

investment  
**guide**

Mercer Master Trust  
Universities and Colleges  
Retirement Savings Scheme

your workplace pension plan



# Contents

<b>03/</b>	<b>Using this guide</b>
<b>04/</b>	<b>What you need to think about</b>
<b>05/</b>	<b>Choose the investment option that's right for you</b>
<b>05/</b>	<b>Keep an eye on your investments</b>
<b>05/</b>	<b>Overseeing and monitoring the investment funds</b>
<b>06/</b>	<b>The Mercer SmartPath</b>
<b>08/</b>	<b>Setting your own investment strategy</b>
<b>08/</b>	<b>Charges for switching funds</b>
<b>09/</b>	<b>What are the main types of investment?</b>
<b>10/</b>	<b>How investment funds work</b>
<b>12/</b>	<b>Investment fund charges</b>
<b>13/</b>	<b>Investing responsibly</b>
<b>13/</b>	<b>Protection for your Plan savings</b>
<b>14/</b>	<b>Mercer Master Trust investment funds</b>
<b>26/</b>	<b>Finding out more</b>

Click on the entries in the Contents table above and the page references throughout this guide to skip straight to the pages you wish to read.

## Using this guide

This guide sets out your options for investing your savings in your workplace pension plan ('the Plan'), which is part of the Mercer Master Trust. You can access more information about your investment options on the Mercer Master Trust administrator's website via Mercer Money ([see page 26](#)).

Whether you're new to pension investment and wondering where to start, or you're an experienced investor looking for in depth information, this guide should contain the details you need, including:

Key things to consider before deciding how to invest your Plan savings and details of the tools available to help you.

An overview of your Plan investment options.

Details about how your Plan savings will be invested if you don't want to choose your own investments.

If you're not sure which is the best investment option for you, you may wish to seek authorised financial advice. Please note, an authorised financial adviser is likely to charge for their services. If you are consulting an adviser, please show them this guide so that they can see the investment choices on offer.



## What you need to think about

The investment choices you make now will directly affect how much money will be in your Plan savings when you choose to take your benefits.

Before deciding how to invest your Plan savings, you need to think about:

- What do you need the savings to do when you stop working?
- How long are you going to invest the savings?
- What level of investment risk are you comfortable with?

### What are your savings goals?

It's important to understand how much you are going to need to live on when you stop work. You can access a tool to help you estimate this via Mercer Money ([see page 26](#)).

You need to think about all the sources of income you will have to fund life after work, including State pensions, your savings, and any other pensions you've built.

### How long are you going to be investing?

The longer you have until you need to start drawing on your Plan savings, the easier it is to take a long-term view when investing. You can use the Retirement calculator on Mercer Money ([see page 26](#)) to see how much you might receive from your Plan savings at any permitted pension age. This can help you estimate when you will be able to afford to stop work and therefore how long you need to invest.

### What level of investment risk are you comfortable with?

Different investments carry different levels of risk and potential for growth. That's why it's important to know how you feel about investment risk before you choose where to put your money.

It's important to strike the right balance. If you choose more risky investments, they could provide better returns over the longer-term, BUT, over the shorter-term the value of your Plan savings could go down, leaving you with less than was paid in. If you take a very cautious approach to investing, there is a risk that the value of your Plan savings will not keep up with inflation.

You have to accept some level of risk when you make an investment, but how much depends on what you want to achieve and how quickly you hope your money will grow. You can access a Risk Profiler tool via Mercer Money ([see page 26](#)) to help you identify how much investment risk to take, based on your own savings goals.

## Choose the investment option that's right for you

When it comes to investing, some people prefer to have the work done for them. Others like to take control and set their own strategy. You can choose from a range of funds selected by the Mercer Master Trust Trustees, advised by investment specialists from Mercer. Your choice is between:

### The Mercer SmartPath

The way this is invested changes over time to reflect the age at which you are due to start taking your Plan savings. As this draws closer, your investments are moved into assets that typically avoid large changes in the value of your pension savings and which reflect the way you wish to take your savings.



Or

### Self-select investment funds

If you would like to take a more hands-on approach, you can:

- Select a Risk Profiled Fund, which invests in a mix of assets; or
- Create your own investment portfolio from a selection of funds that cover a variety of asset classes, such as equities (including shares of property and infrastructure companies), bonds and cash.



If you don't select an investment option, your Plan savings will be invested in the Mercer SmartPath ([see page 6](#)).

## Keep an eye on your investments

Your attitude to risk and personal circumstances may change over time. So, it's a good idea to keep an eye on how your Plan savings are performing and decide if you need to make any changes to the way they are invested.

Any investment decision you take will be a personal one, reflecting your own savings goals, how long you plan to invest for, and your attitude to risk. If after reading this guide and the individual fund factsheets, which you can access on the Mercer Master Trust Administrator's website via Mercer Money ([see page 26](#)), you are in any doubt about which investments to choose, you should talk to an authorised financial adviser.

The value of all the investment choices can go down as well as up, and past performance is no guide to future returns. You may not get back the amount you originally invested.

## Overseeing and monitoring the investment funds

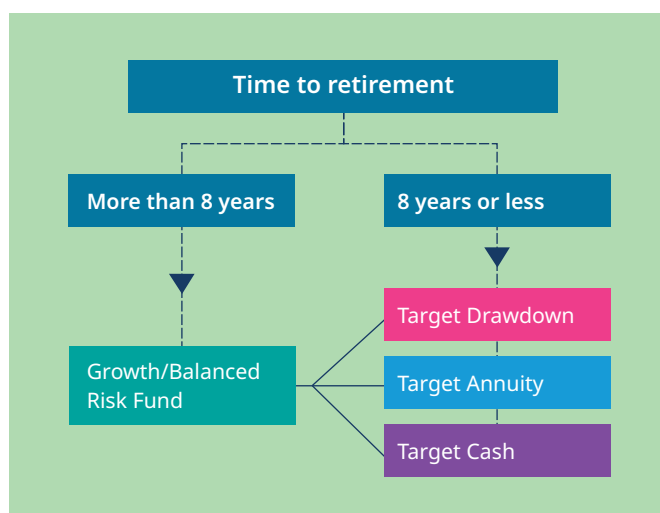
The Mercer Master Trust Trustees oversee and monitor all the investment funds to ensure they are meeting the objectives set for them. If the Trustees decide to replace a fund with an alternative one, you will be notified and given the option to update your choice of funds.

The Trustees welcome your views on the investment fund choices, so please feel free to contact the Secretary to the Mercer Master Trust Trustees ([see page 26](#)) if you have any feedback to share.

## The Mercer SmartPath

The Mercer SmartPath gives you the option to have your Plan savings managed for you, so you don't have to make your own investment decisions.

The Mercer SmartPath is designed to give you the opportunity to achieve the long-term investment growth needed to build your Plan savings and then gradually reduce your exposure to risk before you start to draw on them.



### When you are younger

While you are more than eight years away from the date you are due to take your Plan savings, they will be invested in the Mercer Growth/Balanced Risk Fund. This invests in a range of different assets, such as shares (including those of property and infrastructure companies) and fixed interest securities. It aims to offer potential for long-term growth whilst limiting the likelihood of large rises and falls in the value of your Plan savings. The Mercer Growth/Balanced Risk Fund is one of the Risk Profiled Funds [\(see page 8\)](#).

### As you draw closer to taking your Plan savings

Roughly eight years before the date you are due to start taking your Plan savings, they will be switched to a Target Retirement Fund.

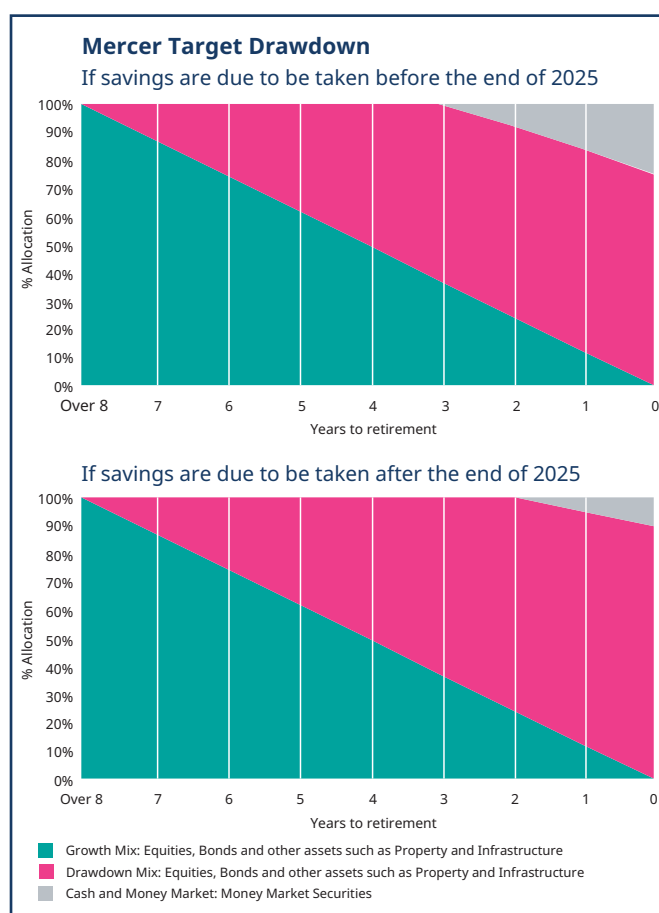
The Target Retirement Funds are invested to reflect:

- The way you intend to take your Plan savings; and
- When you will start to take them.

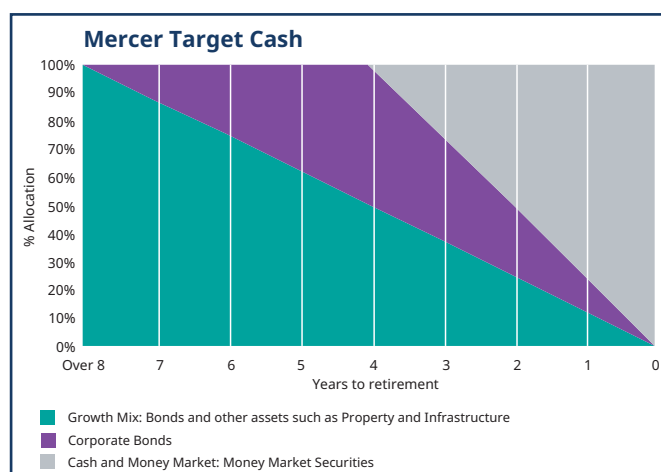
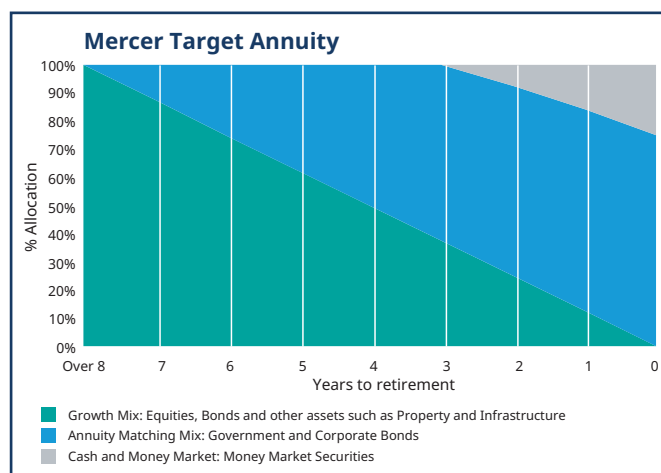
There are three types of Target Retirement Fund:

- **Mercer Target Drawdown**, which is for members who plan to leave some or all of their Plan savings invested and draw on these as required to provide an income. (This is known as 'flexible income drawdown'.)
- **Mercer Target Annuity**, which is for members who plan to use some or all of their Plan savings to buy a guaranteed income for life ('an annuity').
- **Mercer Target Cash**, which is for members who plan to take all of their Plan savings as cash.

The Target Retirement Funds gradually move your Plan savings into investments that typically avoid large changes in the value of your pension savings. These diagrams show how the investment mix of your Plan savings might change in each of the Target Retirement Funds as you draw closer to the date you will start to take them.







Each Target Retirement Fund has a date in its name (e.g. the Mercer Target Drawdown 2029 Fund). The Target Retirement Fund your Plan savings are placed in will be the one containing the year in which you are due to start taking them.

At the start of the calendar year in which you are due to start taking your Plan savings, they will be switched into the Retirement Funds that reflect the way you intend to do this. The Retirement Funds are:

- The Mercer Diversified Retirement Fund (90%) and the Mercer Cash Retirement Fund (10%)\*. (This fund mix is for members who intend to take flexible income drawdown.)
- The Mercer Annuity Retirement Fund
- The Mercer Cash Retirement Fund

There will be no further changes to the way your Plan savings are invested and they will remain in the Retirement Fund until you start to take them.

For details about the individual Target Retirement Funds and Retirement Funds, please see [pages 14 to 17](#).

## We'll contact you as you get closer to taking your savings

We will write to you around eight years before the date you are due to start taking your Plan savings to let you know about the switch to a Target Retirement Fund and invite you to review your investments.

If you are fully invested in the Mercer Growth/Balanced Risk Fund and don't choose another investment option at this stage, your Plan savings will be invested in the Mercer Target Cash Fund for the year you are due to start taking your retirement savings. If you don't intend to take all of your Plan savings as cash, you should consider whether one of the other Target Retirement Funds better reflects your plans. If you are not fully invested in the Mercer Growth/Balanced Risk Fund, we will only move your investment into a Target Retirement Fund if you instruct us to do so. Your investments will not move automatically.

You can choose to have your Plan savings invested in more than one Target Retirement Fund. If you change your mind about when you want your benefits to start, you can switch to the Target Retirement Fund that matches this at any time.

If you don't tell us when you want to start taking your Plan savings, they will be invested in the Target Retirement Fund for the year you will reach the Normal Retirement Date set by your employer.

We will also contact you at or around the start of the year in which you are due to start taking your Plan savings to confirm they will be switched to the appropriate Retirement Fund (see above).

The Target Retirement Funds are designed to reduce your exposure to risk up until you are due to start taking your Plan savings. If you don't take your money as planned, your Plan savings may not be invested in a way that reflects your needs. Therefore, you should review your retirement plans frequently to ensure that your investments remain suitable. The steps we will take to help you prepare to take your Plan savings are set out above.

\* If you are due to start taking your savings before the end of 2025 this will be the Mercer Diversified Retirement Fund (75%) and the Mercer Cash Retirement Funds (25%).

## Setting your own investment strategy

If you would like to take a more hands-on approach to investing, you can select a Risk Profiled Fund, or a mix from our range of other funds.

### Risk Profiled Funds

You can choose from four funds which invest in a mix of assets, designed to target specific levels of risk and return. From higher to lower (risk and return) these are:

Mercer High Growth/ Higher Risk Fund	Mercer Growth/Balanced Risk Fund	Mercer Moderate Growth/ Moderate Risk Fund	Mercer Defensive/Lower Risk Fund
This aims to achieve high levels of long-term capital growth, but with high levels of risk. It invests mostly in shares.	This aims to achieve moderate to high levels of long-term capital growth. It invests in a diverse range of assets, with around two thirds invested in shares.	This aims to provide low to moderate long-term capital growth. It invests in a diverse spread of assets, with around half invested in shares.	This aims to provide stable capital growth over the long term. It invests in a diverse spread of investments, with a high allocation to bonds and money market instruments.

Details of the Risk Profiled Funds are shown on [pages 18 to 19](#).

### Other funds

Other funds are available, many of which are single asset class funds, that offer a wide choice of investment types and a mix of active and passive investment management to enable you to build your own investment portfolio.

Details of the other funds currently available are shown on [pages 20 to 25](#).

You can invest in as many of these funds as you like at any one time and you are free to switch funds whenever you wish. You can do this via Mercer Money ([see page 26](#)).

## Charges for switching funds

You are free to switch investment funds whenever you wish. There are currently no fees or penalties for moving your Plan savings in or out of a Target Retirement Fund.

Switching from investing in one of the other funds to another may incur costs. These costs are not deducted directly from your Plan savings, but are included in the prices of investments when they are bought or sold.



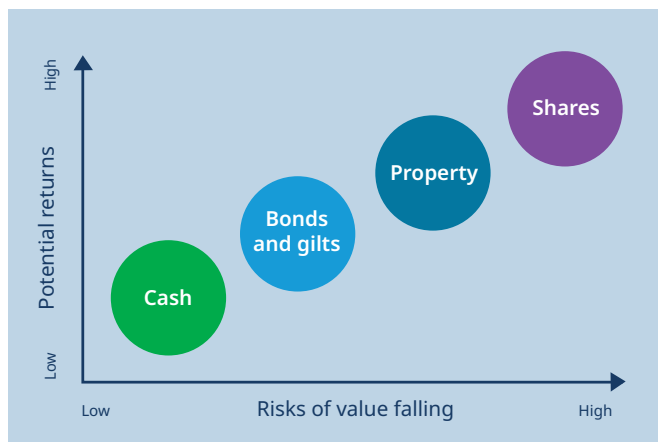
## What are the main types of investment?

When you've decided how long you are going to invest your Plan savings and what level of investment risk you are willing to take, you can think about the type of investments that suit you.

There are four main types of investment, or 'asset classes':

- **Cash** – Short term cash loans to help companies raise money.
- **Bonds and gilts** – Borrowing by companies and the UK government.
- **Property** – Physical buildings, usually commercial properties.
- **Shares** – Stakes in companies (also called 'equities').

There is a range of investment funds covering all asset classes. It's important to understand how each asset class works, and the risks involved, before making any investment decisions.



This diagram compares the risks carried by each of these asset classes and the potential they offer to give you higher or lower investment returns. There is a clear link between the level of risk and the potential investment return. The general rule is that the greater the potential for growth, the more risks you may need to take.

While the diagram shows the general long-term relative performance of the asset classes, it's important to note that the way an asset class has performed in the past isn't necessarily how it will perform in the future.

### Cash

Cash funds invest in short-term 'near cash' assets, such as cash loans for less than one year, in return for interest payments and repayment of the loan at a named date.

In some circumstances, when interest rates are low, the returns on cash funds may be less than the charges deducted from them.

Some cash funds invest in a broader range of loans that produce an income in the form of interest payments. The investment aim is to seek higher returns than other cash investments.

If you invest only in cash funds for the medium to longer term (over five years), you may achieve a lower return than you would by placing your savings in a bank or building society account, or in shares, and the value of your savings may be eroded by inflation.

### Bonds and gilts

Many companies, and the UK Government, borrow money from investors to raise funds. In return, they issue securities, known as 'bonds', or 'gilts' if they are issued by the UK Government. Interest is paid on the loan and the bonds and gilts can be bought or sold until an agreed end date, when the loan is repaid.

These are often referred to as 'fixed-interest investments'. Funds holding these types of assets tend to provide lower but more stable returns than shares. There is a risk that these investments could fall in value if, for example, a company or the Government failed to repay some or all of the debt.

If you invest only in bond and gilt funds for the longer term, you may achieve a lower return than you would by investing in shares. The interest rate on bonds and gilts will only increase in line with a measure of inflation if they are 'index-linked'. Index-linked means the payment of income is adjusted in line with movements in a price index, such as the Consumer Price Index (CPI).

## Property

Commercial property investment funds aim to provide growth in property values as well as rental income. Property values are set by an independent valuer, based on market conditions, especially prices received for recent sales.

The value of commercial property investment funds can fall sharply at times. In more uncertain market conditions, transactions in these funds may be delayed. This will happen if the investment fund manager believes it is necessary to sell properties before carrying out a transaction. In this scenario, the investment fund manager may also restrict contributions being invested into the funds. If this happens, the Trustees may decide to direct future contributions into other funds until the property funds are re-opened for investment.

## Shares (or 'equities')

Equity investment funds deal in the shares of companies and depend on several things for their growth, including how well the companies perform. When a company makes profits, it can choose to pay 'dividends'. Dividends are payments made by a company to its shareholders, and are a portion of corporate profits. Investors in equity funds benefit from dividends as returns on their savings.

Increased profits and dividend payments can also lead to increases in the price of shares, providing further growth in the value of the investment fund.

Over time, a fund that invests mostly in shares is likely to offer greater potential for higher returns, but its value can also rise and fall quickly. While they carry the greatest risk, equity investment funds may provide the highest return over the long term (10 years or more).

Equity investment funds may invest only in UK company shares, or they may invest in companies from outside the UK ('overseas equities'). If you choose to save in funds with overseas equities, changes in currency exchange rates may also cause the value of your savings to fall or rise.

## How investment funds work

### What is an investment fund?

An investment fund pools your savings with money from other investors. Operating within guidelines, the fund manager decides which types of asset will be bought and sold by the investment fund.

- **Actively managed funds**

Actively managed funds buy and sell assets with the aim of maximising gains and minimising losses on your behalf. This means that fund managers react to market situations and take advantage of insights and opportunities as they arise.

The expertise needed to invest in this way means that the charges for running these funds are usually higher than for passively managed funds.

- **Passively managed funds**

Passively managed funds usually aim to mirror the performance of a particular market index. The funds are 'weighted' in the same way as the indices on which they are based. This investment strategy should ensure that, while investment performance is unlikely to be better than that of the chosen stock market indices, it should equally not be worse.

The charges for running these funds are usually lower than actively managed funds as the fund managers are not required to actively choose which assets, and how much of them, to buy for the fund.

No matter how an investment fund is managed, there is no guarantee that the fund manager will achieve their objectives.

## Advantages of investment funds

The key advantages investment funds offer compared to choosing individual investments yourself are:

- Fund management specialists pick the investments for you;
- You spread the risk you're taking because your savings are invested across a range of different stocks and shares;
- Buying investments through funds can cost less than buying individual investments;
- The investment fund manager does all the administration for you;
- As part of a group of investors, you have access to a wider range of investment opportunities.

Understanding a little more about what's in each fund can help you make choices that suit your investment aims, and your attitude to risk.

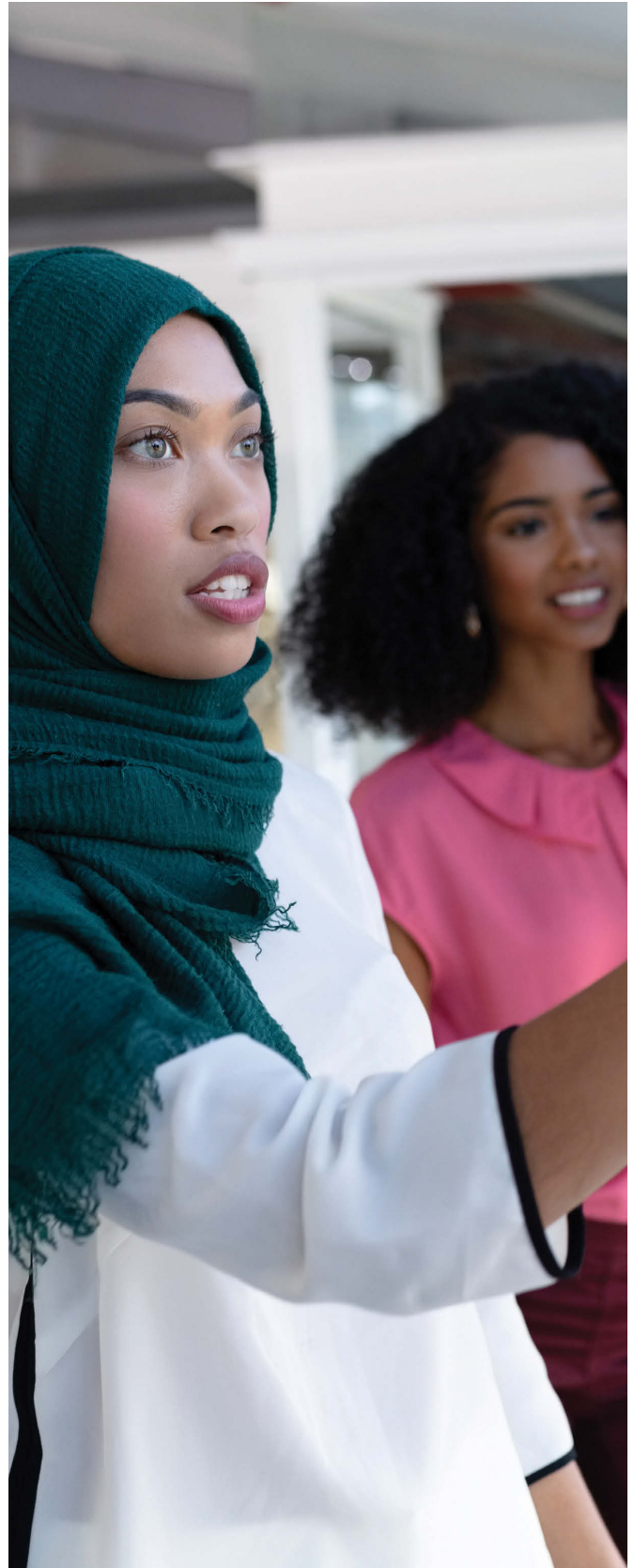
## Funds investing in a mix of assets

Higher risk investments, such as company shares, offer the greatest potential for long term investment growth. However, their value can fluctuate, seeing frequent and sometimes sharp short term rises and falls in value.

Assets such as cash and bonds generally provide more certain returns but less potential for investment growth. A key risk of placing your Plan savings in these investments over the long-term is that they will be worth less if inflation is higher than the return you receive.

Some of the investment funds allow you to invest in a mix of assets, spreading your investment risk. Mercer has created these multi-asset funds and provides guidance on the types of investment they can hold and the proportion of their assets that can be allocated to each.

Funds like these have the flexibility to change the types of investments they hold to achieve their objectives. Details about these funds can be found on [pages 14 to 19](#).



## Investment fund charges

Investment funds charge for the services of their fund managers and administrators. The charges, which vary from fund-to-fund, will be deducted from your Plan savings.

Details of the current investment fund charges are given on [pages 14 to 25](#).

These will include:

- **A Plan based charge**

This covers the cost of running your Plan savings account. It is calculated daily as a percentage of the value of your Plan savings and deducted monthly by selling fund units. This charge will be shown in your Plan savings account transaction history on the Mercer Master Trust Administrator's website, which you can access via Mercer Money ([see page 26](#)).

- **A fund annual management charge**

This is charged by investment managers. It also includes a charge paid to Mercer for providing investment governance and asset allocation advice for various funds, including the Risk Profiled and Target Retirement Funds. It is normally calculated as a percentage of the fund's value and deducted from the daily fund unit price.

- **Additional expenses**

Some funds charge additional expenses, which are reflected in the daily fund unit price. These reflect the cost of managing the fund assets and can include fees to auditors, Trustees and advisers. They are reviewed regularly and can change as the size of the fund, and the expenses it incurs, change.

- **A Trustee charge**

This is to pay for services provided by the Mercer Master Trust Trustees. It is calculated daily as a percentage of the value of your Plan savings and deducted monthly by selling fund units. This charge will be shown in your Plan savings account transaction history on the Mercer Master Trust Administrator's website, which you can access via Mercer Money ([see page 26](#)).

- **A total expense ratio**

This is the total of the Plan based charge, the fund annual management charge, the Trustee charge and any additional expenses.



## Investing responsibly

**The Mercer Master Trust Trustees believe that taking a responsible investment approach is in the best interests of members.**

Investing responsibly means incorporating environmental, social and governance (ESG) factors into investment decisions.

The Trustees apply four key principles to all of the investment fund choices for Mercer Master Trust members.

<b>1</b> Integration	<p>This covers how well each investment manager builds responsible investing into their decision making processes where possible.</p> <p>The aim is to use funds with investment managers that do this consistently.</p>
<b>2</b> Stewardship	<p>This is how well investment managers govern and engage with the companies they invest in. It includes things like voting at annual general meetings on controversial matters.</p> <p>It's important that investment managers make their voices heard on key matters and the Trustees only use investment managers that have the strongest processes in place to do this.</p>
<b>3</b> Investment	<p>Certain portions of the funds investing in a mix of assets, including the Mercer Growth/Balanced Risk fund, are allocated to investing in companies that have the greatest impact when it comes to sustainability and lowering carbon emissions.</p>
<b>4</b> Screening	<p>The companies the funds invest in are screened and any the Trustees don't believe are suitable for a truly responsible investment solution are removed.</p>

For full details of the Trustees' current Responsible Investment and Voting policy, please click here [uk.mercer.com/content/dam/mercer/attachments/europe/uk/uk-mercer-responsible-investment-and-voting-policy.pdf](https://uk.mercer.com/content/dam/mercer/attachments/europe/uk/uk-mercer-responsible-investment-and-voting-policy.pdf).

## Protection for your Plan savings

The Financial Services Compensation Scheme (FSCS) provides protection for the customers of authorised financial services firms. It can pay compensation to members if a firm, such as the Mercer Master Trust administrator, is unable, or likely to be unable, to pay claims against it. Your Plan savings in the Mercer Master Trust are covered by a long-term insurance contract which is protected by the FSCS.

For information on the level of cover for your Plan savings, please refer to [fscs.org.uk/what-we-cover/pensions/](https://fscs.org.uk/what-we-cover/pensions/) or contact the Mercer Master Trust administrator directly (see page 26).

In the unlikely situation that a fund manager or company responsible for a fund that your Plan savings are invested in becomes unable to meet its financial obligations, you would not be covered by the FSCS. If this happened, the Mercer Master Trust administrator would make a claim against the fund manager or investment company in an attempt to recover the money. However, you could still lose some or all of the money invested in the fund.



# Mercer Master Trust investment funds

This section provides details of the investment aims and charges for each of the current Mercer Master Trust investment funds. The charges shown were applicable in April 2023.

## Target Retirement Funds ([see page 6](#))

### Target Drawdown Retirement Funds

The Target Drawdown Retirement Funds are designed for members who plan to retire between 2024 and 2031 and intend to leave some or all of their Plan savings invested and draw on these as required to provide an income. (This is known as 'flexible income drawdown'.)

Prior to the start of the year in its name, each fund will invest in one or more underlying funds to produce a portfolio containing a range of assets including, but not limited to, shares, bonds, Real Estate Investment Trusts (REITs) and listed infrastructure.

The asset mix gradually changes over time so that when the fund closes at the start of the year in its name, around a quarter of its assets will be in money market securities, and three quarters in a range of assets aiming to provide moderate long term capital growth.

### If savings are due to be taken before the end of 2025

Before the fund closes at the start of the year in its name, the investments in it will be automatically switched into the Mercer Diversified Retirement Fund (75%) and the Mercer Cash Retirement Fund (25%) to maintain a similar asset split until you start to draw on your Plan savings.

### If savings are due to be taken after the end of 2025

Before the fund closes at the start of the year in its name, the investments in it will be automatically switched into the Mercer Diversified Retirement Fund (90%) and the Mercer Cash Retirement Fund (10%) to maintain a similar asset split until you start to draw on your Plan savings.



Fund name	Total Annual Management Charges*	Additional Expenses	Total Expense Ratio
Mercer Target Drawdown 2031	0.63%	0.04%	0.67%
Mercer Target Drawdown 2030	0.64%	0.04%	0.68%
Mercer Target Drawdown 2029	0.65%	0.04%	0.69%
Mercer Target Drawdown 2028	0.66%	0.04%	0.70%
Mercer Target Drawdown 2027	0.67%	0.05%	0.72%
Mercer Target Drawdown 2026	0.68%	0.05%	0.73%
Mercer Target Drawdown 2025	0.68%	0.04%	0.72%
Mercer Target Drawdown 2024	0.67%	0.04%	0.71%
Mercer Diversified Retirement	0.63%	0.05%	0.68%
Mercer Cash Retirement	0.55%	0.00%	0.55%

\*This covers the Plan based charge, fund annual management charge and Trustee charge described on [page 12](#).

**Please note:**

Target Retirement Fund charges will change over the lifetime of the funds and may increase as well as decrease in line with changes to the underlying investments.

The individual fund factsheets, which you can access on the Mercer Master Trust Administrator's website via Mercer Money ([see page 26](#)), show the underlying funds and investment weightings for each of the funds. These are selected and reviewed by Mercer and may change.

Derivatives may be used in the funds for investment purposes as well as risk reduction.

## Target Annuity Retirement Funds

The Target Annuity Retirement Funds are designed for members who plan to retire between 2024 and 2031 and intend to buy a guaranteed income for life ('an annuity').

Prior to the start of the year in its name, each fund will invest in one or more underlying funds to produce a portfolio containing a range of assets, including, but not limited to, shares, bonds, Real Estate Investment Trusts (REITs) and listed infrastructure.

The asset mix gradually changes over time, so that when the fund closes at the start of the year in its name, it is invested around three quarters in government and corporate bonds and around a quarter in cash and money market securities.

Before the fund closes at the start of the year in its name, investments in it will be automatically switched into the Mercer Annuity Retirement Fund to maintain a similar asset split until you buy an annuity.

Fund name	Total Annual Management Charges*	Additional Expenses	Total Expense Ratio
Mercer Target Annuity 2031	0.63%	0.04%	0.67%
Mercer Target Annuity 2030	0.63%	0.04%	0.67%
Mercer Target Annuity 2029	0.62%	0.03%	0.65%
Mercer Target Annuity 2028	0.61%	0.03%	0.64%
Mercer Target Annuity 2027	0.61%	0.02%	0.63%
Mercer Target Annuity 2026	0.60%	0.02%	0.62%
Mercer Target Annuity 2025	0.59%	0.01%	0.60%
Mercer Target Annuity 2024	0.59%	0.01%	0.60%
Mercer Annuity Retirement	0.58%	0.00%	0.58%

\*This covers the Plan based charge, fund annual management charge and Trustee charge described on [page 12](#).

### Please note:

Target Retirement Fund charges will change over the lifetime of the funds and may increase as well as decrease in line with changes to the underlying investments.

The individual fund factsheets, which you can access on the Mercer Master Trust Administrator's website via Mercer Money ([see page 26](#)), show the underlying funds and investment weightings for each of the funds. These are selected and reviewed by Mercer and may change.

Derivatives may be used in the funds for investment purposes as well as risk reduction.

## Target Cash Retirement Funds

The Target Cash Retirement Funds are designed for members who plan to retire between 2024 and 2031 and intend to transfer their Plan savings into cash.

Prior to the start of the year in its name, each fund will invest in one or more underlying funds to produce a portfolio containing a range of assets, including, but not limited to, equities, bonds, Real Estate Investment Trusts (REITs) and listed infrastructure.

The asset mix gradually changes over time so that when the fund closes at the start of the year in its name, it will be completely invested in high quality short term Sterling denominated money market instruments.

Before the fund closes at the start of the year in its name, the investments in it will be automatically switched into the Mercer Cash Retirement Fund and will continue to be invested in this way.

Fund name	Total Annual Management Charges*	Additional Expenses	Total Expense Ratio
Mercer Target Cash 2031	0.63%	0.04%	0.67%
Mercer Target Cash 2030	0.62%	0.04%	0.66%
Mercer Target Cash 2029	0.61%	0.03%	0.64%
Mercer Target Cash 2028	0.60%	0.03%	0.63%
Mercer Target Cash 2027	0.59%	0.03%	0.62%
Mercer Target Cash 2026	0.58%	0.02%	0.60%
Mercer Target Cash 2025	0.57%	0.01%	0.58%
Mercer Target Cash 2024	0.56%	0.01%	0.57%
Mercer Cash Retirement	0.55%	0.00%	0.55%

\*This covers the Plan based charge, fund annual management charge and Trustee charge described on [page 12](#).

### Please note:

Target Retirement Fund charges will change over the lifetime of the funds and may increase as well as decrease in line with changes to the underlying investments.

The individual fund factsheets, which you can access on the Mercer Master Trust Administrator's website via Mercer Money ([see page 26](#)), show the underlying funds and investment weightings for each of the funds. These are selected and reviewed by Mercer and may change.

Derivatives may be used in the funds for investment purposes as well as risk reduction.

### Risk Profiled Funds [\(see page 8\)](#)

These funds invest in a mix of assets and are designed to take into account investment risk and potential for growth ranging from high to low.

Fund name	Fund aim	Total Annual Management Charges*	Additional Expenses	Total Expense Ratio
Mercer High Growth/ Higher Risk	This is a higher risk fund designed by Mercer Limited aiming to provide high levels of long-term capital growth. It invests in one or more underlying funds to produce a portfolio mostly invested in UK and overseas shares, with a small holding in government and corporate bonds and the rest spread across other asset types giving exposure to commodities, property and money market instruments. Derivatives may be used for investment purposes as well as risk reduction. The fund factsheet shows the underlying fund(s) and weightings. These are selected and reviewed by the investment adviser, Mercer Limited, and may change. The annual management charge (AMC) includes a 0.08% charge paid to Mercer Limited for investment governance advice provided for this fund.	0.64%	0.06%	0.70%
Mercer Growth/ Balanced Risk	This is a moderate to higher risk fund designed by Mercer Limited aiming to provide moderate to high levels of long-term capital growth. It invests in one or more underlying funds to produce a portfolio with around two thirds or more invested in UK and overseas shares, a significant holding in government and corporate bonds and the rest spread across other asset types giving exposure to commodities, property and money market instruments. Investors in this fund will be automatically moved into the appropriate Mercer Target Retirement Fund when they are 8 calendar years from the year of their selected retirement date. Depending on the chosen retirement destination, the Mercer Target Retirement Fund aims to gradually reduce exposure to investment risk by investing in lower growth assets. Derivatives may be used for investment purposes as well as risk reduction. These are selected and reviewed by the investment adviser, Mercer Limited, and may change. The annual management charge (AMC) includes a 0.08% charge paid to Mercer Limited for investment governance advice provided for this fund.	0.63%	0.04%	0.67%

Fund name	Fund aim	Total Annual Management Charges*	Additional Expenses	Total Expense Ratio
Mercer Growth/ Balanced Risk (without retirement de-risking)	This is a moderate to higher risk fund designed by Mercer Limited aiming to provide moderate to high levels of long-term capital growth. It invests in one or more underlying funds to produce a portfolio with around two thirds or more invested in UK and overseas shares, a significant holding in government and corporate bonds and the rest spread across other asset types giving exposure to commodities, property and money market instruments. Derivatives may be used for investment purposes as well as risk reduction. The fund factsheet shows the underlying fund(s) and weightings. These are selected and reviewed by the investment adviser, Mercer Limited, and may change. The annual management charge (AMC) includes a 0.08% charge paid to Mercer Limited for investment governance advice provided for this fund.	0.63%	0.04%	0.67%
Mercer Moderate Growth/ Moderate Risk	This is a lower to moderate risk fund designed by Mercer Limited aiming to provide low to moderate long-term capital growth. It invests in one or more underlying funds to produce a portfolio with around half invested in UK and overseas shares, a substantial holding in government and corporate bonds and the rest spread across other asset types giving exposure to other asset classes such as commodities, property and money market instruments. Derivatives may be used for investment purposes as well as risk reduction. The fund factsheet shows the underlying fund(s) and weightings. These are selected and reviewed by the investment adviser, Mercer Limited, and may change. The annual management charge (AMC) includes a 0.08% charge paid to Mercer Limited for investment governance advice provided for this fund.	0.64%	0.05%	0.69%
Mercer Defensive/ Lower Risk	This is a lower risk fund designed by Mercer Limited which aims for stable capital growth over the long term. It invests in one or more underlying funds to produce a portfolio with around a quarter in money market instruments and around three quarters invested in government bonds, corporate bonds, UK shares, overseas shares and other asset types such as property. Other securities may be held from time to time. The fund factsheet shows the underlying fund(s) and weightings. These are selected and reviewed by the investment adviser, Mercer Limited, and may change. The annual management charge (AMC) includes a 0.08% charge paid to Mercer Limited for investment governance advice provided for this fund.	0.61%	0.09%	0.70%

\*This covers the Plan based charge, fund annual management charge and Trustee charge described on [page 12](#).

## Other funds [\(see page 8\)](#)

These other funds offer a wide choice of investment types and a mix of active and passive investment management to enable you to build your own investment portfolio.

Fund name	Fund aim	Total Annual Management Charges*	Additional Expenses	Total Expense Ratio
Mercer Absolute Return Fixed Income	Aims to achieve a positive total return. The fund will seek to achieve its objective by opportunistically accessing a variety of global return sources such as credit, government bonds, interest rates, currencies and emerging markets, taking both long and short positions which intend to deliver positive total returns over time. The fund may invest in investment grade securities and may also fully invest in below investment grade or “high yield” bonds and fixed income securities.	0.85%	0.06%	0.91%
Mercer Active Emerging Markets Debt	The fund aims to achieve long-term capital growth and income by investing in one or more actively-managed underlying fund(s) that invest in a diversified portfolio predominantly of bonds issued by governments and companies in emerging markets. Investments will include fixed and floating rate debt securities with varying maturities. Derivatives may be used for investment purposes as well as risk reduction. The funds are selected and reviewed by the investment adviser, Mercer Limited, and may change.	1.04%	0.09%	1.13%
Mercer Active Emerging Markets Equity	The fund aims to achieve long-term capital growth by investing in one or more actively-managed underlying fund(s) that invest in a diversified portfolio of emerging market equity and equity-related securities. Derivatives may be used for investment purposes as well as risk reduction. The funds are selected and reviewed by the investment adviser, Mercer Limited, and may change.	1.24%	0.11%	1.35%
Mercer Active Global Equity	The fund aims to achieve long term capital growth by investing in one or more actively-managed underlying fund(s) that invest in a diversified portfolio of global equity and equity-related securities. Derivatives may be used for investment purposes as well as risk reduction. The funds are selected and reviewed by the investment adviser, Mercer Limited, and may change.	1.07%	0.04%	1.11%
Mercer Active Global Small Cap Equity	The fund aims to achieve long-term growth of capital and income by investing in one or more actively-managed fund(s) that invest primarily in a diversified range of small capitalisation securities which are listed or traded in global developed markets. There may also be some exposure to emerging market equities, fixed income securities and Real Estate Investment Trust securities (REITs). Derivatives may be used for investment purposes as well as risk reduction. The funds are selected and reviewed by the investment adviser, Mercer Limited, and may change.	1.22%	0.06%	1.28%



Fund name	Fund aim	Total Annual Management Charges*	Additional Expenses	Total Expense Ratio
Mercer Active UK Equity	The fund aims to achieve long-term capital growth by investing in one or more actively-managed underlying fund(s) that invest in a diversified portfolio of UK equity and equity-related securities. Derivatives may be used for investment purposes as well as risk reduction. The funds are selected and reviewed by the investment adviser, Mercer Limited, and may change.	1.04%	0.04%	1.08%
Mercer Active UK Property	The fund invests primarily in direct UK commercial property including industrial warehouses, shopping units and office space. It aims to generate total returns (from income and capital appreciation) that are above its benchmark, over rolling 3 year periods.	1.12%	0.04%	1.16%
Mercer Cash	The fund aims to maintain a cash-based level of income consistent with preservation of principal and liquidity by investing in one or more actively-managed underlying fund(s) that invest in a portfolio of high quality short-term Sterling denominated money market instruments. The funds are selected and reviewed by the investment adviser, Mercer Limited, and may change. The annual management charge (AMC) includes a 0.03% charge paid to Mercer Limited for investment governance advice provided for this fund.	0.50%	0.00%	0.50%
Mercer Diversified Growth	The fund aims to provide long-term capital growth by investing in one or more actively or passively managed diversified growth funds that invest in a diversified portfolio of equities, bonds, commodities indices and Real Estate Investment Trusts (REITs). Derivatives may be used for investment purposes as well as risk reduction. The funds are selected and reviewed by the investment adviser, Mercer Limited, and may change.	0.66%	0.05%	0.71%
Mercer Diversified Retirement	This fund is designed by Mercer Limited for investors planning to retire and then intending to enter drawdown and continue to invest their portfolio after retirement. It invests in one or more underlying funds to produce a portfolio with around a quarter invested in UK and overseas shares, a substantial holding in government and corporate bonds and the remainder spread across other asset types giving exposure to other asset classes such as commodities, property, infrastructure and money market instruments. These assets aim to provide moderate long-term capital growth.	0.63%	0.05%	0.68%
Mercer Drawdown Adventurous Retirement	This option aims for higher growth over the longer term of around 3.0% above the cash rate by taking some additional risk. Growth is achieved by investing in a mix of company shares as well as other growth investments such as emerging market bonds, property and infrastructure. The funds are selected and reviewed by the investment adviser, Mercer Limited, and may change.	0.63%	0.05%	0.68%

Fund name	Fund aim	Total Annual Management Charges*	Additional Expenses	Total Expense Ratio
Mercer Drawdown Cash Retirement	This option aims to protect your savings without unexpected falls in value. Growth is expected to be broadly in line with interest from bank or building societies by investing in cash and money market instruments. The return may not always keep pace with inflation. The funds are selected and reviewed by the investment adviser, Mercer Limited, and may change.	0.50%	0.00%	0.50%
Mercer Drawdown Cautious Retirement	This option aims for modest growth over the long term of around 1.5% above the cash rate whilst minimising uncertainty in your retirement plans. The fund invests in a wide mix of company shares, cash and bonds as well as other asset types such as property and infrastructure. The funds are selected and reviewed by the investment adviser, Mercer Limited, and may change.	0.63%	0.04%	0.67%
Mercer Drawdown Defensive Retirement	This option aims for growth over the long term of around 0.5% above the cash rate. The fund invests in cash, government and company bonds as well as a limited amount of company shares and other assets types such as property and infrastructure. The funds are selected and reviewed by the investment adviser, Mercer Limited, and may change.	0.56%	0.02%	0.58%
Mercer Drawdown Diversified Retirement	This option aims for a reasonable return over the long term of around 2.5% above cash rate, but with less uncertainty in returns compared to more adventurous options. The fund invests in a wide range of company shares, cash and a mixture of bonds as well as property and infrastructure. The funds are selected and reviewed by the investment adviser, Mercer Limited, and may change.	0.63%	0.05%	0.68%
Mercer Drawdown Dynamic Retirement	This option aims to generate a high level of capital growth over the long term of around 4.0% above the cash rate. It does this by including investments that can bring more uncertainty, but higher returns, such as emerging markets and shares in smaller companies in a diversified portfolio of shares, bonds and property. The funds are selected and reviewed by the investment adviser, Mercer Limited, and may change.	0.63%	0.04%	0.67%
Mercer Global Listed Infrastructure	The investment objective of the Fund is to seek income and long term growth of capital. The Fund will seek to achieve its objective by primarily investing in a portfolio of listed infrastructure and infrastructure related equity securities (including relating to transport, utilities, communication, and renewable energy infrastructure) across developed markets.	1.22%	0.05%	1.27%

Fund name	Fund aim	Total Annual Management Charges*	Additional Expenses	Total Expense Ratio
Mercer Inflation Linked Pre-Retirement	The fund aims to broadly mirror the changes in pricing for an inflation linked annuity by investing in one or more passively-managed underlying fund(s) that invest in UK index-linked government bonds and corporate bonds. They are selected and reviewed by the investment adviser, Mercer Limited, and may change. The annual management charge (AMC) includes a 0.03% charge paid to Mercer Limited for investment governance advice provided for this fund.	0.54%	0.00%	0.54%
Mercer Low Volatility Equity	Mercer state that the fund seeks to generate long-term growth of capital and income. The fund's policy is to invest in a diversified portfolio of low volatility equities which are actively managed by managers highly-rated by Mercer. The fund will primarily invest in a range of equity funds, but investment may be made directly into global equities if the manager believes such investments exhibit lower-than-average changes in share price. The fund may also invest in investment-grade and sub-investment grade debt (including government, corporate and convertible bonds), exchange traded funds (ETFs), Real Estate Investment Trusts (REITs), warrants, collective investment schemes, emerging markets securities, money markets and transferable securities. The fund may use derivatives for investment purposes.	1.17%	0.05%	1.22%
Mercer Passive Emerging Markets Equity	The fund aims to achieve a return consistent with the MSCI Emerging Markets ex Selected Securities Index or other equivalent index. It invests in one or more passively-managed underlying fund(s) that invest in a diversified portfolio of emerging market equities. They are selected and reviewed by the investment adviser, Mercer Limited, and may change. The annual management charge (AMC) includes a 0.03% charge paid to Mercer Limited for investment governance advice provided for this fund.	0.52%	0.05%	0.57%
Mercer Passive Global Equity	Aims to seek long term growth of capital and income. The fund will seek to achieve its objective by investing predominantly in global equity and equity related securities that as far as possible and practicable reflect the component global equity securities of the MSCI World ex Selected Securities Index. The fund may only use financial derivative instruments for the purposes of hedging and efficient portfolio management.	0.47%	0.03%	0.50%
Mercer Passive Global REITs	The investment objective of the fund is to seek income and long term growth of capital (any income received is re-invested for growth). The fund is passively managed and seeks to achieve its objective by investing predominantly in global listed real estate companies, Real Estate Investment Trusts ("REITs") and equity related securities that as far as possible and practicable reflect the component equity securities of the FTSE EPRA Nareit Developed REITs Net Tax Index or a similar index.	0.52%	0.04%	0.56%

Fund name	Fund aim	Total Annual Management Charges*	Additional Expenses	Total Expense Ratio
Mercer Passive Over 15 Year Gilt	The fund aims to achieve a return consistent with the FTSE UK Gilts Over 15 Years Index by investing in one or more passively-managed underlying fund(s) that invest in UK Government gilts with a maturity period of 15 years or longer. They are selected and reviewed by the investment adviser, Mercer Limited, and may change. The annual management charge (AMC) includes a 0.03% charge paid to Mercer Limited for investment governance advice provided for this fund.	0.50%	0.00%	0.50%
Mercer Passive Over 5 Year Index-Linked Gilt	The fund aims to achieve a return consistent with the FTSE UK Gilts Index-Linked Over 5 Years Index by investing in one or more passively-managed underlying fund(s) that invest in UK Government index-linked gilts with a maturity period of 5 years or longer. They are selected and reviewed by the investment adviser, Mercer Limited, and may change. The annual management charge (AMC) includes a 0.03% charge paid to Mercer Limited for investment governance advice provided for this fund.	0.50%	0.00%	0.50%
Mercer Passive Overseas Equity	The fund aims to achieve a return consistent with the FTSE Developed ex UK Custom ESG Screened Index or other equivalent index. It invests in one or more passively-managed underlying fund(s) that invest in the shares of overseas companies. They are selected and reviewed by the investment adviser, Mercer Limited, and may change. The annual management charge (AMC) includes a 0.03% charge paid to Mercer Limited for investment governance advice provided for this fund.	0.50%	0.00%	0.50%
Mercer Passive Overseas Equity Hedged	The fund aims to achieve a return consistent with the FTSE All World Developed ex UK (95% GBP Hedged) composite or other equivalent index. It invests in one or more passively-managed underlying fund(s) that invest in the shares of overseas companies. They are selected and reviewed by the investment adviser, Mercer Limited, and may change. The annual management charge (AMC) includes a 0.03% charge paid to Mercer Limited for investment governance advice provided for this fund.	0.52%	0.01%	0.53%
Mercer Passive Shariah	The fund aims to offer investors the opportunity to grow their money in line with the performance of the Dow Jones Islamic Titans 100 Index. The fund invests one or more passively-managed underlying fund(s) that invest in company shares from around the world and are compliant with Islamic Shariah principles. The funds are selected and reviewed by the investment adviser, Mercer Limited, and may change. The annual management charge (AMC) includes a 0.03% charge paid to Mercer Limited for investment governance advice provided for this fund.	0.65%	0.12%	0.77%

Fund name	Fund aim	Total Annual Management Charges*	Additional Expenses	Total Expense Ratio
Mercer Passive Sustainable Global Equity	The fund is a passively managed fund which aims to seek income and long term growth of capital by investing predominantly in global equity and equity related securities that as far as possible and practicable reflect the component equity securities of the Solactive Sustainable Global Developed Equity EU Paris-Aligned Index.	0.47%	0.06%	0.53%
Mercer Passive UK Corporate Bond	The fund aims to achieve a return consistent with the Markit iBoxx Sterling Non-Gilts Index or other equivalent index. It invests in one or more passively-managed underlying fund(s) that invest in Sterling denominated investment grade corporate bonds. They are selected and reviewed by the investment adviser, Mercer Limited, and may change. The annual management charge (AMC) includes a 0.03% charge paid to Mercer Limited for investment governance advice provided for this fund.	0.50%	0.00%	0.50%
Mercer Passive UK Equity	The fund aims to achieve a return that is consistent with the return of the FTSE All-Share Custom ESG Screened Index by investing in one or more passively-managed underlying fund(s) that invest in the shares of UK companies. They are selected and reviewed by the investment adviser, Mercer Limited, and may change. The annual management charge (AMC) includes a 0.03% charge paid to Mercer Limited for investment governance advice provided for this fund.	0.50%	0.00%	0.50%
Mercer Pre-Retirement	The fund aims to broadly mirror the changes in pricing for a fixed priced annuity by investing in one or more passively-managed underlying fund(s) that invest in UK government and corporate bonds. The funds are selected and reviewed by the investment adviser, Mercer Limited, and may change. The annual management charge (AMC) includes a 0.03% charge paid to Mercer Limited for investment governance advice provided for this fund.	0.54%	0.00%	0.54%
Mercer Sustainable Global Equity	The fund aims to achieve long-term growth of capital and income. The Fund will seek to achieve its objective by investing in a diversified portfolio of global equity securities. The Fund will use socially responsible investment criteria to include or exclude certain investments. Any income received will be reinvested to increase the value of the units. The Fund may use derivatives for investment purposes.	1.00%	0.04%	1.04%

\*This covers the Plan based charge, fund annual management charge and Trustee charge described on [page 12](#).

The individual fund factsheets, which you can access on the Mercer Master Trust Administrator's website via Mercer Money ([see page 26](#)), show the underlying funds and investment weightings for each of the funds. These are selected and reviewed by Mercer and may change.

## Finding out more

### Mercer Money

Mercer Money is the gateway to a wide range of information about investing your Plan savings, including factsheets about all of the investment fund choices.

Mercer Money also allows you to access tools to help you work out:

- How much you will need to live on when you stop work;
- How long you will be investing; and
- Your attitude to investment risk.

You can access Mercer Money at [mercermoney.com](https://mercermoney.com), or download it as a mobile app from the App Store or Google Play.

### If you have any questions

You can contact the Mercer Master Trust administrator, Aviva, by using these details:

 **0345 600 6303** (8am – 5:30pm, Monday to Friday)

 [mymoney.questions@aviva.com](mailto:mymoney.questions@aviva.com)

 **Aviva, PO Box 2282, Salisbury, SP2 2HY.**

You can access your personal account details on the Mercer Master Trust administrator's website via Mercer Money.

### Financial advice

Neither the Trustees nor the Mercer Master Trust administrator can provide financial advice and nothing in this guide should be treated as financial advice.

If you require financial advice, you should seek this from an authorised financial adviser. Please note, an authorised financial adviser is likely to charge for their services.

For details of an FCA-authorised financial adviser in your area, you can visit the following links:

- The Financial Conduct Authority website: [fca.org.uk/consumers/finding-adviser](https://fca.org.uk/consumers/finding-adviser)
- MoneyHelper website: Visit [moneyhelper.org.uk](https://moneyhelper.org.uk) and search for 'Choosing a Financial Adviser' or 'Find a retirement adviser'.

You should check the specialist advice areas of any adviser as well as the cost of their advice before appointing them. Please note that the Trustees are not advising the use of any specific adviser.

### The Secretary to the Mercer Master Trust Trustees

You can write to the Secretary to the Mercer Master Trust Trustees c/o, Westgate House, 52 Westgate, Chichester, PO19 3HF or email [MMTTrustees@mercerc.com](mailto:MMTTrustees@mercerc.com).

### Beware of pension and investment scams

Pension and investment scams continue to be a threat in the UK. It's important to be vigilant and check the facts before you make any irreversible decision to transfer your retirement savings elsewhere.

Once you've transferred your pension pot, or handed over your tax-free lump sum, it may be too late. Victims have been known to lose their entire pension savings to scams. And, even if you don't lose your money, you could still face a large tax bill from HM Revenue & Customs.

For information about pension scams, visit [thepensionsregulator.gov.uk/pension-scams](https://thepensionsregulator.gov.uk/pension-scams)

You can also check the FCA's Scamsmart website pages at [fca.org.uk/scamsmart](https://fca.org.uk/scamsmart) where you'll find information about known investment scheme scams and can check if a firm appears on their warning list.

If you're concerned that something is a scam, you can contact Action Fraud on **0300 123 2040** or [actionfraud.police.uk](https://actionfraud.police.uk)

## Important notice

This guide is for information only and is not personal financial advice. If you require financial advice you should seek this from an authorised financial adviser. The information is based on our current understanding of legislation, taxation and HMRC practice which may change in the future. 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.

June 2023



