



Your guide to investing

Legal & General WorkSave Mastertrust

Sole governance fund range





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Part 1: Introduction

WHY SHOULD I READ THIS GUIDE?

This guide has been designed to help you understand:

- how contributions are invested
- what you should be aware of if you want to make your own investment decisions
- the choices you will need to consider when it comes to investing your [pension pot](#) as you approach retirement.

We've tried to make it easier to understand by using plain English.

Where we've used a term you may not be familiar with, we've highlighted it in [blue](#) and have included a definition in the 'Terms explained' section.





Investing your pension savings

Your pension savings are invested with the aim of preserving their value or making them grow over time.

HOW WILL MY PENSION SAVINGS BE INVESTED?

Ongoing contributions will be invested in the [default investment option](#) and will continue to be invested in this way unless you tell us otherwise.

You can make your own investment decisions in order to help you achieve your retirement goals. See 'What if I want to make my own investment choices?' for more information.

WHAT IS THE DEFAULT INVESTMENT OPTION?

The [Trustees](#) are required by law to choose an investment option for members who do not want to make their own investment decisions.

This is known as the default investment option, since it is where your pension savings will be invested unless you choose to make your own investment choices. The Trustees must keep this default investment option under review and may make changes over time.

The current default investment option selected by the Trustees is the L&G PMC Multi-Asset Fund 3.

For more information about this fund, please see the [fund factsheet](#).

WHAT IF I WANT TO MAKE MY OWN INVESTMENT CHOICES?

You can change the way your pension savings are invested at any time.

If you're thinking of making your own investment decisions, there are a number of funds and [lifestyle profiles](#) to choose from. The 'your fund range' section provides a list of funds available.

However, before you make any investment decisions, you should read this guide, as it contains important information about investing and highlights some of the things you need to think about before making any investment choices.

Please note that:

- you will only be able to switch into investments that are listed in the 'Your fund range' section of this guide
- you may not be able to switch back into a fund or lifestyle profile that you previously switched out of
- neither your employer, nor the Trustees, nor Legal & General can offer you investment advice.

It's also important to be aware that all investments carry some degree of risk and, as a result, the value of your pension savings can fall as well as rise.

To find out more about the risks of investing, please see the 'Balancing risk and reward' section of this guide.



Part 2: About Investing

This section looks at the basics of investing and should be helpful, whether you're new to investing or have previously chosen your own investments.

WHAT IS AN INVESTMENT FUND?

An investment **fund** is controlled by a fund manager who invests in **asset** classes on your behalf.

For more details on the different types of asset, see the 'What is an asset?' section.

The fund manager can choose to invest in a range of assets from bank deposits and **cash** to **shares** and **property**. Different funds will have different aims and the fund manager will invest in assets that are aligned to the objectives of the fund.

Whatever the specific objective of the fund, the ultimate goal of any fund is to help your money grow (or preserve its value) although there is no guarantee that this will happen.

When you invest in a fund, you buy a small part of it called a **unit**. The price of these units can vary. If the unit price goes up, the value of your investment will increase. Similarly, if the unit price falls, so will the value of your investment.

TYPES OF FUND MANAGEMENT

There are two main types of fund management: active and passive.

Active fund managers take an active 'hands-on' role in making investment decisions. They are continuously researching companies or other investments in the search for growth potential. They may buy and sell assets frequently in the hope of earning returns that beat their market sector.

Passive fund managers adopt a more 'hands-off' approach. Instead of trying to beat a particular sector or market index, for example the FTSE 100 Index, they aim to replicate it.

As a result, passive funds tend to have lower management costs than active funds.

Active funds, typically hold fewer assets, so the impact of any one company underperforming could be greater. They can, however, provide access to asset classes that may not be available via a passive fund.

Active funds generally take on more risk than passive funds within the same asset class. Whilst this means that investors have the potential for higher returns, it also means that the chance of making a loss is also greater.

To find out more about the risks of investing see the 'Balancing risk and reward' section.



About Investing

WHAT IS AN ASSET?

Assets are the building blocks of **funds**.

Different funds invest in different assets and this can have a significant effect on a fund's performance and its **volatility**. Each type of asset has its own characteristics and also has different risks. The table below illustrates the key characteristics of the four main types of asset.

	Shares	Property	Bonds	Cash
What is it?	A share in the value of a company.	Commercial property such as offices, shops, warehouses, factories and other business buildings.	A loan which can be returned on a specified future date.	Short-term deposits with governments and financial institutions such as banks and building societies.
Are they called anything else?	Equities.	N/A	Fixed interest securities. UK Government bonds are often referred to as 'gilts'.	Bank Deposits.
Who Issues them?	Public companies.	N/A	Governments or companies.	N/A
Can they generate an income?	Yes. If the company makes a profit, it may return money to shareholders in the form of a dividend.	Yes. The rent paid by tenants effectively generates a regular income.	Yes. The issuer will normally make regular interest payments to the holder.	Yes. Although the rate of interest on cash deposits is normally quite low.
Can they grow in value?	Yes. If the value of the company increases, the value of each individual share will increase.	Yes. If property prices increase, the value of your investment will increase.	Yes. It may be possible to sell for more than the original investment amount.	Yes. But only if the interest is retained. Although any growth is likely to be limited.
How volatile are they?	High. The price of a share can be very volatile in the short term.	High. Property prices can fluctuate in the short term.	Moderate to high. Bonds are particularly sensitive to interest rate movements and inflation.	Low. Cash is widely regarded as the least volatile investment asset.
Can they fall in value?	Yes but only if the value of the company decreases, causing the value of each individual share to decrease.	Yes but only if property prices fall, causing the value of your investment to fall.	Yes although the value of your investment is only likely to fall if interest rates rise and could increase if interest rates fall.	Yes although any fall in value is likely to be limited.
How long should I hold this investment?	Medium to long term. Normally for at least 5 years.	Long term.	Short to medium term.	Short term.



What is a lifestyle profile?

In addition to offering you a range of funds, you can also invest in a lifestyle profile.

HOW DOES A LIFESTYLE PROFILE WORK?

A **lifestyle profile** is an investment strategy that automatically moves your money, over a period of time, into **funds** that reflect the way you want to take your money when you get to your **selected retirement date**, such as taking a regular income or cash lump sums. Alternatively, it may also target a specific objective for your **pension pot** such as:

- buying a guaranteed income (an **annuity**)
- taking **cash**
- taking flexible income (drawdown).

This will happen automatically closer to your selected retirement date.

CAN I CHANGE THE WAY MY PENSION SAVINGS ARE INVESTED?

Yes. You can change the way in which your pension savings are invested at any time. You can also change your selected retirement date and leave it invested for longer.

If you decide to invest in a lifestyle profile please be aware that you can only choose one lifestyle profile at a time. It's also not possible to invest in any other funds at the same time.

Lifestyle profiles are not risk free.

To find out more about the risks associated with investing, see the 'Balancing risk and reward' section.

There are six lifestyle profiles available to members of this scheme. For more information, please see the 'Your lifestyle profiles' section.



What is a lifestyle profile?

Investing in a lifestyle profile can have advantages as well as disadvantages. It's important that you understand what these are before choosing to invest in one.

ADVANTAGES	DISADVANTAGES
You don't have to choose which funds to invest in as these are automatically selected for you by the lifestyle profile.	You aren't actively choosing how your pension savings are invested. This means there may be another fund or lifestyle profile that more accurately reflects your needs or your attitude to investment risk.
Lifestyle profiles are designed to target a particular outcome as you approach your retirement date.	A lifestyle profile doesn't guarantee the value of your pension savings. The value of investments can go down as well as up.
Your pension savings are automatically switched for you as you approach your retirement date.	You don't choose when or how your pension savings are invested as this is set by the lifestyle profile.
Automatic switching ensures your pension savings are moved gradually rather than all at once. This is designed to provide an increasing level of protection against sudden market falls as you get closer to your retirement date, whilst also continuing to offer some potential for investment growth.	The timing of switches is automatic and happens at fixed times. These switches don't take market conditions into account which means you may miss out on investment growth when markets are rising.
The way in which your pension savings will be invested at your retirement date has been designed with a particular outcome in mind. For example, you can take all of your pension pot in one go or as a series of cash lump sums, you can take a flexible regular income or you can use it to get a guaranteed income.	The outcome that the lifestyle profile is targeting may not match the way you intend to use your pension savings or reflect your attitude to investment risk. It may also be unsuitable if you don't use your pension savings as intended at your retirement date. It's important, therefore, to regularly review how your pension savings are invested and whether this remains suitable for your needs.



Balancing risk and reward

When it comes to investing your pension savings, there are different types of investment risk that you should be aware of.

INVESTMENT RISK

This is the risk that your pension savings may fall in value and it's a risk that applies to all [funds](#).

However, the more time there is until your [selected retirement date](#), the less concerned you might be about short-term falls. In this case, you may be more willing to accept a higher degree of investment risk for the chance of higher rewards.

EXPECTATION RISK

This is the risk that your pension savings may not grow by as much as you want or need.

It's important to check your investments regularly to see whether you're on track to meet your goals. If your investments aren't performing as you expected, you may need to consider increasing your pension contributions or delaying your retirement.

ANNUITY RATE RISK

When you reach your selected retirement date, you may want to convert your [pension pot](#) into a guaranteed income (an [annuity](#)).

The cost of buying an annuity is influenced by economic conditions and annuity providers' assessment of life expectancy. This means that the cost of buying an annuity (often referred to as the annuity rate) can change.

Therefore, if annuity rates fall, there is a risk that your pension pot won't buy the amount of pension income you need or expect.

INFLATION RISK

This is the risk that prices of goods and services will increase by more than the value of your investments.

This means that you may not be able to buy the same things in the future, that you can afford to buy today.

OPPORTUNITY RISK

If you delay purchasing a guaranteed income (an annuity) at outset, should you want to do so at a later date, annuity rates may have fallen and, as such, the amount of income you could buy may be less generous.

FUND SPECIFIC RISKS

These are the risks that apply to an individual fund.

As mentioned earlier, different funds will invest your money in different [assets](#) and in different ways to achieve their aims. As a result, each fund is likely to have a different set of risks.

For details of the specific risks that apply to each of the funds available to you, please see the list of funds in the 'your fund range' section.

A detailed explanation of what each of these are can be found in the 'Fund specific risks' section.

If you're not comfortable making your own investment decisions, your pension savings will be automatically invested in the [default investment option](#), which has been chosen by the [Trustees](#) as they believe it is suitable to meet the needs of most members.

You can find more about the default investment option for your scheme in the 'Investing your pension savings' section.



Balancing risk and reward

Almost all investment involves some degree of risk. It's important that you understand - and are comfortable with - the risk you may be taking before making any investment decisions.

RISK VERSUS REWARD

Taking a higher degree of risk generally comes with the potential for higher rewards. It also means, however, that there's a greater chance of your investment falling in value.

Accepting a lower degree of risk generally means that your investment is less likely to fall in value. However, in return, this will usually mean that your investment has less potential for growth. In other words, the reward will be less.

EXAMPLE

When you put money into a bank account, there's almost no risk of losing it.

However, the interest you're likely to receive - your reward - will probably be quite low.

Investing your money in the [shares](#) of a single company carries a much higher risk. If something happens to the company, it will affect the value of your shares.

If the company performs poorly the share price is likely to fall and, in the worst case, you could lose all your money.

However, if the company is really successful the share price could rise, which means that your investment could be worth much more than you originally invested.



Unexpected events

What if there is a special situation?

On occasions, unexpected and emergency situations arise that might need special action to be taken. These may include:

- A major incident that has a serious effect on investment values or results in the closure of parts of a city.
- The unplanned closure of one or more of the main stock markets around the world.
- Times when property investments are not easy to sell.
- Actions by overseas governments, which result in assets invested in the country concerned being frozen.
- A major systems failure, either ours or one of the external organisations which we rely on to value our funds.

In these situations, our main priority is to protect the interests of you and other investors. We'll take any action we believe necessary to achieve this.

As an example, some actions that might be considered include:

- Delaying dealing with cashing in requests, fund switches or other payments. We will still keep to any statements which we've made in your member's booklet.
- Giving what we believe is a fair estimate of the value of the assets which are impossible to get an accurate value for.

How are your investments protected?

When one insurance company invests its assets with another it is known as reinsurance. This reinsurance arrangement has its own rules and impacts on your right to claim compensation in the event that an insurance company enters insolvency.

In this case, it is when Legal & General Assurance Society (LGAS) invests its assets with Legal & General Assurance (Pensions Management), referred to as PMC for pensions management company.

In the event that LGAS becomes insolvent or is otherwise unable to meet its financial obligations, you may be able to claim back any losses from the Financial Services Compensation Scheme (FSCS). The FSCS pays compensation to customers who lose money if a firm is unable to pay them what they owe. You can find out more at [fscs.org.uk](https://www.fscs.org.uk)

In the event that PMC becomes insolvent, LGAS will attempt to recover the full value of your investments. If it is unable to do so, LGAS will be responsible for making up any shortfall.

In the event that an external insurer becomes insolvent, PMC will attempt to recover the full value of your investments held by the external insurer. If it is unable to do so, you may lose some or all of your pension savings.

The protection described here relates only to insolvency or other circumstances in which the fund manager is unable to meet its financial obligations. Reductions in fund values through market movements or poor performance are not covered.

You can find out more about the key principles we follow when managing our funds, including the basics of investing, how we value your pension investments and what happens if an unexpected event occurs in Your guide to how your funds are managed.



Part 3: Your Investment options

You can change the way in which your pension savings are invested at any time. This section looks at the options available to you if you want to make your own investment decisions.

HOW MANY FUNDS CAN I INVEST IN?

There are a number of [funds](#) to choose from and you can invest in as many as you wish, in whatever proportions you want.

Fund factsheets are available for each of these funds and include details about the fund's aims, [asset](#) allocation and performance.

A full list, including links to each of these fund factsheets, can be found in the 'your fund range' section.

HOW MANY LIFESTYLE PROFILES CAN I INVEST IN?

There are six [lifestyle profiles](#) to choose from, details of which can be found in the 'Your lifestyle profiles' section.

If you invest in a lifestyle profile, you cannot invest in any other funds.

WHO DECIDES WHICH INVESTMENT OPTIONS ARE AVAILABLE?

The [Trustees](#) of the plan have chosen these funds and lifestyle profiles.

The Trustees will review the selection from time to time. In the future, this could mean that certain investments will be removed or new ones added.

HOW DO I CHANGE MY INVESTMENTS?

You can change the way your pension savings are invested at any time.

You can do this:

- **Online** Go to your scheme microsite and select '[Manage Your Account](#)'.
- **By phone** You'll find the number for the Legal & General helpline in your member booklet.
Call charges will vary. Legal & General may record and monitor calls.

Please remember that neither your employer, nor the [Trustees](#) nor Legal & General are providing financial advice.

If you want to make your own investment decisions, you should speak to a qualified financial adviser. You can find one in your local area at unbiased.co.uk.

Please note that advisers will usually charge for their services.

FACILITATED ADVISER CHARGE

This plan offers you a way to pay your financial adviser directly from your pension pot. It's called a facilitated adviser charge and the advice you receive must be related to this plan. The charge will be taken from this plan, so there must be enough money in your pension pot to pay for it.

The facilitated adviser charge guide explains how this service works.

For more information:

- go to legalandgeneral.com/adviserchargeguide and legalandgeneral.com/adviserchargeform
- phone us on **0345 070 8686**.
Call charges will vary. We may record and monitor calls.
- email us at employerdedicatedteam@landg.com
- write to us at **Workplace Pensions, Legal & General, Brunel House, 2 Fitzalan Road, Cardiff CF24 0EB.**



Your Investment options

Depending on which funds or lifestyle profile you choose to invest in, the amount you pay in charges could differ.

WHO MANAGES THE FUNDS?

All the [funds](#) are managed by professional fund managers. If you choose to invest in a fund that is not managed by Legal & General, then you need to be aware that you will still be buying [units](#) in a Legal & General fund.

Legal & General will then use the money you contribute to buy units in the manager's own fund (called the 'authorised fund').

WHAT ARE THE CHARGES FOR INVESTING?

Each of the funds carries a fund management charge (FMC). This charge is accounted for in the price of the unit and is reflected in the value of your fund.

The fund management charge (FMC) consists of the investment management charge (IMC) plus additional expenses (AE).

It includes investment management fees, fund administration fees, custody/custodian fees, auditing and accounting fees, and regulatory charges.

Different funds have different charges and these are shown in the list of funds on the following page.

If you invest in a [lifestyle profile](#), the charges you'll pay will be calculated on the proportion of your pension savings invested in each fund (or funds) at that time.

WHAT IS THE TOTAL COST OF RUNNING MY PENSION?

To calculate the total cost of running a pension plan, you should add the annual management charge (AMC), which covers Legal & General's administration costs, to the fund management charge (FMC).

The AMC for this plan can be found in your member booklet.

The FMC varies from one fund to another. Details of the FMC for each fund can be found in the 'your fund range' section.

It's important to be aware that, in certain circumstances, we may need to make changes to our charges or introduce new charges.



Your fund range

You can invest your pension savings in any of the funds listed below. To find out more information about each fund listed, including its aims, asset allocation and performance, simply click on the fund name.

Fund risk rating category ¹	Fund name	Fund code	ABI sector	Fund specific risks ²	IMC ³	AE ³	FMC ³
1	L&G PMC Cash Fund 3	EAB3	Deposit & Treasury	3, 13, 39, 62	0.09%	0.00%	0.09%
3	L&G Mastertrust Short Dated Bond Index Fund	BD83	Sterling Corporate Bond	2, 3, 39, 62	0.12%	0.00%	0.12%
4	L&G Mastertrust Active Diversified Growth Fund	BD93	Specialist	1, 2, 3, 4, 5, 6a, 22, 39, 62	0.80%	0.04%	0.84%
4	L&G Mastertrust Future World Multi-Asset Fund	BZ13	Mixed Investment 40%-85% Shares	1, 2, 3, 5, 6a, 10, 15, 22, 36, 37, 62	0.16%	0.00%	0.16%
4	L&G PMC AAA-AA-A Corporate Bond - All Stocks - Index Fund 3	NEM3	Sterling Corporate Bond	2, 3, 39, 62	0.12%	0.00%	0.12%
4	L&G PMC Janus Henderson Fixed Interest Monthly Income Fund 3	B7N3	Sterling Strategic Bond	2, 3, 4, 6b, 7, 23, 39, 62	0.62%	0.04%	0.66%
4	L&G PMC Multi-Asset Fund 3	NTW3	Mixed Investment 40%-85% Shares	1, 2, 3, 5, 6a, 10, 22, 62	0.13%	0.00%	0.13%
4	L&G PMC Future World Annuity Aware Fund 3*	NEN3	Sterling Long Bond	2, 3, 24, 39, 62	0.12%	0.00%	0.12%
4	L&G PMC Retirement Income Multi-Asset Fund 3	NWD3	Specialist	1, 2, 3, 5, 6a, 10, 22, 23, 30, 62	0.28%	0.03%	0.31%
5	L&G Mastertrust Global Developed Equity Index Fund	BC03	Global Equities	1, 5, 6a, 22, 39, 62	0.10%	0.00%	0.10%
5	L&G PMC Ethical Global Equity Index Fund 3	NEB3	Global Equities	1, 5, 6a, 15, 22, 39, 62	0.30%	0.00%	0.30%
5	L&G PMC Future World Fund 3	BJ13	Global Equities	1, 5, 6a, 15, 22, 36, 39, 62	0.24%	0.00%	0.24%
5	L&G PMC HSBC Islamic Global Equity Index Fund 3	BB43	Global Equities	1, 5, 11, 39, 62	0.23%	0.12%	0.35%
5	L&G PMC CT Managed Equity 3**	B0M3	Flexible Investment	1, 2, 3, 5, 6b, 7, 9, 22, 39, 62	0.40%	0.10%	0.50%
5	Legal & General Mastertrust Active Global Equity Fund	BRN3	Global Equities	1, 5, 6a, 10, 22, 39, 62	0.65%	0.07%	0.72%
5	Legal & General Mastertrust Fossil Fuel Free Climate Equity Index Fund	BTD3	Global Equities	1, 5, 6a, 10, 15, 16, 23, 25, 62	0.12%	0.05%	0.17%

Please note:

- *The name of the Fund was previously the L&G PMC Pre-Retirement Fund 3.
- **The name of the Fund was previously the L&G PMC Threadneedle Managed Equity 3.
- It's important to remember that, although these ratings can provide a useful indicator of a fund's current and previous level of risk, they should not be used as a guide to future investment performance.

¹ See the 'Fund risk rating descriptions' section for details of these categories.

² See the 'Fund specific risks' section for more details.

³ See the 'Your investment options' section for an explanation of these charges.



Your fund range

You can invest your pension savings in any of the funds listed below. To find out more information about each fund listed, including its aims, asset allocation and performance, simply click on the fund name.

Continued from previous page.

Fund risk rating category	Fund name	Fund code	ABI sector	Fund specific risks	IMC	AE	FMC
5	L&G PMC World (Ex-UK) Equity Index Fund 3	NED3	Global Equities	1, 5, 6a, 22, 39, 62	0.12%	0.00%	0.12%
5	L&G Mastertrust Emerging Markets Index Fund	BD03	Global Emerging Markets Equities	1, 5, 6a, 7, 10, 22, 39, 62	0.25%	0.00%	0.25%
6	L&G Mastertrust Global Real Estate Equity Index Fund	BZ03	Property Other	1, 5, 6a, 11, 22, 37, 39, 42, 62	0.19%	0.00%	0.19%
6	L&G Mastertrust Smaller Companies Index Fund	BD73	Global Equities	1, 5, 6a, 8, 22, 39, 62	0.22%	0.00%	0.22%
7	L&G PMC Sustainable Property Fund 3	B5N3	UK Direct Property	1, 5, 6a, 12, 13, 22, 37, 42	0.44%	0.84%	1.28%
6	L&G PMC UK Equity Index Fund 3	NBC3	UK All Companies	1, 6a, 39, 62	0.10%	0.00%	0.10%
6	Legal & General Mastertrust Impact Fund	B6X3	Global Equities	1, 5, 10, 39, 62	0.50%	0.03%	0.53%
4	Legal & General Mastertrust UK Smaller Companies Fund	B7X3	UK Smaller Companies	1, 6a, 8, 39, 42, 61, 62	0.50%	0.02%	0.52%
5	L&G PMC Global Diversified Credit Fund 3	B8X3	Sterling High Yield	2, 3, 4, 6b, 7, 10, 23, 36, 62	0.30%	0.03%	0.33%
various	L&G PMC Target Date Funds*	various	Specialist	1, 2, 3, 4, 5, 6a, 10, 18, 22, 23, 30, 36, 37	0.15%	0.00%	0.15%

* For more information on how these funds work, including detailed descriptions of the different types of assets in which your savings could be invested, please go to '[The Target Date Funds](#)' section on your scheme website.

As well as providing you with an overview of these funds, you'll also find the [Guide to the Target Date Funds](#) and links to the fund factsheet for each individual Target Date Fund.

It's important to remember that, although these ratings can provide a useful indicator of a fund's current and previous level of risk, they should not be used as a guide to future investment performance.

¹ See the 'Fund risk rating descriptions' section for details of these categories. ² See the 'Fund specific risks' section for more details. ³ See the 'Your investment options' section for an explanation of these charges.



Risk profile

We organise our funds into seven risk rating categories. These categories are based on the risks we think they present to your money and assume you will keep your investment for at least five years.




RISK RATING		DESCRIPTION
1	Lowest	Funds with this risk rating have typically experienced the lowest volatility of all funds offered by Legal & General, based on historic performance. This means that these funds have the lowest potential for significant fluctuations in value compared with other funds.
2	Low	Funds with this risk rating have typically experienced low volatility compared to other funds offered by Legal & General, based on historic performance. This means that these funds have a low potential for significant fluctuations in value compared with other funds.
3	Low to Medium	Funds with this risk rating have typically experienced low to medium volatility compared to other funds offered by Legal & General, based on historic performance. This means that these funds have a low to medium potential for significant fluctuations in value compared with other funds.
4	Medium	Funds with this risk rating have typically experienced medium volatility compared to other funds offered by Legal & General, based on historic performance. This means that these funds have a medium potential for significant fluctuations in value compared with other funds.
5	Medium to High	Funds with this risk rating have typically experienced medium to high volatility compared to other funds offered by Legal & General, based on historic performance. This means that these funds have a medium to high potential for significant fluctuations in value compared with other funds.
6	High	Funds with this risk rating have typically experienced high volatility compared to other funds offered by Legal & General, based on historic performance. This means that these funds have a high potential for significant fluctuations in value compared with other funds.
7	Highest	Funds with this risk rating have typically experienced the highest volatility compared to other funds offered by Legal & General, based on historic performance. This means that these funds have the highest potential for significant fluctuations in value compared with other funds.

¹ Please note that all investment funds can go up or down in value and can lose money.



Fund risk ratings

INTERPRETING RISK

Risk can be interpreted in many ways; to some it is the likelihood of achieving a return on their retirement savings. To others, it could be as simple as the chance of losing money.

When looking at investment funds, different funds have different risks associated with them. These will be specific to the types of assets and geographic locations they're invested in.

One thing all risks have in common is uncertainty. The volatility of returns is the most common measure of uncertainty and this is what we use to determine our risk rating. Volatility refers to the rate at which the price of a fund fluctuates in value over a period of time.

Risk ratings can provide a useful indicator of a fund's current and previous level of risk. However, they should not be used as a guide to future investment performance.

When you're looking at where to invest, it's important that you think carefully about the risk and reward profiles of our funds. Your outlook and circumstances are unique, so you'll need to decide how you want to invest your retirement savings. If you have any doubts or questions, you should seek advice.

HOW FREQUENTLY ARE THEY REVIEWED?

We update our fund documentation annually and calculate the latest fund risk ratings as part of this exercise. When calculating our fund risk ratings we use a standard industry approach and they reflect the volatility in the fund value over a suitable period of time.

THE SPECTRUM OF RISK: THE RISK & REWARD PROFILE

We organise our funds into seven risk rating categories. These categories are based on the risks, and potential reward, we think they present to your money. They are calculated on the assumption that you will keep your investment for at least five years. If you decide to invest in a fund for a shorter period of time, the actual risk rating may be significantly higher. This means that you should consider holding your investments for a time period of five years or more, wherever possible.

Our risk ratings aim to give you an indication of the potential fluctuations you may see in the value your retirement savings over time. However, they cannot predict what actually will happen, or when. Funds can perform better or worse than the risk rating that they have been given might imply.

More information on how we risk rate our funds and the different risk rating categories can be found in [Your Guide to Risk and Reward](#).

Please remember that neither your employer, nor the [Trustees](#), nor Legal & General are providing financial advice.

If you want to make your own investment decisions, you should speak to a qualified financial adviser. You can find one in your local area at unbiased.co.uk.

Please note that advisers will usually charge for their services.

For more information on how you can pay for advice using your pension pot, please see 'Facilitated Adviser Charge' on page 12.



Fund specific risks

In the 'Fund specific risks' column of the fund list in the 'your fund range' section, you will have seen one or more numbers listed against each fund. Each number relates to a specific risk associated with that fund. This section contains descriptions for each of the fund specific risks listed. You'll see there are some numbers missing from this list. Although Legal & General applies these risks to a wide range of funds, only the risks that might apply to the funds in this guide are shown in this list.

1. EQUITIES

The fund invests in **equities** (shares of companies), so there is a higher risk of the fund's value being **volatile** (i.e. going up and down) than with a fund which invests in most other **asset** types, particularly in the short term.

2. FIXED INTEREST SECURITIES

Investment returns on **fixed interest** securities, such as corporate and government **bonds**, are particularly sensitive to trends in interest rate movements and inflation. Their values are likely to fall when interest rates rise. Such falls may be more pronounced in a low, or negative interest rate environment and longer dated fixed interest securities will fall by more than short dated fixed interest securities.

3. RISK OF ISSUER BECOMING LESS SECURE

The fund invests in securities. The financial strength of a company or government issuing the security determines their ability to make some or all of the payments due. If this financial strength weakens, the chances of them not making payments increases and this will reduce the fund's value.

4. SUB-INVESTMENT GRADE

The fund invests in higher yielding bonds (known as 'sub-investment grade' bonds). Compared to lower yielding bonds

(known as 'investment grade' bonds) there is a greater risk that the fund will not receive back, either on time or at all, some or all of the amount invested or interest that is due to be paid.

5. CURRENCY CHANGES

The Fund may hold assets in currencies that are not denominated in sterling. If the value of these currencies falls compared to sterling this may cause the Fund's value to go down. Some Funds may employ currency hedging as a means of protecting the Fund's value against currency movements. In extreme market conditions, the hedge may not be perfect and the Fund may be exposed to currency changes.

6a. DERIVATIVES: IN RELATION TO FUNDS USING DERIVATIVES FOR "EPM" PURPOSES

The Fund may undertake **derivative** transactions as part of efficient portfolio management ("EPM") or reduction in investment risk in line with the Historic FCA Permitted Links rules.

6b. DERIVATIVES IN RELATION TO FUNDS USING DERIVATIVES FOR "INVESTMENT"

The Fund may undertake derivative transactions in line with the FCA Conduct of Business rules (COBS 21). The Fund may invest in other collective investment schemes, which use derivatives for investment purposes as opposed to solely for efficient portfolio management or reduction in investment risk.



Fund specific risks

7. DERIVATIVE COUNTERPARTY RISK

The **Fund** may hold Over the Counter (“OTC”) **derivative** contracts with banks or other financial institutions. If these organisations experience financial difficulty, they may be unable to pay back the sums that they owe under the OTC derivative contracts. If this happens, the value of the investment will fall.

8. SMALLER COMPANIES

This fund invests in **equities** issued by smaller companies. These investments tend to be riskier than investments in larger companies because they may be harder to buy and sell and their price may be more **volatile** - particularly in the short term.

9. LIMITED HOLDINGS

This fund invests in relatively few individual holdings. This means that a fall in the value of an individual holding can have a more significant impact on the overall performance of the fund.

10. EMERGING MARKETS

The fund invests in emerging markets where there may be limited information available publicly to investors. In general, emerging market issuers are not subject to accounting, auditing and financial standards and requirements similar to those required of developed market issuers. Also, local laws may prevent the repatriation of capital or profit from those countries into the UK. In addition, the stock markets and currencies of emerging markets can be volatile, due to the fact that the political and economic systems in these countries are still developing. In such cases delays in settlement may cause the fund to have exposure to a third party broker or counterparty. This may result in a

greater risk that the value of the fund might go down. The investments in these markets might also be bought and sold infrequently therefore resulting in large changes in their prices.

11. MARKET SECTOR

The fund invests in companies from a particular market sector (such as financial companies or oil companies) which means that there is a higher level of risk because the fund’s investments are not diversified across a variety of market sectors. As a result, the value of an investment in this fund may go up and down more often and by larger amounts than funds that invest in a wider range of market sectors, particularly in the short term.

12. PROPERTY

The fund invests in commercial **property**. Property can be difficult to buy or sell. This could mean that:

- Cash remains uninvested and/or
- Property may have to be sold for less than expected.

If a significant amount of withdrawals from the fund is requested by investors, the fund manager may be forced to sell properties quickly. This could mean that properties are sold for less than expected which would reduce the value of your investment in the Fund.

In exceptional circumstances;

- it may not be possible to sell properties quickly and/or
- it may be difficult for independent valuers to assess the market value of the properties held by the Funds.



Fund specific risks

In such circumstances the Company can defer the payment of amounts due on the surrender of **Units** or suspend dealing in the **fund** where this is in the interest of all investors in the fund. If dealing is suspended at a time when you want to Surrender Units in the fund, it could become necessary for the Company to delay acting on your instructions. This would lead to a delay in dealing with your request to surrender Units in the fund.

If the size of the fund falls significantly, the fund may have to hold fewer **properties**. This may lead to an increase in its risk as the fund performance will be based on the performance of a small number of properties and therefore the poor performance of one of them will have a larger impact on the fund than if the fund was holding a large number of properties.

Rental growth is not guaranteed and unpaid rent could affect the performance of your investment in the fund. The fund may undertake development of properties where the full benefit of any increases in the value of the property or the income earned from it are not received until completion. While any development is taking place, the fund is at risk from delays in receiving the benefit of any improvements, and additional costs. Developments may not achieve the predicted increase in the value of the property or rent.

The value of property is generally a matter of valuer's professional opinion rather than fact.

13. MONEY MARKET

The fund invests in money market products, with banks and other financial institutions. There is a risk of investing in money market products, if the financial institutions which hold the deposits suffer financial difficulties or become insolvent, they may not pay back some or all of the amount invested with them. This could mean that the Fund might not get back the full amount deposited and its value will fall. Some money market investments may be illiquid. The value of money market securities may fall due to changes in interest rates - including periods of negative interest rates, inflation, creditworthiness, wider credit events or extensions to the anticipated term of investments. If this happens the value of your fund may fall.

15. EXCLUSIONS

The investment policy applied to this fund may mean that it cannot invest in some companies or in certain sectors. These restrictions mean that should the sectors in which the fund cannot invest be the best performing ones the value of the Fund will not increase as strongly as the value of funds which can invest in these sectors.

22. STOCK LENDING

The fund manager may lend stock to other parties and it is usual for the borrower to provide collateral. If the borrower fails to return the borrowed stock, the collateral may not be enough to cover the value of the stock, resulting in a reduction in the fund value.



Fund specific risks

23. INFLATION AND INDEX LINKED INSTRUMENTS

The fund invests in inflation-linked bonds, which are particularly sensitive to changes in inflation rates. Their values are likely to fall when inflation rates fall.

24. PRE-RETIREMENT FUNDS

The fund is designed to be used as part of a pre-retirement strategy by investors who are expected to purchase an annuity at retirement.

25. EXCHANGE TRADED FUNDS

Exchange Traded Funds generally try to match the performance of a share index, such as the FTSE 100 index, or to track the price of commodities such as oil or gold. Exchange Traded Funds can use a number of different techniques to achieve their goals (including the use of derivatives) and as a consequence can be more complex than traditional funds. The value of this investment may go up and down more often and by larger amounts, particularly in the short term.

30. RETIREMENT INCOME DRAWDOWN

Investors may receive less income through drawdown than if they had bought an annuity. They will not benefit from the security of a guaranteed income for life that an annuity offers. The policyholder should ensure that the pension scheme member speaks with his/her adviser about the level of income needed, their potential sources of income and overall financial circumstances before deciding how to take retirement income from the Fund.

36. EXCLUSION OF COMPANIES WHO DO NOT MEET LGIM'S STANDARDS IN ACCORDANCE WITH LGIM'S CLIMATE IMPACT PLEDGE

Legal & General have made a commitment to address climate change by engaging directly with the largest companies in the world who hold the key to meeting the 2 degree Paris climate change target (COP 21). The companies will be assessed by LGIM for robustness of their strategies, governance & transparency. Within this Fund's investment policy, companies that fail to meet LGIM's minimum standards in low carbon transition and corporate governance standards may be excluded from the Fund.

37. TURNOVER

The fund uses an investment strategy which is not benchmarked against a traditional market capitalisation index. Alternative indices may have features such as greater turnover and higher weighting to less liquid stocks than a traditional index. Consequently the dealing costs associated with the turnover of securities within the Fund may be high and impact the performance of the Fund against the index.

39. PORTFOLIO DIVERSIFICATION

The fund should be utilised as part of a diversified investment strategy within a wider portfolio of funds. These funds are not designed to be solely invested in.

42. REAL ESTATE

The fund will invest in the securities of companies principally engaged in the real estate industry and/or loans and debt securities which are related to real estate investments.



Fund specific risks

61. REINSURANCE CREDIT RISK

This fund invests in a PMC fund, which in turn invests in a unit linked life fund provided by an insurer outside of the Legal & General Group. This is achieved through a re-insurance agreement between PMC and the external insurer.

Legal and General Assurance Society Limited (LGAS) bears the credit risk of PMC becoming insolvent but does not take on the re-insurance credit risk associated with the insolvency of the external insurer. This means that if PMC becomes insolvent, LGAS will make good any shortfall in the value of your investments which it is unable to recover from PMC. However, if the external insurer becomes insolvent, the value of your investment held within this fund will be at risk.

In the event that the external insurer becomes insolvent, the value of your investment held in this fund will not be covered by the Financial Services Compensation Scheme.

62. DELAYED REPAYMENT

This [fund](#) is able to delay paying out, which may mean that you have to wait to get your money. A delay may happen when market conditions mean it is difficult for the fund manager to cash in investments to pay out to investors.

For example, a fund with investments in commercial [properties](#) may find they may take time to sell. Whilst waiting to complete on the sale of properties, the fund manager may suspend making payments to investors who want to cash in.

The fund can only delay paying out if it is in the interests of all investors.



Your lifestyle profiles

A lifestyle profile is an investment strategy that offers the potential to grow your pension savings over the long term. Normally, it will move your pension savings into funds that prepare you for retirement as you approach your selected retirement date and may also target a specific objective such as cash, guaranteed income (an annuity) or flexible income (drawdown).

Legal & General has created several [lifestyle profiles](#) which gradually move your pension savings from the Growth Phase Fund, in the three years leading up to your [selected retirement date](#), into a [fund](#) that the [Trustees](#) have selected as being appropriate if you intend to:

- take it as [cash](#)
- buy a guaranteed income (an [annuity](#))
- leave it invested and take flexible income (drawdown).

For more detailed information on each one, see the descriptions on the following pages.

You will also find links to the factsheets for each of these lifestyle profiles on your scheme website.

Once you reach your selected retirement date automatic switching will stop. This strategy may not be suitable if you don't take pension benefits as intended from your selected retirement date. You should review your selected retirement date on a regular basis, as it will determine where your [pension pot](#) is invested as you approach retirement.

It's also important to review your investment strategy on a regular basis, after your selected retirement date, to ensure that the funds in which your pension pot is invested remain suitable for your needs.

To find out more about investing in a lifestyle profile, including the advantages and disadvantages, see the 'What is a lifestyle profile?' section.



Your lifestyle profiles

Legal & General's two lifestyle profiles that target drawdown:

1. LEGAL & GENERAL DRAWDOWN LIFESTYLE

2. L&G DRAWDOWN LIFESTYLE - MT FUTURE WORLD MAF

Who are they designed for?

These [lifestyle profiles](#) are designed for members who intend to leave their [pension pot](#) invested beyond their [selected retirement date](#), with the intention of taking flexible income (drawdown).

What are the aims?

They are investment strategies that offer you the potential to grow your pension savings both prior to and beyond your selected retirement date.

If you're in the Legal & General Drawdown Lifestyle, the Growth Phase Fund for your pension savings will be the L&G PMC Multi-Asset Fund.

If you're in the L&G Drawdown Lifestyle - MT Future World MAF, the Growth Phase Fund for your pension savings will be the L&G MT Future World Multi Asset Fund.

Then, when you are three years from your selected retirement date, your pension savings will be gradually moved into the Retirement Income Multi-Asset Fund.

Where can I find out more?

For more information about the Drawdown Lifestyles, please see the lifestyle profile factsheets for the [Legal & General Drawdown Lifestyle](#) and the [L&G Drawdown Lifestyle - MT Future World MAF](#).



Your lifestyle profiles

Legal & General's two lifestyle profiles that target cash:

1. LEGAL & GENERAL CASH LIFESTYLE

2. L&G CASH LIFESTYLE - MT FUTURE WORLD MAF

Who are they designed for?

These lifestyle profiles are designed for members who intend to take all of their pension pot as [cash](#) at their selected retirement date.

What are the aims?

They are investment strategies that offer you the potential to grow your pension savings in the long term.

If you're in the Legal & General Cash Lifestyle, the Growth Phase Fund for your pension savings will be the L&G PMC Multi-Asset Fund.

If you're in the L&G Cash Lifestyle - MT Future World MAF, the Growth Phase Fund for your pension savings will be the L&G MT Future World Multi Asset Fund.

Then, when you are three years from your selected retirement date your pension savings will be gradually moved into the Cash Fund.

These strategies aims to reduce the risk of a sharp fall in markets reducing the value of your pension pot when you reach your selected retirement date.

Where can I find out more?

For more information about the Cash Lifestyles, please see the lifestyle profile factsheets for the [Legal & General Cash Lifestyle](#) and the [L&G Cash Lifestyle - MT Future World MAF](#).



Your lifestyle profiles

Legal & General's two lifestyle profiles that target an annuity:

1. LEGAL & GENERAL ANNUITY LIFESTYLE

2. L&G ANNUITY LIFESTYLE - MT FUTURE WORLD MAF

Who is it designed for?

These [lifestyle profiles](#) are designed for members looking to use their [pension pot](#) to buy a guaranteed income (an [annuity](#)) and take tax-free [cash](#) at their [selected retirement date](#).

What are the aims?

They are investment strategies that offer you the potential to grow your pension savings prior to your selected retirement date.

If you're in the Legal & General Annuity Lifestyle, the Growth Phase Fund for your pension savings will be the L&G PMC Multi-Asset Fund.

If you're in the L&G Annuity Lifestyle - MT Future World MAF, the Growth Phase Fund for your pension savings will be the L&G MT Future World Multi Asset Fund.

Then, when you are three years from your selected retirement date, your pension savings will be gradually moved into the Cash Fund and the Pre-Retirement Fund.

This strategies have been designed for members who want to take a combination of tax-free cash at their selected retirement date and use the remainder of their pension pot to purchase a guaranteed income (an annuity).

Where can I find out more?

For more information about the Annuity Lifestyles, please see the lifestyle profile factsheets for the [Legal & General Annuity Lifestyle](#) and the [L&G Annuity Lifestyle - MT Future World MAF](#).



Choosing your own investments

There's a lot to think about when it comes to choosing your own investments. We've created this step-by-step guide to help you consider all the relevant things before making any investment decisions.

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Identify your attitude to risk	Things you may want to consider	Find out about Legal & General's fund risk ratings	See how the funds compare in terms of risk	Consider funds that suit your risk profile	Making sure you're happy with your choice
See the 'Balancing risk and reward' section for more information.	When choosing funds you may want to consider: 1. Investing in a range of different investment types. 2. How much you understand about investing. 3. Your income needs in retirement. 4. How often you'll review and change your investments. 5. The timing of your investment and whether you're making one-off or gradual investments.	Legal & General has created seven fund risk rating categories, using a scale of 1 (lowest risk) to 7 (highest risk). The definitions in the 'Fund risk rating descriptions' section will provide you with a broad description of the level of risk attached to the funds within each category.	Legal & General has risk rated all its funds. For more information see the 'Risk Profile' section of this guide and the individual fund factsheets for each fund's specific risk rating. These can be found by clicking on the links on page 14 of this guide.	You can decide on the level of risk you want to take. You may want to invest in funds from a single Fund risk rating category or you may prefer to invest in a range of funds across more than one fund risk rating category. You can find more information on all the funds available to you, including details of the fund risk rating category, in the 'your funds' section	It's important to be comfortable with the risks associated with each fund before investing. You should also review your fund choices regularly to ensure they remain appropriate for your needs. To do this go to your scheme website and select 'Manage Your Account'. You may want to seek financial advice before making any investment decisions.



Approaching retirement?

You now have a choice about what you can do with your pension savings from the age of 55 onwards. So, if you haven't already, you should start thinking about how you want to use your pension pot and when you intend to take it.

IS THERE ANYTHING I SHOULD BE DOING NOW?

Your pension savings will be invested in the [default investment option](#) unless you tell us otherwise.

Following the introduction of the new pension freedoms, you now have a choice about what you can do with your pension savings from age 55 onwards.

With this in mind, it's important to regularly review your pension savings, to see if you're on track to achieve your retirement goals, especially if you're aged 50 or over.

We've created the flowchart on the right to help you identify what you might want to be thinking about, if you haven't already.

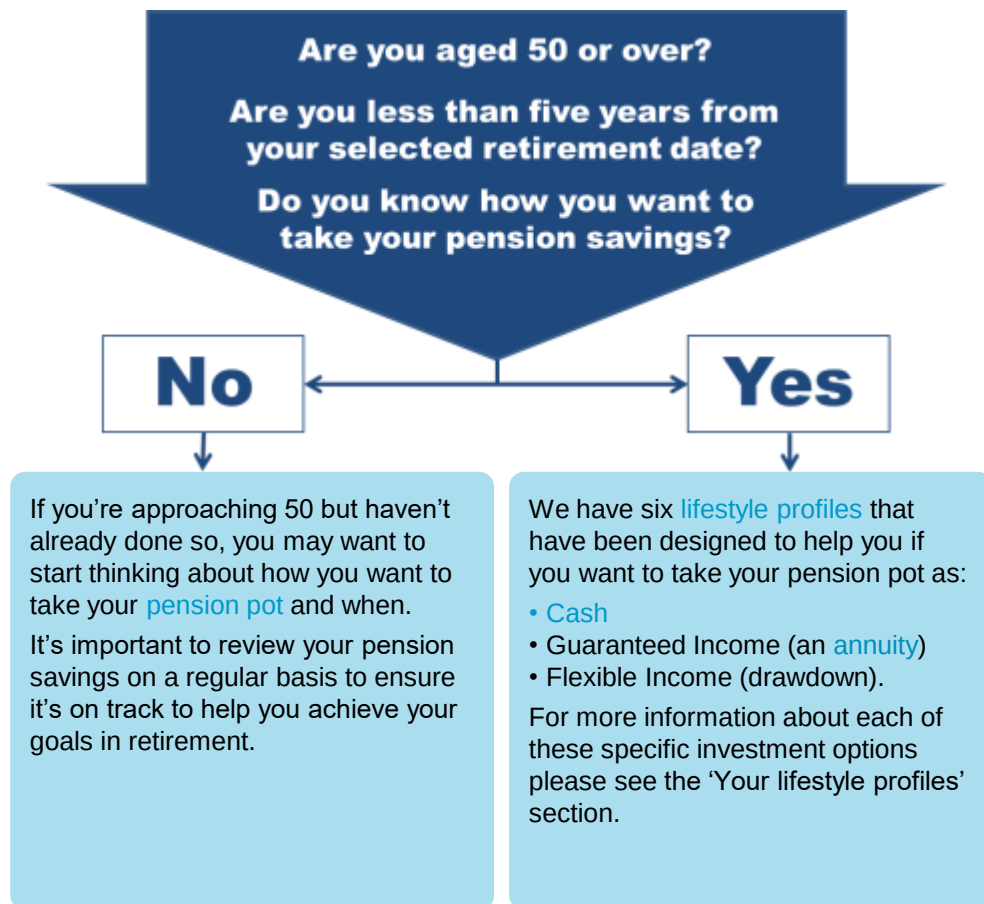
WHAT ARE MY OPTIONS AT RETIREMENT?

You'll have a number of options available to you without having to leave this plan but you may want to shop around to find what's best for you.

You don't have to stay with Legal & General. You have the right to transfer some or all of your pension savings to one or more providers.

Alternatively, if you have pension savings with other providers, you may want to consider consolidating them into your Legal & General pension plan.

You'll need to fully understand the tax implications of these options and any impact they may have on your entitlement to State benefits.





Approaching retirement?

Whether you want more information on the investment options available to you, impartial guidance from an independent government-backed service or wish to speak to a financial adviser, help is available.

YOUR SCHEME WEBSITE

Your scheme website contains information intended to help you if you're thinking of making your own investment decisions.

In addition, you'll be able to access Legal & General's online Retirement Planner.

You'll also be able to log in to [Manage your Account](#)

MONEYHELPER

MoneyHelper is a free, government organisation that offers guidance to make money and pension choices clearer.

To find out more or book an appointment visit moneyhelper.org.uk or call 0800 011 3797.

FINANCIAL ADVICE

If you're still unsure about your options we recommend you speak to a financial adviser.

To find a financial adviser in your local area go to:

unbiased.co.uk

Please note, financial advisers will usually charge a fee for their services.

For more information on how you can pay for advice using your pension pot, please see 'Facilitated Adviser Charge' on page 12.

RETIREMENT PLANNER TOOL

Not sure what your plans are? Legal & General has developed an online tool designed to help you make your retirement choices.

If you'd like to use the tool, please go to your scheme website or log on to [Manage your Account](#)



Part 4: Terms explained

Throughout this guide, we've highlighted in blue a number of terms you may not be familiar with. Here's a list of those terms along with a definition.

ANNUITY

An insurance policy that uses the value of your pension pot to provide you with an income, which can be payable for the rest of your life, depending on the type of annuity you buy.

The amount you receive will depend on a number of things including the value of your pension pot, your age, your health and the annuity rates available when you purchase one.

ASSETS

Assets are the building blocks of investment funds – they are the things that funds invest in. There are four main types of asset: shares, bonds, property and cash.

BONDS

Sometimes called 'fixed interest securities', Bonds are basically IOUs - a promise to pay back the original investment at a set date in the future, plus payments at regular intervals in between.

Some bonds are 'index linked', which means these regular payments increase in line with inflation. A bond issued by a company is normally called a corporate bond. Bonds are also issued by governments, with UK government bonds often referred to as gilts.

Bonds make money in two ways. As well as receiving interest type payments from the company or government, bonds can be traded in a similar way to shares. This means it may be possible to sell a bond for more or less than it was bought for.

Bonds often provide more modest returns than shares but tend to be less volatile over the short to medium term.

CASH

When you invest in cash, you are investing in short-term deposits with governments and major financial institutions, such as banks and building societies. Although your pension savings may not grow by very much when it's invested in cash, investing in cash can be useful.

For example, investments held in cash are very secure. What's more, the value of investments in cash tend to be far more stable than investments in other types of asset. Cash can be a useful investment option to preserve the value of your pension pot as you get close to your selected retirement date.

DEFAULT INVESTMENT OPTION

The default investment option is an investment which the Trustees believe will meet the needs of most members. If you don't want (or feel unable) to make your own investment decisions, your pension savings will automatically be invested in the default option.

DERIVATIVES

An investment whose characteristics and value depend upon the characteristics and value of one or more other assets or indices, typically a commodity, bond, equity or currency.

Examples of derivatives include contracts for difference, futures and options.



Terms explained

EQUITIES

See 'shares'.

FIXED INTEREST

See 'bonds'.

FUND

Your pension savings are invested in one or more investment funds.

A fund is an investment that pools together the money from many individuals. Fund managers then use it to invest in a wide range of assets. Each investor is issued with units, which represent a portion of the holdings of the fund.

GILTS

These are bonds issued by the UK Government. For more information please see 'bonds'.

GROWTH PHASE

If you invest in a lifestyle, the Growth Phase Fund(s) is where your pension savings will be 100% invested in the early years before you begin to approach retirement. These are usually chosen for their potential to grow your investment over a long period of time. As you get closer to retirement, the lifestyle will begin to gradually switch your pension savings out of the Growth Phase Fund(s) into other funds which are chosen to better protect the value of your pension pot in those final years.

LIFESTYLE PROFILE

A lifestyle profile is an investment strategy that offers the potential to grow your pension savings over the long term. In most cases it will normally move your pension savings into different funds as you approach your selected retirement date or target a specific objective such as:

- buying a guaranteed income (an annuity)
- taking cash
- taking flexible income (drawdown).

To find out more about the advantages and disadvantages of investing in a lifestyle profile, please see the 'What is a lifestyle profile' section.

PENSION POT

The value of all your contributions plus any investment growth, less charges.

PROPERTY

In investment terms, property means commercial property such as offices, shops, warehouses, factories and other business buildings. Investors in property look to make money in two ways: from rent paid by tenants and from rises in the value of the property itself. Property can offer good prospects for long-term returns but property prices can fall too - particularly in the short term.



Terms explained

SELECTED RETIREMENT DATE

Your selected retirement date is the date you will take your benefits from the plan and can be any time from age 55.

This date is automatically set by the scheme when you join. Should you wish to change this date, you can do so at any time.

SHARES

Shares, also known as 'equities', are where you buy a small part of a company. If the company is seen to be successful, their shares may be in high demand, pushing up the share price.

Share values can go up and down a lot in the short term but can offer long-term growth potential. Shares are suitable for medium to long-term investments – that's to say at least five years, preferably longer.

TRUSTEES

The current Trustees are Legal & General Trustees Limited, 20-20 Trustees Limited, BESTrustees Limited and LawDeb Pension Trustees.

The Trustees are responsible for the management and administration of the plan in accordance with the formal documents that govern the plan and relevant UK legislation.

They are also responsible for the safekeeping of the money and investments belonging to the plan.

UNITS

All investment funds are divided into units. Contributions are used to buy units in the funds you have chosen at the price applicable on the day we invest your money.

The price of units can rise and fall. The total value of your pension savings can be calculated by multiplying the number of units you hold by the price of each unit.

VOLATILITY

A fund can go up or down in value.

The extent to which its value might change, and how often, will determine whether it's regarded as having high, moderate or low volatility.

For example, the value of a fund that invests in shares can change by a relatively large amount on a daily basis. This type of fund is regarded as having high volatility.

The value of a cash fund, however, is likely to change by only a relatively small amount over a number of months. This type of fund is regarded as having low volatility.

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