with the main DC Section.
Environmental, Social and Governance Risk ESG factors can have a significant effect on the performance of the investments held by the Fund e.g. extreme weather events, poor governance.	In line with the main DC Section. The Trustee's policy on ESG risks is set out in Section 9 of this Statement.	In line with the main DC Section. The Trustee's policy on monitoring ESG risks is set out in Section 9 of this Statement.
Manager Skill / Alpha Risk Returns from active investment management may not meet expectations, leading to lower than expected returns to members.	In line with the main DC Section. The default investment arrangement is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee.	In line with the main DC Section.

The above listed items are in relation to what the Trustee considers 'financially material considerations'. The Trustee believes the appropriate time horizon over which to assess these considerations should be viewed at a member level. This will be dependent on the member's age and their Selected Retirement Age. It is partly for this reason that the default investment arrangement is a lifestyle strategy.

When expressed, member views are taken into consideration relating to all financial and non-financial matters. In particular, members are asked to express opinions in the annual newsletter.

Members' Best Interests

Taking into account the demographics of the Fund's membership and the Trustee's views of how the membership will behave at retirement, the Trustee believes that the default investment arrangement outlined in this document is appropriate.

In order to ensure this remains appropriate the Trustee will undertake a review of the default investment arrangement, at least triennially, or after significant changes to the Fund's demographic, if sooner.

Investment Strategy

The Mercer SmartPath Target Drawdown strategy is implemented using a range of MWS pooled funds. The strategic asset allocation of the default investment arrangement and selection of underlying investment strategies is delegated to MWS. Any investment in derivative instruments (either directly or within the underlying pooled funds) contributes to risk reduction, or efficient portfolio management.

The Mercer SmartPath Target Drawdown strategy adopts a lifestyle approach to manage risk throughout a member's lifetime in the Fund. As a member's pension savings grow, investment risk will have a greater impact on member outcomes. Therefore, the Trustee believes that it is appropriate to utilise a lifestyle approach to reduce investment risk relative to a member accessing their pension savings through drawdown at retirement as the member approaches retirement. The reduction of investment risk in the run up to retirement is expected to reduce the chance of market shocks producing unfavourable outcomes for members at retirement (on the assumption that members are taking their benefits through drawdown).

Illiquid assets policy

The Trustee considers illiquid assets as those which cannot easily or quickly be sold or exchanged for cash at a reasonable value. Illiquid assets are not publicly traded and can also include physical assets like infrastructure or real estate. Illiquid assets can also be held indirectly as a component of readily tradable fund with reasonable liquidity terms.

The default investment arrangement invests in the Mercer Long Term Growth Fund, Mercer Growth Fund and Mercer Diversified Retirement Fund, which do not invest either directly or indirectly in illiquid assets.

The Trustee understands the potential for higher returns and the diversification benefits that illiquid assets can offer relative to more traditional asset classes (such as bonds or equities). While these benefits are recognised by the Trustee, it is also aware of the risks associated with these investments, for example illiquidity and active manager risk. In addition to these risks, the Trustee also understands that there are operational and cost barriers in accessing illiquid assets within defined contribution schemes which need to be overcome.

In selecting investments for the default investment arrangement, the Trustee uses modelling to consider the expected combined effects of current versus alternative strategic allocations. The Trustee carefully considers whether the investment is expected to provide value for members when taking account of the potential returns and associated risks. The Trustee carries out a formal review of the default investment arrangement on a triennial basis, while MWS reviews this on an annual basis.

The Trustee acknowledges that illiquid asset investment is a developing area for defined contribution pensions, and expects its advisers, in conjunction with MWS, to monitor the position closely and continue to evaluate the suitability of such an investment.

Voting and engagement policy

The Trustee's policy in relation to voting and engagement is in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers

The Trustee's policies in relation to arrangements with investment managers for the default investment arrangement, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.

Appendix B – Additional Default Investment Arrangements in the DC Section

Due to several historical consolidation exercises, it was necessary for the Trustee to transition assets without members' consent. This has led to the creation of multiple additional default arrangements, as per the broader regulatory definition of a default arrangement, which are detailed below.

- Mercer SmartPath Target Cash
- Mercer SmartPath Target Annuity
- Mercer High Growth Fund
- Mercer Moderate Growth Fund
- Mercer Overseas Equity Fund
- Mercer Active Global Equity Fund
- Mercer Diversified Growth Fund
- Mercer Active Money Market Fund
- Mercer Passive Sustainable Global Equity Fund
- Mercer Index Linked Gilts Fund
- Mercer Passive Emerging Markets Equity Fund
- Mercer Growth Fund
- Mercer Diversified Retirement Fund
- Mercer Passive UK Corporate Bond
- Mercer Annuity Aware Fund
- Mercer Passive UK Equity
- Mercer Passive Overseas Equity
- Mercer Passive Fixed Interest Gilts
- Mercer Active UK Property

Further details of each default investment arrangement are set out in this Appendix.

Voting and engagement policy for additional default investment arrangements

The Trustee's policy in relation to voting and engagement for all additional default investment arrangements are in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers for additional default investment arrangements

The Trustee's policies in relation to arrangements with investment managers for all additional default investment arrangements, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.

Mercer SmartPath Target Cash

Aims, Objectives and Policies

The aims of the Mercer SmartPath Target Cash strategy, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To generate returns in excess of inflation during the growth phase of the strategy whilst managing downside risk.

The Mercer SmartPath Target Cash strategy's multi-stage growth phase structure invests in equities and other growth-seeking assets through underlying multi-asset funds. These are structured to initially target higher growth before gradually introducing greater downside protection whilst still targeting returns in excess of inflation.

- To provide a strategy that reduces risk for members as they approach retirement.

As a member's pension savings grow, investment risk will have a greater impact on member outcomes. Therefore, the Trustee believes that a strategy that seeks to reduce investment risk as the member approaches retirement is appropriate. This is achieved through gradual automated switches over an eight-year period to maturity of the Target Date Fund.

- To offer members a mix of assets at retirement that is broadly appropriate for an individual planning to take their benefits as a lump sum cash withdrawal.

As the member approaches their target retirement date, all assets will be invested in the Mercer Active Money Market Fund. The Trustee believes this is suitable for a member who plans to withdraw their savings as a cash lump sum at retirement.

Risk

When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. The list below is not exhaustive but covers the main risks that the Trustee considers and how they are managed.

Risk	How it is managed	How it is measured
Inflation Risk	The multi-stage growth phase of the Mercer SmartPath Target Cash strategy, invests in a range of growth-focused assets which are expected to grow in real terms. MWS consider inflation when building and modelling their portfolios.	Considering the real returns (i.e. return above inflation) of the funds, with positive values indicating returns that have kept pace with inflation. MWS provide performance information for the Trustee to monitor this risk.

Risk	How it is managed	How it is measured
Pension Conversion Risk	The SmartPath Mercer Target Cash strategy targets 100% cash at retirement.	The Trustee makes funds available that would be appropriate for different retirement choices. The Trustee has delegated the monitoring and selection of the underlying components funds and allocations within the SmartPath strategies to MWS.
Market Risk	In line with the main DC Section.	In line with the main DC Section.
Counterparty Risk	In line with the main DC section.	In line with the main DC Section.
Currency Risk	The Mercer SmartPath Target Cash strategy is invested in funds which have a currency hedging overlay. Investment strategy is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee.	Monitors the performance of funds on a quarterly basis. Considers the movements in foreign currencies relative to pound sterling. This risk is monitored by MWS as part of the portfolio management process.
Operational Risk	In line with the main DC Section.	In line with the main DC Section.
Liquidity Risk	In line with the main DC Section.	In line with the main DC Section.
Valuation Risk	In line with the main DC Section.	In line with the main DC Section.
Environmental, Social and Governance Risk	In line with the main DC Section. The Trustee's policy on ESG risks is set out in Section 9 of this Statement.	In line with the main DC Section. The Trustee's policy on monitoring ESG risks is set out in Section 9 of this Statement.
Manager Skill / Alpha Risk	In line with the main DC Section.	In line with the main DC Section.

The above items are in relation to what the Trustee considers 'financially material considerations'. The Trustee believes the appropriate time horizon for which to assess these considerations should be viewed at a member level. This will be dependent on the member's age and when they expect to retire.

Members' Interests

The Mercer SmartPath Target Cash strategy is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Mercer SmartPath Target Annuity

Aims, Objectives and Policies

The aims of the Mercer SmartPath Target Annuity strategy, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To generate returns in excess of inflation during the growth phase of the strategy whilst managing downside risk.

The Mercer SmartPath Target Annuity strategy*'s multi-stage growth phase structure invests in equities and other growth-seeking assets through underlying multi-asset funds. These are structured to initially target higher growth before gradually introducing greater downside protection whilst still targeting returns in excess of inflation.*

- To provide a strategy that reduces risk for members as they approach retirement.

As a member's pension savings grow, investment risk will have a greater impact on member outcomes. Therefore, the Trustee believes that a strategy that seeks to reduce investment risk as the member approaches retirement is appropriate. This is achieved via gradual automated lifestyle over an eight-year period to maturity of the Target Date Fund.

- To offer members a mix of assets at retirement that is broadly appropriate for an individual planning to use their benefits to purchase an annuity and take a tax-free cash lump sum.

As the member approaches their target retirement date, 75% of their assets will be invested in the Mercer Annuity Aware Fund and 25% will be invested in the Mercer Active Money Market Fund. The Trustee believes this is suitable for a member who plans to purchase an annuity at retirement with their pension savings.

Risk

When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. The list below is not exhaustive but covers the main risks that the Trustee considers and how they are managed.

Risk	How it is managed	How it is measured
Inflation Risk	The multi-stage growth phase of the Mercer SmartPath Target Annuity strategy, invests in a range of growth-focused assets which are expected to grow in real terms. MWS consider inflation when building and modelling their portfolios.	Considering the real returns (i.e. return above inflation) of the funds, with positive values indicating returns that have kept pace with inflation. MWS provide performance information for the Trustee to monitor this risk.

Risk	How it is managed	How it is measured
Pension Conversion Risk	The Mercer SmartPath Target Annuity strategy targets annuity purchase and up to 25% tax-free cash at retirement.	The Trustee makes funds available that would be appropriate for different retirement choices. The Trustee has delegated the monitoring and selection of the underlying components funds and allocations within the SmartPath strategies to MWS.
Market Risk	In line with the main DC Section.	In line with the main DC Section.
Counterparty Risk	In line with the main DC section.	In line with the main DC Section.
Currency Risk	The Mercer SmartPath Target Annuity strategy is invested in funds which have a currency hedging overlay. Investment strategy is set with the intention of diversifying this risk to reach a level of risk deemed appropriate for the relevant members by the Trustee.	Monitors the performance of funds on a quarterly basis. Considers the movements in foreign currencies relative to pound sterling. This risk is monitored by MWS as part of the portfolio management process.
Operational Risk	In line with the main DC Section.	In line with the main DC Section.
Liquidity Risk	In line with the main DC Section.	In line with the main DC Section.
Valuation Risk	In line with the main DC Section.	In line with the main DC Section.
Environmental, Social and Governance Risk	In line with the main DC Section. The Trustee's policy on ESG risks is set out in Section 9 of this Statement.	In line with the main DC Section. The Trustee's policy on monitoring ESG risks is set out in Section 9 of this Statement.
Manager Skill / Alpha Risk	In line with the main DC Section.	In line with the main DC Section.

The above items are in relation to what the Trustee considers 'financially material considerations'. The Trustee believes the appropriate time horizon for which to assess these considerations should be viewed at a member level. This will be dependent on the member's age and when they expect to retire.

Members' Interests

The Mercer SmartPath Target Annuity strategy is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Mercer High Growth Fund
Aims, Objectives and Policies

The aims of the Mercer High Growth Fund, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To achieve long-term capital growth.

The Mercer High Growth Fund invests primarily in a global portfolio of equity securities issued by companies. The strategy invests generally in shares of companies domiciled in, or exercising a significant part of their economic activity in, developed markets. The Fund has flexibility to invest outside of the asset class and sector, including in developing markets.

Risk

When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. Section 8 of the main DC Section SIP sets out the main risks that the Trustee considers when monitoring the Fund's investments and how those risks are managed. The main risks relevant to the self-select funds are monitored and managed in line with Section 8 of the main DC Section SIP. Furthermore, the appropriateness of this particular fund for the default members invested was subject to appropriate investment suitability advice at the time of mapping members to this fund.

Members' Interests

The Mercer High Growth Fund is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Voting and engagement policy

The Trustee's policy in relation to voting and engagement is in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers

The Trustee's policies in relation to arrangements with investment managers for this default investment arrangement, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.

Mercer Moderate Growth Fund
Aims, Objectives and Policies

The aims of the Mercer Moderate Growth Fund, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To achieve long-term capital growth.

The Mercer Moderate Growth Fund invests primarily in a global portfolio of equity securities issued by companies. The strategy invests generally in shares of companies domiciled in, or exercising a significant part of their economic activity in, developed markets. The Fund has flexibility to invest outside of the asset class and sector, including in developing markets.

Risk

When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. Section 8 of the main DC Section SIP sets out the main risks that the Trustee considers when monitoring the Fund's investments and how those risks are managed. The main risks relevant to the self-select funds are monitored and managed in line with Section 8 of the main DC Section SIP. Furthermore, the appropriateness of this particular fund for the default members invested was subject to appropriate investment suitability advice at the time of mapping members to this fund.

Members' Interests

The Mercer High Growth Fund is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Voting and engagement policy

The Trustee's policy in relation to voting and engagement is in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers

The Trustee's policies in relation to arrangements with investment managers for this default investment arrangement, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.

Mercer Overseas Equity Fund
Aims, Objectives and Policies

The aims of the Mercer Overseas Equity Fund, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To achieve long-term capital growth.

The Mercer Overseas Equity Fund invests primarily in a global portfolio of equity securities issued by companies. The strategy invests generally in shares of companies domiciled in, or exercising a significant part of their economic activity in, developed markets. The Fund has flexibility to invest outside of the asset class and sector, including in developing markets.

Risk

When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. Section 8 of the main DC Section SIP sets out the main risks that the Trustee considers when monitoring the Fund's investments and how those risks are managed. The main risks relevant to the self-select funds are monitored and managed in line with Section 8 of the main DC Section SIP. Furthermore, the appropriateness of this particular fund for the default members invested was subject to appropriate investment suitability advice at the time of mapping members to this fund.

Members' Interests

The Mercer Overseas Equity Fund is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Voting and engagement policy

The Trustee's policy in relation to voting and engagement is in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers

The Trustee's policies in relation to arrangements with investment managers for this default investment arrangement, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.

Mercer Active Global Equity Fund
Aims, Objectives and Policies

The aims of the Mercer Active Global Equity Fund, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To achieve long-term capital growth.

The Mercer Active Global Equity Fund invests primarily in a global portfolio of equity securities issued by companies. The strategy invests generally in shares of companies domiciled in, or exercising a significant part of their economic activity in, developed markets. The Fund has flexibility to invest outside of the asset class and sector, including in developing markets.

Risk

When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. Section 8 of the main DC Section SIP sets out the main risks that the Trustee considers when monitoring the Fund's investments and how those risks are managed. The main risks relevant to the self-select funds are monitored and managed in line with Section 8 of the main DC Section SIP. Furthermore, the appropriateness of this particular fund for the default members invested was subject to appropriate investment suitability advice at the time of mapping members to this fund.

Members' Interests

The Mercer Active Global Equity Fund is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Voting and engagement policy

The Trustee's policy in relation to voting and engagement is in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers

The Trustee's policies in relation to arrangements with investment managers for this default investment arrangement, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.

Mercer Diversified Growth Fund
Aims, Objectives and Policies

The aims of the Mercer Diversified Growth Fund, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To achieve long-term capital growth.

The Mercer Diversified Growth Fund invests in a range of asset classes. As at 30 June 2019 these asset classes were multi-factor equities, low volatility equities, small cap equities, emerging market equities, emerging market bonds, property REITs, listed infrastructure, commodities, investment grade bonds, high yield bonds and absolute return fixed income. The asset allocation in the Mercer Diversified Growth Fund is dynamically managed by Mercer's Asset Allocation Committee in order to exploit any medium term opportunities in the markets and to enhance the risk and return profile of the funds. The Fund aims to achieve returns of Cash + 3.5% p.a. over the long term with reduced volatility when compared to global equity markets.

Risk
When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. Section 8 of the main DC Section SIP sets out the main risks that the Trustee considers when monitoring the Fund's investments and how those risks are managed. The main risks relevant to the self-select funds are monitored and managed in line with Section 8 of the main DC Section SIP. Furthermore, the appropriateness of this particular fund for the default members invested was subject to appropriate investment suitability advice at the time of mapping members to this fund.

Members' Interests
The Mercer Diversified Growth Fund is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Voting and engagement policy

The Trustee's policy in relation to voting and engagement is in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers

The Trustee's policies in relation to arrangements with investment managers for this default investment arrangement, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.

Mercer Active Money Market Fund
Aims, Objectives and Policies

The aims of the Mercer Active Money Market Fund, and the ways in which the Trustee seek to achieve these aims, are detailed below:

- To provide members with a fund that is a suitable replacement, having considered expected risk and return, for one that has been removed previously on a temporary basis.

- The fund aims to provide members with capital preservation, noting this is not guaranteed.

The fund aims to achieve an investment that is in line with wholesale money market short-term interest rates. Specifically, the fund will aim to better the return of 7 Day LIBID before fees.

Risk

When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. Section 8 of the main DC Section SIP sets out the main risks that the Trustee considers when monitoring the Fund's investments and how those risks are managed. The main risks relevant to the self-select funds are monitored and managed in line with Section 8 of the main DC Section SIP. Furthermore, the appropriateness of this particular fund for the default members invested was subject to appropriate investment suitability advice at the time of mapping members to this fund.

Members' Interests

The Mercer Active Money Market Fund is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Voting and engagement policy

The Trustee's policy in relation to voting and engagement is in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers

The Trustee's policies in relation to arrangements with investment managers for this default investment arrangement, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.

Mercer Passive Sustainable Global Equity Fund
Aims, Objectives and Policies

The aims of the Mercer Passive Sustainable Global Equity Fund, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To achieve long-term capital growth, while investing in securities that demonstrate strong environmental, social and governance (ESG) practices.

The Mercer Passive Sustainable Global Equity Fund invests in line with the Solactive Sustainable Global Developed Equity Index within an acceptable tolerance range. The key investment constraint is to invest in securities that demonstrate strong ESG practices. Companies that fail to meet the manager's minimum standards in low carbon transition and corporate governance may be excluded from the fund. Shares issued by manufacturers of controversial weapons are also excluded.

Risk

When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. Section 8 of the main DC Section SIP sets out the main risks that the Trustee considers when monitoring the Fund's investments and how those risks are managed. The main risks relevant to the self-select funds are monitored and managed in line with Section 8 of the main DC Section SIP. Furthermore, the appropriateness of this particular fund for the default members invested was subject to appropriate investment suitability advice at the time of mapping members to this fund.

Members' Interests

The Mercer Passive Sustainable Global Equity Fund is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Voting and engagement policy

The Trustee's policy in relation to voting and engagement is in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers

The Trustee's policies in relation to arrangements with investment managers for this default investment arrangement, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.

Mercer Index Linked Gilts Fund
Aims, Objectives and Policies

The aims of the Mercer Index Linked Gilts Fund, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To achieve stable returns.

The Mercer Index Linked Gilts Fund invests in UK government index-linked securities (index-linked gilts) that have a maturity period of 5 years or longer. The Mercer Index Linked Gilts Fund aims to achieve a return consistent with the FTSE UK Gilts Index-Linked Over 5 Years Index.

Risk

When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. Section 8 of the main DC Section SIP sets out the main risks that the Trustee considers when monitoring the Fund's investments and how those risks are managed. The main risks relevant to the self-select funds are monitored and managed in line with Section 8 of the main DC Section SIP. Furthermore, the appropriateness of this particular fund for the default members invested was subject to appropriate investment suitability advice at the time of mapping members to this fund.

Members' Interests

The Mercer Index Linked Gilts Fund is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Voting and engagement policy

The Trustee's policy in relation to voting and engagement is in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers

The Trustee's policies in relation to arrangements with investment managers for this default investment arrangement, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.

Mercer Passive Emerging Markets Equity Fund
Aims, Objectives and Policies

The aims of the Mercer Passive Emerging Markets Equity Fund, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To achieve long term capital growth.

The Mercer Passive Emerging Markets Equity Fund aims to achieve a return consistent with the MSCI Emerging Markets Index.

Risk

When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. Section 8 of the main DC Section SIP sets out the main risks that the Trustee considers when monitoring the Fund's investments and how those risks are managed. The main risks relevant to the self-select funds are monitored and managed in line with Section 8 of the main DC Section SIP. Furthermore, the appropriateness of this particular fund for the default members invested was subject to appropriate investment suitability advice at the time of mapping members to this fund.

Members' Interests

The Mercer Passive Emerging Markets Equity Fund is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Voting and engagement policy

The Trustee's policy in relation to voting and engagement is in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers

The Trustee's policies in relation to arrangements with investment managers for this default investment arrangement, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.

Mercer Growth Fund
Aims, Objectives and Policies

The aims of the Mercer Growth Fund, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To achieve medium to high capital growth over the long-term with medium to high risk by investing predominantly in a diversified mix of bonds, shares and other asset types.

The Mercer Growth Fund aims to achieve a return consistent with the FTSE 1-Month UK Sterling Eurodeposit + 4%

Risk

When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. Section 8 of the main DC Section SIP sets out the main risks that the Trustee considers when monitoring the Fund's investments and how those risks are managed. The main risks relevant to the self-select funds are monitored and managed in line with Section 8 of the main DC Section SIP. Furthermore, the appropriateness of this particular fund for the default members invested was subject to appropriate investment suitability advice at the time of mapping members to this fund.

Members' Interests

The Mercer Growth Fund is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Voting and engagement policy

The Trustee's policy in relation to voting and engagement is in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers

The Trustee's policies in relation to arrangements with investment managers for this default investment arrangement, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.

Mercer Diversified Retirement Fund

Aims, Objectives and Policies

The aims of the Mercer Diversified Retirement Fund, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To growth over the long term of around 0.5% above the cash rate.

The Mercer Diversified Retirement Fund aims to achieve a return consistent with the FTSE 1-Month UK Sterling Eurodeposit + 1.5%

Risk

When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. Section 8 of the main DC Section SIP sets out the main risks that the Trustee considers when monitoring the Fund's investments and how those risks are managed. The main risks relevant to the self-select funds are monitored and managed in line with Section 8 of the main DC Section SIP. Furthermore, the appropriateness of this particular fund for the default members invested was subject to appropriate investment suitability advice at the time of mapping members to this fund.

Members' Interests

The Mercer Diversified Retirement Fund is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Voting and engagement policy

The Trustee's policy in relation to voting and engagement is in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers

The Trustee's policies in relation to arrangements with investment managers for this default investment arrangement, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.

Mercer Passive UK Corporate Bond Fund

Aims, Objectives and Policies

The aims of the Mercer Passive UK Corporate Bond Fund, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To achieve a return consistent with the iBoxx £ Non-Gilts Index.

This index covers the broad spectrum of investment grade corporate bonds in issue

Risk

When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. Section 8 of the main DC Section SIP sets out the main risks that the Trustee considers when monitoring the Fund's investments and how those risks are managed. The main risks relevant to the self-select funds are monitored and managed in line with Section 8 of the main DC Section SIP. Furthermore, the appropriateness of this particular fund for the default members invested was subject to appropriate investment suitability advice at the time of mapping members to this fund.

Members' Interests

The Mercer Passive UK Corporate Bond Fund is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Voting and engagement policy

The Trustee's policy in relation to voting and engagement is in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers

The Trustee's policies in relation to arrangements with investment managers for this default investment arrangement, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.

Mercer Annuity Aware Fund (formerly Mercer Pre-Retirement Fund)

Aims, Objectives and Policies

The aims of the Mercer Annuity Aware Fund, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To achieve a return consistent with the level annuity prices by investing in a passively-managed underlying fund that invest in UK Government and Corporate bonds.

The Mercer Annuity Aware Fund aims to achieve a return consistent with the L&G Future World Annuity Aware Benchmark (Midday).

Risk

When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. Section 8 of the main DC Section SIP sets out the main risks that the Trustee considers when monitoring the Fund's investments and how those risks are managed. The main risks relevant to the self-select funds are monitored and managed in line with Section 8 of the main DC Section SIP. Furthermore, the appropriateness of this particular fund for the default members invested was subject to appropriate investment suitability advice at the time of mapping members to this fund.

Members' Interests

The Mercer Annuity Aware Fund is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Voting and engagement policy

The Trustee's policy in relation to voting and engagement is in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers

The Trustee's policies in relation to arrangements with investment managers for this default investment arrangement, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.

Mercer Passive UK Equity Fund

Aims, Objectives and Policies

The aims of the Mercer Passive UK Equity Fund, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To achieve a return that is consistent with the return of the FTSE All-Share Index.

This index is widely regarded as the benchmark for UK pension fund investment in shares of companies in the UK.

Risk

When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. Section 8 of the main DC Section SIP sets out the main risks that the Trustee considers when monitoring the Fund's investments and how those risks are managed. The main risks relevant to the self-select funds are monitored and managed in line with Section 8 of the main DC Section SIP. Furthermore, the appropriateness of this particular fund for the default members invested was subject to appropriate investment suitability advice at the time of mapping members to this fund.

Members' Interests

The Mercer Passive UK Equity Fund is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Voting and engagement policy

The Trustee's policy in relation to voting and engagement is in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers

The Trustee's policies in relation to arrangements with investment managers for this default investment arrangement, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.

Mercer Passive Overseas Equity Fund

Aims, Objectives and Policies

The aims of the Mercer Passive Overseas Equity Fund, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To generate returns consistent with those of each country's primary share market.

The Mercer Passive Overseas Equity Fund aims to achieve a return consistent with the FTSE All-World Developed Ex UK.

Risk

When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. Section 8 of the main DC Section SIP sets out the main risks that the Trustee considers when monitoring the Fund's investments and how those risks are managed. The main risks relevant to the self-select funds are monitored and managed in line with Section 8 of the main DC Section SIP. Furthermore, the appropriateness of this particular fund for the default members invested was subject to appropriate investment suitability advice at the time of mapping members to this fund.

Members' Interests

The Mercer Passive Overseas Equity Fund is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Voting and engagement policy

The Trustee's policy in relation to voting and engagement is in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers

The Trustee's policies in relation to arrangements with investment managers for this default investment arrangement, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.

Mercer Passive Fixed Interest Gilts Fund

Aims, Objectives and Policies

The aims of the Mercer Passive Fixed Interest Gilts Fund, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To achieve a return consistent with the FTSE UK Gilts Over 15 Years Index.

The FTSE UK Gilts Over 15 Years Index is widely regarded as the benchmark for UK pension fund investment in the longer dated end of the UK gilt market.

Risk

When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. Section 8 of the main DC Section SIP sets out the main risks that the Trustee considers when monitoring the Fund's investments and how those risks are managed. The main risks relevant to the self-select funds are monitored and managed in line with Section 8 of the main DC Section SIP. Furthermore, the appropriateness of this particular fund for the default members invested was subject to appropriate investment suitability advice at the time of mapping members to this fund.

Members' Interests

The Mercer Passive Fixed Interest Gilts Fund is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Voting and engagement policy

The Trustee's policy in relation to voting and engagement is in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers

The Trustee's policies in relation to arrangements with investment managers for this default investment arrangement, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.

Mercer Active UK Property Fund

Aims, Objectives and Policies

The aims of the Mercer Active UK Property Fund, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To generate total returns (from income and capital appreciation) above its benchmark over rolling 3 year periods.

The Mercer Active UK Property Fund aims to achieve a return consistent with the MSCI /AREF UK All Balanced Quarterly Property Fund.

Risk

When designing the fund range offered to members, the Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members. Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members.

In selecting assets, the Trustee considers the liquidity of the investments in the context of the likely needs of members. All assets are daily dealing and therefore should be realisable on member demand.

The Trustee has considered risks from a number of perspectives. Section 8 of the main DC Section SIP sets out the main risks that the Trustee considers when monitoring the Fund's investments and how those risks are managed. The main risks relevant to the self-select funds are monitored and managed in line with Section 8 of the main DC Section SIP. Furthermore, the appropriateness of this particular fund for the default members invested was subject to appropriate investment suitability advice at the time of mapping members to this fund.

Members' Interests

The Mercer Active UK Property Fund is designed to meet its objective as outlined above. In line with regulation requirements, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Fund's demographic profile, if sooner.

Voting and engagement policy

The Trustee's policy in relation to voting and engagement is in line with Section 9 of the main DC Section Statement.

Arrangements with investment managers

The Trustee's policies in relation to arrangements with investment managers for this default investment arrangement, including how managers are incentivised to align with the Trustee's policies, the method of evaluation of manager's performance, how turnover costs are monitored and the duration of arrangements, are in line with Section 10 of the main DC Section Statement.