

Investment Options

The contributions made by you and the Company will be invested in the **Cash Lifestyle Strategy** (the designated default investment option) unless you choose otherwise.

How does lifestyling work?

Lifestyling has been designed to provide a combination of exposure to World Equities (shares in companies listed on a recognised stock exchange) in an effort to maximise the value of the members' retirement pots. Your pension pot is then gradually transferred into a Cash Fund with 25% World Equities remaining at retirement age. This occurs in the 5 year period leading up to retirement age, with the aim of protecting the value of the assets that have been built up, but with some investment in equities continuing to help protect against the impact of inflation.

The Trustees monitor the performance of the underlying component funds within the lifestyle strategy on a quarterly basis. Consideration will also be given to the underlying mix of assets within the strategy to ensure that it remains appropriate. A comprehensive review is normally undertaken every 3 years, but ongoing monitoring takes place by the Trustee. Members can choose two other Lifestyle strategies – see below:

Annuity Option Lifestyle strategy

Member's contributions are invested in World Equities up until 5 years prior to retirement and then switched into a combination of inflation linked and corporate bonds and cash such that at retirement date the mix is 75% bonds and 25% cash. The bonds are expected to perform in a similar way to annuity pricing that will provide your pension after retirement. You are entitled to take up to 25% of the value of your pension as a tax-free cash lump sum, hence the 25% target for Cash by retirement age.

The value of your pension at retirement will depend on the level of contributions paid into your pot (by yourself and the company) and the returns delivered by the equity and bond markets over the period. To provide greater diversification, the growth assets are invested in a fund that is designed to match the performance of broad basket of UK and international companies, where 60% is invested in the UK equity market.

How does the Income Drawdown Option Lifestyle Profile work?

Similarly, if you wish to choose the 'Income Drawdown Option' at retirement you should consider the Income Drawdown Option Lifestyle Strategy which works in the same way as the Annuity Option profile except that by retirement age your pension pot will be invested 40% in the World Equities Fund and 60% in the Corporate Bond Index Fund Over 15 Years fund.

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