HCA International Limited Staff Retirement Benefits Scheme (the 'Scheme')

Some questions you may have about the Mercer SmartPath™ Investment Strategy

Q. What investment options are available in the Scheme?

A. Your pension savings build up in the Scheme based on contributions and investment returns. There is a wide choice of options for investing your pension savings. If you don't actively choose one of these, your pension savings will be invested in Mercer SmartPath™, which is the 'default' investment strategy. This is designed to manage your investments for you across your working life.

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

Q. What is Mercer SmartPath™ ?

A. Mercer SmartPath™ is designed to give you the opportunity to achieve the long-term investment growth needed to build your savings and then gradually reduce your exposure to risk before you start to take these savings.

Q. What happens in the Mercer SmartPath™ strategy?

A. The Mercer SmartPath™ strategy invests over two phases – the first aims to help you grow your pot, and the second looks to help you prepare for the point at which you will access your pension savings.

During the first 'Growth Phase', Mercer SmartPath™invest in higher risk assets with the aim of helping your pot grow over the long term. These assets are mainly equities or shares
(including those of property and infrastructure companies).

Around 16 years before retirement, Mercer SmartPath™ will gradually start to move your savings into a more diverse range of assets, some of which look to avoid large drops in the value of your savings, such as bonds and cash. This is in order to provide greater protection against large rises and falls in the value of your pension savings.

When you are around 8 years away from your retirement age, you'll be asked to confirm when you would like to take your pension savings. This will then determine when your investment strategy matures (see below).

Q. What changes are taking place?

A. A series of changes are taking place within the Mercer SmartPath™ strategy, which intend to:

- Provide greater opportunity for your savings to grow over time
- Reduce the exposure your savings have to investment risk as you approach retirement
- Invest your retirement savings according to when and how you intend to start drawing on them

The previous version of Mercer SmartPath™ used 'Target Retirement Funds', which corresponded to a year in which you expected to retire. The changes taking place include a switch to 'Target Date Funds', which invest according to the length of time to go before you are due to access your pension savings. Target Date Funds are designed to mature shortly before or after the date you intend to start taking your savings.

For example, the Mercer Target Drawdown 2036-38 Fund is designed for people retiring between 1 January 2036 and 31 December 2038. The following table shows examples of how the current Target Retirement Funds will be switched across into Target Date Funds.

Retirement Year	Current Target Retirement Fund	Future Target Date Fund
2027	Mercer Retirement 2027 Drawdown/ Annuity/ Cash Fund	Mercer Retirement 2026-2028 Drawdown/ Annuity/ Cash Fund
2028	Mercer Retirement Fund 2028 Drawdown/ Annuity/ Cash Fund	Mercer Retirement 2026-2028 Drawdown/ Annuity/ Cash Fund
2029	Mercer Retirement 2029 Drawdown/ Annuity/ Cash Fund	Mercer Retirement 2029-2031 Drawdown/ Annuity/ Cash Fund

You may also see a slight change in the naming convention used for the funds you are invested in. This does not change the way these funds are invested. For example, 'Mercer Annuity Retirement Sx' will be renamed 'Mercer Retirement: Annuity Mx'.

Q. When will the changes take place?

A. These changes will take place over the coming months and the covering letter includes details. While the changes are taking place, you will not be able to make any investment switches but you will still be able to make other changes online, for example nominating a beneficiary to help protect your pot if you die.

Q. What will I see on my online account?

A. To ensure there is no disruption while the changes takes place, we will impose what is called a blackout period. During this time, you won't be able to view or access certain features of your online account. This is normal practise and helps ensure the correct value of your account is switched.

It's important to be aware that during this blackout period you will not be able to see the balance of your pension savings on your online account (this will show 'Not Available'). Your savings continue to remain invested and you will see your balance again once the blackout period is lifted.

Q. What happens if there are big fluctuations in investment values during the blackout period?

A. From time to time we may see increased fluctuation in investment values (known as volatility), often caused by economic or political factors (e.g. economic data releases or political election). During any investment changed we make, we continue to monitor markets throughout the blackout period. In advance of the planned date for the changes, the Trustee and its investment advisors will decide whether it is appropriate to continue with the changes depending on market conditions and expected market events; in making this decision they will consider economic events, volatility and operational challenges. If it is not deemed appropriate, the changes would be suspended until a more appropriate time. Please note that the change has been planned to ensure minimal time out of market or double exposure in order to help minimise the impact of market volatility.

Q. Will I be charged for these changes?

A. There will be no charge from the Scheme or the Trustees for these changes. When you review your account after the change you will see two transactions, one out of your old investments and another into the new investments. Please note, all fund switches will incur transaction costs when buying and selling the underlying assets in which the funds are invested.

The fund unit prices will therefore increase or decrease on a given day to reflect the cost of buying and selling the assets underlying the fund depending on all movements that are made that day across all investors in the fund. These 'implicit' transactions costs are minimal and are to maintain the value of your pension savings when these transactions are made.

Q. Which investment option is right for me?

A. The Scheme's default investment strategy is chosen by the Trustee of the Scheme as being broadly suitable for most members.

However, depending on how you plan to take your pension savings, you may wish to invest in a different SmartPathTM strategy or the Schemes self-select funds.

Q. How does a Target Date fund work?

A. Each Target Date Fund invests according to the length of time to go before you are due to take your pension savings. Each Target Date Fund includes a 3-year period in its name. The Target Date Fund for you will be the one containing the year in which you want to start to take your savings. If you don't let us know when you intend to start taking your pension savings, they will be invested in the Target Date Fund containing in its name the year you will reach the Scheme's Normal Retirement Date which is age 65.

Q. Can I invest in more than one Target Date Fund?

A. You can choose to have your savings invested in more than one Target Date Fund. Selecting a Target Date Fund that does not reflect the retirement date we hold for you, will mean you are no longer invested in the default investment option. Therefore, the Target Date Fund you are invested in will not automatically change to reflect any future changes you may make to your retirement date.

Please note that it is important to ensure any Target Date Funds you choose align with your actual planned time frame for drawing benefits and the type of benefits you intend to take at retirement. We suggest that regulated Financial Advice is obtained for support if needed.

Q. Where can I find investment performance details for the new funds?

A. As the new Target Date Funds have recently launched, investment performance will not be shown on the fund factsheets for the first year – as is standard with new funds that are launched.

You can also find out more about the underlying funds that Target Date Funds invest in through the fund factsheets available via your online account.

Q. Do I need to think about how I want to access my pension savings?

A. Between nine and seven years before the date you are due to start taking your savings, you will be offered a choice of Target Date Funds that are designed to reflect the different ways you can take your savings. The options available to you are Mercer Target Drawdown, Mercer Target Annuity and Mercer Target Cash (the default target, which you are automatically entered into if you do not choose anything else).

Q. When do I need to decide how I want to take my pension savings?

A. If you are eight or less years away from retirement, you should consider how your investment choices fit with your retirement plans. There are three Mercer SmartPath™ strategies to choose from at this stage:

- The Mercer Target Cash SmartPath™ is designed for people who intend to take all of pension savings as cash (the default retirement target used if you do not make a choice);
- The Mercer Target Drawdown SmartPath™ is designed for people who plan to leave some or all of their pension savings invested and draw on these as required to provide an income;
- The Mercer Target Annuity SmartPath™ is designed for people who intend to use some or all of their pension savings to buy an annuity (a guaranteed income for life).

If the SmartPath™ strategy you are moved to as a result of these changes does not reflect the way you intend to take your pension savings, you may wish to consider switching these to a different SmartPath™ strategy after the changes have been put in place.

Q. What happens if I want to access my pension benefits during this time?

A. You will not be able to access your pension benefits during the blackout period. If you access your pension benefits before the blackout period takes place (for example to withdraw your tax-free cash) some or all of your pension benefits that remain invested may be moved to the Target Date Fund solution. Please contact Aviva if you think you may be affected by the timing of these changes.

Q. What will happen if I reach my selected retirement date and don't access my pension savings?

A. If you haven't started to take your pension savings by the time your Target Date Fund matures at the end of the final year in its name, your investments will be switched into a Retirement Fund that reflects that way you intend to use your savings. This will take place at the start of the following calendar year.

We will contact you before this switch takes place.

Once your pension savings are invested in a Retirement Fund, the way they are invested will only change if you request this online or by contacting Aviva (the administrator) – see below.

Q. What if I amend my selected retirement date?

A. If you are currently invested in the Mercer Growth/Balanced Risk fund (and are more than eight years from your retirement date) or are within eight years of your retirement and invested in a Target Retirement Fund which matches the year in which you plan to retire), a change of selected retirement date may result in your investments being moved into the new Target Date Fund solution.

Once you reach your target retirement age and your money is invested in a Retirement Fund, the way it's invested will only change if you request this online or by contacting Aviva. No automatic change will take place if you change your retirement date.

Q. What happens to my pension contributions?

A. If you are still actively contributing to this Scheme, there will be no change to how much, or when, you and your employer contribute to your pension savings account. You may find this is a good opportunity to review how much you pay in to make sure it aligns with your future plans.

Q. What happens if I've already started accessing my savings?

A. If you have already started accessing these pension savings, there will be no impact on the income you receive. The investment changes will take place behind the scenes and no action is required.

Q. Have I got access to sustainable investment options?

A. We take sustainability seriously and the default Mercer SmartPath™ strategy already includes a focus on investing in assets that will positively contribute to longer-term environmental, social and governance goals. You can also choose from individual funds with a focus on responsible investing, for example the Mercer Passive Sustainable Global Equity fund.

Q. How do I view and/or change my investments?

A. You can view how you are currently invested via your Aviva account and if you wish to make a switch, then you can choose to do so through a simple online process. Employees can sign on securely via Beneflex. Alternatively, the site can be accessed using the following address: aviva.co.uk/MyWorkplace

Q. Where can I find more information?

A. Your online account also includes your Investment Guide, which explains everything you need to know about Mercer SmartPath™and the other investment options available to you.

Q. Where can I get help with my pension investments?

A. If you would like advice, you can pay for regulated financial advice from a financial advisor. If you don't have an advisor, you can contact the following organisations:

- The Financial Conduct Authority website: fca.org.uk/consumers/finding-adviser
- MoneyHelper website: moneyhelper.org.uk
- GOV.UK provides impartial UK Government information on pensions at: gov.uk/browse/working/workplace-personal-pensions

Q. I have a question that isn't answered here. Where can I find more help?

A. You can contact the administrator, Aviva,by using these details:

0345 600 6303 (8am – 5:30pm, Monday to Friday)
mymoney.questions@aviva.com
Aviva, PO Box 2282, Salisbury, SP2 2HY.

Important Note

This document is for information only and does not constitute personal financial advice. If you require financial advice you should seek this from a regulated financial adviser. You should check the specialist advice areas of any adviser, as well as the cost of their advice, before appointing them.

The information is based on the Trustee's current understanding of legislation, taxation and HM Revenue & Customs 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.

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