

The Retirement Account

Investment Fund Summary



This Investment Fund Summary is relevant only if you have selected the Pension Drawdown or Pension Savings options within your Retirement Account.

Investing in The Retirement Account

The Retirement Account can provide you with:

- The security of a Guaranteed Annuity for your essential income
- The flexibility of Pension Drawdown to provide additional income, to invest for the future, or to use as a nest egg for treats and unexpected expenses
- The chance to invest money in Pension Savings in order to enable you to stage or phase your retirement over time

The Pension Drawdown and Pension Savings facility within your Retirement Account enables you to buy units in funds that invest in shares, bonds and other financial assets.

In order to set up Pension Drawdown or Pension Savings* you'll need to choose one or more investment funds that are right for you. The same range of funds is available to both options but you can choose to invest in different funds for each part if you wish.

If at a later stage you decided to move some of your money from Pension Savings to Pension Drawdown then the funds you selected for the Pension Savings will continue to be used unless you provide us with a switch instruction.

Making the right choice can be tricky, so your financial adviser will be able to help you with this.

Whichever funds you choose, you'll receive annual statements showing you how they have performed. You can switch between the funds available at any time, free of charge.

This booklet sets out the different funds available within The Retirement Account.

*In order to have Pension Savings you must hold a minimum investment in Pension Drawdown and/or Guaranteed Annuity. The minimum can be found on our website.

Past performance is not a reliable indicator of future results. The value of investments may go down as well as up. Taking income or withdrawals in excess of fund growth may result in the fund running out quicker than expected. Inflation will reduce how much the fund is worth in real terms and inflation will reduce how much your income is worth over the years. It is essential to seek advice from a suitably qualified adviser. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future.

How we select our funds

We have selected the range of funds for The Retirement Account in consultation with Square Mile, a respected independent investment consulting and research organisation based in the City of London.

Our fund range has been designed to cater for the needs of different investors with different attitudes to risk.

Each of our funds has been selected for its ability to meet agreed investment objectives, its value for money, its investment performance and suitability for a retirement income product. Funds are constantly monitored to ensure that they continue to provide investors with the best opportunity to meet their long term objectives, with changes made if necessary.



About Square Mile

Square Mile's team of investment analysts is one of the strongest and most respected in the UK. Their focus is investment research, meeting fund managers to understand how those managers work, how they think and how they react to markets.

Over 1500 companies and businesses make use of Square Mile's research, including financial advisers, life assurance companies and investment fund platforms.

Source: Square Mile Investment Consulting & Research

Risk and reward

Every type of fund you invest in, other than cash, carries some risk, but the level of risk varies. In general, the higher the potential return, the higher the risk that the fund's value could fall.

Your personal circumstances, your reason for investing, and the length of time you expect to invest, will help determine how much risk you wish to take.

The Retirement Account offers funds which are rated according to our assessment of their level of risk, either cautious, balanced or adventurous.

Your fund selections can be switched in future if your appetite for risk changes.

Cautious

These funds are largely invested in lower-risk investments.

This means there is less chance of the fund falling in value, although investment returns are also likely to be lower.

Balanced

These funds aim to achieve a balance of risk and return from a combination of lower-risk and higher-risk investments.

This means the funds may fluctuate in value in exchange for potentially higher returns over the medium to long term.

Adventurous

These funds have the potential to give you high prospects for growth.

However, this means there is more chance of the fund falling in value.

Active, passive and protected funds

As well as a choice of different risk levels, The Retirement Account offers a range of different investment styles to choose from. These are divided into Active funds, Passive funds and Protected funds.

Once again, your Adviser will be able to help you choose which of these types of fund is most suitable for your needs.

Active

Active funds are managed by a specialist investment manager, or team of specialists, who have a certain freedom over the investments they make. Investment managers use their knowledge and experience to attempt to beat the returns you could achieve by investing in a stock market index, over the long term.

Passive

Passive funds aim to track the performance of an index, for example the FTSE 100. The investment process is largely automated and therefore less expensive, so passive funds tend to charge less.

Protected funds

Protected funds offer, as their name suggests, a degree of protection from the ups and downs of the stockmarket.

Our complete Retirement Account fund range

	Protected	Cautious	Balanced	Adventurous
Active	Investec Multi-Asset Protector	Henderson Cautious Managed	AXA Framlington Managed Balanced	Threadneedle Managed Equity
		Threadneedle Dynamic Real Return	Jupiter Merlin Balanced Portfolio	Jupiter Merlin Growth Portfolio
		Invesco Perpetual Distribution	AXA Distribution	Henderson Global Equity Income
Passive	Retirement Advantage Protected Index Portfolio**	Cautious Index Portfolio (Vanguard Index funds)	Balanced Index Portfolio (Vanguard Index funds)	Adventurous Index Portfolio (Vanguard Index funds)
Cash		Insight Liquidity		

**Retirement Advantage Protected Index Portfolio - This fund makes use of a derivative (Put option). These are more complex investments, and it is important that investors understand that they carry additional risks in adverse market conditions.

Protected funds



PROTECTED / PASSIVE

Protected Index Portfolio

The Protected Income Portfolio invests passively in a range of assets with the potential to grow your pension over the long term, such as shares, bonds and gilts. The fund also protects your money so that it can never fall below 80% of the highest value it has achieved[†]. So you can be more confident about the future value of your investment, and therefore the amount of income you can take from your pension. The investments are managed by Vanguard and Blackrock, and the protection is provided by Morgan Stanley, a combination of three of the world's largest, most respected asset managers.

This fund is exclusive to The Retirement Account, and a separate fund brochure is available.

Annual management charge 0.75%

PROTECTED / ACTIVE

Investec Multi-Asset Protector

This fund aims to provide capital growth from an actively managed portfolio of UK and global equities, bonds, property, commodities, cash and alternatives. It also provides protection at 80% of the investment's highest price to date[†]. So you can be more confident about the future value of your investment, and therefore the amount of income you can take from your pension. From time to time the allocation to low risk instruments and cash will be increased.

Annual management charge 0.80%

Passive funds

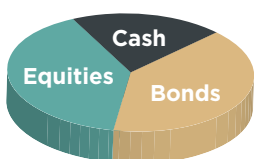
Our passive range consists of three funds, each invested in a 'basket' of index trackers using Vanguard index funds.

The risk level of each fund is determined by the amount invested in different tracker funds. Broadly, equities are riskier than bonds or cash and therefore a fund with a higher allocation of equities will have a higher level of risk, but with higher potential return.

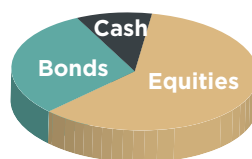
Retirement Advantage consults with Square Mile to determine an appropriate allocation into different investment markets and types of asset for each passive fund, and especially the balance between equities, company bonds, government bonds and cash.

Vanguard is respected worldwide for its passive funds, and its investors trust it to manage \$4 trillion of their assets.

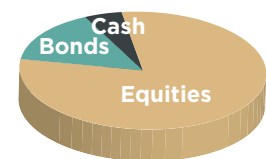
Retirement Advantage
Cautious Index Portfolio



Retirement Advantage
Balanced Index Portfolio



Retirement Advantage
Adventurous Index Portfolio



The annual management charge for passive funds is 0.25%

Fund allocations can change over time, and the above charts are purely indicative. Current allocations can be found on the fund fact sheets available on our website.

[†]The protection is not guaranteed.

Active funds



CAUTIOUS

Henderson Cautious Managed

This fund aims to provide income and long-term capital growth by investing in a combination of equities and bonds worldwide. No more than 60% of the fund will be invested in equities.

Annual management charge
0.73%

CAUTIOUS

Threadneedle Dynamic Real Return

The fund aims to achieve a return of 4% above inflation (defined as the Consumer Price Index) over the medium to long term. It also seeks to deliver positive performance over any three-year period, regardless of market conditions.

Annual management charge
0.85%

CAUTIOUS

Invesco Perpetual Distribution

This fund aims to achieve a combination of income and capital growth over the medium to long term by investing globally in equities, bonds and other assets. No more than 60% of the fund will be invested in equities.

Annual management charge
0.92%



BALANCED

AXA Framlington Managed Balanced

This fund aims to achieve capital growth through investments in a broad range of assets anywhere in the world, balancing risk and return for investors.

Annual management charge
0.75%

BALANCED

Jupiter Merlin Balanced Portfolio

This fund aims to achieve long-term capital growth with income by investing mainly in other funds across several management groups. The underlying funds invest in international equities, fixed interest stocks, commodities and property.

Annual management charge
0.85%

BALANCED

AXA Distribution

This fund aims to achieve growing income with some prospects for capital growth over the medium to long term.

Annual management charge
0.85%

Active funds continued



ADVENTUROUS

Threadneedle Managed Equity

This fund aims to provide a return of capital growth and invests at least two-thirds of assets in worldwide equities via other Threadneedle funds. There is also exposure to fixed income securities, cash, money market instruments and derivatives.

Annual management charge
1.00%

ADVENTUROUS

Jupiter Merlin Growth Portfolio

This fund aims to achieve long-term capital growth by investing mainly in other funds across several management groups. The underlying funds invest in international equities, fixed interest stocks, commodities and property, with a core in the UK.

Annual management charge
0.85%

ADVENTUROUS

Henderson Global Equity Income

This fund aims to achieve an income better than the MSCI World stockmarket index with the potential for long-term capital growth.

Annual management charge
0.85%

Cash

MONEY MARKET

Insight Liquidity



This fund aims to preserve capital and daily liquidity, and will typically invest in bank deposits, certificates of deposit, and other secure assets.

Annual management charge 0.10%

Annual Management Charge

The AMC (Annual Management Charge) is the basic cost for managing your investment in a fund. Each fund will also have an OCF (Ongoing Charge Figure). It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution costs. These figures may vary from time to time. Details of current AMC and OCFs can be found in the fund fact sheets available on our website at www.retirementadvantage.com.

Keeping track of your investments

You will be able to check the performance of your chosen funds by visiting our website www.retirementadvantage.com.

You'll find daily unit prices, fund fact sheets and other useful information about our funds. Each year we'll send you a statement showing the value of your policy. You can change your investment funds at any time free of charge.

Get in touch

If you have any questions or would like more information, please get in touch with our Customer Services team.

Call us on
0800 032 7690

Email us at
customers@retirementadvantage.com

Visit our website
www.retirementadvantage.com

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