



Retirement Strategies

TARGET DATE 2020-2022 RETIREMENT FUND

THE FUND

This fund is designed for someone currently saving for their retirement who expects to retire in or around the years 2020 to 2022.

It aims to give the saver the highest possible pension income, taking into account a reasonable level of risk. This risk is determined by the number of years the saver still has to add to their pension savings, what the savings could earn over those years and how easy it will be for them to make up any possible losses in that period.

On retirement, the saver is assumed to use their built-up pension savings to provide a pension income from the options available when they retire.

HOW IT WORKS

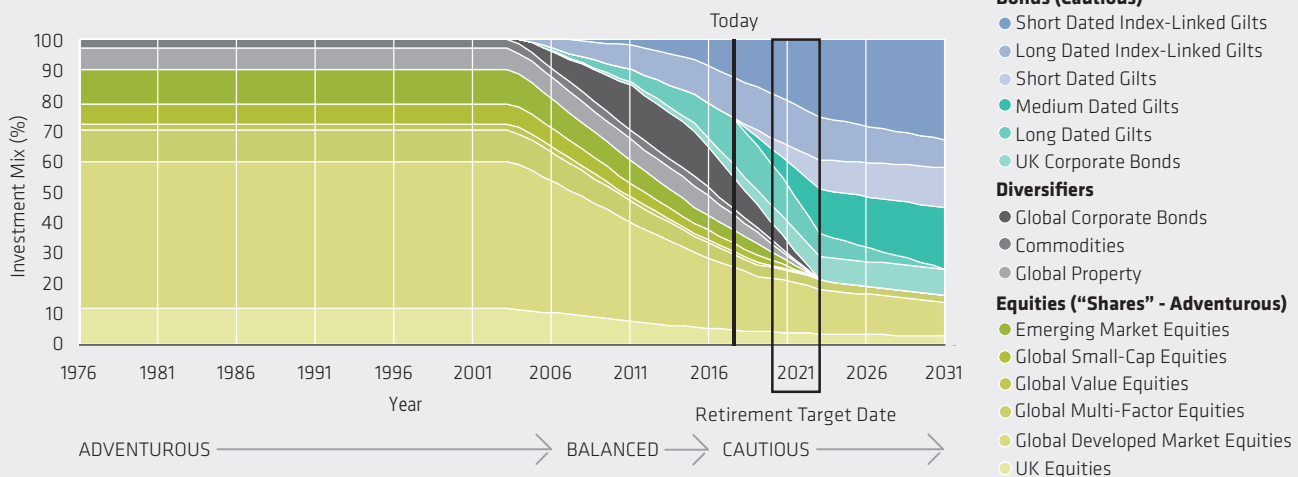
The fund expects to achieve its aims by gradually moving from more “adventurous” investments, through “balanced” to more “cautious” investments as it gets nearer to the planned retirement years.

Adventurous investments mean investments, like company shares, which are expected to make bigger returns over the longer term than more cautious investments (and consequently their value can fall and rise significantly in the short term). These adventurous investments can help the saver achieve the highest possible pension income at a time when there are many years left in which they can recover any possible losses.

As the saver approaches their planned retirement years, the mix of investments will become more balanced as it moves towards a more cautious approach. The cautious investments will mostly be bonds (called “gilts” in the case of UK government bonds), a way for governments and businesses to borrow money. They will probably earn less than shares over the long run but may help protect the saver’s pension income as they get nearer to retirement.

The fund’s current strategy is shown below, with today’s mix of investments highlighted.

INVESTMENTS BECOME MORE CAUTIOUS OVER TIME



The fund’s investment approach changes to match the needs of a typical saver over their lifetime.

Life Stage	Young / Adventurous	Mid-Life / Balanced	Pre-Retirement / Cautious
Fund’s Focus	Long-term growth	Balance of growth and stability	Short-term stability
Benefits	Long period to build up returns and recover losses. Regular contributions will smooth gains and losses	Compound returns on built-up savings can be significant	Savings can continue to build while deciding needs in retirement
Risks	High risk of big short-term losses	Potential for savings shortfall at retirement, as a result of losses	Inability to match the fund’s investments with the wide range of retirement options available

**MANAGER SUMMARY**

In order to keep the cost of the fund low, the investment manager seeks to invest mainly in index-tracking funds. Using their proprietary quantitative and fundamental research, they create an age-appropriate dynamic asset allocation that seeks to mitigate the effect of large market movements without detracting from long-term returns. The objective is a smoother journey for the saver, seeking to avoid the sort of emotional responses to short-term market losses that can damage final pension outcomes, whilst also seeking to maintain long-term returns.

**Total Returns**

(%)	Year Ending September					Since Inception <sup>1</sup>
	2013	2014	2015	2016	2017	
Retirement Strategies Fund <sup>2</sup>	–	8.60	4.67	20.50	3.37	9.11
Global Equities <sup>3</sup>	19.87	12.08	1.58	29.85	14.41	13.82
Cash <sup>4</sup>	0.54	0.53	0.57	0.59	0.35	0.51

As of September 30, 2017

<sup>1</sup> The fund's inception date is September 1, 2013. Periods greater than one year are annualised.

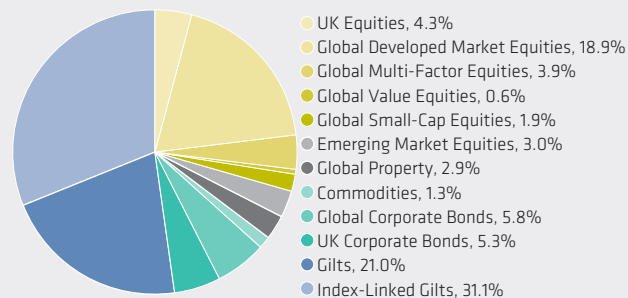
<sup>2</sup> Performance is presented net of scheme-specific management fees.

<sup>3</sup> MSCI World Index in pounds, net of dividends reinvested.

<sup>4</sup> Bank of America Merrill Lynch British Pound LIBOR (3 M Constant Maturity).

<sup>5</sup> Numbers may not sum due to rounding.

**UNDERLYING INVESTMENT ALLOCATION<sup>5</sup>**



All information cited above is as of September 30, 2017

**The Funds are only available for investment by the Trustees of the Scheme which is a UK registered pension scheme.** This document is designed to provide consolidated information in relation to the Target Date Fund only. It does not reflect members' level of benefits under the scheme. Members are advised to seek financial advice to discuss their investment options.

**A Word About Risk**

**Market Risk:** The market values of the Fund's holdings rise and fall from day to day, so investments may lose value.

**Interest Rate Risk:** Bonds may lose value if interest rates rise or fall—long-duration bonds tend to rise and fall more than short-duration bonds.

**Credit Risk:** A bond's credit rating reflects the issuer's ability to make timely payments of interest or capital—the lower the rating, the higher the risk of default. If the issuer's financial strength deteriorates, the issuer's rating may be lowered and the bond's value may decline.

**Allocation Risk:** Allocating to different types of assets may have a large impact on returns if one of these asset classes significantly underperforms the others.

**Foreign Risk:** Investing in non-UK assets may be more volatile because of political, regulatory, market and economic uncertainties associated with them. These risks are magnified in assets of emerging or developing markets.

**Currency Risk:** If a non-UK asset's trading currency weakens versus sterling, its value may be negatively affected when translated back into sterling terms.

**Property Risk:** Please note that some investments in this Fund may not be realisable at the point you choose to switch or cancel units, because the underlying property assets concerned may not be readily saleable. From time to time, valuations of property within funds are carried out by independent valuers. The value of the property in a fund is a matter of the valuer's opinion rather than fact.

The value of your investment and the income may fall as well as rise and you may not get back your original investment.

The Target Date Retirement Fund (the "Fund") referenced above is designed for a typical pension fund saver intending to retire in or around the years stated in the name of the Fund. As the Fund is intended to be a default pension savings vehicle which seeks to meet the requirements of a broad range of persons, it does not take into account an individual's personal circumstances and may not be suitable for a particular individual or group of individuals with complex financial or personal circumstances.

**For any questions regarding the information in this factsheet, members should speak to the Administrator or Trustees of their scheme.**

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