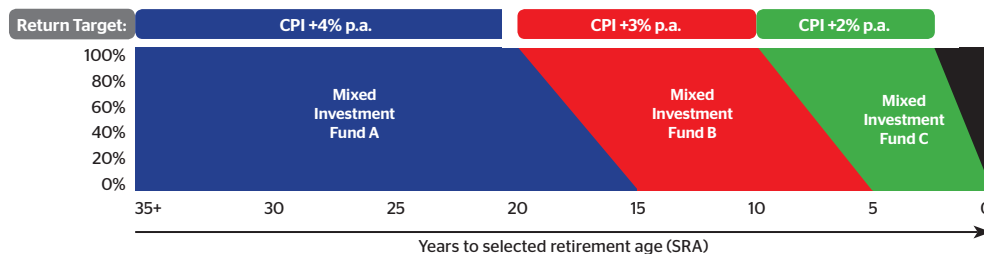




Consumers' Association Pension and Employee Benefits Scheme Changes to Investment Strategy

Your Trustees, alongside the Scheme's investment advisers, regularly review the investment strategy to see whether it is meeting its objectives. The objective of the Trustees is to grow your Pension Account over the long term by more than the rate of inflation (measured by the Consumer Prices Index) while managing risk as you get closer to retirement. The Trustees will aim to generate returns of:

- 4% p.a. more than inflation when your Pension Account is invested in Mixed Investment Fund A - when you are more than 20 years from your Selected Retirement Age "SRA".
- 3% p.a. more than inflation when your Pension Account is invested in Mixed Investment Fund B - when you are between 10 and 20 years from your SRA.
- 2% p.a. more than inflation when your Pension Account is invested in Mixed Investment Fund C - when you are between 3 and 10 years from your SRA.



The investment target in the final 3 years before your SRA depends on the choice you make when you are 3 years away from your SRA.

This gradually reducing target is because the Trustees will gradually reduce the risk to protect your assets in your Pension Account as you get closer to your SRA. The

Trustees' targets may not be met at all times as the rate of return cannot be guaranteed. However, by developing and regularly monitoring a strategy which invests in a diversified array of asset classes, your Trustees seek to meet these objectives whilst minimising the risk of under-performing for a significant period of time.

The most recent review identified that changes to the underlying blends of the funds that make up Mixed Investment Funds A, B and C are necessary at this time to prepare for a potential market downturn. Hence there will be changes to the asset allocation to reflect the Trustees' views on where assets can be protected from large losses; in particular to reduce the overall allocation to 'high risk' assets such as equity, infrastructure and high yield, and increasing exposure to 'safer' assets such as gilts and cash. Within the equity allocation, there is to be a reduction in emerging markets, Japan and UK exposure and an introduction of a type of equity which tends to hold up well in difficult market conditions. Whilst the changes will not immunise the Funds against a market downturn, they are designed to lessen the impact while still providing opportunities for growth. The changes do not affect the Trustees' long term growth targets for the Funds and will be kept under review. The Trustees have sought professional advice and believe the changes are in the best interest of members. The detail of these changes is shown on page 3.

The changes happened in June 2018.

These changes also apply to members in the Hybrid Section who are paying AVCs into the DC AVCs.

Which? pays the day to day running costs with the exception of the annual management charges. The changes decrease the annual management charge

that you will pay from your Pension Account because some asset classes are less expensive to invest in than others.

Investment Fund	Current annual charge per £100 invested in your Pension Account	Future annual charge per £100 invested in your Pension Account
Which? Mixed Investment Fund A	32.8 pence	30.6 pence
Which? Mixed Investment Fund B	31.2 pence	28.2 pence
Which? Mixed Investment Fund C	26.1 pence	23.6 pence
Gilts	10.0 pence	10.0 pence
Cash	12.5 pence	12.5 pence

If you have any questions, please contact:

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Frequently Asked Questions

Q: Why are my Trustees making changes to my pension account?

A: Your Trustees, alongside the Scheme's investment advisers, carried out a review of the current investment strategy and concluded that alterations would be necessary to continue to meet its return objectives (outlined on page 1 of this newsletter).

Q: What are the changes?

A: The main changes within the blends are a reduction in the holdings of equities in general, a reduction in long dated index-linked gilts in favour of shorter dated fixed gilts and the removal of infrastructure. A detailed comparison of the allocation to various asset classes can be found in the table on page 3 of this newsletter.

Q: What do I need to do?

A: The change in asset allocation will happen automatically; therefore no action is required by you.

Q: When were the changes made?

A: The changes occurred in June 2018.

Q: Will this cause any disruption in services?

A: The changes will not cause any disruption; you will be able to access all of your pension services as normal.

Q: What am I being charged for this change?

A: There are no charges for the administration of the change - charges for this are being paid directly by Which? on this occasion.

There will also be a decrease in the annual management charges as a result of a decreased cost to access certain asset classes. The new charges are outlined in the table opposite.

Q: What if I have more questions or need help?

A: If you have any further questions, or require any assistance, please contact Karen MacKenzie on +44 (0)207 770 7553 or karen.mackenzie@which.co.uk.

Asset Class	Region	Fund Name	TER	Mixed Fund A		Mixed Fund B		Mixed Fund C	
				Current (%)	New (%)	Current (%)	New (%)	Current (%)	New (%)
Equity	UK	LGIM UK Equity	0.100%	2.4	1.9	3.3	1.3	2.0	0.8
		LGIM UK Smaller Companies	0.250%	4.9	-	3.3	-	2.0	-
	Global	LGIM Large Cap Defensive Equity	0.300%	-	18.2	-	12.68	-	7.3
		LGIM Global Small Cap	0.250%	-	3.0	-	2.1	-	1.2
		LGIM Developed World ex-UK Equity Index	0.200%	-	2.7	-	1.9	-	1.1
	Europe (ex-UK)	LGIM Developed World ex-UK Equity Index (GBP hedged)	0.230%	-	2.7	-	1.9	-	1.1
		LGIM European Equity – Hedged	0.275%	4.4	5.2	3.1	3.6	1.6	2.1
		LGIM European Equity	0.250%	4.4	0.4	3.1	0.3	1.6	0.1
	North America	LGIM North American Equity	0.200%	13.5	1.3	9.3	0.88	5.1	0.5
		LGIM North American Equity – Hedged	0.225%	13.5	15.7	9.3	10.96	5.1	6.4
	Asia Pacific	LGIM Asia Pacific ex Japan Equity	0.275%	1.4	0.1	1.0	0.1	0.6	-
		LGIM Asia Pacific ex Japan Equity – Hedged	0.300%	1.4	1.7	1.0	1.2	0.6	0.7
	Japan	LGIM Japan Equity – Hedged	0.250%	6.5	3.2	4.5	2.18	2.5	1.3
	Emerging Market	LGIM World Emerging Market Equity	0.450%	10.1	4.6	7.1	3.2	3.9	1.9
	Total Equity		-	62.5	60.7	45	42.3	25	24.5
Bonds		LGIM Active Corporate Bond All Stocks	0.260%	-	-	12.5	12.5	12.5	12.5
		LGIM EM Passive Local Government Bond	0.350%	5.0	7.5	5.0	5.0	2.5	2.5
		LGIM EM Passive USD Government Bond – Hedged	0.275%	-	-	2.5	2.5	5.0	5.0
		LGIM High Income – Hedged	0.400%	12.5	10.0	12.5	10.0	10.0	10.0
		Total Bonds		-	17.5	17.5	32.5	30.0	30.0
Alternatives		LGIM Infrastructure Index	0.350%	5.7	-	4.8	-	4.5	-
		LGIM Private Equity Passive Index	0.550%	2.9	2.9	3.1	3.1	1.5	1.5
		LGIM Global Real Estate Investment Trust	0.350%	5.7	5.7	4.8	4.8	4.5	4.5
		LGIM Managed Property (UK)	0.700%	5.7	5.7	4.8	4.8	4.5	4.5
		Total Alternatives		-	20.0	14.3	17.5	12.7	15.0
Gilts		LGIM All Stocks Gilts	0.100%	-	-	5.0	-	17.5	-
		LGIM Index Linked Gilt All Stocks Fund	0.100%	-	-	-	-	12.5	12.5
		LGIM 5-15 Year Gilts	0.100%	-	7.5	-	12.5	-	17.5
		Total Gilts		-	7.5	5.0	12.5	30.0	30.0
Cash		LGIM Cash	0.125%	-	-	-	2.5	-	5.0
	Grand Total		-	100.0	100.0	100.0	100.0	100.0	100.0
			TER:	0.328%	0.306%	0.312%	0.282%	0.261%	0.236%