

# Global Equity Lifestyle Strategy

For IWDC and AVC Extra members

See glossary terms overleaf for explanations of key terms used

## A typical retirement journey



## Saving for the long term

**Typical investor:** This lifestyle strategy may be suitable for all members, particularly those a long way from retirement who do not want to manage their own investments and would prefer the Trustee to do it for them.

**Objective:** The overall aim is to reduce any potential risk of a fall in the value of your pension savings by protecting the value as you near retirement. It works by automatically moving your savings into investment funds with risk ratings considered to be a suitable match for how far you are from your Target Retirement Age (TRA).

While you still have a long way to go till you reach your TRA, the strategy invests in the Global Equity Fund (high-risk fund). It then gradually moves your savings into the Aggregate Bond Fund (medium-risk fund) and Deposit Fund (low-risk fund) over the last ten years before your TRA (see chart below).

More information about each fund is available on the fund fact sheets.

**NOTE: You may not get back all the money you have invested.**

If you are approaching retirement, you should think carefully about your investment choices to make sure they meet your needs.

Making fund choices is an important decision that could have a significant effect on your benefits. Consider taking financial advice before making any decisions about your personal finances.

Find a list of Independent Financial Advisers (IFAs) in your area at [unbiased.co.uk](http://unbiased.co.uk).

### ABOUT THIS STRATEGY

TYPICALLY SUITED TO:

Members who want limited input



LONG-TERM  
GROWTH &  
SECURITY



MANAGED  
RISK



EQUITIES, BONDS  
& MONEY  
MARKETS

\* You can invest in one lifestyle strategy + any additional fund(s)

**Launch date:** July 2013

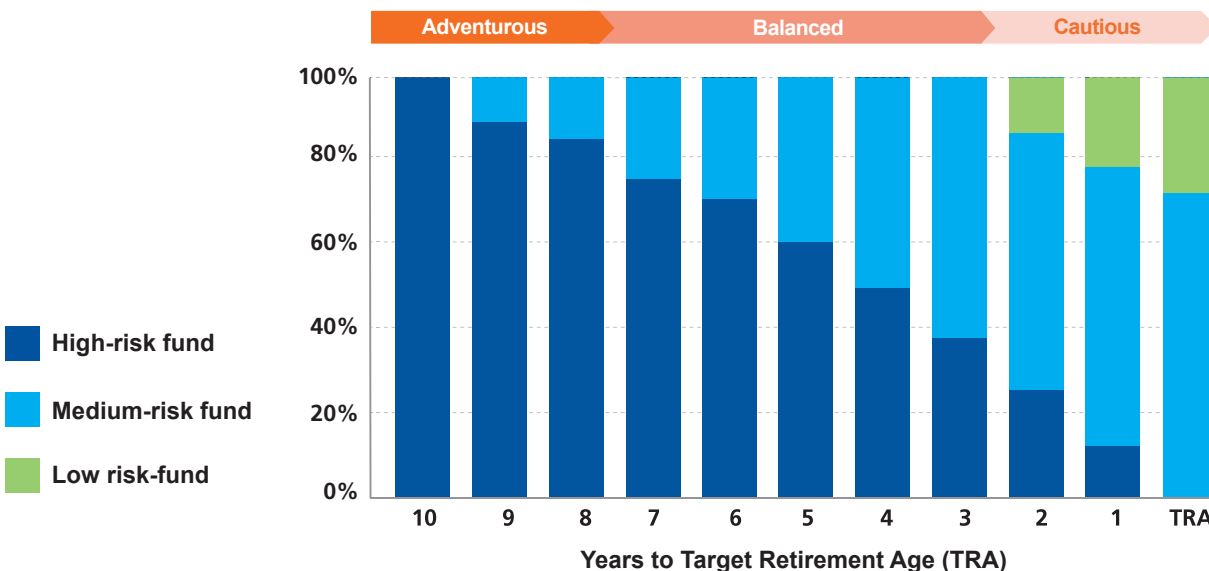
**Unit price:** Daily single priced (see glossary).

**Strategy charges:** The charges for the strategy depend on the charges of the underlying funds.

See the Global Equity Fund, Aggregate Bond Fund and Deposit Fund fact sheets for charges.

## How the fund switch works

The example below shows how your investments may gradually switch between the funds. This is an illustration, and not the exact process. The Trustee closely monitors investment performance and may make changes to the switching process where appropriate.



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## What do we mean by risk?

Investments can experience rises and falls in value. Generally speaking, the larger the expected rises and falls in your investment value, the higher the risk rating.

Examples of risks that can influence the value of your investment can be found on the fund fact sheets.

Risk isn't necessarily bad for you. All funds carry some risk. Your investment choices depend on your own attitude to risk.

## Lifestyle strategy risk explained

The funds in this Strategy each have a different level of risk. The ratings are a guide only, and should not be viewed as a reliable forecast of actual future performance.



### THE GLOBAL EQUITY FUND IS A HIGH-RISK FUND

The Global Equity fund invests in shares (equities) in companies around the world and aims to achieve high growth over the long term. It may experience sharp falls and rises in value over the short to medium term. It should therefore be viewed as a long-term investment.



### THE AGGREGATE BOND FUND IS A MEDIUM-RISK FUND

The Aggregate Bond Fund invests in a mix of UK government and global non-government bonds. The aim is to minimise potential risk, maximise income and avoid losses.



### THE DEPOSIT FUND IS A LOW-RISK FUND

The Deposit Fund is considered low risk, because it invests in money-market funds and UK government treasury bills. Any returns are usually slow and steady. However, this means the value of your savings may not keep up with inflation.

## Glossary

**Bonds:** Essentially a loan to a borrower. Money is made investing in bonds by either; holding the bonds until the loan is repaid (or reaches its maturity date) and collecting interest payments on them, or by selling them for a profit.

**Daily single priced:** Share price is set daily. Investors pay that set price to buy and sell shares in the fund.

**Equities:** These are shares in companies. By investing in equities, you are entitled to a share of any profits.

**Money-market funds:** Typically invest in high quality, liquid, short-term debt, including bank deposits and short-term corporate or government loans. The aim is to provide a low return for relatively little risk. The short-term outlook helps reduce uncertainty, as the longer you lend money, the greater the risk that something will happen and you won't get repaid. Investments in this type of fund are typically liquid, meaning you can draw your funds out within a few days, with a low risk of losing value. The funds are classed as high quality because there is generally a low risk of default (non-repayment of the debt).

**Target Retirement Age (TRA):** This is the age when you plan to take your benefits. You will be asked to set a TRA if you invest in a Lifestyle strategy, which changes your investments to lower-risk funds as you get closer to retirement.

**UK government treasury bill:** A loan to the UK government.

## Points to remember

This factsheet is designed to help you learn more about the funds, but is not a recommendation that it is suitable for your own circumstances and retirement plans.

**The Trustee and Railpen cannot give you financial advice about your fund choices.**

The Trustee – which is responsible for overseeing the defined contribution arrangements – reserves the right to make changes to the available fund choices (including withdrawing funds). The Trustee can also make changes to how each fund is made up, its comparator, management and charges.

## What to do next

One of the best and easiest ways to manage your pension arrangements is by registering for, or signing in to, your personal myRPS account at [railwayspensions.co.uk](https://www.railwayspensions.co.uk).