

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.

Choosing the right investment

The Retirement Account provides you with the flexibility to control where your money is invested. But choosing the right investments in retirement is difficult especially as we are all living longer and your money may have to provide you with income for the rest of your life. That's why we insist that you use the services of a professionally qualified financial adviser who can guide you through the process.

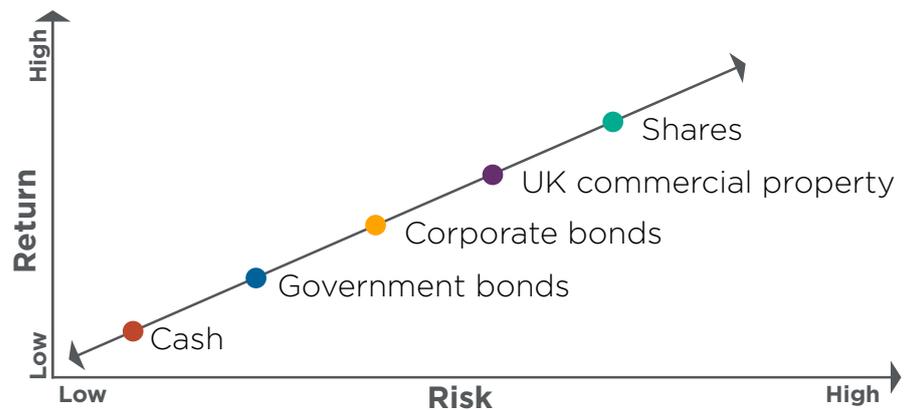
The link between risk and reward

Every type of fund you invest in 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. There are various types of assets held by funds and each has risks and the potential of higher or lower returns.

The chart shows the relationship between risk and return for the major asset classes.

As you'd probably expect investing in shares (equities) offers the highest potential return but at the highest risk.

Bonds do not offer the same long-term growth potential as shares and can fall in value but tend to be less unpredictable.



This chart is for illustrative purposes only and is not based on actual figures.

You will also find that asset classes may perform differently as investment markets change. For instance if company shares are performing well then bonds may do the opposite and vice versa.

So it's a good idea to hold a spread of assets so that if one particular element of your investment is performing badly another may do the reverse. This method can be enhanced further by investing across different geographic markets (for example UK, US, China etc). Diversification helps ensure that you enjoy a smoother investment journey in retirement. The good news is that the funds available in The Retirement Account contain a mix of the major asset classes.

Risk levels in the Retirement Account

Your personal circumstances, reason for investing, and the length of time you expect to invest, will help determine how much risk you take. Your financial adviser will determine a risk level that suits you by understanding your attitude to risk, capacity for loss and objectives in retirement. The Retirement Account has a number of funds which we've conveniently rated into three risk categories:

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 and Passive funds

As well as a choice of different risk levels, The Retirement Account has two different investment management styles to choose from. These are divided into actively and passively-managed funds.

Once again, your Adviser will be able to help you choose which style(s) of fund management is most suitable for your needs. The flexible nature of The Retirement Account means that if your circumstances and preferences change you can switch funds at any time.

What is an Actively-managed fund?

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.

What is a Passively-managed fund?

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.

The Retirement Account fund range

As well as a range of cautious, balanced and adventurous funds we have two **Protected** funds. These invest in assets that have the potential to grow your money over the long term, but also come with another valuable feature; a degree of protection from the ups and downs of the stockmarket. We also have the Insight Liquidity cash fund.

	Protected	Cautious	Balanced	Adventurous
Passive	Protected Index Portfolio*	Cautious Index Portfolio (Vanguard)	Balanced Index Portfolio (Vanguard)	Adventurous Index Portfolio (Vanguard)
Active	Investec Multi-Asset Protector	Canlife TRA Managed (0%-35% Shares)	AXA Distribution	Canlife TRA Portfolio 7
		Canlife TRA Portfolio 3	AXA Framlington Managed Balanced	Janus Henderson Global Equity Income
		Canlife TRA Portfolio 4	Canlife TRA Managed (40%-85% Shares)	Jupiter Merlin Growth Portfolio
		Invesco Perpetual Distribution	Canlife TRA Portfolio 5	Threadneedle Managed Equity
		Janus Henderson Cautious Managed	Canlife TRA Portfolio 6	
		Threadneedle Dynamic Real Return	Jupiter Merlin Balanced	

* 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.

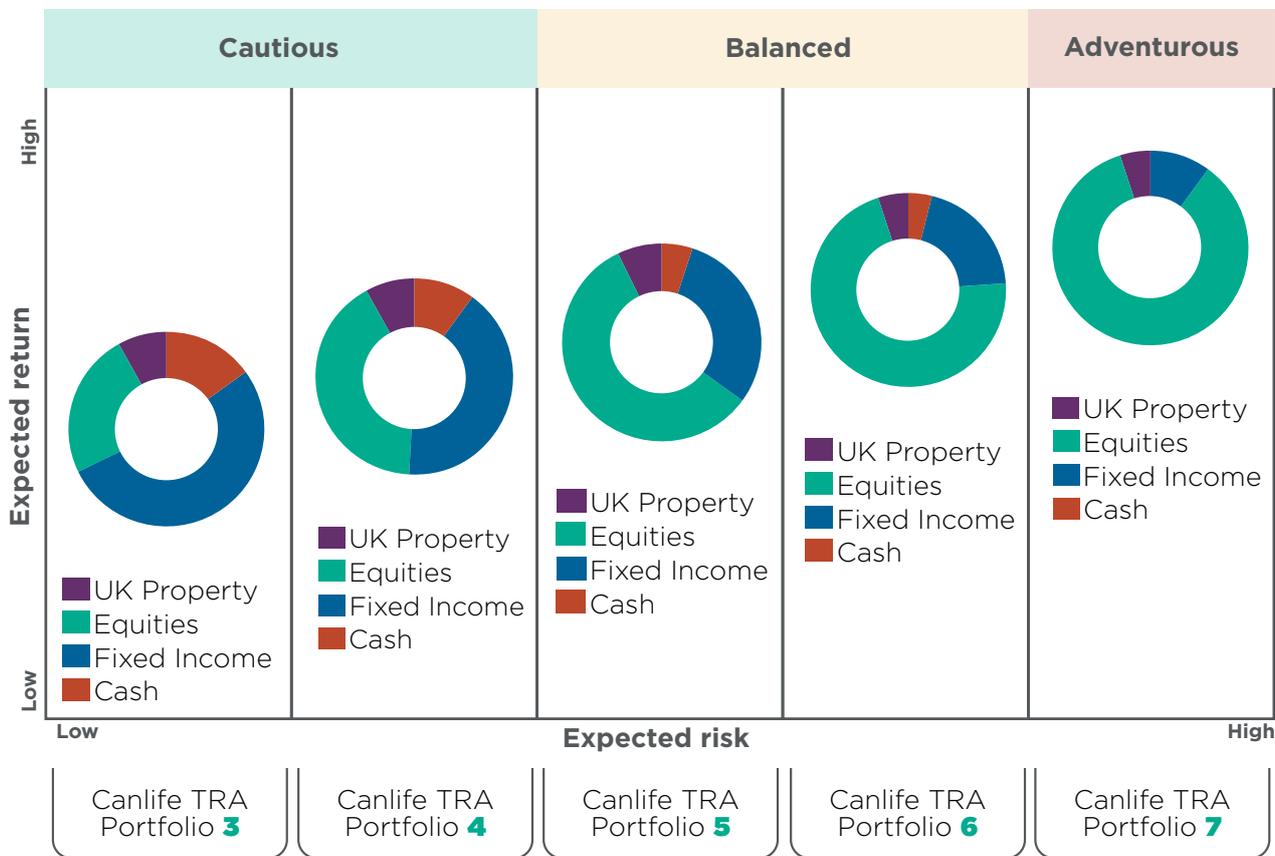
Fund selection and monitoring

There are 22 funds to choose from within The Retirement Account, 7 of these are from Canada Life Investments with the remainder managed by other expert investment managers.



Risk-targeted funds - You can invest in five actively-managed Canada Life Investments' Portfolio funds which offer an easy, cost-efficient way of meeting your long-term needs whether you are looking for growth, income or a combination of the two.

These funds are risk-targeted which means they are aligned to specific risk levels with a range to suit more conservative investors up to the more adventurous.



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

Risk-targeted means that they won't deviate from their initial risk levels which ensures that your investments continue to be aligned to your objectives.

Risk-managed funds - You also have access to 2 of Canada Life Investments' most popular actively-managed funds, the Canlife TRA Managed (0%-35% Shares) and the Canlife TRA Managed (40%-85% Shares).

About Canada Life Investments

Canada Life Investments is an experienced UK-based asset manager responsible for managing more than £36 billion of assets across company shares, fixed income and property. These seven funds will be monitored by Canada Life Investments so that they continue to provide investors with what they promised with changes made as necessary.

Please note that each of our Canlife TRA funds invest into underlying OEICs (LF Canlife Portfolio III, IV, V, VI, VII + LF Canlife Managed 0%-35% + LF Canlife Balanced).

Actively managed funds - continued

We have selected a further range of actively-managed 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.

Source: Square Mile Investment Consulting & Research

These nine actively managed funds are all managed by well-established investment firms.



Passive funds



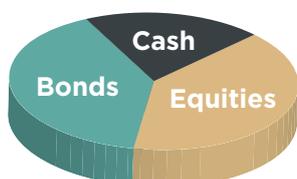
Our passive range consists of three funds, each invested in a 'basket' of index trackers using Vanguard index funds.

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.

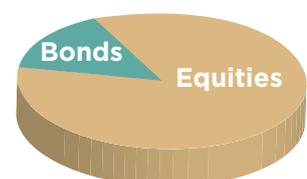
Retirement Advantage Cautious Index Portfolio



Retirement Advantage Balanced Index Portfolio



Retirement Advantage Adventurous Index Portfolio



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.

Protected funds

Protected funds offer a degree of protection from the ups and downs of the stock market. Over the longer term assets with growth potential such as shares tend to rise in value, but they can also fall. Protected funds are designed to act like a safety net, limiting the loss of value in your pension if there is a major fall in the market. The Retirement Account offers a choice of two Protected funds.

How the protection works

Any money you invest in these funds is immediately protected at 80% of the highest unit price the fund has achieved. This means that the value of an initial £10,000 investment will never fall below £8,000. As the value of the fund rises, the level of protection rises too. For example, if your investment doubled to £20,000, the protection level would rise to £16,000. The protection level can never fall, once achieved, so the growth in your investment is protected too.

Our two protected funds both invest in a broad range of different assets like bonds, shares and cash.

1. Protected Index Portfolio

This **passively-managed fund** is available exclusively within The Retirement Account. The money is managed by Vanguard and Black Rock (iShares) with the protection provided by Morgan Stanley - 3 of the world's biggest asset managers.



2. Investec Multi-Asset Protector

This fund is **actively-managed** by Investec Asset Management and invests in some of Investec's own funds together with exposure to other fund management groups.



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

We can produce this document in an alternative format on request – in Braille, large print or on audiotape.

We can also produce it in other languages.



Telephone calls may be recorded for training and quality monitoring purposes. **Retirement Advantage™** is a trading name of **MGM Advantage Life Limited**. Registered no. 08395855. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. **Retirement Advantage™** and the **Retirement Advantage™** logo are trademarks of **MGM Advantage Holdings Limited**. Registered in England and Wales. Registered office 110 Cannon Street, London EC4N 6EU. 40-102 04/18