

A photograph of three skydivers in formation against a clear blue sky. The skydiver on the left is wearing a white and purple suit, the one in the center is wearing a white and purple suit, and the one on the right is wearing a black and purple suit. They are holding hands and looking towards the camera. Below them, a landscape of fields and mountains is visible from an aerial perspective.

Suitability & Appropriateness

Compliance

August 2023

CONTENTS

1.	INTRODUCTION.....	2
2.	SUITABILITY OF SERVICES.....	4
3.	PRODUCT SUITABILITY - LIFESIGHT INVESTMENT RANGE	7
4.	SUITABILITY REPORTS.....	8
5.	INSISTENT CLIENTS.....	9
6.	MARKETING MATERIALS	10
7.	COSTS, CHARGES & BUNDLING	10
8.	CONFLICTS OF INTEREST.....	11
9.	INDUCEMENTS.....	11
10.	COMPETENCY	11
11.	OTHER OBLIGATIONS IN RESPECT OF CLIENT INFORMATION.....	12
12.	MONITORING	12
13.	TRAINING	12
14.	RECORD KEEPING	12
15.	APPENDIX 1 - SCHEME MANAGEMENT AND CONSULTANCY SERVICES	13
16.	APPENDIX 2 – WHC&B WILL PROVIDE THE FOLLOWING INVESTMENT SERVICES TO THE CLIENT:	14

1. INTRODUCTION

This policy applies where Willis Human Capital & Benefits Ireland Limited (“WHC&B” or “the Firm”) provides investment services to its professional clients. Before providing investment services to clients, WHC&B must ensure that it does so in a way which is suitable or appropriate for the client. WHC&B is committed to adhering to MiFID II requirements and will act honestly, fairly and professionally in accordance with the best interests of its clients.

WHC&B’s suitability policy aims to help clients understand the purpose of the Suitability requirements. Clients must therefore provide accurate and sufficient information about their knowledge, experience, financial situation (including their ability to bear losses), and investment objectives (including their risk tolerance).

This policy is intended to ensure, among other things, that;

- the services WHC&B provide to a client take account of an appropriate degree of risk diversification.
- clients have an adequate understanding of the relationship between risk and return.
- any conflicts of interest are prevented from adversely affecting the quality of the suitability assessment.
- Information WHC&B hold on file for the client must be kept up to date to ensure the continuing suitability.
- All WHCB staff involved in material aspects of the suitability process must have an adequate level of skills, knowledge and expertise.

1.1 Firm Profile

The Firm provides Investment and administration services to Trustees of Corporate Pension Schemes for the ultimate benefit of the employees of each scheme. The Trustees can be of either single Trust or Mastertrust schemes. Following IORPS II, which seeks to enhance and harmonise governance and management standards of occupational pension schemes across the European Union, the Firm seeks to provide enhanced governance solutions to the Trustees of such arrangements.

1.2 Services

Please see [Appendix 1](#) & [Appendix 2](#)

1.3 Client Take-on

Given the stated intention of IORPS II to increase governance and management standards, Trustees are increasingly full-time professionally qualified Trustees fully aware of their obligations, entitlements and fiduciary duties.

New business typically begins with a Request for Proposal (“RFP”) from a Trustee of a Scheme for existing schemes or a corporate setting up a new scheme. All information, including marketing communications, addressed by WHC&B to clients or potential clients must be fair, clear and not misleading (see section 8).

Potential clients are advised of their Professional Client classification status and WHC&B's suitability obligations in the Statement of Work (SOW).

The financial objectives of each scheme are documented in the Statement of Investment Policy Principles and provided to all clients.

1.4 **Client Classification**

Following the disposal of the Private Wealth Management business and its retail client base, the Firm only deals with Professional Clients i.e. Trustees and related Corporate Clients DC Pension Schemes.

All WHC&B clients are categorised as a professional client, and therefore WHC&B is entitled to assume that:

- they have the necessary level of knowledge and experience in relation to the products on which WHC&B advise, to make their own investment decisions and to properly assess the risks they may incur; and
- the Scheme is able financially to bear any related investment risk consistent with the investment objectives each client has disclosed to WHC&B.

As a Professional Client, clients will receive a reduced level of protection under relevant legislation. For example, a Professional Client will not fall within the definition of 'eligible investor' for the purposes of receiving compensation under the Investor Compensation Act 1988.

1.5 **Communication**

WHC&B aim to ensure the medium of communication used to interact with clients is both suitable and in their best interest. As such, WHC&B has chosen to adopt electronic communication as our principal mode of contact. Electronic communication includes, but is not limited to, emails, digital platforms, mobile applications, and web-based portals. This communication mode will be employed for all interactions including, but not limited to, product and service information dissemination, transaction confirmations, risk warnings, periodic reports, and any other relevant communication required under MIFID II. Client consent for this mode of communication will be sought at the onset of our relationship in the Letter of Engagement. All clients are informed about the electronic means of communication, including its benefits, risks, and how to access and use these systems.

All communications between WHC&B and Clients and any documents or other information WHC&B provide to clients will be in English.

1.6 **Suitability Assessment Requirements**

When must a suitability assessment be undertaken?

Under MIFID II requirements all firms must conduct a suitability assessment when providing investment advice or portfolio management services to all MiFID types of clients in the context of the following services:

- Advisory non-managed services.
- Advisory managed services; and
- Discretionary services.

WHC&B has a Portfolio Management licence, but this is currently not in use. The Investments team (with oversight by the WHC&B Investment Committee) provide limited financial advice to Legal & General Investment Management (LGIM) on the proposed make-up of the funds LGIM offer to Pension Trustee clients of WHC&B. LGIM retains the final say on the implementation of advice by the Investments team.

On occasion the Trustees of a Scheme may request guidance from the Investments team on the different funds to be offered through LGIM to the scheme members.

1.7 Appropriateness

The Firm does not have any retail clients and therefore the appropriateness assessment requirements are not applicable.

When must an appropriateness assessment be undertaken?

An appropriateness assessment for a retail client or for an elective professional client (in respect of those services or products in relation to which an elective professional client has not opted up) when providing the following services:

- Execution only services.
- Placing of financial instruments; and
- Reception and transmission of orders.

1.8 Risks

As outlined in the Letter of Engagement investing in a pension fund involves a degree of risk. The value of investments and the income from them can go down as well as up, and past performance is not a guide to future performance. The level of risk depends on the underlying assets in which the pension fund is invested. Please see Schedule 6 of the Letter of Engagement for further information.

2. SUITABILITY OF SERVICES

2.1 Suitability Assessment – Information gathering requirements

	Knowledge & Experience	Client's financial situation	Client's investment objectives
Per se professional clients	x	x	✓
ECPs (<i>eligible counterparty</i>)	x	x	✓

2.2 Information about the client's knowledge and experience

Per se professionals / ECP's – the Firm is entitled to assume knowledge and experience and as a result, WHC&B will not generally collect and analyse information in relation to knowledge and experience from this client base.

2.3 Information about the client's financial situation

Per se professionals / eligible counterparty clients – the Firm is entitled to assume that the client is able to financially bear any related investment risks consistent with their investment objectives and as a

result, WHC&B will not generally collect and analyse information in relation to whether the client is able financially to bear any related investment risks consistent with their investment objectives.

Note: This does not apply to elective professional clients, but no clients of the Firm fall within this category.

2.4 Information about the client's investment objectives

In relation to the client's investment objectives, WHC&B must gather the following information from the client (or potential client), where relevant:

- information on the length of time for which the client wishes to hold the investment.
- information on the client's preferences and attitude regarding risk taking;
- information on the client's risk profile and their risk tolerance; and
- information on the purpose(s) of the investment.

The Investment Objective of Pension Schemes is to invest a pool of funds for the future benefit of the beneficiaries (the employees). The pool of funds is invested on the employee's behalf, and the earnings on the investments generate income for the employee upon retirement. The Funds offered and the associated glidepaths allow the Trustees to select their own time horizons (excluding retirement date), risk profile and risk tolerance at all times and this is adjustable at the employee level as each maybe at a different stage in their retirement journey.

2.5 Reliance on information provided by the client and reliability of information

WHC&B are entitled to rely on information provided by its clients (or potential clients) unless aware (or ought to be aware) that the information is manifestly out of date, inaccurate or incomplete. Where employees suspect that this may be the case, please consult a member of Compliance or your relevant line management for further guidance.

2.6 Reliability of information provided by the client

WHC&B must take reasonable steps to ensure that information collected about clients (or potential clients) is reliable. Accordingly, WHC&B must:

- ensure that clients are aware of the importance of providing accurate and up to date information.
- ensure that any questions you ask clients during the process are likely to be understood by them and capture an adequate reflection of the client's objectives and needs, and the information necessary to undertake the appropriate aspects of the suitability assessment; and
- take reasonable steps to ensure the consistency of client information – this may include, for example, considering thoroughly the information a client has provided and assessing whether there are any obvious inaccuracies.

2.7 Ongoing Suitability

The Investment Committee (“the IC”) is responsible for the investment strategies created by WHC&B for clients. This involves the strategic design of the investment solution as follows:

- The selection of an investment platform provider.
- The design of the range of glidepaths including default strategies;
- The selection of fund options (in light of objectives and sustainability requirements set by the trustees)

All funds made available for selection by the Trustees are deemed suitable for the purposes of a pension scheme and are regularly reviewed by the IC at the quarterly meetings.

The Committee is an integral part of the Company’s ongoing decision-making process and governance framework. The Investment Committee only gives investment views relating to suitable products for DC Pension schemes.

In order to ensure ongoing suitability of services WHC&B will formally do the following at least annually (unless specified otherwise):

- WHC&B will review the design of the glidepaths, in particular the default glidepath.
- WHC&B will review the objectives and underlying strategic asset allocation of each of the funds available for members to invest in.
- Where WHC&B feel appropriate WHC&B will propose changes to the underlying asset allocation to the platform provider.
- WHC&B will review the Investment Platform Provider responsible for the day-to-day implementation of the investment default strategies.
- WHC&B will review and approve the range of self-select funds to be offered alongside the default investment strategies.

In addition to regularly reviewing the design of the glidepaths and the underlying strategies and funds, WHC&B will initially carry out a review of the characteristics of each scheme including membership profile in order to recommend a suitable default strategy. WHC&B will review and reassess these characteristics at regular intervals, typically every three years.

In addition to the regular formal review, WHC&B will closely monitor the Platform Provider and the investment managers on an ongoing basis and will recommend or implement changes as appropriate.

The following conditions will trigger a more in-depth assessment:

- WHC&B continuously monitor the underlying managers and platform provider on qualitative and quantitative basis. This is done through regular meetings with the managers and through quantitative and qualitative assessment of data provide by the managers.
- Regular ongoing research assesses the managers under areas of investment process, resourcing and commercial issues. Issues which might cause a need for additional review include (but are not limited to):
 - changes in business structure or ownership,
 - significant changes to resourcing (especially senior investment professionals),

- significant outflows of assets under management,
- or fundamental changes to the investment philosophy or process.

WHC&B will communicate any updated recommendation concluded as a result of an assessment to clients.

3. PRODUCT SUITABILITY - LIFESIGHT INVESTMENT RANGE

Each Trustee Board has chosen WTW as the provider of the delegated solution (“LifeSight”). WHC&B oversees the investment activities of LifeSight on behalf of the Trustee Board.

WHC&B has established an Investment Committee (“IC”) to oversee the investment activities of LifeSight. The IC is responsible for the following:

- To appoint, with the approval of the Board (of WHC&BI), an investment strategy adviser (the “Investment Adviser”).
- To review and approve, at least annually the suitability of the glidepaths and the default investment strategies.
- To review, at least annually, the suitability of the objectives and underlying strategic asset allocation of each of the funds available for members to invest in.
- Regularly review and approve the suitability of the range of self-select funds to be offered alongside the default investment strategies.
- Monitor the quarterly performance of default investment strategies and self-select funds within the approved range against appropriate benchmarks.
- Monitor the effectiveness and suitability of the Investment Platform Provider(s) and report on findings to the Board on at least an annual basis or more frequently if any concerns arise.
- In carrying out the above responsibilities, the IC includes consideration of sustainability risks.

The current Investment Adviser to the IC is Towers Watson Limited (TWL).

The investment strategy design comprises the fund range and the glidepath design. The suitability of the current strategy is informed and influenced by the following factors:

- Academic and proprietary research and experience from WTW’s client base and the wider market that the number of fund choices should not extend significantly into double figures for most membership profiles, as this level of choice can overwhelm members and lead to lower engagement with the pension scheme.
- The range of funds should span the full risk spectrum.
- The pension scheme specific membership profile and how members are likely to take their benefits at retirement.

- Members should be exposed to high allocation to risk assets such as equities for substantial period of their working lives.

In setting an appropriate fund range, the Trustee Board considers it appropriate to have a full spectrum of investment risk for members to choose from. For this purpose, a risk scale from 1 to 7 is set. The table below shows the definitions of the fund range risk ratings:

Rating	1	2	3	4	5	6	7
LifeSight volatility bands as % of Global equity Volatility	0-15% Equity volatility	15-30% Equity volatility	30-50% Equity volatility	50-70% Equity volatility	70-90% Equity volatility	90-110% Equity volatility	110%+ Equity volatility
Volatility/ Risk of capital loss	Very low risk	Low risk	Low to Medium Risk	Medium Risk	Medium to High Risk	High Risk	Very High Risk

In setting a fund range, the Trustee Board is aware that providing an excessive number of choices is counterproductive for most members. The current fund range consists of nine funds. Five of these are “core” funds used in the design of the glidepaths and there are four additional funds available for self-select members. While the IC reviews the continued suitability of the funds/strategies on a calendar quarterly basis there is a deeper dive undertaken on suitability every three years.

4. SUITABILITY REPORTS

4.1 Quarterly

Under Article 25(6) of MiFID II, investment firms are required to inform clients about the performance of their portfolios at least quarterly. These reports should detail the transactions conducted during that period and provide an overall snapshot of the portfolio's performance.

Trustees receive quarterly reports on the performance of each of the funds they have selected to be available to their members.

4.2 Periodic suitability assessments

If a firm provides portfolio management services or offers advice and the client's situation or the recommended strategies have not changed substantially, an annual suitability report must be provided to clients. It reassures the client that their investments are still aligned with their risk tolerance and investment objectives.

Trustees receive quarterly reports on the performance of each of the funds they have selected to be available to their members.

5. INSISTENT CLIENTS

It may be the case that, despite a recommendation to the contrary, a client wants to take a particular course of action in respect of a particular product or service. Where this is the case, you must ensure that you:

- provide advice which is suitable for the client in accordance with the procedures outlined above;
- clearly inform the client that the course of action they wish to take is not suitable for them;
- clearly explain the potential risks of the alternative course of action to the client; and
- be clear that the client's actions are against your advice.

If the client still wishes to proceed with the transaction, you must escalate this to the Head of Investments who will advise whether the transaction can go ahead. You must then ensure that a record is made immediately of the advice provided to the client, the client's proposed alternative course of action, the fact that the relevant risks of the alternative course of action were explained to the client, and the fact that the client's actions were against your suggested advice.

6. MARKETING MATERIALS

MiFID II places stringent requirements on how investment firms may market their regulated products and services. The MiFID II rules on marketing materials covers client or potential client communications produced by a regulated firm in the course of doing business, and which may invite or induce the recipient to engage in investment activity.

In particular, marketing materials must be clear, fair and not misleading. There are also a number of additional requirements, disclosures and risk warnings that must be included when communicating certain information (such as performance data) within a financial promotion or other marketing material, to a client or potential client.

MiFID II include specific requirements (content, design & presentation) for financial promotions, and impose specific governance and administrative procedures that WHC&B must adhere to. Failure to comply with these regulatory requirements could have a detrimental impact on our clients and could expose WTW to legal, regulatory, commercial and reputational risks.

Colleagues are responsible for ensuring all such materials are designed/labelled and drafted correctly and for obtaining approval from Compliance for such materials, prior to distribution.

Prior to seeking Compliance approval, Colleagues are responsible for obtaining any necessary signoffs from other relevant stakeholders as appropriate. It is the responsibility of the individual Colleague to consider which stakeholders' approval may be required.

For further details please refer to the [Financial Promotion Checklist](#)

7. COSTS, CHARGES & BUNDLING

Firms are obliged to provide an itemized breakdown of all costs and charges related to both the financial instrument and ancillary services, both before and after the provision of services.

- Costs must be aggregated and expressed as a monetary amount and a percentage. Third party payments received in connection with the investment services provided by the WTW entity are to be shown separately.
- An illustration showing the cumulative impact of costs on the investment return must be included along with any anticipated spikes or fluctuations and a description of the illustration.
- Where any part of the total costs and charges is to be paid in or represents an amount of foreign currency, we must provide an indication of the currency involved and the applicable currency conversion rates and costs.
- All costs and associated charges that are charged for the **service** that WHC&B provide must form part of the amount to be disclosed. WHC&B must aggregate cost items under the following categories: One-off charges; ongoing charges; all costs related to transactions initiated; any charges that are related to ancillary services such as research costs and custody costs.
- All costs and associated charges related to **each product** provided by a fund manager must form part of the amount to be disclosed. WHC&B must aggregate cost items under the following categories: One-off charges, on-going charges, all costs related to transactions.

8. CONFLICTS OF INTEREST

When providing any service to a client, WHC&B must identify and manage conflicts of interest, including potential and perceived conflicts of interest.

For example, when selecting which products to recommend, WHC&B must avoid conflicts of interests and select the product which will provide the best possible level of service to our client, even if (as the case may be) this differs from the product which will provide us with the best level of fee.

Remuneration - The Firm has a remuneration policy that is designed ensure that it does not remunerate or assess the performance of staff in a way that conflicts with its duty to act in the best interests of its clients

9. INDUCEMENTS

For employee guidance on inducements please refer to the [internal procedures](#):

WTW entities that are subject to MiFID II, have implemented Inducements Procedures which supplement the existing WTW Group Gifts, Entertainment and Hospitality Procedures and ensure that conflicts are properly addressed. One common form of inducement is the provision of ‘free’ investment research.

When providing discretionary portfolio management and/or independent investment advisory services pursuant to MIFID II, WHC&B may only receive from third parties:

- research received in accordance with the applicable legal and regulatory requirements.
- inducements that are permitted minor non-monetary benefits and do not (and are not likely to) impair our duty to act in the best interests of our clients; or
- fees or commissions designed to enhance the quality of our services to you and where meet all of the considerations applicable thereto under the relevant requirements to which we are subject as an authorised investment firm. We shall disclose all relevant details to you as required by virtue of our authorised status.

WHC&B may receive research in return for direct payments from our own resources.

For employee guidance on Investment Research see the [internal procedures](#):

10. COMPETENCY

WHC&B have an obligation to ensure that all employees who are (on behalf of WHC&B) providing advice to clients, or information about financial instruments or services, or conducting other regulated activities in relation to relevant products and services are competent to do so.

Investment colleagues must possess the necessary knowledge and competence to fulfil their obligations when servicing clients. They must be competent in understanding the nature of the relevant investments and the individual product or service in order to then be able to assess if it is suitable (or appropriate, as applicable) for the client. Accordingly, WHC&B will assess this on at least an annual basis to ensure their level of competence is maintained on an ongoing basis.

In order to be certified as competent, it is important that employees attend all training that is given, including compliance training and product training.

11. OTHER OBLIGATIONS IN RESPECT OF CLIENT INFORMATION

Whilst not directly related to WHC&B suitability obligations, when collating information from the client in respect of their financial situation for suitability purposes, employees must ensure that you are comfortable that the client's wealth is legitimately acquired. Whilst the firm has effective anti-money laundering and anti-bribery and corruption systems and controls in place to assist in establishing this during the KYC process, you must ensure that you report any issues or concerns in this area immediately to Compliance.

12. MONITORING

The Business and Compliance will undertake monitoring on a routine basis to ensure that:

- Clients are aware of the Firms suitability obligation.
- Checklist is being completed
- Clients Investment Objectives are understood
- Record retention obligations are being met
- Trustee reports are being issued on at least an annual basis
- On-going staff competence

13. TRAINING

All staff must receive routine training on the firm's suitability obligations

14. RECORD KEEPING

WHC&B has an overarching obligation to keep orderly records of business and the internal organisation. As part of this requirement WHC&B will obtain and review Client information in order to assess the suitability of the advice WHC&B are providing. This will ensure that WHC&B can detect any failures regarding suitability assessments.

In relation to suitability reports, WHC&B must:

- keep appropriate records in respect of whether WHC&B are required to provide a suitability report;
- record the date and time at which the suitability report was provided to the client; and
- WHC&B must keep a copy of the suitability report.

The records outlined above must be kept in the client's file so that they are easily accessible for employees of WHC&B and can be provided promptly to competent authorities upon request. In addition, other documents which must be kept with the client's file include records that the client has agreed to the WHC&B Terms of Business and Order Handling and Best Execution Policy, and any other relevant documentation relating to the points outlined above. It is vital that client files are kept in good order at all times.

All records relating to suitability must be kept for at least 5 years.

Ownership and version control

Business Function Owner: Compliance

Document Sponsor: Paul Barry

Approval Forum: Board of WHC&B

Version	Change Description	Changed By	Date	Next update
1.0	Update Policy	Paul Barry	August 2023	August 2024

15. APPENDIX 1 - SCHEME MANAGEMENT AND CONSULTANCY SERVICES

The following Standard Scheme Management and Consultancy Services will be provided by Willis HC&B Ireland to the Client:

- 1.1 Attendance at up to <<X>> Trustee meetings and management meetings as required.
- 1.2 Advising on:
 - a) the operation of the employee benefit arrangements.
 - b) current trends and changes in Irish employee benefit provisions and improvements in scheme benefits;
 - c) Governance, Compliance check and Risk Register
- 1.3 Advising the Employer and Trustee concerning their duties and responsibilities under Pensions legislation.
- 1.4 Informing and educating Scheme members concerning retirement, leaving and switching options through access to the online portal, provision of standard scheme documents, annual group member presentations.
- 1.5 Pre-Retirement meetings for members with 5-10 years to their retirement age.
- 1.6 Triennial review and broking of Death in Service <<X>> rates, non-medical limits and policy conditions.

The following Non-standard Consultancy Services may be provided to the Client and/or the Employer as an additional task and quoted for separately. No additional work will be commenced without advance notice being issued and permission given by the Client or by the Employer.

- 1.7 Advising on:
 - a) the design and implementation of pension related benefit arrangements.
 - b) preparing and/or advising on bespoke member communications (additional to routine annual benefit statements);

- c) advice on harmonisation of benefits during acquisitions or mergers or other material events such as sale of business, bulk transfers etc.
- 1.8 Additional work in relation transfers in (or out) of benefits from non-Irish schemes and any consequential ongoing responsibilities.
- 1.9 Additional work in the event of the Scheme being wound up, either fully or partially: and
- 1.10 Additional work undertaken as a result of significant redundancies.

16. APPENDIX 2 – WHC&B WILL PROVIDE THE FOLLOWING INVESTMENT SERVICES TO THE CLIENT:

- 1.1 Acting to ensure compliance with regulatory guidelines and requirements in relation to the investment of Scheme assets.
- 1.2 Design and implementation of the investment strategy, including:
 - i) Design of the range of investment funds available to members.
 - ii) Design of lifestyle strategies suitable to the needs of the membership.
 - iii) Design of a default investment strategy suitable for the membership.
 - iv) The appointment of suitable investment managers and of an investment platform provider to implement the design.
 - v) Advice to the investment managers on portfolio construction.
- 1.3 Ongoing monitoring and periodic (at least annual) review of the Investment Strategies design and implementation, e.g. (i) to (v) above.
- 1.4 Preparation of a Statement of Investment Policy Principles ('SIPP') and Statement of Investment Governance ("SIG") for the Scheme and review of this.
- 1.5 Preparation of regular investment reports (either quarterly, semi-annually or annually, as agreed) showing performance and asset allocation of the range of investment funds and strategies.
- 1.6 Ongoing monitoring of investment managers and development of recommendations for replacement of managers or underlying funds as deemed necessary or in the interests of the members.
- 1.7 Ongoing monitoring of costs and charges borne by members in relation to investment, with a view to ensuring value for money, through both design of strategies, asset allocation and fund selection.
- 1.8 Liaise with the fund managers to implement strategy and change the asset allocation.

Additional investment services may be provided where the Client is desirous of including additional self-select fund choices in addition to those provided under 1.2 above, but these services will be charged as additional work and quoted for separately. No additional work will be commenced without advance notice being issued and permission given by the Client.

For the avoidance of doubt, it shall be the responsibility of the Scheme Trustees to enter into direct contracts with the relevant investment managers to acquire or dispose of or otherwise deal with the assets and property of the Scheme.