

Mercer Master Trust

Quarter three 2020 update

welcome to brighter






MMT Employer Forum

During September, the Mercer Master Trust Trustees held a participating employer forum.

The Trustees are keen to maintain dialogue with participating employers and invitees were given choice on the agenda items to ensure that the session was relevant and useful.

Speakers at the forum were :

 <p>Alan Pickering</p>	<p>Chair of the Trustee Board</p>
 <p>Lisa Mundy</p>	<p>Trustee and Chair of the administration and communication sub committee</p>
 <p>Roger Breeden</p>	<p>Chair of the Mercer Strategist Group</p>
 <p>Jane Walker</p>	<p>Mercer Investment specialist</p>

The session was interactive with high employer engagement. Topics covered included, **Responsible Investment, member engagement and Mercer’s innovation and digital roadmap.**

Making the session interactive, meant that both the Trustees and Mercer have gained valuable insight into what is important to participating employers and their members at this time.



All attendees have been asked for feedback to ensure that future forums are relevant and engaging.



Mercer Master Trust

45

Number of principal employers

102

Number of participating employers

88,387

Number of members

£2.6bn

Funds under management

£210,797,358

Annual contributions

Data as at 30 September 2020.
Source: Mercer Ltd.

Mercer awarded top accolade for Responsible Investment Strategy and Governance by the PRI

As a consultant, Mercer was a founding signatory to the Principles for Responsible Investment (PRI) in 2006, when we also helped shape its original statements and aims.

We were one of the first consultants to pioneer responsible investment, and we have worked both with the PRI and other international organisations to promote best practice around the world for almost two decades.

Now, in 2020, we are proud to have been awarded an **A+** and **six As** from the PRI for our \$306bn of assets under management in investment solutions across public and private markets.

Through our investment solutions platform, not only do we allocate our clients' portfolios to a wide range of managers that have been highly rated and selected by our in-house research team, but we help them avoid the investment and reputational risks associated with poor ESG practices, while also seeking opportunities that emerge from new trends and regulatory changes.

Retirement support

In 2020 we have committed to building an innovative workplace retirement proposition for our members. We have made excellent progress; defining our proposition, selecting a partner and building our delivery plan.

We've gone back to basics, looking at the challenges our members face and re-examining traditional market approaches and offerings.

We will be launching an integrated digital advice engine that can plan and advise holistically. Retirement is complex, and likely to be one of the biggest decisions our members will ever make. **In our view, education and guidance can only go so far.** Our corporate clients, and their employees, tell us that advice is what they really need.

Quarter 3 new business activity

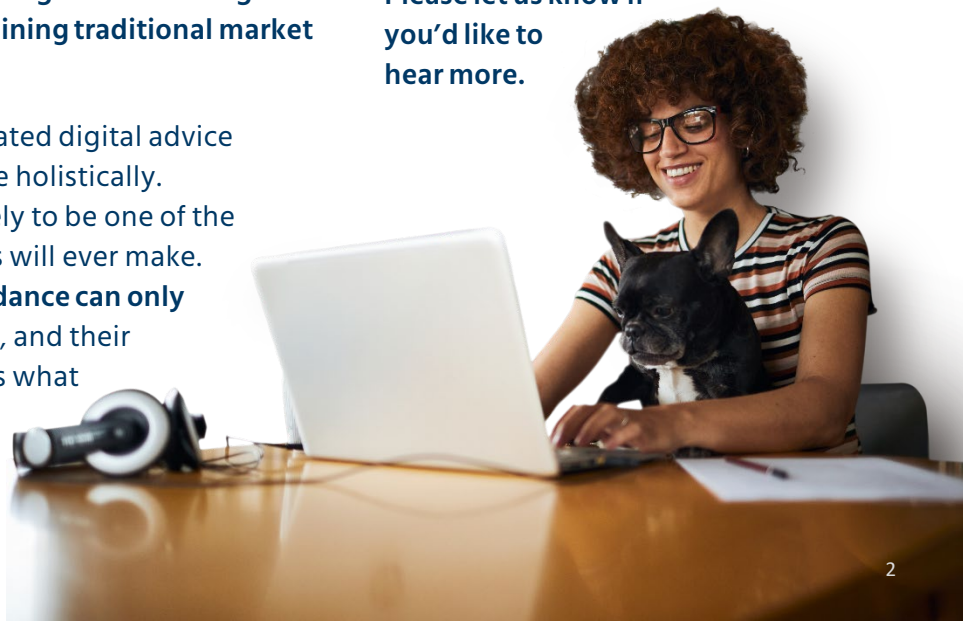
The holiday period during the 3rd quarter saw a reduction in the number of new RfP's coming to market; albeit we started to see more activity towards the end of September. In total, we received RfP's from five different TPE's.

We can confirm that during the quarter we won **4** new schemes, that will result in over **10,800** additional members joining the MMT, and we are through to pitch stage with a number of others where we have been shortlisted.

We are currently in the process of implementing **10** schemes into the MMT, with total expected assets of **£961m**.

We are excited to confirm that we will be launching the **Proof of Concept**, in conjunction with our partner **HUB Financial Services**, during Q4, commencing live client trials in Q1 2021.

Please let us know if you'd like to hear more.



Investment performance

Following on from the resurgence in financial markets during Q2 2020, we have seen volatile, **slightly positive markets in Q3**, as fears of a second lockdown weigh on investors. The Mercer Growth fund, the fund used in the growth phase of the lifestyle strategies, returned 2.4% over the quarter.

This resulted in outperformance of 1.4% over the quarter versus target.

It is worth noting that **versus equities the fund** (as represented by MSCI World) **has displayed 32% less volatility since its inception in August 2011**, showing the value to members of investing in a fund with true diversification.

We have also undertaken our annual investment strategy review, which **concluded that Mercer SmartPath (including the Mercer Growth fund) remains strongly placed to provide strong outcomes for members**, particularly over the long term.

Performance to 30 September 2020 [Growth of £100]



To find out more

If you have any questions about this document or wider queries on the Mercer Master Trust, please email **David Harvey** or **Tracie Denson**:

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Further information on the Mercer Master Trust can also be found at:

<https://www.uk.mercer.com/our-thinking/mercer-master-trust-default-fund-performance.html>

