To the latest issue of "Spotlight", the newsletter from the Trustee of the MMC UK Pension Fund.

This is the first edition that we have produced since the name of the Fund was changed to the MMC UK Pension Fund on 1 July 2004. The change of name aligns the Fund more firmly with our parent company, and embraces all the MMC companies within the UK.

The next few months are set to provide a number of challenges for the Trustee as the Government plans for the tax simplification of pension schemes. Read more about this in ‘Keep it Simple!’ Another important milestone for the Fund is the move of administration to Mercer’s Administration team in Chichester. You can read more about this – and how it will affect you – in ‘Administration Moves’.

We also include the usual information about the Fund, including a summary of the accounts to 31 December 2003 and investment information.

You will recall that I recently wrote to all members following the allegations made by the New York Attorney General, Elliot Spitzer, in relation to Marsh & McLennan Companies, Inc. As I mentioned in my letter, I will write again when there is additional news of importance to the Fund but assure you that the Trustee is continuing to keep these matters under review.

We hope that you enjoy this issue of Spotlight and find it useful. If you have any comments or suggestions for future issues, or would like to see a copy of the Trustee’s formal Report and Accounts, please contact the Trustee using the addresses on page 15.

Hady Wakefield
Chairman of MMC UK Pension Fund Trustee Ltd
What's in a name?

The change from ‘Marsh Mercer’ to ‘MMC UK’.

Administration moves –
Future moves for the administration of the Fund.

Keep It Simple –
The Government KISses tax complexity goodbye.

From White Paper to Pensions Act -
Update on current legislation.

Financial highlights -
The Trustee’s Report to Members for the year ending 31 December 2003, including a review of the membership numbers, accounts and investment performance for the last financial year.

The Trustee and advisers -
Who is on the current Board and details of the experts who provide professional advice.

Are you webwise? -
Bookmark the Fund website now.

The Pensions Forum -
Details of current Forum members and recent changes.

Keeping in touch -
Useful information and contact points, including the new address for the administrator.

The Fund changed its name to the MMC UK Pension Fund on 1 July 2004.

This change means that the Fund’s name more fully reflects its membership of the MMC companies in the UK.

It also highlights the role that the Principal Employer of the Fund, Marsh & McLennan Companies UK Limited (MMC UK), takes in supporting the Fund, both through its financial sponsorship and the support it gives to individuals who are involved in the running of the Fund.

Although the name has changed, the aim of the Fund – to provide good quality benefits for you in retirement and security for your family in the event of your death – remains the same.
Administration moves

We can confirm that the day-to-day administration of the MMC UK Pension Fund which is currently carried out by the London-based in-house Pensions Department will be transferring to Mercer’s Third Party Administration Practice in Chichester with effect from 1 January 2005.

The decision to appoint Mercer was taken by the Trustee in March 2004 and since then much work has been undertaken to ensure a smooth transition to the new administrator. The main priorities have been that the Company’s pension arrangements continue to be run to the highest possible standards and are kept up to date with best practice, new technology and, of course, the continuing stream of pension legislation.

Given these priorities, Mercer was felt to be able to apply best practice based on experience gained across all the pension schemes they administer.

Pensions Manager Janet Jasper commented:

“I was brought in to set up and manage the newly merged schemes in 2000 and my team have completed that job, tidied up data, documented the different benefits and processes and rationalised where possible.

Two years ago I brought in Kevin Scott to give me support and as part of the succession planning for my role. This is now the most appropriate time for me to hand over the management role to Kevin, in whom I have every confidence.

We have all been working closely together with Mercer Administration since the decision in March and all processes and programmed calculations will be fully completed by mid-year in 2005.

The work already completed for the handover in January will give the Mercer administration team a great start and members should see no change in service initially but with a gradual continued improvement over time. I wish them every success.

I would like to record my thanks to the professional and dedicated way my team have continued to improve service levels throughout this period of change whilst transferring knowledge to the new team in Chichester.”

The administration of the Fund will be carried out by a dedicated Mercer team based in their Chichester office. It is expected that the transfer of administration duties will be seamless and that our members will continue to receive the same standard and commitment to service as that currently provided by the in-house Pensions Department.

To manage the overall delivery of the new administration service to be provided by Mercer, a small MMC Pensions Department will be retained in Tower Place. It will be responsible for managing the Mercer contract, monitoring service performance against agreed service levels as well as liaising with the Trustee and providing input into pensions policy and member communication. The MMC Pensions Department will comprise:

- **Kevin Scott** Pensions Manager
- **Sarah Baron** Assistant Pensions Manager
- **Dave Jacobs** Pensions Co-ordinator
- **Paul Powell** Pensions Assistant
- **Kathlyn Thomas** Accounts Assistant

Who to contact

From 1 January 2005 all enquiries or requests for information regarding your pension should be directed to the new administrator, Mercer, in one of the following ways:

- By Telephone: 0845 6000293
- By Fax: 01243 522001
- By Email: mmcpensions.uk@mercer.com
- By Post: MMC UK Pension Fund PO Box 476 Westgate House 52 Westgate Chichester PO19 3WZ

Pensioners

The change in administration provider outlined above does not affect those who are currently in receipt of a pension. Mercer in Chichester already administers your pension, making the monthly payments and so your existing arrangements will continue unchanged. There will be no change to the way your pension is paid or to the contact details you already have.
In the March Budget, the Chancellor confirmed that the Government would be going ahead with the proposed radical reform of the pension tax regime, which we reported on briefly in the last issue of Spotlight. The reform applies the KIS principle (Keep It Simple) to the current complex web of tax regulations surrounding pension schemes, replacing it with a much simpler and uniform regime.

Originally scheduled to be introduced in April of next year, the Government has put back the implementation date until April 2006 following representations from both employers and the pension industry. However, apart from the change of timing, the main elements of the reform remain the same, and are summarised briefly below.

**Maximum Retirement Pension:** The current pension limit of two thirds of earnings from a company pension scheme will be scrapped, but tax breaks will only be available on pension savings within a new ‘Lifetime Allowance’. The Lifetime Allowance is measured in cash and/or pension terms, so it can be applied to both money purchase and final salary benefits, or any combination of the two.

Initially the Lifetime Allowance will be set at a ‘cash’ value of £1.5 million, with a pension conversion factor of £20 cash to £1 of pension, giving a maximum pension of £75,000 a year.

If the value of your pension and/or money purchase funds exceeds the Lifetime Allowance when you retire, it will be subject to a special ‘recovery’ tax. However, as you can see, the Lifetime Allowance has been deliberately set at a level which is likely to affect only a small proportion of higher paid employees and the change will greatly simplify the position for most people.

**Maximum Contribution:** The annual limit on employee contributions to a company pension plan (15% of pay) will be removed. For the vast majority of people tax relief will be available on contributions up to the full value of your taxable pay in any year.

**Maximum Yearly Pension:** An Annual Allowance is being introduced above which money purchase pension contributions and/or the cash value of any pension entitlement earned in a tax year will be subject to tax. Like the Lifetime Allowance, the Annual Allowance is measured in both cash and pension terms and has been set at a level which will only affect a minority of higher paid employees.

For example, at the initial level proposed the cash value of any increase in your final salary pension entitlement (with pension converted to cash using a factor of £1 pension to £10 cash) and any contributions paid on a money purchase basis, would have to exceed £215,000 in the tax year before becoming liable for tax.

**Pension schemes you can pay into**

At the moment you can only pay into a personal or stakeholder pension plan as well as the MMC UK Pension Fund, if you earn less than £30,000 a year. In future you will be able to pay into as many pension schemes as you wish, irrespective of your earnings.

**Maximum tax-free cash sum you can receive at retirement**

There will be a new simple formula for calculating the maximum tax-free cash sum the Inland Revenue will allow you to take at retirement. Under the new proposal the maximum tax-free cash sum allowed by the Revenue will generally be 25% of the value of your pension and/or your money purchase fund.
Age at which retirement pensions can be taken
Currently, unless you are retiring on the grounds of ill-health, you must be at least 50 before you can start to draw your pension. The Inland Revenue also generally requires you to have retired from the job to which the pension applies and generally insists you take your entire benefits from a scheme at the same time.

In future the Inland Revenue will permit more flexibility, so it will be possible to receive some or all of your pension while you are still working. It will also be possible to phase your retirement income by taking your pension in stages, for example by having part of it paid at 60, with the balance paid from 65. However, all pensions must start before age 75 and, from 2010, the earliest age at which it will be possible to receive your pension will increase to 55. It is up to each pension scheme to decide how to implement this change and no decision has yet been made in respect of the MMC UK Pension Fund. Careful planning will be required from members in their late 40s now who would like to retire early before age 55.

The graph below shows how this could affect you:

Benefits payable on death
Before Retirement: in future the maximum value of benefits payable on death before retirement (pension and/or lump sum) will be linked to the new Lifetime Allowance.

After Retirement: if any dependants’ pensions payable on a member’s death add up to more than the member’s pension before any tax-free cash is taken, the pension conversion factor used to check against the member’s Lifetime Allowance at retirement may be more than £20:£1.

Contribution refunds on leaving
Members who leave with less than 2 years’ pensionable service may receive a refund of their own contributions less tax, currently at the rate of 20%. In future where the refund exceeds £10,800, the excess will be taxed at the rate of 40%.

Pension sharing on divorce
Under the current pension sharing arrangements, any pension credit deducted from a member’s entitlement in respect of their ex-spouse does not count towards the ex-spouse’s maximum permissible benefits under their own pension arrangements. In future, these pension credits will count towards the ex-spouse’s Lifetime Allowance.

Next steps
The Company and the Trustee will be reviewing the detail of the reforms proposed by the Government, and how they impact on the MMC UK Pension Fund and its members, over the coming months. It will take some time to complete this analysis and decide what modifications to the Fund will be required in order to comply with the new regime and which, if any, may be desirable in order to take advantage of the new rules. We will keep you informed of progress in future reports.
From White Paper to 
Pensions Act

The Government’s proposals on hot topics like pension scheme security have now progressed to become the Pensions Act 2004. The Act’s main measures are:

- **A Pension Protection Fund**
  This will be introduced so that if a final salary fund is discontinued where the employer is insolvent and the fund has insufficient funds to secure benefits, a proportion of members’ benefits (possibly subject to a cap of £25,000 a year) will be protected. This will initially be funded by a flat rate levy on schemes or employers and is likely to be introduced in 2005.

- **A new Regulator**
  The current pensions regulator, Opra, will be dissolved and its job transferred to a new Pensions Regulator, who will have three main objectives:
  - To protect members’ benefits where they are in a ‘work based’ pension scheme
  - To reduce the risks of situations arising which might lead to the new pension protection fund having to pay compensation
  - To promote and improve the understanding of the good administration of ‘work based’ pension schemes.

- **A new ‘Statutory Funding Objective’**
  This will be introduced to require schemes to have sufficient and appropriate assets to cover their liabilities. This replaces the ‘Minimum Funding Requirement’, which is currently one of the tests applied by the Fund Actuary. The detail has not yet been published but it will cover matters such as the frequency of actuarial valuations.

- **Increases to pensions in payment**
  Once it starts being paid, the Government requires any pension earned after 1997 to increase each year in line with price inflation with a maximum of 5% in any year. It is proposed that this maximum is reduced to 2.5% for pension earned from 6 April 2005 for final salary benefits, and that money purchase benefits should be free of the requirement to provide guaranteed pension increases. There is no requirement for pension schemes to adopt this and no decision has been made in respect of the MMC UK Pension Fund to date.

- **Trusteeship**
  The Government will issue codes setting out the degree of knowledge that is appropriate for Trustees to enable them to properly exercise their function. This will include pensions and trust law and the principles of scheme funding and investment of assets. Also, it will become a legal requirement for half of the trustees to be Member Nominated Trustees. The original proposal was for one-third of the trustees to be Member Nominated Trustees.

- **Other changes**
  Other changes are to be made to simplify the way in which schemes resolve disputes and to clarify the treatment of members on paternity and adoption leave (the principles will be the same as for members on maternity leave). Also regulations may be introduced concerning the information and advice made available to members by companies and trustees. Trustees of occupational pension schemes will no longer be legally required to offer an AVC facility through the scheme (although they can do so if they wish).

At the time of going to print, the Government’s intention is to introduce these changes in stages from April 2005 onwards, but full details of these new measures are still to be finalised. We will keep you up to date in future reports.

You should not rely on any of the above information in your pension planning and should seek independent financial advice if you think that you would be affected by any of the changes mentioned above.
Trustee’s report and financial summary for the 12 months to 31 December 2003

Membership Numbers

Final Salary Benefits

<table>
<thead>
<tr>
<th>Date</th>
<th>Active membership</th>
<th>Pensioners (including spouses’ and orphans’ pensions)</th>
<th>Members with deferred benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 January 2003</td>
<td>7,779</td>
<td>4,544</td>
<td>10,364</td>
</tr>
<tr>
<td>31 December 2003</td>
<td>7,396</td>
<td>4,692</td>
<td>10,937</td>
</tr>
</tbody>
</table>

Money Purchase Benefits

<table>
<thead>
<tr>
<th>Date</th>
<th>Active membership</th>
<th>Members with deferred benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 January 2003</td>
<td>2,051</td>
<td>489</td>
</tr>
<tr>
<td>31 December 2003</td>
<td>2,109</td>
<td>177</td>
</tr>
</tbody>
</table>

Fund Account

Income (£’000)

- Employer’s contributions received £200,876
- Members’ contributions received £13,946
- Individual reinstatements resulting from SIB claims £210
- Other income £1,020
- Investment income £36,634

Expenditure (£’000)

- Benefits payable £58,397
- Life assurance premiums £1,380
- Transfers-out to other pension schemes £3,000
- Refunds of contributions £200
- Reinstatement of State Scheme benefits £662
- Fees and expenses £8,038

Movement in the net assets of the Fund

<table>
<thead>
<tr>
<th>Description</th>
<th>£’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets at 1 January 2003</td>
<td>1,563,200</td>
</tr>
<tr>
<td>Revenue surplus for the year</td>
<td>181,009</td>
</tr>
<tr>
<td>Change in market value of investments</td>
<td>177,146</td>
</tr>
<tr>
<td>Net assets at 31 December 2003</td>
<td>1,921,355</td>
</tr>
</tbody>
</table>
**Final Salary benefits**

As at 31 December 2003 the assets of the MMC UK Pension Fund were managed in the following proportions:

<table>
<thead>
<tr>
<th>Investment Manager</th>
<th>Proportion of assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aegon Asset Management UK plc</td>
<td>6.3</td>
</tr>
<tr>
<td>Alliance Bernstein</td>
<td>5.0</td>
</tr>
<tr>
<td>Baillie Gifford &amp; Co</td>
<td>7.6</td>
</tr>
<tr>
<td>Deutsche Asset Management Ltd</td>
<td>12.0</td>
</tr>
<tr>
<td>HG Capital Investment Managers Limited</td>
<td>0.2</td>
</tr>
<tr>
<td>Legal &amp; General Investment Management Ltd</td>
<td>22.8</td>
</tr>
<tr>
<td>Putnam Investments Limited</td>
<td>21.4</td>
</tr>
<tr>
<td>Schroder Investment Management (UK) Ltd</td>
<td>8.0</td>
</tr>
<tr>
<td>Northern Trust Global Cash Funds Plc</td>
<td>9.2</td>
</tr>
<tr>
<td>Marathon Asset Management</td>
<td>6.1</td>
</tr>
<tr>
<td>Standard Life Investments Limited</td>
<td>1.4</td>
</tr>
</tbody>
</table>

The total value of the assets of the Fund in relation to final salary benefits, as at 31 December 2003, was £1,887.5 million and were allocated in the following proportions:

- **UK Equities**: 22.5%
- **Overseas Equities**: 32.5%
- **UK Bonds & Overseas Bonds**: 34.2%
- **Property**: 1.4%
- **Cash/Others**: 9.4%

**Investment performance to 31 December 2003**

The performance of each of the investment managers, and that of the total Fund, is measured by The Northern Trust Company.

The MMC UK Pension Fund arose from the merger of three existing schemes; the Sedgwick Group Pension Scheme, the William M Mercer Pension and Life Assurance Plan and the J & H Marsh & McLennan Group Pension Fund. The assets from each of these schemes are held in ring-fenced sections within the Fund in the following proportions: Marsh (approx 33%), Mercer (approx 9%) and Sedgwick (approx 58%). Each of the sections has a different asset allocation requirement, which is determined by the maturity of the individual ‘fund’ and the level of investment risk deemed appropriate.

The Fund’s performance for the year ending 31 December 2003 was 13.7% compared to the benchmark return of 14.5%. The returns for the total fund, and individual sections, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>12 months to 31.12.03</th>
<th>Three years to 31.12.03</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fund (%)</td>
<td>Benchmark (%)</td>
</tr>
<tr>
<td>Total Fund</td>
<td>13.7</td>
<td>14.5</td>
</tr>
<tr>
<td>Marsh</td>
<td>15.7</td>
<td>16.4</td>
</tr>
<tr>
<td>Sedgwick</td>
<td>12.6</td>
<td>13.3</td>
</tr>
<tr>
<td>Mercer</td>
<td>16.7</td>
<td>17.5</td>
</tr>
</tbody>
</table>

*A total fund benchmark was introduced with effect from 1 January 2003.

The total fund performance is quoted gross of investment fees, whereas section returns are quoted net of fees.

The Trustee has delegated some of its investment decision responsibilities relating to the Fund’s investment to the Investment Committee. The Trustee monitors the decisions made by the Committee which reports quarterly on investment activity and performance.

External investment managers are responsible for the day to day management of the Fund’s assets, which includes full discretion on stock selection and sector allocation, consistent with guidelines included in the investment management agreement.
After a slow start to the year, the global economic recovery gained momentum during the fourth quarter of 2003, with even the more sluggish economies in continental Europe and Japan showing distinct signs of improvement.

The UK Monetary Policy Committee (MPC) cut interest rates from 4.0% to 3.75% on 6 February and then again to 3.5% at the start of July. The cuts were intended to stimulate the economy and as confidence improved the MPC raised rates to 3.75% in November with further rises following in 2004. Underlying inflation within the UK peaked at 3.2% in February but fell steadily over the second half of the year to 2.5% in November, in line with the Bank of England’s target.

Figures issued by the European Central Bank (ECB) showed 0.4% growth during quarter three, following the 0.1% fall over quarter two. The ECB cut interest rates from 2.5% to 2.0% over the course of the year. The expansionary economic policies used in America resulted in firm growth in the US economy.

Global equity markets were depressed by the uncertainties surrounding the war in Iraq early in the year, but recovered once major hostilities ended. The exceptional performance from quarter two onwards more than offset the negative returns encountered in the first quarter. The upturn also marked the end of three consecutive years of negative returns in all regions (except for Europe, which experienced a two-year run of falling returns before the upturn). Most forecasters predict modestly positive returns in 2004.

In keeping with recent trends, corporate bonds produced higher returns than gilts over the 12 months.

Against this background, the Trustee’s Investment Committee has implemented changes to the asset allocation of the Fund. The main drive has been to diversify the investments held, with a new allocation to a property investment portfolio and increased allocations to global small cap equities and private equity. They also had the special employer contributions to allocate, and these were held in money market funds at the year end, prior to allocation primarily to passive long-dated government bonds but also within existing investment mandates.

<table>
<thead>
<tr>
<th>12 months to 31.12.03</th>
<th>Three years to 31.12.03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund (%)</td>
<td>Benchmark (%)</td>
</tr>
<tr>
<td>L&amp;G Global Equity 60:40 Index Fund (Passive)</td>
<td>22.1</td>
</tr>
<tr>
<td>L&amp;G Over 15 year Gilt Index Fund</td>
<td>1.1</td>
</tr>
<tr>
<td>L&amp;G Over 5 year Index-linked Gilt Index Fund</td>
<td>6.9</td>
</tr>
<tr>
<td>L&amp;G Cash Fund</td>
<td>3.5</td>
</tr>
<tr>
<td>‘Equity Pool’ (Active)</td>
<td>20.8</td>
</tr>
</tbody>
</table>

* Based on an aggregate weighting of the equity benchmarks.

New Marsh DC Section
A new money purchase section (the DC Section) was introduced for new Marsh employees on 1 July 2004. There is a wide range of investment funds available from Legal & General and Threadneedle Asset Management Limited. Details of their performance have not been given in this edition of Spotlight because the funds have only been available for a few months.
Additional voluntary contributions – a reminder

Changes were made at April 2003 to the range of funds offered to members who wish to make additional voluntary contributions (AVCs). All members who were affected by this change have been given full details of the changes.

Going forward, members are able to choose from a range of Winterthur funds as follows:

- TEAMS UK Equities 2% Outperformance Fund
- TEAMS Overseas Equities 2% Outperformance Fund
- TEAMS Global Equities 2% Outperformance Fund
- TEAMS UK Equities 1% Outperformance Fund
- TEAMS Overseas Equities 1% Outperformance Fund
- TEAMS Global Equities 1% Outperformance Fund
- TEAMS UK Equities Tracker Fund
- TEAMS Overseas Equities Tracker Fund
- TEAMS Global Equities Tracker Fund
- TEAMS UK Bond Fund
- TEAMS Fixed Interest Tracker Fund
- TEAMS Index-Linked Tracker Fund
- TEAMS Cash Fund

If you would like more information on the AVC options available to you, please contact the appropriate department at the address on page 15.

The Trustee is conducting a review of its policy towards with-profits funds. These funds, which are closed to contributions from members who do not already hold them, have seen an increase in the risk associated with them as a result of the equity market falls between 2000 and early 2003. The providers of with-profits funds have been taking measures to protect their policy holders’ funds, which have included increasing surrender penalties and reducing annual and terminal bonuses. This means the funds have become potentially less attractive investments. There are also, in some cases, questions about the financial security of the providers.

New style benefit statements for members with money purchase benefits

This year, members who have money purchase benefits in the Fund were sent an additional benefit statement. This statement (known formally as a ‘statutory money purchase illustration’ or SMPI) is a new pension projection designed to help you make more informed choices about saving for your retirement. The new projection has been introduced by the Government and is an attempt to give you an idea of what you can expect in terms of a pension when you retire, in today’s money. It is based on your current balance and expected contributions until your Normal Retirement Age and uses assumptions about future inflation and investment returns. These assumptions are set down in law and must be used.

Together with this new projection, we have provided a second projection using slightly different assumptions. We believe that providing two projections will give members a better idea of the breadth of potential benefit levels that their account in the Fund may provide. Using these possible outcomes, you can then make more informed decisions about your future contributions to the Fund.

Members of the final salary section of the Fund who have paid money purchase AVCs will receive an SMPI statement before the end of the year if they have not already done so.

You can use the projections to help you review your retirement planning, perhaps with the help of an independent financial adviser. This may include other savings and income that you expect to have in retirement, such as income from a previous employer’s pension scheme. If you have any queries about this new statement, please contact the appropriate department at the address on page 15.

Please note, however, that while every effort has been made to ensure the statutory money purchase illustrations are accurate, if your statement turns out to be wrong it will not mean that you are entitled to benefits in accordance with the illustration and in excess of the benefits you are entitled to under the Deed and Rules.
The Trustee...  

**Trustee board** as at 31 December 2003

<table>
<thead>
<tr>
<th>Company Appointees</th>
<th>Elected Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brendan Brown</td>
<td>Stephanie Windsor*</td>
</tr>
<tr>
<td>Philip Gregory</td>
<td>Wendy Beaver</td>
</tr>
<tr>
<td>Stephen Matanle</td>
<td>Oliver Crispin</td>
</tr>
<tr>
<td>Gordon Pollock</td>
<td>Stuart Faloon</td>
</tr>
<tr>
<td>William Rosoff</td>
<td></td>
</tr>
<tr>
<td>Hady Wakefield (Chair)</td>
<td></td>
</tr>
<tr>
<td>Graham Wardle</td>
<td></td>
</tr>
</tbody>
</table>

*Formerly Stephanie Baker

Company Secretary to the Trustee – Toni Foster, FCIS

Stephen Matanle resigned as a Trustee on 2 February 2004 and was replaced by Michael Jones.

William Rosoff resigned as a Trustee on 17 November 2004.

...And **Advisers**

**Fund Actuary**
Jonathan Bernstein FIA of Mercer Human Resource Consulting Limited

**Auditors**
Deloitte & Touche LLP

**Investment Managers**
as at 31/12/2003
Aegon Asset Management UK plc
Alliance Capital Limited
Baillie Gifford & Co
Deutsche Asset Management Limited
Harbourvest Partners, LLC
HG Capital Investment Managers Limited
Legal & General Assurance (Pensions Management) Limited
Marathon Asset Management Limited
Northern Trust Global Cash Funds Plc
Putnam Investments Limited
Schroder Investment Management UK Limited
Standard Life Investments Limited
UBS AG

**Legal Advisers**
Linklaters

**Fund Administrator**
Janet Jasper FPMI
Pensions Manager

**Fund Consultants**
Mercer Human Resource Consulting Limited

**Custodians**
The Northern Trust Company and PFT Limited

**Banker**
National Westminster Bank plc

**Life Assurance Company**
Swiss Life UK and Legal & General Life Assurance Society Limited (from December 2003)
Are you webwise?

www.pensions.uk.mmc.com

The Fund has its own website, which is accessible from work or home, and is divided into sections for Marsh or Mercer employees, final salary or money purchase members, and even non-members. It provides information on all aspects of the Fund, and has been updated to take account of the recent changes to the Fund for Marsh employees.

Bookmark the page now, and use this technology to help you learn more about the Fund and your benefits.
The Pensions Forum

It is a sounding board for the reaction of employees to pensions policy and provides feedback from Fund members on pension issues. The objective is to ensure that members’ voices are heard and also to harness existing knowledge, experience and expertise.

The Pensions Forum is chaired alternately by the Marsh Human Resource representative and the Mercer Human Resource representative on the Forum. They will ensure that any issues raised by the Marsh Staff Consultative Committee or the Mercer Employee Consultative Forum in relation to the operation of the Fund are referred to the Pensions Forum.

The Pensions Manager provides expert guidance and helps to deal with questions and issues relating to the day to day operation of the Fund.

The elected members of the Pensions Forum serve for a term of three years, the previous term expiring on 30 October 2003. The Pensions Forum members who were elected during the 2003 elections would like to thank all those who took the time to vote. The Trustee would like to thank the outgoing members (Michael Harvey, Kirstie Nicholls and Gordon Reid) for their contribution. Finally, the Pensions Forum welcomes back Clare Owen and Graham Burgess who, following the elections, have stepped down from the Trustee Board after completing their term of office.

In addition, four of the elected active members of the Pensions Forum were nominated to serve on the Trustee Board. These are:

- Stephanie Windsor (formerly Baker)
- Wendy Beaver
- Oliver Crispin
- Stuart Faloon

The current members of the Pensions Forum are:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Janet Jasper</td>
<td>Pensions Manager</td>
<td>Company appointee</td>
</tr>
<tr>
<td>Sarah Pearse</td>
<td>HR Director, Mercer</td>
<td>Company appointee</td>
</tr>
<tr>
<td>Janet Elms</td>
<td>Head of HR, Marsh</td>
<td>Company appointee</td>
</tr>
<tr>
<td>Jenny Massey</td>
<td>Marsh Pensioner</td>
<td>Elected</td>
</tr>
<tr>
<td>John Ashbolt</td>
<td>Mercer Pensioner</td>
<td>Elected</td>
</tr>
<tr>
<td>Andrew Fewster</td>
<td>Active member of Marsh</td>
<td>Elected</td>
</tr>
<tr>
<td>Matthew Drake</td>
<td>Active member of Marsh</td>
<td>Elected</td>
</tr>
<tr>
<td>Christopher Merry</td>
<td>Active member of Marsh</td>
<td>Elected</td>
</tr>
<tr>
<td>Graham Burgess</td>
<td>Active member of Mercer</td>
<td>Elected</td>
</tr>
<tr>
<td>Clare Owen</td>
<td>Active member of Mercer</td>
<td>Elected</td>
</tr>
<tr>
<td>Paul Wotherspoon</td>
<td>Active member of Mercer</td>
<td>Elected</td>
</tr>
</tbody>
</table>
Who to Contact
If you would like to contact a member of the Pensions Forum regarding a pensions issue, please use the following email address:
PensionsForum.uk@mercer.com

Pension Forum Representatives

<table>
<thead>
<tr>
<th>Name</th>
<th>2/9/03</th>
<th>11/11/03</th>
<th>9/2/04</th>
<th>7/9/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Ashbolt (re-elected 1/10/03)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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</tr>
<tr>
<td>Graham Burgess (elected 1/10/03)</td>
<td>N/A</td>
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<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Matthew Drake (re-elected 1/10/03)</td>
<td>x</td>
<td>✓</td>
<td>✓</td>
<td>x</td>
</tr>
<tr>
<td>Janet Elms (Marsh)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>x</td>
</tr>
<tr>
<td>Andrew Fewster (elected 1/10/03)</td>
<td>N/A</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Michael Harvey (resigned 30/9/03)</td>
<td>✓</td>
<td>N/A</td>
<td>N/A</td>
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</tr>
<tr>
<td>Janet Massey (re-elected 1/10/03)</td>
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<td>✓</td>
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</tr>
<tr>
<td>Christopher Merry (elected 1/10/03)</td>
<td>N/A</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Kirstie Nicholls (resigned 30/9/03)</td>
<td>✓</td>
<td>N/A</td>
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</tr>
<tr>
<td>Clare Owen (elected 1/10/03)</td>
<td>N/A</td>
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</tr>
<tr>
<td>Sarah Pease (appointed 1/1/04, successor to Frances Wood)</td>
<td>N/A</td>
<td>N/A</td>
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<td>✓</td>
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<tr>
<td>Gordon Reid (resigned 30/9/03)</td>
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<tr>
<td>Frances Wood (Mercer) (resigned 31/12/03)</td>
<td>✓</td>
<td>✓</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Paul Wotherspoon (re-elected 1/10/03)</td>
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</tr>
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Trustee meeting attendance

<table>
<thead>
<tr>
<th>Name</th>
<th>6/11/03</th>
<th>10/12/03</th>
<th>10/3/04</th>
<th>10/6/04</th>
<th>29/9/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephanie Windsor* (re-elected 13/12/03)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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</tr>
<tr>
<td>Wendy Beaver (elected 13/12/03)</td>
<td>N/A</td>
<td>N/A</td>
<td>✓</td>
<td>✓</td>
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</tr>
<tr>
<td>Brendan Brown</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Graham Burgess (resigned 13/12/03)</td>
<td>✓</td>
<td>✓</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Oliver Crispin (re-elected 13/12/03)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Stuart Faloon (elected 13/12/03)</td>
<td>N/A</td>
<td>N/A</td>
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</tr>
<tr>
<td>Philip Gregory</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Michael Jones (appointed 02/02/04)</td>
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<tr>
<td>Stephen Matanle (resigned 02/02/04)</td>
<td>✓</td>
<td>X</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Clare Owen (resigned 13/12/03)</td>
<td>✓</td>
<td>✓</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Gordon Pollock</td>
<td>✓</td>
<td>X</td>
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<tr>
<td>William Rossoff (resigned 17/11/04)</td>
<td>X</td>
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</tr>
<tr>
<td>Hady Wakefield (Chair)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Graham Wardle</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

* Formerly Stephanie Baker

We will then forward your query to the appropriate Pensions Forum representative for attention. However, if you would like to address your query to a particular member, please name them.

The following tables show the attendance record of each Trustee and Forum Representative at the meetings which have taken place over the period since the last edition of Spotlight was produced.

As always, it is inevitable that not all members are able to attend every meeting. However, input is received and feedback given for each meeting.
Keeping in touch
useful information and contact points

You can contact the Pensions Department until 31 December 2004 at:

**MMC UK Pension Fund,**
Tower Place, London EC3R 5BU.
Email: pensions.dept.uk@mercer.com
Tel: 020 7357 1991

From January 2005, you should contact the administrator of the MMC UK Pension Fund at:

**MMC UK Pension Fund,**
PO Box 476, Westgate House, 52 Westgate,
Chichester PO19 3WZ.
Email: mmcpensions.uk@mercer.com
Tel: 0845 6000293
Fax: 01243 522001

**The Marsh Mercer Welfare Trust**

This Trust fund is entirely separate from the Pension Fund and is available to all employees and pensioners. Awards are made to help employees and pensioners who are faced with financial hardship. Should you feel that the Trust could assist you, you should apply in the first instance to your Human Resource representative if you are a current employee, or to your Pensioner Consultant if you are a pensioner. The Trust Administrator until 31 December 2004 is Mrs Jean Simpkins who is based in the Pensions Department in Tower Place (please see above for the address). From 1 January 2005, you should contact Barbara Clarke in the Marsh Company Secretaries Group at the following address: 4th Floor, Tower Place West, Tower Place, London EC3R 5BU.

Further information
If you would like any further information regarding any topic in this newsletter, you should contact Sarah Baron at the following address:

**MMC UK Pension Fund,**
Tower Place, London EC3R 5BU.
Email: sarah.e.baron@mercer.com

This newsletter is written in general terms and is not intended to modify the MMC UK Pension Fund or alter in any way the benefits you are entitled to under the Fund. In the event of this newsletter conflicting in any way with the Deed and Rules then the Deed and Rules will prevail. If you wish to see a copy of the Deed and Rules they are available for inspection and you should contact Sarah Baron at the above address to arrange a time to do this.