RPMI Pension Saver Fund Range

Understanding IWDC Lifestyle Strategies

Strategy objective: Under the Lifestyle Strategy your investments are changed over time as you move towards your retirement. Over the long term, it should provide better returns than you could get from a typical savings account. However, as with all investments, there is a chance that your retirement savings could fall in value.

The funds used within the Lifestyle Strategy depend on the profile chosen, e.g. Long Term Growth Lifestyle Strategy or Global Equity Lifestyle Strategy, and will also depend on how long you have until your selected Target Retirement Age. If this date is some time away (typically more than 10 years), your savings will be invested in funds that offer growth potential over the long term. Please see the product particulars for the available Lifestyle Strategies for further details.

As you get closer to retirement, the strategy aims to move your investments away from the growth phase and towards preparing your pension savings for retirement. The Lifestyle Strategy will do this by automatically switching your funds – you do not need to do anything. However, we do recommend that you regularly check on your investments to make sure that they are still appropriate for your needs.

Things to consider

The Lifestyle Strategy is based on the age you have told us you want to retire, the Target Retirement Age. So if you decide that you want to retire earlier or later, it may be worth reviewing your investment choice. It is important that you tell RPMI if your Target Retirement Age changes so that we can adjust the investments in your Lifestyle Strategy.

The Lifestyle Strategy could be suitable if you:

- do not want to make ongoing investment decisions
- want to safeguard your retirement income – as you get closer to your Target Retirement Age we will gradually move your investments into funds that lower the risk to your pension savings
- intend to swap your pension savings for tax-free cash lump sum and an annuity[1] when you reach your selected Target Retirement Age

However, it may be unsuitable if you:

- want a hands-on role in managing your pension investments
- do not intend to use part or all of your pension savings to purchase an annuity, because the Lifestyle Strategy is designed to move the majority of your pensions savings into assets that better match annuity prices

It is also important to remember that...

- you could receive a lower return from the funds your money is moved into than from the funds you were previously invested in
- as the value of investments can go down as well as up, your fund may be worth less than the amount paid in
- your money is moved on set dates, regardless of market performance and economic conditions at that time. As a result, it may not move at a time that gives you the best return on your investments
- you can invest in only one Lifestyle Strategy
- if you need to change your retirement plans, we recommend that you speak to an independent financial adviser to go over your investment choices

[1] A pension annuity gives you a guaranteed income for life. You can buy it when you retire using the money you have saved in your pension

Important information

The information on this factsheet has been provided to help you understand more about the **Lifestyle Strategy**, but should not be interpreted as a recommendation that it is suitable for you based upon your personal circumstances. Neither the Trustee, nor RPMI, can give you financial advice on fund choices. Making fund choices is an important decision that may have a significant impact on your benefits. You should consider taking independent financial advice before exercising any investment choices or making any investment decisions. If you need a recommendation, please contact an independent financial adviser.

The Trustee reserves the right to make changes to the range of fund choices available to you (including withdrawing funds). The Trustee can also make changes to fund composition, fund benchmark, management and charges for individual funds.

The stated objectives of the fund are not guarantees. The value of investments and any income from them may fall as well as rise, and investors might not get back the original amount invested.

Members should remember that pension investment is typically designed for the longer term. Growth assets such as the Global Equity Fund or Long Term Growth Fund are expected to be more volatile than the Bond and Deposit Funds in the short term (and are therefore rated as higher risk) but, over the long term, would be expected to provide a higher return, hence a better outcome at retirement.

This factsheet is issued by RPMI Limited.
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