



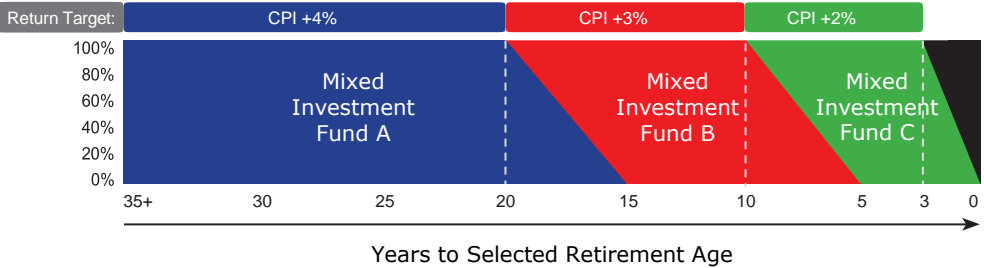
Consumers' Association Pension and Employee Benefit Scheme Changes to Investment Strategy

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". Between 20 and 15 years, your Account is invested in a mix of Funds A and B.
- 3% p.a. more than inflation when your Pension Account is invested in Mixed Investment Fund B – when you are between 15 and 10 years from your SRA. Between 10 and 5 years, your Account is invested in a mix of Funds B and C.
- 2% p.a. more than inflation when your Pension Account is invested in Mixed Investment Fund C – when you are between 5 and 3 years 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 desirable at this time to reflect the Trustees' view that markets are entering a more stable phase. In particular the Trustees are going to reduce the overall allocation to 'safer' assets such as gilts and increase exposure to 'return-seeking' assets such as equities. Within the equity allocation, the Trustees will increase the allocation to emerging and overseas markets and reduce the allocation to defensive equities. Whilst the strategy has performed well since the last review, the changes are designed to provide greater 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 investment target in the final 3 years before your SRA depends on the choice you make when you reach 3 years away from your SRA.

The changes are happening in August 2019.

These changes also apply to members in the Hybrid Section who have paid AVCs into the DC Section AVCs.

Which? pays the day to day running costs with the exception of the annual management charges. The changes slightly increase the annual management charge that you will pay from your Pension Account because some asset classes are more 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	31.2 pence	31.5 pence
Which? Mixed Investment Fund B	29.2 pence	29.4 pence
Which? Mixed Investment Fund C	25.1 pence	25.3 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 are 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 an increase in the holdings of equities in general and a reduction in shorter-dated fixed gilts. 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 are the changes happening?

A: The changes are happening in August 2019.

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 be a slight increase in the annual management charges as a result of an increased 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 the Pensions Team on +44 (0)207 770 7553 or pensions@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%	1.9	1.9	1.3	1.3	0.8	0.8
		LGIM UK Smaller Companies	0.250%	-	-	-	-	-	-
	Global	LGIM Russell Global Large Cap Defensive Equity	0.300%	18.2	9.1	12.68	6.28	7.3	3.7
		LGIM Global Small Cap	0.250%	3.0	3.0	2.1	2.1	1.2	1.2
		LGIM Developed World ex-UK Equity Index	0.180%	2.7	7.7	1.9	5.36	1.1	3.1
		LGIM Developed World ex-UK Equity Index (GBP hedged)	0.203%	2.7	7.7	1.9	5.36	1.1	3.1
		LGIM European Equity – Hedged	0.275%	5.2	5.2	3.6	3.6	2.1	2.1
	Europe (ex-UK)	LGIM European Equity	0.250%	0.4	0.4	0.3	0.3	0.1	0.1
		LGIM North American Equity	0.200%	1.3	1.3	0.88	0.88	0.5	0.5
	North America	LGIM North American Equity – Hedged	0.225%	15.7	15.7	10.96	10.96	6.4	6.4
		LGIM Asia Pacific ex Japan Equity	0.275%	0.1	0.1	0.1	0.1	-	-
	Asia Pacific (ex-Japan)	LGIM Asia Pacific ex Japan Equity – Hedged	0.300%	1.7	1.7	1.2	1.2	0.7	0.7
		LGIM Japan Equity – Hedged	0.250%	3.2	3.2	2.18	2.18	1.3	1.3
Japan	LGIM World Emerging Market Equity	0.450%	4.6	8.0	3.2	5.58	1.9	3.2	
Emerging Market	Total Equity		-	60.7	65.0	42.3	45.2	24.5	26.2
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%	7.5	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%	10.0	10.0	10.0	10.0	10.0	10.0
	Total Bonds		-	17.5	17.5	30.0	30.0	30.0	30.0
Alternatives		LGIM Infrastructure Index	0.350%	-	-	-	-	-	-
		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)	0.720%	5.7	5.7	4.8	4.8	4.5	4.5
	Total Alternatives		-	14.3	14.3	12.7	12.7	10.5	10.5
Gilts		LGIM All Stocks Gilts	0.100%	-	-	-	-	-	-
		LGIM Index Linked Gilt All Stocks Fund	0.100%	-	-	-	-	12.5	12.5
		LGIM 5-15 Year Gilts	0.100%	7.5	3.2	12.5	9.6	17.5	15.8
	Total Gilts		-	7.5	3.2	12.5	9.6	30.0	28.3
Cash		LGIM Cash	0.125%	-	-	2.5	2.5	5.0	5.0
Total			-	100	100	100	100	100	100
Total Expense Ratio (TER) :-				0.312%	0.315%	0.292%	0.294%	0.251%	0.253%

In the above table increases to allocations are noted in green, decreases in red.