MMC UK Pension Fund

Investing for the long term

What does it mean for your pension?

You may have seen recent reports about investment markets falling. Throughout your working life, there will be periods of short-term ups and downs in investment markets (volatility). This may impact the value of your pension savings, but it is important to remember that saving for your retirement is a long-term investment.

You have a number of investment options available to you in the DC Section of the MMC UK Pension Fund (“the Fund”):

- **The ‘default’ investment strategy:** this is where your pension savings are invested if you do not make an investment choice. This strategy aims to achieve growth in the value of your pension savings, when you are younger. It then gradually moves your savings into lower risk investments as you approach your retirement age. More details can be found overleaf.
- **Self-select funds:** in this case, the Trustee also makes a number of funds available should you wish to construct your own investment strategy. Each fund has its own risk and return characteristics.

How do we protect against market ups and downs:

The Trustee of the Fund is mindful of the heightened volatility currently being experienced in markets and the implications this may have for your pension savings. Recognising the long-term nature of saving for retirement, and the inevitability that there will be periods when investment markets are volatile, the Trustee has a deliberate approach in place to ensure your savings are invested in a careful way. In particular, the investment arrangements are:

Regularly monitored
Regular measurement of fund performance to ensure options remain fit for purpose

Diversified
Different types of investments helps to provide some protection against risk of market falls for specific types of assets

Flexible
Strategy can be adjusted by the investment manager based on view of expected market conditions

Keep in mind...

1. Avoid making any snap decisions based on day-to-day changes in the value of your pension savings.
2. Review your investment selections regularly to ensure they remain suitable for your individual needs.
3. Information about your investment options is available in your Investment Guide, available on the Fund website.
4. If you are aged over 50, you can obtain free and impartial guidance from a government service Pension Wise, https://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise.
5. If you need advice based on your personal circumstances, you should speak to an FCA-regulated financial adviser. You can find the details of how to obtain advice at https://www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser.

What if...

... I'm close to my selected retirement age?

We encourage you to periodically review your pension investments to ensure they continue to align with your goals (e.g. how you want to access your savings in retirement), time horizon (e.g. when do you plan to retire or begin accessing your pension savings) and attitude to risk (e.g. your tolerance to fluctuations in the value of your pension savings). You should seek FCA-regulated financial advice if you are in any doubt about the ongoing suitability of how your pension savings are invested.

...I'm more than eight years from my selected retirement age?

Your investments still have time to recover before you plan to access your pension savings. It is worth reviewing how your pension savings are invested and the retirement age set on your account.

...I've selected my own investments?

If you have chosen funds other than the default investment strategy, we suggest you keep these choices under regular review and consider seeking FCA-regulated financial advice if you are not sure of the best investment option for you.

... I don't know my selected retirement age?

If you are unsure of your selected retirement age, you should check it and make sure you are happy it is realistic for your plans. This is important because if you plan to retire before the date we think you are aiming for, your pension savings could be invested in funds that are too risky for you. Equally, if you plan to retire later, you could miss out on opportunities for investment growth. If you are less than eight years from your current selected retirement age and you bring this forward, you may end up moving a significant part your pension savings into investments aligned with your retirement destination. While this may make your pension savings less risky in the future, it could also 'lock in' any recent investment losses.

To check or change where your pension savings are invested or your selected retirement age, please go to OneView by clicking on the link at the top of the Fund website.

Important Note

This update is provided for information only and does not constitute financial advice. Whilst the Trustee can provide you with information about the options available, we cannot give you advice. The value of investments can go down as well as up, so you could get back less than you invest. Past performance does not guarantee future results.

If you need advice based on your personal circumstances, you should speak to an FCA-regulated financial adviser - this note should also help your adviser.

What is the default strategy?

The default investment strategy, Mercer SmartPath™, manages your pension savings throughout your working life. Members furthest from retirement will be primarily invested in higher risk assets, such as equities (i.e. stocks and shares), which aim to offer the potential for long term growth.

Around eight years before your selected retirement age, your savings are gradually shifted into investments that align with you taking a flexible income throughout your retirement. This means your investments may be less volatile compared to those of someone who is further away from retirement.

Beware of Pension Scams

Under normal circumstances you cannot typically retire until you are 55 (unless you are too ill to work). Keep an eye out for cold callers and unsolicited emails and text messages; they may be 'scammers' and put you at risk of losing some (or even all) of your pension savings.

Never be pressured into making any pension transfers or decisions about your pension without first taking appropriate FCA-regulated financial advice. If you have concerns or you are not sure about your options, contact Aptia or visit the Pensions Regulator's website: thepensionsregulator.gov.uk/pension-scams.