REACH PENSION PLAN

Your investments explained

Reach PENSION PLAN

Fidelity INTERNATIONAL

Your investment choices

This guide aims to help you make an informed decision about investing in the funds made available through your membership of the Reach Pension Plan, by:

Something to note...

The most important point to keep in mind when you make an investment is that its value can go down as well as up. Neither Fidelity or the Company can provide investment advice so if you require this, please contact a financial adviser.

This guide, along with the fund factsheets available on PlanViewer, gives you all the information you need to know about investing with Fidelity. This includes details of objectives, risks and charges associated with each fund.

You should read this guide – along with the Key Features Document – to find out what the Reach Pension Plan has to offer.

This guide is available in different formats. Please contact Fidelity for more information.

What can I invest in?

Broadly speaking, there are five main different types of assets that you can invest your pension account in. Let's start with the five assets and take a look at their benefits and drawbacks, then we can get into the investment options.

Quick read...

There are five main asset classes to consider:

- Cash
- Bonds
- Equities
- Property
- Commodities

Each of these asset classes has their own characteristics. If they were to be grouped on a chart from lowest to highest risk, cash would be considered to have the least risk, followed by bonds, commodities, property and finally equities on the higher risk side.

Your Plan may offer all asset classes or a selection of asset classes to choose from.

The underlying funds in your Plan invest in one or more of these asset classes. Each fund is rated according to Fidelity's risk ratings – from L1 (lower risk/return) such as a cash fund to H (Higher risk/return) such as an equity fund.

Cash

Most of us are familiar with cash. We know it in its physical form, and keep it in our bank accounts. But what happens when you invest in cash?

On the plus side, it's low risk and pays interest. However, it suffers from one big drawback – we pay for the low risk in the form of lower interest rates. So low, in fact, that sometimes the rate may not match inflation, meaning that your investment doesn't increase in value in real terms, it could even decrease in value in real terms. This is one of the characteristics of cash which means some people choose not to invest in it. This means that it is a high risk investment if you are a long way from retirement as your savings will not grow in real terms.

Bonds

A bond is a loan to a company or government, which pays a given rate of interest that you know about at the start. Their value fluctuates in line with the market, and according to how likely it is that the loan will be repaid. Unlike equities, access to bonds is more limited but their value is less volatile, which means they are not so likely to suffer from fluctuating rates of return. So, as you might expect, they sit roughly between cash and equities in terms of risk.

Equities

Equities are shares in companies. They're considered to be higher risk than cash and are much more liquid than property. Shares in companies provide dividends and capital growth, meaning that they generally outperform other asset classes over time, particularly bonds and cash. This means that if you are a long way from retirement your savings have plenty of time grow in real terms, riding out times of volatility. There is also the benefit that shares can be bought and sold quickly. On the other hand, the value of equities does fluctuate and can fall. So while you can sell quickly this may not be at the price you'd like, especially if you have to sell at a particular time.

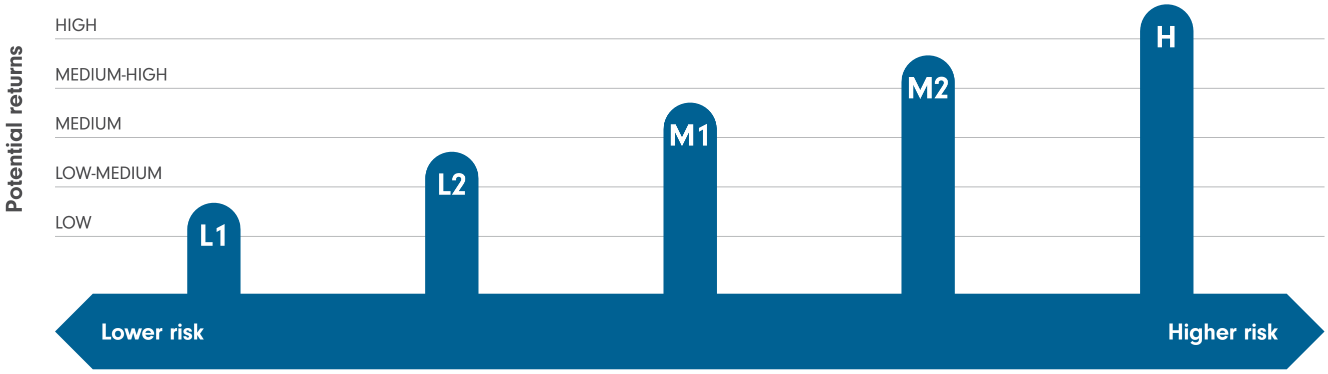
Property

Property, bricks and mortar, provides investors with an opportunity for rental income and the potential for its value to go up. A lot of the time, property is likely to outperform cash, however its biggest drawback is that the investment in it will only make money if the property market is doing well – i.e. properties are selling. Also there's greater risk in owning a single property than having your investment spread across several properties.

Commodities

The fifth main asset class is commodities, which is essentially any item that can be traded such as coffee, sugar, steel and oil. You don't need to be a trader to know that commodities change price. If you have a car you'll have a notion which way the price of crude oil is going. The values of coffee, sugar and steel, for example, are always changing and predicting these changes when investing in commodities has high risks, with the potential for large losses or gains. However, commodities are liquid and you can get hold of your money by selling at any time.

The risk of your underlying funds



The underlying funds in your pension plan invest in one or more of these asset classes. Each fund is rated according to Fidelity's risk ratings - from L1 (lower risk/return) such as a cash fund to H (Higher risk/return) such as an equity fund.

What are the risks of investing?

It's natural enough to think of risk as a bad thing. But it doesn't have to be: starting a new job or moving house are things that can pose risk, but can turn out extremely well. The same can be said of investments. Investment reward comes from growth, for example rising prices of commodities, and from income, say dividends or rent paid. These rewards will tend to be higher where there is more risk, in other words, where the prices can change more radically for better or for worse. Even if returns are good over the long term there may be times when your investments suffer ups and downs in the short term. While the ups are good, the downs could be at a time that is inappropriate for your personal circumstances, so this is a risk.

How can I avoid investment risk?

Unfortunately when it comes to investing it can mean relying on the performance of the stock market and therefore it's impossible to avoid risk completely. However there are things you can do to minimise the level of risk that you're exposed to.

Through diversification you can reduce exposure to investment risk. Diversification is about investing in things that respond differently to each other. Different asset classes will be affected differently by news and trends. For example, different regions of the world will have varying economic opportunities, weather and political events that can and do affect market prices. Geographical diversity can affect risk, such as the difference between investing in developed versus more emerging markets. Picking more than one fund, or picking a fund that invests in a range of assets, will increase diversity, allowing you to spread risk more evenly.

Time is very important when making decisions regarding risk versus reward. The longer your time frame, the more risk you might be willing to take in order to maximise the growth of your account.

The shorter the period you have to invest, the more you will look towards low risk funds as you begin to protect your account from any sharp falls in value before you retire. It may not be such a good idea to take on a high risk investment days before you are about to retire. Conversely, if you're not looking to retire for another twenty years, you might accept more risk in return for the opportunity of greater reward. Personality enters into this as well. It's no good picking funds that keep you up at night.

How do I choose funds?

Different types of funds with their differing characteristics may seem daunting at first and you may think that making an investment decision has to involve some specialist knowledge. But there is a way to invest without having to research single equities or properties, or have specialist knowledge.

A fund is a pool of lots of investors' money, run by a portfolio manager who invests on your behalf. Funds offer you easy access to different assets, such as equities or bonds. Investing in a fund involves you in very little administration. You can review your account and check its value any time online with PlanViewer, Fidelity's online account management service. There are no switching fees if you decide to change funds.

Portfolio managers are expert professionals whose job it is to make decisions based on their knowledge and the latest research. Funds also spread the risk by investing across a large number of companies in different asset classes and geographies, even if your investment in them is small. Funds come in many different forms for different purposes, and you may want to look very carefully to find one that suits you.

For example, a UK equity fund aims to grow your investment by investing in shares of around 100 UK companies. It would be an enormous amount of work to try and manage this process yourself. By investing in this fund, Fidelity or Fidelity's fund partners take care of this for you.

Your Plan’s investment choices

The first choice you’ll make will be whether to remain in the Plan’s default option the Flexible Income Strategy, choose an alternative option or self-select your own funds.

Quick Read...

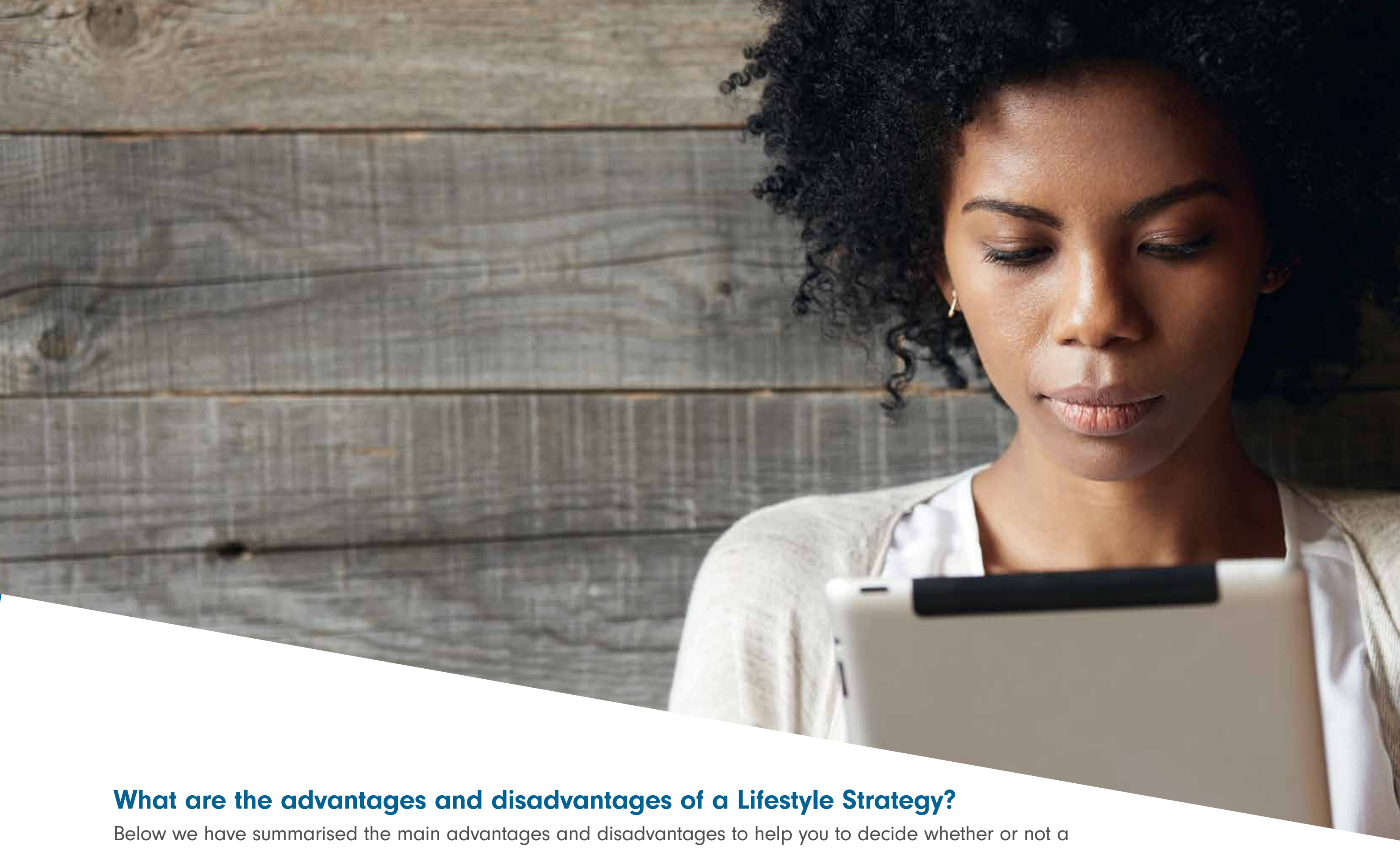
- On joining the Plan, you will be invested in the Flexible Income Strategy
- A Lifestyle Strategy is an automated process that switches your investments into medium to low-risk funds as you move closer to the date you have indicated you want to take your savings.
- The Lifestyle Strategies start off in the growth phase and end up in the protection phase.
- You do not need to do anything in a Lifestyle Strategy as it is all managed for you.
- It’s important to ensure you regularly monitor your investments to ensure they are in line with your savings goals.

The Lifestyle Strategies

If you still don’t feel comfortable making choices about specific investment funds, you don’t need to worry. On joining the Plan, your account will automatically be invested in the Flexible Income Strategy, which is the default option for the Plan. In the Flexible Income Strategy, all investment decisions are made for you. Your savings will be switched into different funds automatically as you get closer to retirement. All you need to do is let Fidelity know the age you intend to retire so the Flexible Income Strategy can be applied correctly. You can use PlanViewer to change your retirement age if you want to, otherwise Fidelity will assume a target retirement age of 65.

How does it work?

A Lifestyle Strategy is an automated investment process that moves your account between different types of funds during your working life. When you are a number of years away from retirement, your account will be invested in one or more funds mostly investing in equities. This is the growth phase of investing, when you will have a greater exposure to the stock market and the potential investment growth this offers. There are normally more ups and downs in investment returns during this period. Over time, the amount invested in funds investing in equities will decrease. Typically by the time you near retirement, your account will be invested in a way that protects its value by avoiding the ups and downs of the stock market. This is the de-risking or protection phase.



What are the advantages and disadvantages of a Lifestyle Strategy?

Below we have summarised the main advantages and disadvantages to help you to decide whether or not a Lifestyle Strategy might be a suitable choice for you.

The ADVANTAGES

- You do not need to actively manage your pension account.
- A Lifestyle Strategy aims to preserve the value of your pension savings as you near your retirement age. It does this through investing a higher proportion of your savings in safer, less risky investments as you get older. This approach helps to protect you from a significant drop in the stock market just before your retirement age.
- The switching of the fund's underlying investments (i.e. the move to more cautious investments as you get older) is carried out automatically.
- There is no additional charge for investing in a Lifestyle Strategy, although charges are made by the funds in which the Lifestyle Strategy invests.

The DISADVANTAGES

- A Lifestyle Strategy is based on moving into lower risk investments as you get older, such as bond and cash funds. These funds are expected to be less volatile than funds that invest in shares, for instance, but they can also suffer falls in value. In addition, the effects of inflation could mean that cash funds produce negative returns in real terms.
- By moving out of funds that invest in equities as you get older, you could potentially miss out on higher levels of growth. Shares have historically delivered higher returns than cash or bonds over the long term.
- Please note that each lifestyle strategy is designed to access a certain form of benefit in retirement (i.e. drawdown, annuity or cash). As such you will need to consider the retirement benefit you wish to access and select the lifestyle strategy appropriate to that choice.
- All the investment decisions are taken out of your hands. If you want to be more involved in planning for your retirement, a Lifestyle Strategy is probably not for you. It is an automated strategy that does not react to market conditions.

The Flexible Income Strategy (the default)

The Flexible Income Strategy aims to provide you with an investment portfolio at your Selected Pension Age which'll be appropriate if you plan to take advantage of drawdown (also known as flexi-access) in retirement.

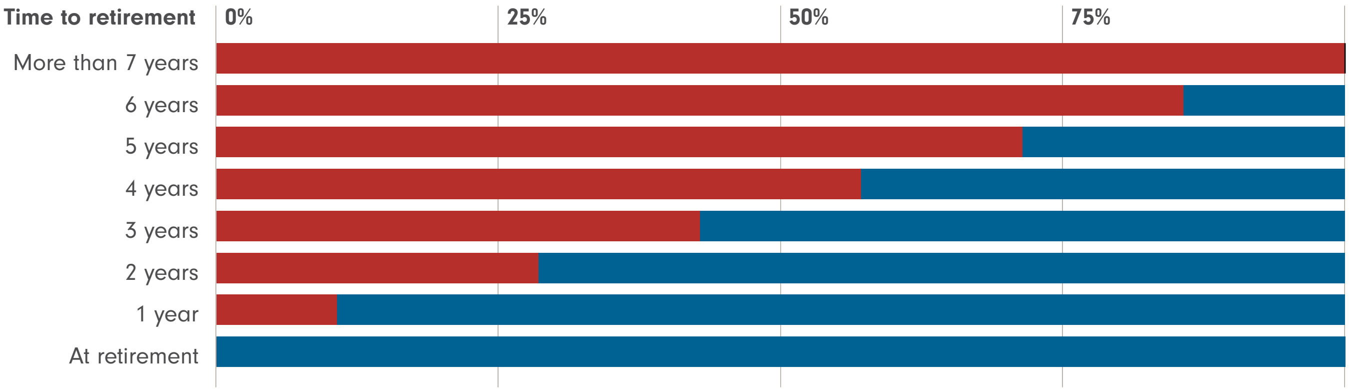
Drawdown means keeping your pension account invested during retirement and drawing an income (or ad hoc cash amounts) which can be varied, in terms of both frequency and amount, to suit your needs.

Your account is 100% invested in the Sustainable Growth Fund up until you are seven years from your Selected Pension Age. Then, you're automatically switched to the Blended Diversified Fund as illustrated in the below graph.

At your Selected Pension Age, your pension account will remain invested in the Blended Diversified Fund until you've used all your savings. This provides exposure to a diversified range of asset classes which aim to generate growth, whilst also aiming to provide a degree of protection against inflation and greater capital security than equities. Remember that under current tax rules up to 25% of your savings can be taken as a tax-free cash lump sum.

The Flexible Income Strategy is made up of 2 funds:

Fund
Sustainable Growth Fund
Blended Diversified Fund



The Annuity Option Strategy

You may wish to purchase a guaranteed income for life (an annuity) at your Selected Pension Age.

The Annuity Option Strategy aims to provide you with an investment portfolio which'll be appropriate if you plan to buy an annuity from an insurance company at your Selected Pension Age.

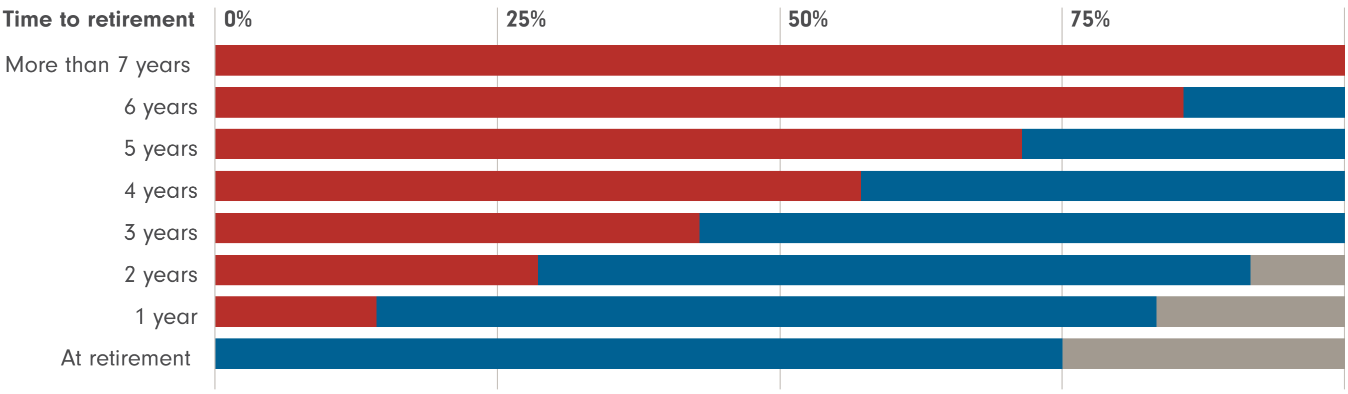
Your account is 100% invested in the Sustainable Growth Fund up until you are seven years from your Selected Pension Age.

Then, you're automatically switched to the Retirement Annuity Fund and the Fidelity BlackRock Cash Fund as illustrated in the adjacent charts.

At your Selected Pension Age, 25% of your pension account will be invested in the Fidelity BlackRock Cash Fund reflecting that you may choose to take 25% of your savings as a tax-free cash lump sum. The remaining 75% of your savings will remain invested in the Retirement Annuity Fund, which offers a broad match for
annuity prices.

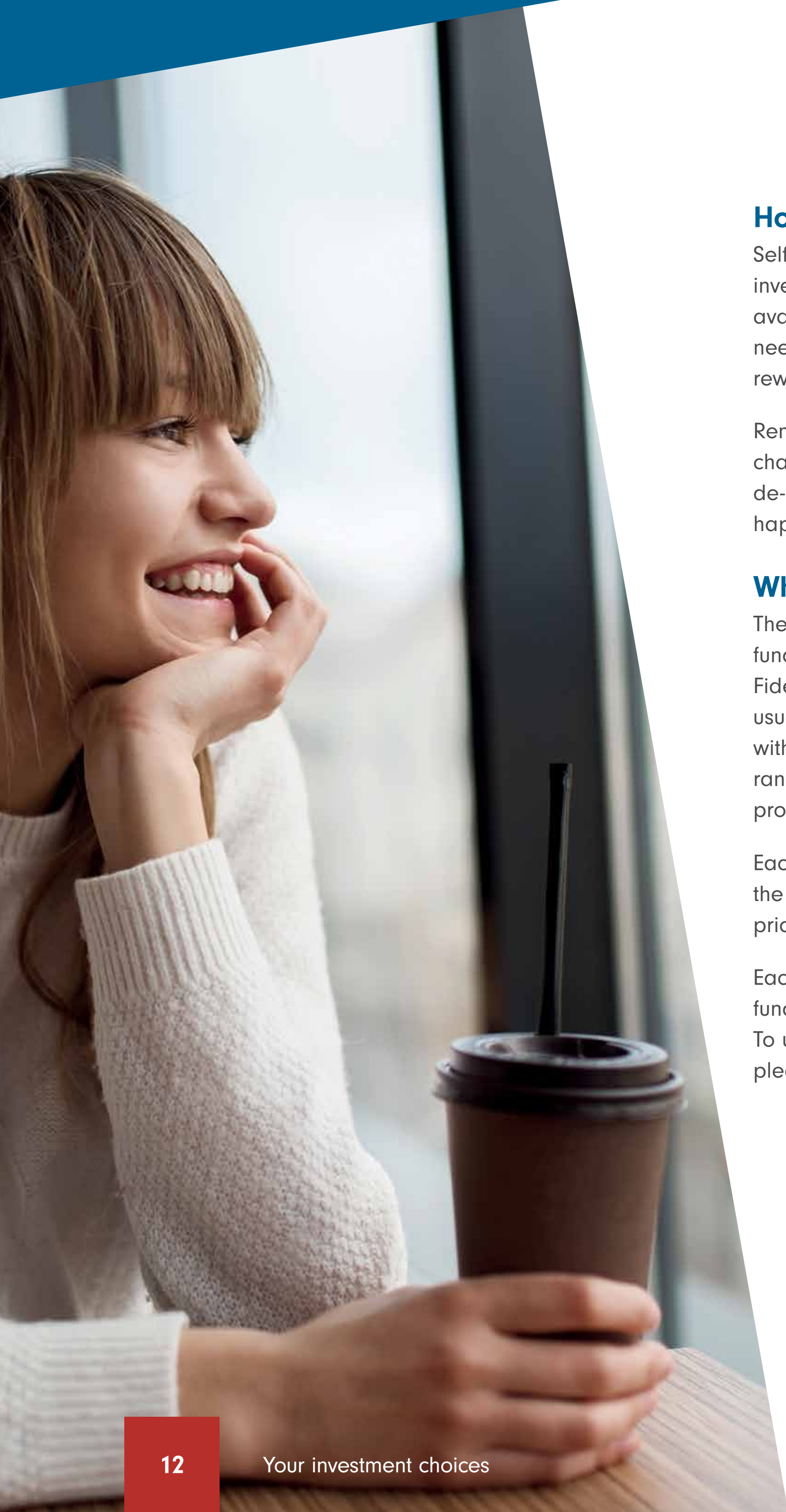
The Annuity Option Strategy is made up of 3 funds:

Fund
Sustainable Growth Fund
Retirement Annuity Fund
Fidelity BlackRock Cash Fund



Self-select

If you don't want to be invested using a Lifestyle Strategy and would rather take control of your own investment funds, you can do so by choosing to self-select.



How does it work?

Self-selecting your own funds is a do-it-yourself approach to investing. You can pick just one fund or several from the range available. Whatever you choose, the fund or funds should suit your needs, and that means making a choice of what levels of risk and reward are acceptable to you.

Remember, you will have to let Fidelity know when you want to change your investment choice. Unlike the Lifestyle Strategy that de-risks automatically as retirement approaches, this does not happen when you select your own funds.

Which funds can I self-select?

The Trustee provides a range of funds for you to choose from. Each fund is invested in one or more underlying funds managed by Fidelity or other leading fund providers. The underlying funds are usually made up of many separate investments. The Trustee, along with its investment adviser, select the Plan's fund range from the range of funds offered by Fidelity and other carefully selected fund providers. The fund range for the Plan may change in the future.

Each available fund has it's own fund factsheet. You will find all the fund factsheets on PlanViewer, under the 'Available funds, prices and information' section.

Each fund factsheet lists the charges, risk factors specific to the fund as well as past performance and underlying fund objective. To understand the risks and objectives relevant to each fund listed, please refer to the appendix of this booklet.

Fidelity Life Funds	Class	Annual Management Charge	Other charges	Total Expense Ratio	Management Style
Fidelity BlackRock Cash Fund	5	0.20%	0.00%	0.20%	Active

This life fund invests in an underlying fund managed by BlackRock Life Limited. The objective of the underlying fund is:

This fund aims to achieve an investment return that is in line with wholesale money market short-term interest rates. Specifically, the fund seeks to better the return of the Seven Day LIBID. The underlying investments of the fund are a diversified portfolio of money market instruments. The instruments are of a high quality and have a minimum credit rating of A1 or an equivalent standing. The Fidelity fund invests in the underlying fund through a reinsurance policy with BlackRock Life Limited.

Risk Rating: L1; Risk Factors: 17

Fidelity BlackRock Over 15 Years UK Gilt Index Fund	1	0.20%	0.01%	0.21%	Passive

This Life Fund invests in an underlying fund managed by BlackRock. The aim of the Fund is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) by tracking closely the performance of the FTSE Actuaries UK Conventional Gilts Over 15 Years Index (the "Benchmark Index"). Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capitalis at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Risk Rating: L2; Risk Factors: 3, 17

Fidelity BlackRock Over 5 Years Index Linked Gilt Fund	1	0.20%	0.01%	0.21%	Passive

This Life Fund invests in an underlying fund managed by BlackRock. The aim of the Fund is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) by tracking closely the performance of the FTSE Actuaries UK Index Linked Gilts Over 5 Years Index (the "Benchmark Index"). Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Risk Rating: L2; Risk Factors: 3, 17

Retirement Annuity Fund	-	0.20%	0.01%	0.21%	Passive

The objective of this fund is to invest or reinsure into underlying funds that invest in a broad spectrum of investment grade corporate bonds denominated in Sterling as well as UK government fixed income securities (gilts).

Risk Rating: L2; Risk Factors: 3, 6, 15, 17, 18

Fidelity Life Funds	Class	Annual Management Charge	Other charges	Total Expense Ratio	Management Style
Blended Diversified Fund	-	0.498%	0.025%	0.523%	Active

The fund aims to achieve long-term capital appreciation by investing or reinsuring into underlying funds that invest in a range of asset classes in the UK, overseas and emerging markets, including equities, bonds, cash/currencies, real estate, commodities, hedge funds, and private equity. The underlying fund(s) may also use derivatives and forward transactions for both investment and hedging purposes.

Risk Rating: M1; Risk Factors: 2, 3, 4, 6, 8, 11, 14, 15, 16, 17, 18

Fidelity BlackRock Corporate Bond Index Fund All Stocks	1	0.20%	0.01%	0.21%	Passive

This Life Fund invests in an underlying fund managed by BlackRock. The aim of the Fund is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) by tracking closely the performance of the Markit iBoxx GBP Non-Gilts Overall TR Index (the "Benchmark Index"). Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Risk Rating: M1; Risk Factors: 3, 17

Fidelity BMO Responsible UK Equity Growth	5	0.65%	0.06%	0.71%	Active

This life fund invests in an underlying fund managed by BMO Fund Management Limited. The investment objective of the underlying fund is: The fund aims to achieve long-term capital growth, and increased income, with the emphasis on capital growth through concentrated investment in an ethically screened and diversified list of UK companies. The fund provides an investment medium for people who do not regard financial gain as the sole criterion for investment but look to wider issues. The Fidelity fund invests in the underlying fund through a dealing agreement.

Risk Rating: M2; Risk Factors: 1, 5

Fidelity HSBC Islamic Pension Fund	9	0.45%	0.0%	0.45%	Passive

This life fund invests in an underlying fund managed by HSBC Global Asset Management (UK) Limited. The objective of the underlying fund is:

The fund aims to create long term appreciation of capital through investment in a diversified portfolio of securities as defined by a relevant world index, which meets Islamic investment principles as interpreted and laid down by the Shariah Committee and provided to the Board of Directors.

Risk Rating: M2; Risk Factors: 3, 4, 5, 6, 9, 13, 14

Fidelity Life Funds	Class	Annual Management Charge	Other charges	Total Expense Ratio	Management Style
Fidelity L&G 70:30 Hybrid Property Fund	8	0.90%	0.00%	0.90%	Active

This fund invests in an underlying fund managed by Legal & General Assurance (Pensions Management) Ltd. The objective of the fund is:

The fund aims to provide diversified exposure to the UK Property market and Global REITS market. The Fidelity fund invests in the underlying fund through a reinsurance agreement with Legal & General Assurance (Pensions Management) Limited.

Risk Rating: M2; Risk Factors: 3, 4, 6, 11, 13

Sustainable Growth Fund	-	0.32%	0.03%	0.35%	Active

The fund aims to deliver excess returns over the MSCI All Country World Index on a 3-year rolling basis, whilst limiting index-relative risk, by investing or reinsuring into underlying funds managed by Fidelity or our Fund Partners.

Risk Rating: M2; Risk Factors: 3, 4, 6, 11, 15

UK Shares Fund	-	0.91%	0.024%	0.934%	Active

To achieve long-term capital growth by investing or reinsuring into underlying funds that invest in companies listed in the UK and/or companies with a significant part of their activities in the UK but may be quoted on a regulated market outside the UK.

Risk Rating: M2; Risk Factors: 1, 3, 6, 11, 15, 18

Worldwide Shares Fund	-	0.968%	0.083%	1.051%	Active

To achieve long-term capital growth by investing or reinsuring into underlying funds that invest in a diversified portfolio of companies located around the world whose securities are listed or traded on Regulated Markets worldwide.

Risk Rating: H; Risk Factors: 1, 2, 3, 4, 6, 11, 18

Charges

There are charges associated with each fund and these differ depending on the type of investment and the objective of the fund.

Funds have annual management charges (AMC) and other charges. Other charges refer to fund expenses such as auditing and registry fees. Together the annual management charge and other charges are expressed as the total expense ratio.

These charges are not taken directly from your account but deducted from each fund's assets. This is achieved by building this charge into the quoted unit price for each fund and because there are no initial charges for investing in the funds, if you contribute £100 to your pension account then £100 is invested to buy you units in your chosen fund(s). Fund charges are reviewed regularly and are detailed on the fund factsheets on Planviewer. There are no charges for switching funds or withdrawing your investments.

Monitoring your investments

It is important to review and monitor your investment fund choices on a regular basis. This is important whether you invest in the Plan's default option, or select your own funds, because investment goals may change, particularly as you get closer to retirement. PlanViewer gives you an easy way to monitor your investments. You can see how your current investment choice is performing and download the latest fund factsheets for each of the funds available to you. You can switch between investment options at any time, and you can change your selected retirement age whenever you like.

You can switch funds as often as you wish. Remember that making fund changes may result in you being out of the market for a short time and any market movements during this time may affect the value of your investments.

Active trading

Fidelity reserves the right to limit the number or frequency of times you switch. Fidelity may do this, for example, if short-term or excessive trading could harm fund performance by disrupting portfolio management strategies and increasing the expenses that the fund has to pay. Active trading is discouraged, these are switches of units held in a fund for less than 30 days. Active trades will be investigated as they are considered detrimental to other investors. An active trade will result in the individual receiving a letter explaining Fidelity's Dealing Policy and requesting that no further active trades are undertaken. If further active trades are made, measures will be taken to discourage the practice, such as applying trading restrictions on the pension account. This policy will apply at all times, regardless of market volatility.

Something to note...

Companies that provide pensions are required to have certain arrangements in place to protect your money. There are a number of protections in place and should you need further information please visit fidelity.co.uk/how-safe-is-my-plan

Fidelity monitors the underlying fund providers and their funds with the aim of safeguarding your savings. The circumstances in which you will not receive the full value of your savings are, in Fidelity's opinion, very unlikely. You bear the risk in the event of the default on the part of any service provider, including any companies in the same group of companies as Fidelity, becomes insolvent or cannot otherwise pay the full amount due. If one of the underlying fund managers becomes insolvent or cannot otherwise pay the full amount due, Fidelity would seek to recover any shortfall but your savings may fall in value if Fidelity is unable to recover the full amount.

Fidelity employs a robust governance framework to protect members' assets and carries out regular checks on the financial standing of its counterparties.

Introducing PlanViewer

Fidelity's online account management service

PlanViewer is Fidelity's online account management service. It makes monitoring and managing your pension account simple. Your login details will be sent to you after you join.
Using PlanViewer you can:

- Find out the value of your account.
- Generate an account statement for any period of membership.
- Initiate transfers from your other pension accounts where your scheme allows this.
- Review the way your account is invested.
- Access fund information and performance.
- Choose a different investment option, or change fund(s).
- Update your beneficiaries online.
- Change your selected retirement age.
- Access the latest market news.

How to get in touch

Fidelity

Fidelity administers the Plan on behalf of the Trustees.

Web

Go to planviewer.co.uk and log into your account using your username and password. PlanViewer gives you an easy way to manage your pension account. View your current account balance, review and change your funds, download information, request a withdrawal, add beneficiary details, print statements and use planning tools.

Email

For any questions, please email us at pensions.service@fil.com

Post

Workplace Investing Service Centre, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey, KT20 6RP.

Telephone

0800 3 68 68 62

Lines are open Monday to Friday, 8am to 6pm (UK time).

Fidelity's representatives will be happy to answer questions you may have about the Plan and its fund options but, for regulatory reasons, are unable to provide you with financial advice.

Fund specific risk factors

In addition to general risks highlighted in the 'What are the risks of investing?' section, each fund will have its own fund specific risks. The types of risks that are associated with each fund are detailed in the 'Your Plan's investment choices' section. A description of each of these risks can be found in the table below. You should refer back to this table when reviewing your fund choices.

Risk factor	Description of risk
1	**Concentrated portfolio** The fund may invest in a relatively smaller number of stocks. This stock concentration may carry more risk than funds spread across a larger number of companies.
2	**Derivative exposure** The fund invests in derivatives as part of its investment strategy, over and above their use for efficient portfolio management. Investors should be aware that the use of these instruments can, under certain circumstances, increase the volatility and risk profile of the fund beyond that expected of a fund that only invests in equities. The fund may also be exposed to the risk that the company issuing the derivative may not honour their obligations which in turn could lead to losses arising.
3	**Efficient portfolio management** The fund may use other investment instruments apart from/or in place of the actual underlying securities. This is done in order to manage the fund in a more efficient fashion. Examples of these other instruments could be options, derivatives or warrants. The process of using these instruments in the fund is referred to as efficient portfolio management. These instruments can be used to effectively take a position (or reduce an existing position) in a share or index, allowing positions to be altered more quickly and cost effectively than dealing directly in the underlying investment, but are not generally used to try and magnify returns. However, investors should be aware that the use of these instruments can, under certain circumstances, increase volatility and risk beyond that expected of a fund that only invests in conventional equities.
4	**Emerging markets** The fund invests in emerging markets. There is an increased chance of political and economic instability with less reliable custody, dealing and settlement arrangements. The market(s) can be less liquid. If a fund investing in markets is affected by currency exchange rates, the investment could either increase or decrease. These investments therefore, carry more risk.
5	**Ethical restrictions** The fund is unable to invest in certain sectors and companies due to the ethical criteria used to select investments for the fund.
6	**Exchange rate** The fund invests in securities outside the UK. The value of investments and any income from them may, therefore, decrease or increase as a result of changes in exchange rates between currencies.
7	**Geared investments** The fund focuses on geared investments. Funds which focus on geared investments such as warrants or options carry a higher degree of risk than other equity investments because of the risk of the underlying investments. It is possible that the fund may suffer sudden and large falls in value so that the short fall on cancellation, or the loss of the realisation on the investment could be very high and could even equal the amount invested, in which case you would get nothing back.
8	**High yield bonds** The fund invests in high yield bonds. High yield bonds carry a greater risk of default than investment grade bonds, and economic conditions and interest rate movements will have a greater effect on their price. Income levels may not be achieved and the income provided may vary.

Risk factor	Description of risk
9	**Specialist** The fund is specifically aimed at sophisticated investors and is particularly high risk, because it concentrates on a region that may be exposed to unusual political or economic risks. You should only invest if you are comfortable with the specific risks pertaining to the fund in question.
10	**Income eroding capital growth** The fund focuses on income which may reduce the prospect of capital growth. Any income generated cannot generally be withdrawn from a pension account until retirement and will be reinvested in the fund.
11	**Liquidity** The fund can suffer from partial or total illiquidity, which may lead to considerable price fluctuations and the inability to redeem your investment. This could affect you, for example when you are close to retirement.
12	**Performance charges** The fund makes charges that depend on the fund's performance.
13	**Property funds** The fund invests directly in physical property. Due to the illiquid nature of the underlying assets, there may be delays in completing your instructions to sell. In exceptional circumstances, the manager of the fund has the authority to stop investors from selling some or all of their holdings in the fund. This could affect you, for example when you are close to retirement, as it may be difficult to sell the units you hold in such funds. Any decision to invest in physical property should be carefully considered in line with your planned retirement goals. The value of physical property is generally a matter of a valuer's opinion rather than fact. Property transaction costs are high (typically around 5% or higher due to legal costs, valuations and stamp duty) and as such you may receive a value that is lower than anticipated.
14	**Sector specific funds** The fund invests in specific sectors. Funds which invest in specific sectors may carry more risk than those spread across a number of different sectors. They may assume higher risk, as markets/sectors can be more volatile. In particular, gold, technology funds and other focused funds can suffer as the underlying stocks can be more volatile and less liquid.
15	**Smaller companies** The fund invests in smaller companies. Smaller companies' shares can be more volatile and less liquid than larger companies' shares, so smaller company funds can carry more risk.
16	**Solvency of depositary** The value of the fund may be affected if any of the institutions with which cash is deposited becomes insolvent or experiences other financial difficulties.
17	**Solvency of issuers** The fund invests in bonds and there is a risk that the issuer may default, resulting in a loss to the portfolio.
18	**Volatility** Investments in the fund tend to be volatile and investors should expect an above-average price increase or decrease.

Notes