Experian Retirement Savings Plan

Investment Guide

Investment Guide - December 2020

Contents

Introduction

As an employee and a member of the Experian Retirement Savings Plan (the Plan) you and your employer make regular contributions towards your retirement savings.

If you're a former employee then no further contributions are paid and your retirement savings remain invested in line with your chosen investment option, unless you transfer them to an alternative arrangement.

It's important to choose the right funds for investing your retirement savings as this will directly affect how much money you will have for your retirement. This guide helps you with this decision. If you prefer not to make an investment choice your savings will be invested in the Lifestyle Option (the default investment option).

The Trustees have developed a range of investment options that offer varying degrees of risk to suit the needs of members. These options, and the investment managers who are responsible for them, are monitored on a regular basis to ensure that you have access to an up-to-date and appropriate range of funds.

You can invest in one of two ways:

- You can select one of the two Lifestyle options where your retirement savings are invested in line with a pre-defined strategy which changes as you approach your Target Retirement Age.

- Alternatively, you can follow the 'Own Choice' approach, which gives you the freedom to allocate your retirement savings across one or more of the Plan's 11 funds.

If you do not make a decision, then your retirement savings will be invested in the 'Lifestyle Option'. This is known as the default investment option and further details about this are set out later.

Please take some time to read this Guide and consider your options. If you are at all uncertain, you should seek independent financial advice. You can find the name of a local Independent Financial Adviser (IFA) at **www.unbiased.co.uk**.

Neither the Trustees, the Company nor the Experian Pensions Team are able to provide you with financial advice.

Remember that choosing your investment funds is not a one-off decision. It is important to review your investment choices regularly, particularly if your circumstances change. You can make changes to your investment choices at any time (see page 14 for further details).

Making choices about your investments can seem complex and daunting. We hope that this Guide will make the process easier but if you have any questions, please contact the Experian Pensions Team at Capita by emailing **experianpensions@capita.co.uk** or telephoning **0114 2298 273**.

Some investment explanations

Before we explain the investment options in detail, there are a few other matters to consider.

Active Management

Actively managed funds have an investment manager who uses skill and expertise to choose individual investments that aim to beat the returns of a specific index or aim to achieve a long-term target. There is a risk that an actively managed fund may produce returns that are lower than the index or long-term target. The charges associated with an actively managed fund are usually higher than those of passively managed funds, because of the manager's active involvement and skill.

Passive Management

Passively managed funds are often called 'indexed' or 'tracker' funds. The investment manager aims to produce a return that's in line with a specific index, such as the FTSE All Share Index. The returns are usually slightly lower than the return on the index due to the effect of charges. Charges for passive funds are lower than those of actively managed funds as passive managers do not need to spend time researching the companies in which they invest.

Fund names

The naming structure of the Plan's 11 funds describes the asset class (the type of investment) and the investment approach – whether this is passive or active. This helps you to choose the right type of fund while the Trustees focus on selecting the right investment managers. From time to time, the Trustees will change the underlying funds and although they will try to give you prior warning this may not always be possible. This helps ensure that the fund range can be kept up to date and enables the Trustees to react quickly should the need arise.

You can find out about the funds, their charges and the underlying managers in the fund summary on pages 16 and 17.

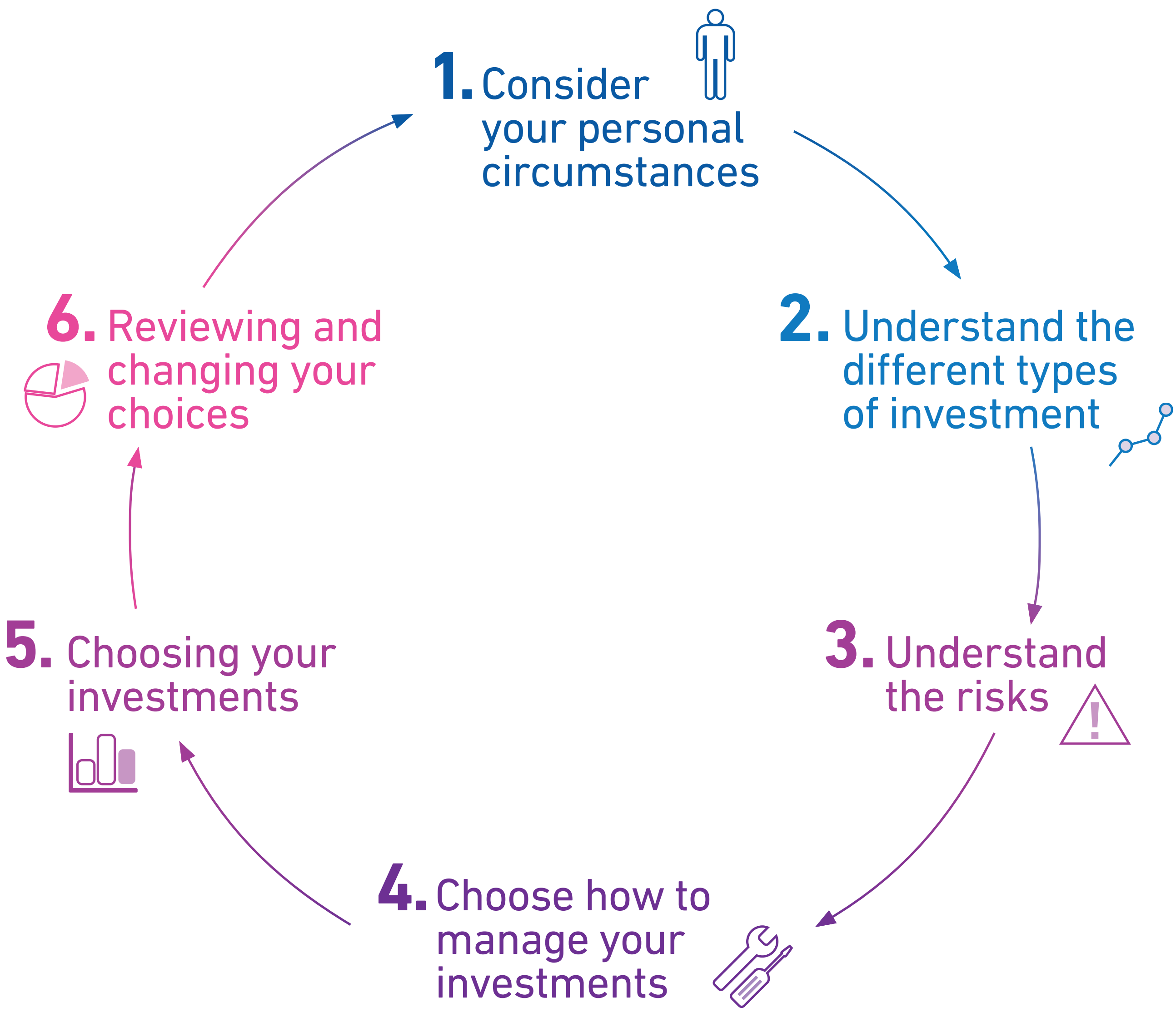
The summary also explains each fund's objective and the amount of risk associated with each fund. These are important factors which you should bear in mind when deciding where to invest your retirement savings.

The basics of investment

The Plan is designed to provide benefits for you when you retire, and can also provide for your family and dependants when you die. These benefits will depend on the value of your retirement savings, which in turn will depend on:

- How much is paid into your retirement savings
- When you want to retire
- How you invest your savings and the returns achieved on your investments

This Guide focuses mainly on how you invest your savings. The diagram below shows six simple steps to help you choose the right investments. Each step is explained in more detail in the following pages.



1. Consider your personal circumstances

To do this, you need to consider the following:

- What age are you now?
- When do you plan to retire?
- Will you have any other sources of income in retirement?
- How much can you afford to contribute now?
- What is your attitude to risk?
- How much control do you want of how your savings are invested?
- How much have you saved so far in this and other pension plans?
- How you intend to take your retirement savings e.g. as cash, income drawdown, an annuity or a combination of all three (see page 15 for further details about these options).

2. Understand the different types of investment

These can be summarised as follows:

Cash

As the name suggests, this type of fund invests mainly in short-term deposits with major banks and other financial institutions. Investments in cash funds tend to be very safe and would only be at risk of falling in exceptional market conditions.

Bonds

Bonds are loans to bodies such as companies (corporate bonds) or the UK government (also known as gilts). Bonds pay interest to investors, and the total return from a bond will depend on the interest rate set when the bond was first issued, and prevailing interest rates. Bonds are generally perceived as lower risk than investments such as equities, as they do not tend to move up and down in value as much in the short term.

Equities

Equities are shares in companies, which are usually traded on stock markets around the world. Their value rises and falls according to demand, which is normally related to company growth, profits and economic conditions. In addition to changes in the share price, returns are dependent on dividends paid by the companies to their shareholders. Returns from overseas equities are also subject to fluctuations in exchange rates.

Diversified

Some funds (such as the Plan's Diversified Assets – Active Fund) invest in equities, bonds and other types of assets. These can include property, commodities, various types of debt or derivatives which can be used by fund managers to 'hedge' their position in order to reduce their level of risk.

Specialist

Some funds provide access to a specific investment strategy such as the Plan's Shariah – Passive Fund which provides access to a faith-compliant investment approach.

3. Understand the risks

There are three main types of risk which your retirement savings will be exposed to:

Capital Risk

This is the risk that your investments may drop in value. This can happen with all funds. This risk is more unwelcome as you draw closer to retirement. The younger you are, the less worried you might be about short-term ups and downs because you still have time to make up any loss. You should however note that generally the lower the capital risk, the lower potential return and vice versa.

Inflation Risk

This is the risk that your investments will not grow quickly enough to outpace inflation. Even if your investments do grow in value, if they do not grow more quickly than inflation then their 'real' value goes down and so the buying power of your investments will reduce. This can happen with low capital risk funds, such as the Cash – Active Fund.

Pre-retirement Risk

Pre-retirement risk is created when the assets in the funds you are invested in as you approach retirement do not provide protection against what you plan to do when you retire. This risk depends on the amount of your retirement savings invested in specific assets and what you plan on doing with these savings on retirement (i.e. cash withdrawal, buying an annuity or withdrawing income over time). The risk is higher where your assets are not aligned to the route you are taking at retirement.

E.g. if you are invested predominantly in bonds in the years running up to retirement and plan to buy an annuity, the pre-retirement risk will generally be low as bonds typically move in line with annuity prices. However, if you are invested predominantly in bonds and plan on withdrawing an income, the risk will be higher as the return on bonds is typically lower than other investments. Alternatively, if you are planning on taking all of your retirement savings as cash, being invested 100% in cash in the lead up to retirement will be classed as low pre-retirement risk. However, it would be classed as higher pre-retirement risk if you were invested in cash but planning to buy an annuity or withdraw an income.

You need to decide how much of each type of risk you are prepared to take, and how you would intend to take your retirement savings (e.g. as cash, income drawdown, an annuity or a combination of all three) if you're approaching retirement or already within five years of retirement.

4. Choose how to manage your investments

The Plan allows you to choose between investing either in one of the two Lifestyle options or in our range of 11 'Own Choice' funds.

What are the Lifestyle options?

The Lifestyle options aim to manage the risks for you through pre-defined investment strategies. If you invest in one of the Lifestyle options, you will be asked to select your Target Retirement Age (TRA). If you do not select an age, then it will be taken as 65. This age may not be the same as your State Pension Age (SPA). See page 15 for more details about SPA.

When you are younger, your retirement savings are invested in funds which target long-term growth – this is known as the growth phase. As you approach your TRA, your savings are moved automatically into the de-risking phase. This means that your savings are gradually moved into investments likely to be more appropriate to how you intend to use your retirement savings when you retire. There are two Lifestyle options which are described on page 10.

What if I want to choose my own investments?

'Own Choice' gives you the freedom to choose and manage your own mix of investments to suit your personal circumstances from the 11 funds available under the Plan.

The investment funds are listed on page 13 and further details can be found in the fund summary at the back of this Guide.

5. Choosing your investments

Before choosing between the Lifestyle and 'Own Choice' options, you may want to consider the following:

- How much control do you want over how your investments are managed?
  - o Are you a confident investor, with time to review your fund choices regularly?
  - o Or would you prefer to have your retirement savings automatically switched for you?
- Are you looking for maximum growth from your investments? Or are you looking to protect against pre-retirement risk because you are close to retirement?
- What are the charges? Each investment fund has an inbuilt charge called the Annual Management Charge (AMC). There are also additional charges such as audit fees. The total of all the charges is called the Total Expense Ratio (TER). The higher the charges the greater the amount that will be deducted from your retirement savings. Further details of the charges are included in the fund summary at the back of this Guide.
- How long have you got for your investments to grow? Retirement savings are normally a long-term investment because you are not normally able to access your savings until you retire. You therefore have time to weather the ups and downs.
- Do your personal circumstances and attitude to risk mean that you should be choosing a higher or lower risk option? The risks of investing in each fund are shown in the fund summary at the back of this Guide.

6. Reviewing and changing your choices

It is important that you review your investments on a regular basis. This is especially relevant if you experience a change in your circumstances such as marriage, divorce or if you change the age at which you intend to retire.

If you are invested in one of the Lifestyle options we will also write to you when you are five years from your Target Retirement Age to ask how you intend to take your retirement savings (as cash, income drawdown, an annuity or a combination of all three (see page 15)). This is to ensure that your savings are appropriately invested as you approach retirement.

If you wish to change your investment choices, page 14 explains how to do this.

The Lifestyle options - overview

The Trustees have designed two Lifestyle options. These are the Lifestyle Option (LO) and the Adventurous Lifestyle Option (ALO - formerly known as the Specialist Lifestyle Option) and are specifically for members who do not wish to select from the 'Own Choice' fund range.

The Lifestyle options have been created from a number of the 'Own Choice' funds and follow set investment strategies with an automatic switching process as you draw closer to your Target Retirement Age (TRA), with the following aims:

- To achieve long-term growth in excess of UK price inflation during the growth phase.
- To switch automatically into funds more appropriate to how you intend to take your benefits at retirement (to protect you against capital risk and pre-retirement risk during the de-risking phase).

If you do not make an investment decision, then the contributions paid into your retirement savings will be invested in the Lifestyle Option (LO) which is the Plan's default option. You can switch out of the LO at any time.

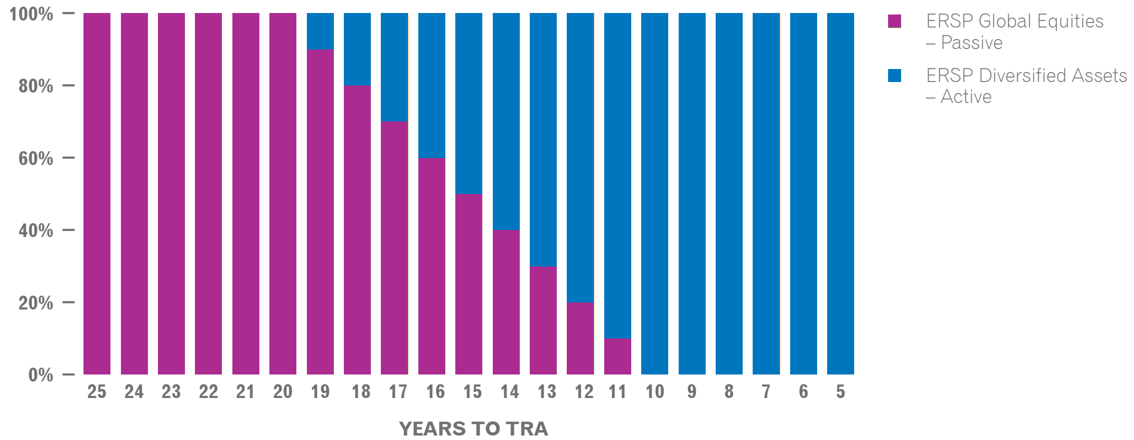
When you are around five years from your planned TRA, we will ask you to tell us whether you intend to take your retirement savings as cash, income drawdown, an annuity, or as a combination of all three (see page 15). How your retirement savings are invested in the last five years before your TRA will depend on how you plan to take your savings.

If you are within five years of your planned TRA when you join the Plan, you will need to let us know at that time how you intend to take your retirement savings.

The Lifestyle options - investment strategy during the growth stage

Lifestyle Option (LO)

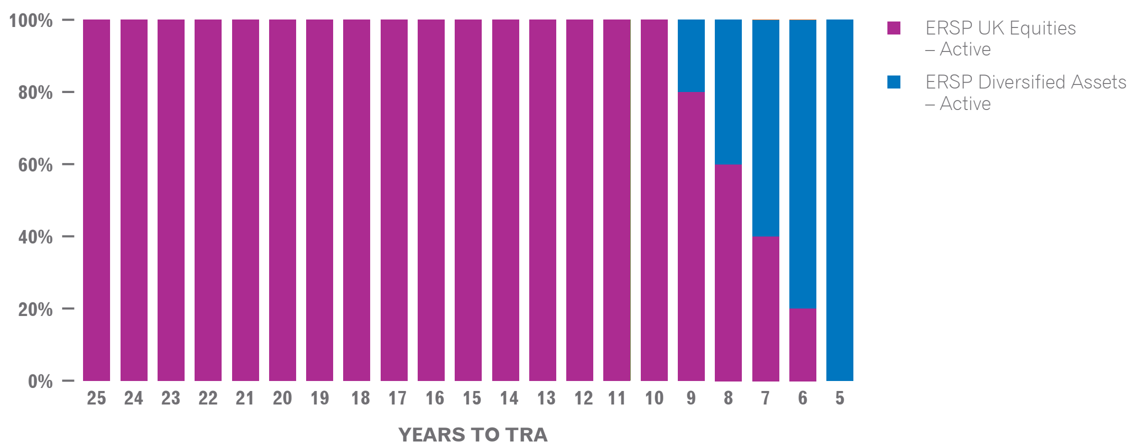
The LO invests in the Global Equities – Passive Fund during the growth phase. Between 20 years and five years prior to your Target Retirement Age (TRA) which is known as the de-risking phase your savings are automatically switched gradually into the Diversified Assets – Active Fund. This is shown graphically below:



Investments in the last five years will depend on whether you choose cash, income drawdown, an annuity or a combination of all three (see page 15 for more details).

Adventurous Lifestyle Option (ALO)

The ALO is available as a higher risk alternative because during the growth stage it is actively managed, investing only in the UK Equities – Active Fund until 10 years from TRA. Between 10 years and five years prior to your TRA (the de-risking phase) your retirement savings will be automatically switched into the Diversified Assets - Active Fund to reduce the downside investment risk for members within 10 years of TRA. This is shown graphically below:

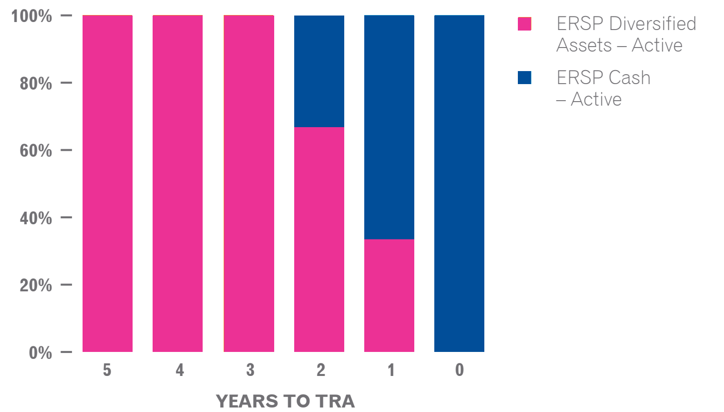


Investments in the last five years will depend on whether you choose cash, income drawdown, an annuity or a combination of all three (see page 15).

Investment strategy five years before retirement

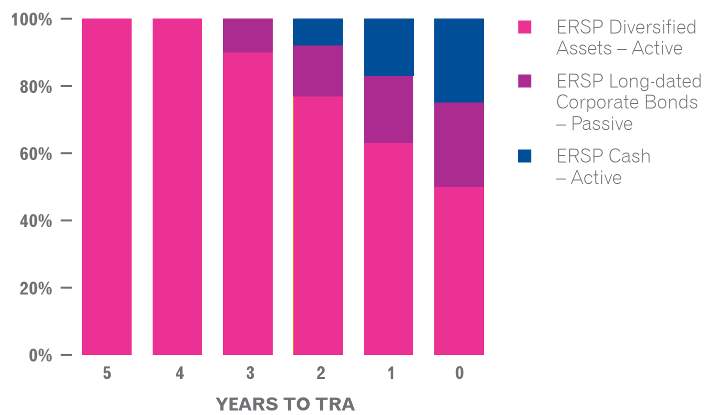
When you are around five years from your planned Target Retirement Age (TRA) date we will ask you to tell us whether you plan to take your savings as cash, income drawdown, an annuity, or as a combination of all three (see page 15 for details about these options). How your retirement savings are invested in the last five years before your TRA will depend on how you plan to take your savings.

Cash option



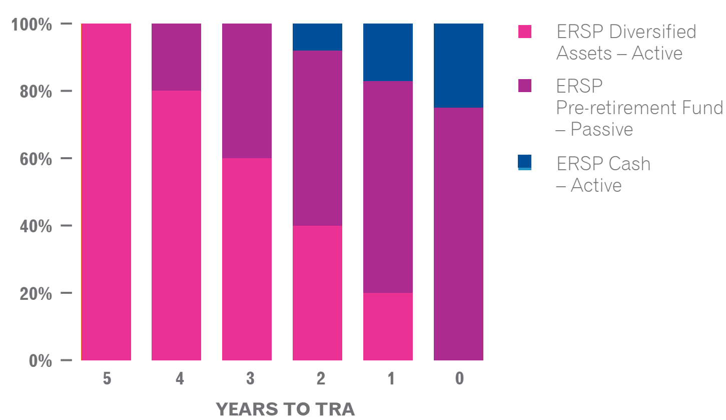
If you plan to take your savings as cash, you can choose the cash option. Your savings will be moved into a Cash fund gradually over the three years before your TRA.

Drawdown option



If you plan to take some of your savings as cash but drawdown the rest, you can choose the Drawdown option. Your savings will be gradually moved into a mix of funds which are more appropriate for the drawdown option five years before your TRA.

Annuity option



If you plan to take some of your savings as cash and buy an annuity with the rest, you can choose the Annuity option. Your savings will be gradually moved into a mix of funds which are more appropriate for the annuity option five years before your TRA.

You will have the option to invest in one or more of the above Lifestyle strategies. The benefit choices you make will significantly impact how your retirement savings are invested before you retire.

What if I don't make a choice?

If you do not tell us your choice when you are five years from retirement, your retirement savings will be automatically defaulted to a strategy based on your projected Plan savings at Target Retirement Age (TRA) as follows:

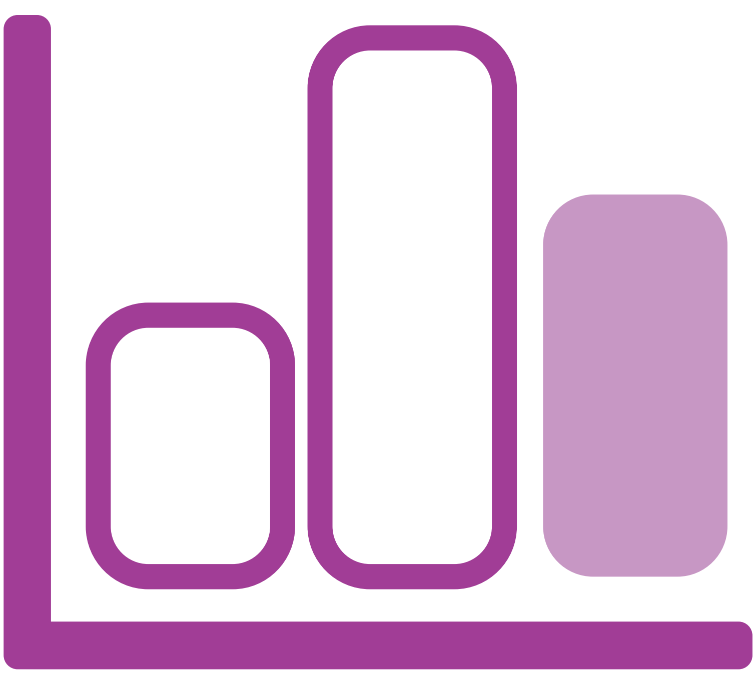
Projected Plan savings at retirement	Automatic investment strategy
Less than £30,000	CASH OPTION
£30,000 or more	DRAWDOWN OPTION

You should note that this projection is based only on your funds within this Plan and does not take into account any retirement savings you may have with previous employers or arrangements.

You may therefore have other significant retirement savings which mean that the automatic default strategy is not appropriate for you, in which case you should make sure you tell us how you intend to use your Plan savings, to ensure they are appropriately invested in the run up to your retirement.

You should also bear in mind that the automatic default investment strategy is not revisited in the run up to your retirement even if you commence additional contributions or transfer in savings from other arrangements which would affect your projected Plan savings at retirement. It is therefore important that you keep your investment choice under review, particularly if your circumstances change.

You must ensure that your TRA remains appropriate. You can make changes online at **www.experian.co.uk/retirementplan** or by contacting the Experian Pensions Team at Capita on **0114 229 8273** or at **experianpensions@capita.co.uk**.



The Own Choice fund range

There are 11 funds in the ‘Own Choice’ range.

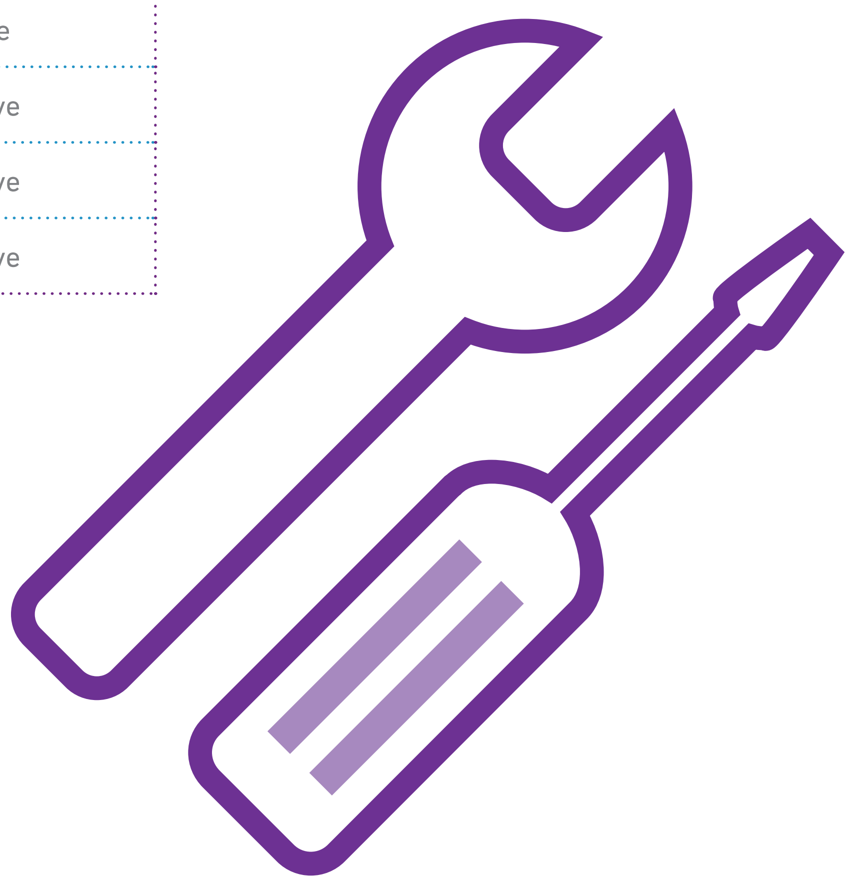
If you decide to select from the ‘Own Choice’ range, you can invest in any one, or more of these funds. However, you are responsible for making the right choices for your personal circumstances and then keeping these under review until your retirement. The Trustees, the administrators and the underlying investment managers cannot be held liable for your investment decisions.

The 11 funds are:

Fund	Type
Diversified Assets	Active
Global Equities	Passive
Global Equities	Active
Overseas Equities	Passive
UK Equities	Passive
UK Equities	Active
Index-Linked Gilts	Passive
Cash	Active
Shariah	Passive
Pre-Retirement	Passive
Corporate Bonds	Passive

Section two on page six of this Guide provides more information about cash, bonds, equites, diversified and specialised assets.

For more details on these funds, please see the fund summary at the end of this Guide. You can also get more information about each fund and their performance from the quarterly factsheets. The factsheets are available at **www.experian.co.uk/retirementplan**.



Help and information

Telling us your investment choice

Once you have considered your personal circumstances, you can make or change your investment choices by contacting the Experian Pensions team at Capita –

email: **experianpensions@capita.co.uk**

phone: **0114 2298 273**

You can also change your investment choice online at **www.experian.co.uk/retirementplan**.

If you are a new member and do not make a decision about your investments when you join the Plan, your contributions and those of your employer will be invested in the Plan's default investment which is the Lifestyle Option.

Finding out more

You can find out more about the Plan by contacting the Experian Pensions team at Capita or you can go to **www.experian.co.uk/retirementplan** for the latest fund factsheets and general information about the Plan. The factsheets give details of the investment managers and past performance of the underlying funds and are updated quarterly.

Seeking independent financial advice

If you are unsure about the Plan's investment options, you might want to speak to an independent financial adviser (IFA). You can find the name of an IFA local to you at **www.unbiased.co.uk** Please note that neither the Trustees, the Company, nor their advisers can give you financial advice. Any advice you take will be at your own cost.

Security of your retirement savings

The Plan is set up under trust and so is entirely separate from the assets of the Experian Group. The Plan's assets are invested through an insurance policy issued by FIL Life Insurance Limited (FIL Life), part of the Fidelity Group, and in the event of insolvency or default of FIL Life, the Trustees would expect to be able to claim under the Financial Services Compensation Scheme.

Glossary of terms

Annual Management Charge (AMC)

This is the charge that you pay for investing in a fund. The AMC is expressed as an annual percentage but is deducted daily before the unit price is calculated.

Annuity

This is where you buy a taxable, lifetime retirement income from an insurance company. Options include annual increases and dependant's pension payable on death.

Assets

A type of investment which, for the purposes of our Plan, has been divided into five classes, namely cash, bonds, equities, diversified and specialist. See page six for more details.

Benchmark

Normally an index (see definition) against which a fund's performance is compared.

Cash Sum on retirement

Also known as 'uncrystallised funds pension lump sum(s)' or UFPLS. You can use your retirement savings to provide a single cash sum of up to 100% of your savings, 25% being tax-free and the remaining 75% being taxable (some or all of which might be at the higher tax rates). You can also take subject to certain restrictions, smaller, multiple cash sums in which case 25% of each cash sum is tax-free with the remainder being taxed.

Default investment option

The Plan's default investment option is the Lifestyle Option, which is where your retirement savings will be automatically invested if you don't make an investment choice on joining the Plan.

De-risking phase

For Lifestyle investors this is the period prior to your Target Retirement Age when your retirement savings start to be switched into funds more appropriate to how you intend to take your retirement benefits.

Fund objective

What the fund aims to do. There are many types of funds available with various objectives; for example, income funds, growth funds and value protection funds.

Growth phase

For Lifestyle investors, this is the period when your retirement savings are primarily invested for growth. The aim is normally to achieve a return in excess of inflation so as to protect against inflation risk.

Income drawdown

Also known as 'flexi-access drawdown' or drawdown. This is where your retirement savings remain invested and you draw a regular income from your savings as taxable cash sums, with the option of taking up to 25% of your account as tax free cash at retirement. Drawdown is not currently available under the Plan. If you wish to take your retirement savings as drawdown you'll need to transfer them to an external arrangement which offers this facility, such as a self-invested personal pension.

Index

An index is the average investment performance over a set period for a specific group of shares or funds, such as the FTSE All Share index.

Inflation

The increase in the cost of living. This is typically measured by the Retail Prices Index (RPI) or the Consumer Prices Index (CPI).

State Pension Age

The State Pension Age is the earliest you can claim your State Pension. Your State Pension Age depends on when you were born and is rising to 65 for women between 2010 and 2015, and then to 66, 67 and 68 for both men and women. You can visit **www.gov.uk/state-pension-age** to check your State Pension Age.

Target Retirement Age (TRA)

This is the age at which you intend to take your retirement benefits. You will be asked to select a TRA if you select one of the Lifestyle options. This age will also be used for pension projections. If you don't choose a TRA, it will be taken as 65 - the Plan's Normal Retirement Age. This is not the same as your State Pension Age.

Total Expense Ratio (TER)

This is a measure of the total cost of a fund to the investor.The TER is the Annual Management Charge plus any other fees such as audit and custodial costs. The TER is expressed as an annual percentage and is shown in the fund summary on the following page.

Summary of funds

White-Labelled Fund Name	Objective	Description	Current Benchmark / Target
Diversified Assets – Active Fund	To provide long-term capital growth in excess of UK price inflation with less capital risk than an equity based fund.	Invests in a broad range of asset classes including company shares, bonds, and a range of other assets. The fund aims to perform in line with the target, over the long-term.	Target: Consumer Prices Index (CPI) + 3%
Global Equities – Passive Fund	To provide long-term capital growth in excess of UK price inflation.	Invests in global listed company shares including the UK. The fund aims to perform in line with the benchmark as closely as possible.	30% FTSE All Share Index (UK), 60% Developed Overseas Equities with currency hedging back to sterling and 10% Emerging Market Equities
Global Equities – Active Fund	To provide long-term capital growth in excess of UK price inflation.	Invests in global listed company shares including the UK. The fund aims to outperform the benchmark over the long-term.	MSCI World Index (ND)
Overseas Equities – Passive Fund	To provide long-term capital growth in excess of UK price inflation.	Invests in overseas company shares. The fund aims to perform in line with the benchmark as closely as possible.	Mix of FTSE and MSCI regional indices
UK Equities – Passive Fund	To provide long-term capital growth in excess of UK price inflation.	Invests in UK listed company shares. The fund aims to perform in line with the benchmark as closely as possible.	FTSE All Share Index
UK Equities – Active Fund	To provide long-term capital growth in excess of UK price inflation.	Invests predominantly in UK listed company shares. The fund aims to outperform the benchmark over the long-term.	FTSE All Share Index
Index-Linked Gilts – Passive Fund	To invest in government-backed assets providing a return linked to UK inflation.	Invests in long-term inflation linked bonds issued by the UK Government. The fund aims to perform in line with the benchmark as closely as possible.	FTSE A Over 5 Years Index-Linked
Cash – Active Fund	To protect the capital value of the investment.	Invests in deposits and other short-term money market instruments. The fund aims to perform in line with the benchmark but cannot guarantee to protect your capital.	7 Day London InterBank Bid Rate (LIBID)
Shariah - Passive Fund	To provide a fund with an investment approach based on Islamic Law and long-term capital growth.	The fund aims to deliver long-term capital growth through investment in a diversified portfolio of securities that are consistent with Islamic Shariah principles.	Dow Jones Islamic Market Titans 100 Index
Corporate Bonds - Passive Funds	To produce returns in excess of government bonds by investing in bonds issued by companies.	To track the performance of the iBoxx £ Non-Gilts (ex-BBB) over 15 year index to within +/- 0.5% pa for two years out of three.	Markit iBoxx £ Non-Gilts (ex-BBB) Over 15 years index
Pre-retirement - Passive Fund	To protect investments against the changing cost of buying a fixed rate annuity.	To provide diversified exposure to sterling assets that reflect the broad characteristics of investments underlying the pricing of a typical non-inflation linked annuity product.	The benchmark allocation is a composite of Gilts and Corporate Bond Funds

Current Underlying Fund(s)	Management Style	Annual Management Charge (AMC)	Total Expense Ratio (TER)	Capital Risk	Inflation Risk
50%BlackRock Aquila Life Market Advantage Fund (ALMA) 50%Schroder Dynamic Multi Asset Fund (DMAF)	Active Active	approximately (a) 0.30%	0.335%	**Medium**	**Medium**
BlackRock (30:70) Global Equity Fund (Hedged)	Passive	0.17%	0.18%	**High**	**Medium**
MFS Global Equity Fund	Active	0.65%	0.72%	**High**	**Medium**
M&G International Equity Passive Fund	Passive	0.25%	0.32%	**High**	**Medium**
M&G UK Equity Passive Fund	Passive	0.15%	0.16%	**High**	**Medium**
100% Baillie Gifford UK Equity Core Fund	Active	0.55%	0.57%	**High**	**Medium**
M&G Index-Linked Passive Fund	Passive	0.15%	0.15%	**Low**	**Low**
M&G Cash Fund	Active	0.15%	0.15%	**Very low**	**Medium**
HSBC Amanah Fund	Passive	0.05%	0.35%	**High**	**Medium**
L&G AAA-AA-A Over 15 years Index Fund	Passive	0.14%	0.14%	**Medium**	**High**
L&G Pre-retirement Fund	Passive	0.14%	0.14%	**Low**	**High**

(a) For blended funds the AMCs and TERs quoted are the average of the underlying funds.