

Changes to Active Plus and Passive Plus pension funds

We're making some changes to better support you

We're making some changes to what the Active Plus and Passive Plus funds invest in to better support your needs if you're invested in them through your pension. This is following an in-depth review we've carried out as part of our ongoing management of these funds.

You may be invested in one of these funds directly or through a lifestyle profile. A lifestyle profile is an investment option that, as you get closer to retirement, gradually and automatically moves your pension investments into carefully chosen funds designed to reflect how you plan to take your money. You can find out more about lifestyle profiles [here](#).

Why are we making these changes?

Our review showed that, over the longer term, the Active Plus and Passive Plus funds have given the level of returns that could help you achieve good outcomes in retirement.

We're making changes to some of the funds' investments with the aim of making sure that they continue to meet your needs into the future.

We can do this as we designed the Active Plus and Passive Plus funds so we can make changes to them at any time, for example because of changes in legislation or to reflect what's happening in financial markets (and since their launch we have been doing this).

What changes are we making?

The funds' aims and objectives aren't changing. You can expect us to continue to manage them to a level of risk, with **I** being lower risk and **V** higher risk.

To achieve the returns we believe are needed to help provide good outcomes for you in retirement, some of the funds in the range will need to take more risk than they have in the past. Risk level I and II funds will see very little change in the amount of risk they take, risk level III and IV funds will see a modest increase and risk level V funds will see a slightly larger increase.

As a result, we're increasing investment in some asset classes, including equities, property and corporate bonds, and reducing or removing investment in certain other asset classes and alternative investment strategies, such as UK government bonds (often called gilts) and absolute returns.

Although we still believe that alternative investment strategies can have real benefits for customers in the long term as they can help reduce volatility, we recognise that the recent performance of absolute returns has been below expectations. So we're taking the opportunity to remove investment in absolute returns as part of this review.

All of the Active Plus and Passive Plus funds are actively managed. So we'll continue to monitor and review them, including where they invest, as part of our ongoing management process.

Do you need to do anything?

You don't need to do anything – we'll make the changes as part of the usual management process. However, it's a good idea to regularly check your pension investments to make sure they remain on track to meet your goals.

If you're not sure about your attitude to risk, there's a **risk questionnaire** that can help.

You can find more information about the other investment options available through your pension by logging in to **online services**. Alternatively, visit www.standardlife.co.uk/funds or have a look at your plan documents.

Our monthly e-zine, **MoneyPlus**, provides regular information and guidance on saving and investing, including topical issues. If you don't already get it, you can subscribe by registering for **online services**.

When will we be making these changes?

We expect to implement these changes in a phased approach from quarter 2 2019.

Will we make further changes to the funds in the future?

The funds are actively managed, so we'll continue to monitor and review them, including where they invest, as part of our ongoing management process. We can make changes to them at any time to make sure they continue to meet customers' needs.

Past performance is not a guide to future performance. The value of all investments can go down as well as up and you may get back less than was paid in.