Take a look >>>

A guide for your investment choices

For members of the Westpac Banking Corporation UK Staff Superannuation Scheme ('the Scheme')

your pension
Proudly supported by Westpac

Welcome

How you choose to invest your savings in the Scheme is an important decision.

Your choice can make a real difference to the value of your savings, and the level of retirement benefits it will provide for you.

As Trustee of the Scheme, it's our responsibility to select the funds that are available to you. The funds we outline in this guide are available with effect from February 2016.

The investment choices have been selected by the Trustee as they are considered to represent good value for money for members.

This guide takes you through the issues you need to consider, and explains your choices. We hope it helps you to make the right investment choice for your circumstances.

We've tried to keep technical terms to a minimum, but those we've had to include are in **BOLD** throughout and you can find a list of definitions under Special terms.

About the Scheme's investment provider

Your investment funds are available through Aon's delegated consulting service (DCS). We believe DCS will increase the potential for your investments to achieve greater returns because:

- It offers best-in-class managers;
- It capitalises on Aon's best ideas to exploit market opportunities; and
- It monitors funds continuously to remove underlying managers quickly if their performance falls short of expectations.

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Before you decide how to invest your savings, it's important that you understand your retirement options and think about how you want to take your Scheme benefits.

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Understanding your retirement options

Prior to 6 April 2015, your options for how to take your Scheme benefits were limited. Most members retiring prior to this date typically used their savings to buy a retirement income (an **annuity**), with or without a tax-free cash sum upfront (of up to 25% of the value of their savings).

From 6 April 2015, you have more choices with how you take your Scheme benefits. The Government has made free guidance available on your options as you approach retirement, but having a good idea now how you want to take your benefits will help you to make an informed investment choice for your Scheme savings.

Drawdown

You can transfer your savings to a specialist 'Drawdown' arrangement and then take (i.e. draw down) as much as you want from that arrangement whenever you want.

After transferring to a drawdown arrangement you can either:

- Take up to 25% of your fund immediately as cash tax-free (under current law) and then take the remainder as and when you want (taxed at your marginal rate); or
- Take income from your savings over time. The first 25% of each amount would be tax-free (under current law) while the rest would be taxed at your marginal rate.

If you transfer **assets** to a drawdown arrangement you can leave your funds invested with the aim of trying to continue to grow their value. This might be of benefit to you if your chosen investments perform well, though you will need to think carefully about how you invest your drawdown fund.

Drawdown puts you in control of your retirement income so it's important that you are comfortable with the idea of managing your money and deciding how much and when to draw down an income.

You should also be aware of and accept the risks that come with being in full control of your retirement income. For example, by taking what you want when you want, you might run out of money or not have enough to support you in later life. On the other hand, if you have other sources of retirement income, this may not be a significant consideration for you.

You should take independent financial advice before retirement if you are thinking about the drawdown option. At the moment, the Scheme provides a minimum level of pension for your service up to April 2016. If you select the drawdown option when you retire, you will no longer be entitled to a minimum level of pension from the Scheme. Your independent financial adviser will be able to explain more.

From February 2016, a new '**Drawdown Lifestyle**' option is available for you to choose as an investment choice for your Scheme savings before retirement.

Thinking about retirement (continued)

Annuity

This option allows you to buy a guaranteed income (an **annuity**) with your savings. An annuity is a type of insurance policy and there are many different types. The table below outlines some of the more common annuities.

Annuity	Description
Single life	Pays you an income for the rest of your life.
Joint life	Pays you an income for the rest of your life and an income for your spouse or other dependant(s) after your death.
Guaranteed	Pays an income for a fixed period, regardless of when you die.
Enhanced	Pays a higher income for your lifetime if you meet certain criteria, such as if you are a smoker.
Level	Pays a fixed income for your lifetime, i.e. an income which does not increase each year.
Increasing	Pays an income for your lifetime that increases each year, either at a fixed rate or in line with **inflation**.

Further types of annuity are also available so there is a lot to think about if you decide to go down this route. (Don't forget that the Government has made free guidance available, at www.pensionwise.gov.uk, to help you decide as you approach retirement.)

You can also take up to 25% of the value of your savings as a tax-free cash sum and buy an annuity with the balance. Bear in mind though, that if you choose to take a cash sum, this will reduce the value of your retirement income.

From February 2016, an updated '**Annuity Lifestyle**' option is available for you to choose as an investment choice for your Scheme savings before retirement.

Cash

You can transfer all of your savings to another pension provider and then take your cash in one go. The first 25% will be tax free (under current law) and the rest will be taxed at your marginal rate (currently 20%, 40% or 45% depending on your tax status). Be aware that the amount of cash you take may itself increase your marginal rate of income tax.

You should take independent financial advice before retirement if you are thinking about the cash option. At the moment, the Scheme provides a minimum level of pension for your service up to April 2016. If you select the cash option when you retire, you will no longer be entitled to a minimum level of pension from the Scheme. Your independent financial adviser will be able to explain more.

From February 2016, a new '**Cash Lifestyle**' option is available for you to choose as an investment choice for your Scheme savings before retirement.

However you plan to take your benefits, you are not limited to the three Lifestyle investment choices referred to here. You can target any of these retirement options by choosing your own set of funds via the Scheme's '**Self Select**' route.

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Taking your Scheme benefits

When it comes to deciding how to take savings benefits at retirement, typically, there are five considerations. Take a look at the table below and think about how you might want to take your Scheme benefits.

Each approach lends itself towards potentially suitable investment strategies, though however you choose to invest, you should keep a close eye on your savings to ensure that your strategy remains appropriate.

Retirement profile	Potentially suitable investment strategies	
You want the money quickly. You'll take your benefits as cash in one go at retirement, perhaps to pay off a debt, invest in other assets or simply to generate a higher income early on in your retirement.	Cash Lifestyle	Self Select
You'll continue to invest to generate a stable future income and to set significant savings aside, either for long-term care in your later life or as inheritance.	Drawdown Lifestyle	Self Select
You'll continue to invest and take money out as and when you need it. You'll probably rely in part on the State Pension and/or other sources of income.	Drawdown Lifestyle	Self Select
You want a secure, guaranteed income for life and will buy an **annuity** from an insurance company to ensure this.	Annuity Lifestyle	Self Select
Rather than buying an annuity at retirement, you'll continue to invest the money to generate a stable income, but you may buy an annuity at a later date to guarantee you a future income.	Drawdown Lifestyle	Self Select

Knowing how you think you will want to take your Scheme benefits will help to put you on the right path towards making the right investment choice.

Lifestyle or Self Select

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With an understanding of your retirement options and an idea of how you might take your Scheme benefits, you can start to think about how to invest your savings. You can choose **either** a Lifestyle option, or a combination of one or more Self Select funds (but not a mix of both).

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Lifestyle

This approach gives you the choice of three pre-set investment strategies.

Each Lifestyle strategy is broadly designed to match the retirement options you have with your savings:

Drawdown	Annuity	Cash

Each Lifestyle strategy initially aims to maximise growth in your savings while you are a long way from retirement.

The Lifestyle strategies then differ by how and when your investments are switched into less risky funds. The funds for each strategy are pre-determined, using 'objective-based' funds that aim to grow and then protect the value of your savings in such a way that matches how you plan to take your retirement benefits. Your investments are switched automatically as you get closer to your retirement age.

A Lifestyle approach may be suitable for you if you have a clear idea how you plan to take your Scheme benefits but don't want to take a 'hands on' role with how your savings are invested.

Click on the links above to find out how each Lifestyle strategy works.

For more detail on the individual funds used, refer to the **'Funds used with Lifestyle'** section or go to **www.westpacpensions.co.uk** to access Fund factsheets.

Self Select

This approach gives you 'free reign' over which funds you choose to invest in, from those made available by the Trustee.

There are 10 Self Select funds to choose from. You can invest all of your savings in one fund or spread your investments across multiple funds. It's up to you.

You don't need to be an expert on investments, but you should be comfortable making investment decisions, which is the aim of this guide.

You should be prepared to keep a close eye on how your chosen investments are performing, as you may want to make a change if a particular fund is not performing as you expected.

Similarly, as you approach retirement, you may want to switch some or all of your investments from higher risk funds to lower risk funds, to protect the value of your savings. This might be suitable if, for example, you plan to buy an **annuity** at retirement and you want to try to match the movement of annuity rates with your investments.

You can find a summary of the funds that are available through **'Self Select'** here.

For more detail on each fund, you can access individual Fund factsheets via **www.westpacpensions.co.uk**.

Your Lifestyle choices

If you don't want to be 'hands on' with how your savings are invested, you can choose one of three Lifestyle strategies.

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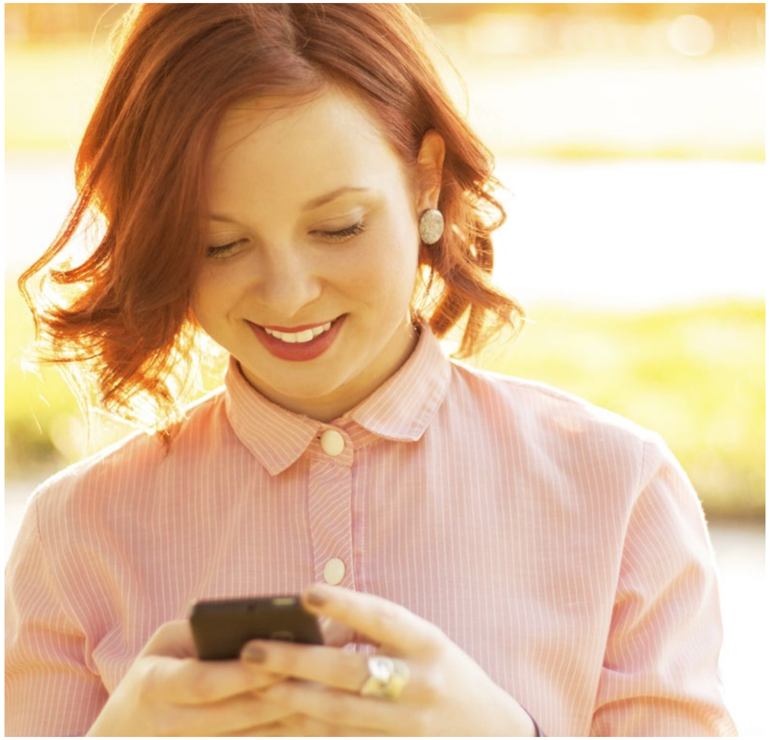

Each one automatically switches your investments according to when you plan to retire to try to best align your savings with how you intend to take your Scheme benefits.

If you choose a Lifestyle strategy, you should still keep a regular check on how your savings are performing and be comfortable that it continues to be the right choice for you.

For example, if you choose the Drawdown Lifestyle strategy and later change how you plan to take your benefits, you might want to switch to a different Lifestyle strategy or choose your own funds via Self Select.

When do you plan to retire?

Remember: each Lifestyle strategy automatically switches funds according to your retirement age. So if you nominate a retirement age other than age 60 and you choose a Lifestyle strategy, your investments will switch in line with your nominated retirement age, rather than age 60 as shown in the following Lifestyle charts.

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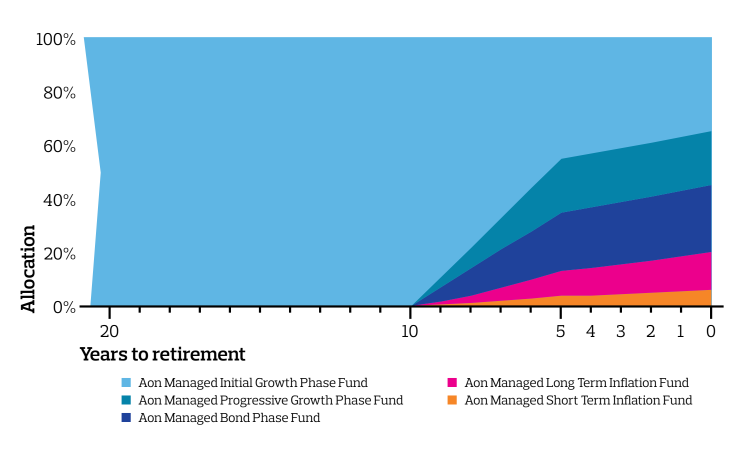
Your Lifestyle choices (continued)

Drawdown Lifestyle strategy

This strategy works on the principle that at retirement you will transfer your savings to a specialist income drawdown arrangement, out of which you will be able to draw income whenever you want.

Up to age 50 (or 10 years before your nominated retirement age), your savings are invested in funds which aim to deliver long-term growth, such as equities.

At age 60 (or your nominated retirement age), your savings are invested in a mix of higher and lower risk funds. This is to try and achieve a balance of growth versus security on the value of your savings.



The chart above shows how and when investments switch automatically.

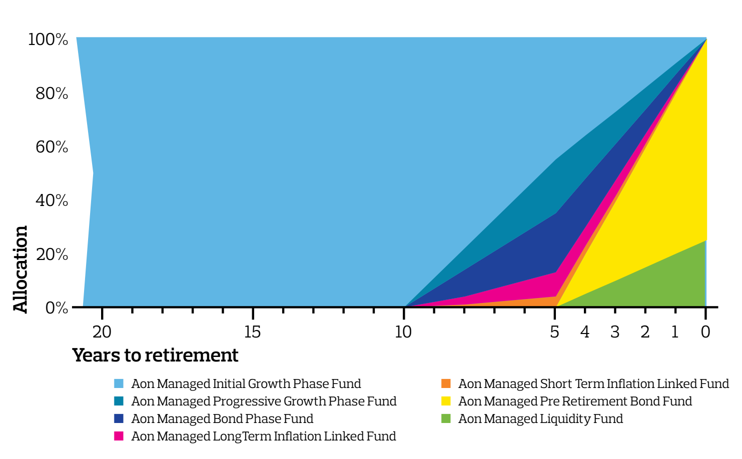
Annuity Lifestyle strategy

This strategy works on the principle that at retirement, you will take the maximum tax-free cash sum (25% of the value of your savings) and use the rest to buy a guaranteed retirement income, an annuity.

Up to age 50 (or 10 years before your nominated retirement age), you savings are invested in growth funds. From that point until you retire, you savings are gradually switched into a mix of funds to reduce investment risk as you near retirement.

At age 60 (or your nominated retirement age), 25% of your savings are invested in cash on the assumption that you will take the maximum tax-free cash sum available when you retire.

The rest of your savings are invested in bonds to try to reduce the risk of a sudden fall in value and to match how the prices of annuities tend to rise and fall.



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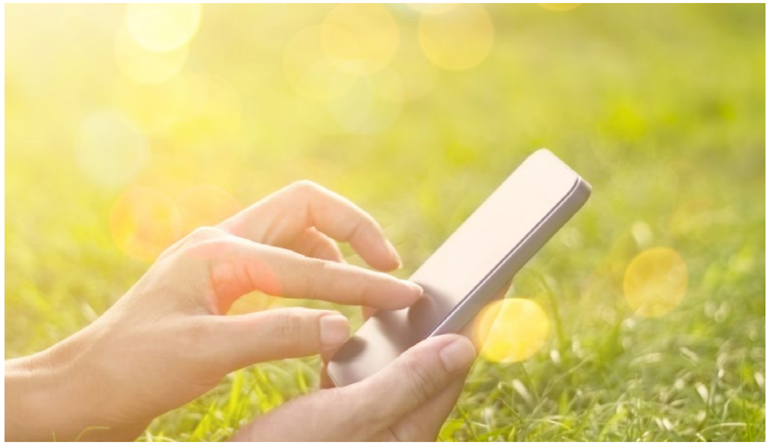
Cash Lifestyle strategy

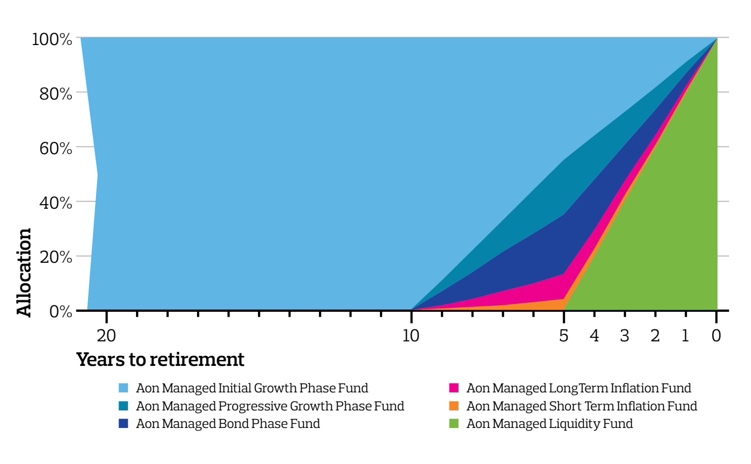
This strategy works on the principle that at retirement, you will take the full value of your savings as cash in one go. This might be a good choice for you if, for example, you want to pay off a debt (such as a mortgage) or invest in other assets and you have an alternative means of securing a retirement income.

Up to age 50 (or 10 years before your nominated retirement age), your savings are invested in growth funds. From that point until you retire, you account is switched into less risky funds and then cash.

At age 60 (or your nominated retirement age), 100% of your savings is invested in cash.

When you receive your benefits as cash, 25% of the value of your savings will be tax-free, the rest will be taxed at your marginal rate.





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Funds used with Lifestyle

The following tables summarise the funds that are used across the Lifestyle strategies. All of the funds are 'white labelled' under an Aon fund name.

This means that the underlying funds, asset allocations and selected investment managers may change over time if it's believed that a change is likely to be in the best interests of members.

Each summary includes the underlying aim of each fund, its asset allocation, the benchmark that is used to measure performance, the annual management charge (**AMC**) and total expense ratio (**TER**).

The AMCs and TERs shown are as at 31 October 2015, but please note that the additional expenses included in the TERs are estimates and can change over time. AMCs may also increase or decrease from time to time. You can find the latest information in the Fund factsheets via **www.westpacpensions.co.uk**.

Aon Managed Initial Growth Phase Fund	
Aim	This fund aims to outperform its benchmark.
Asset allocation range	90% equity funds 10% property and infrastructure funds
Benchmark	90% MSCI All Country World Index † 7% FTSE EPRA/NAREIT Developed Index † 1.5% AREF/IPD UK Quarterly All Balanced Property Index 1.5% FTSE Macquarie Global Infrastructure 100 Index †
AMC *	0.26%
TER *	0.31%

Aon Managed Progressive Growth Phase Fund	
Aim	This fund aims to outperform its benchmark by 3.0% a year over rolling three-year periods.
Asset allocation range	100% multi-asset funds
Benchmark	3 month LIBOR GBP †
AMC *	0.80%
TER *	0.88%

See more fund details >>>

Your Lifestyle choices (continued)

Aon Managed Bond Phase Fund	
Aim	This fund aims to outperform its benchmark by 1.5% a year over rolling three-year periods
Asset allocation range	0–100% absolute return bond funds 0–40% emerging market debt funds 0–100% corporate bond funds
Benchmark	50% 3-month LIBOR GBP † 50% iBoxx Sterling Non-Gilts All Stocks Index
AMC *	0.38%
TER *	0.41%

Aon Managed Short Term Inflation Linked Fund	
Aim	This fund aims to achieve returns that are in line with its benchmark.
Asset allocation range	100% index-linked gilt funds
Benchmark	FTSE UK Gilts Up to 5 Year Index-Linked Gilts Index †
AMC *	0.20%
TER *	0.21%

Aon Managed Long Term Inflation Linked Fund	
Aim	This fund aims to achieve returns that are in line with its benchmark.
Asset allocation range	100% index-linked gilts
Benchmark	FTSE UK Gilts Index-Linked Over 5 Years Index †
AMC *	0.20%
TER *	0.21%

Aon Managed Pre-Retirement Bond Fund	
Aim	This fund aims to achieve returns that are in line with its benchmark.
Asset allocation range	100% bonds. Bespoke mix of bonds and gilts.
Benchmark	Return in line with the pricing of typical annuity rates.
AMC *	0.32%
TER *	0.32%

* The AMCs and TERs shown are as at 31 October 2015, but please note that the additional expenses included in the TERs are estimates and can change over time. AMCs may also increase or decrease from time to time. You can find the latest information in the Fund factsheets via www.westpacpensions.co.uk.

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Your Lifestyle choices (continued)

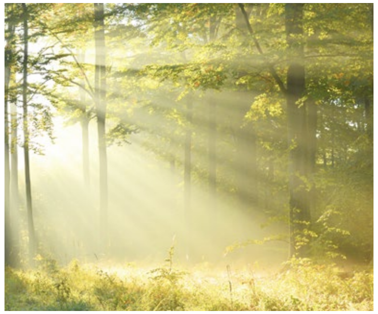
Aon Managed Liquidity Fund	
Aim	This fund aims to achieve returns that are in line with its benchmark.
Asset allocation range	100% cash
Benchmark	7 Day LIBID Rate †
AMC *	0.20%
TER *	0.23%

† *Where one or more acronyms form part of the benchmark name, details are provided here.*

AREF	Association of Real Estate Funds
CAPS	Combined Actuarial Performance Services
EPRA	European Public Real Estate Association
FTSE	Financial Times Stock Exchange
IPD	IPD Investment Property Databank
LIBID	London Interbank Bid Rate
LIBOR	London Interbank Offered Rate
MSCI	Morgan Stanley Capital International
NAREIT	National Association of Real Estate Investment Trusts

Aon Managed Liquidity Fund

You should be aware that although this fund is classified as having low capital risk, its value cannot be guaranteed and under extreme conditions may fall.



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If you're considering being more 'hands on' with your savings – with Self Select – it's important that you have an understanding of the investment basics.

If you need advice

The law does not allow the Trustee, anyone associated with the Scheme or anyone at Aon to advise you about what investment decisions you should make. If you would like advice, you should talk to an independent financial advisor (IFA).

You can find an IFA in your area from the Unbiased website: **www.unbiased.co.uk**. Please check that any IFA you are thinking of appointing is suitably authorised and qualified. You can do this by using the Financial Conduct Authority's website: **https://register.fca.org.uk**, or by phoning the Helpline on 0800 111 6768.

Investment basics (continued)

Your approach to risk

Your investment choice will depend to some degree on your attitude to certain risks.

Understanding investment risks is important because then you can make a choice you're comfortable with.

Capital risk

This is the risk that the value of your investments will go down as well as up and that you end up with less than you have paid in.

Typically, the more risk you take the greater the potential for your investments to grow. Higher capital risk means that you would probably see larger highs and lows in terms of return. This can happen with funds invested in equities, for example.

In the past, equities have outperformed other types of investment over the long term. This is why they are a common choice of investment when retirement is a long way off; to maximise the potential for growth, with plenty of time to make up any potential falls in value.

Ask yourself:

How do you want to try and grow your investments?

Are you aiming for maximum growth?

Do you want to try to protect your savings from the risk of a fall in value?

Or are you more comfortable with risk that lies somewhere in between?

Test your attitude to risk:

Read the statements in this test and consider where on the scale of 1–5 you would put yourself.

Test your attitude to risk

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Answer **the top question** by clicking on 1 to 5. See how you score against the other statements and what your attitude to risk might be as a result.

Testing your attitude to risk:

Above all, I want to protect the value of my savings.	1	2	3	4	5	I want to try and grow the value of my savings regardless of the risk of a fall in value.
I would be concerned if my investments went down in value, even for a short time.	1	2	3	4	5	I would take a longer view if my investments went down in value – there's plenty of time to make it back and more.
I don't want to invest in stocks and shares, they're too risky.	1	2	3	4	5	I'm not concerned about short-term dips. Investing in shares is the best way for my money to grow long-term.
If I had the choice of a guaranteed £1,000 or a one-in-five chance of 10,000, I'd always take the £1,000.	1	2	3	4	5	If I had the choice of a guaranteed £1,000 or a one-in-five chance of £10,000, I'd always take the chance for £10,000.

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Inflation risk

Inflation risk comes with lower risk investment funds which tend to grow gradually, such as those that invest in cash. If your investments don't grow as quickly as inflation, in real terms they will be worth less.

However, the value of cash funds does not usually vary significantly over the short term. So typically, they are used to protect the value of your savings shortly before retirement, often to match the level of tax-free cash that is available (under current law).

Currency risk

If some of your investments involve overseas funds and the exchange rate at the time is less favourable, it will reduce your fund value and consequently the value of your savings. By how much will depend on how much of your savings is invested in the particular overseas **asset** or assets.

Conversion risk

If you plan on buying a guaranteed income for life (an **annuity**) with your Scheme savings you should understand pension conversion risk.

The income you receive from an annuity will depend on the cost of annuities at the time. So if, for example, the price of annuities goes up just before you retire, you would receive less pension, and vice versa.

The performance of bonds and gilts tend to move in line with the price of annuities so it's not uncommon to switch to these types of investments as you approach retirement to try to offset this risk.

Don't put all your eggs in one basket.

This is a common tactic when it comes to investing. Indeed, investment managers often adopt this approach under the term **diversification**. If you choose to invest in a mix of assets, you reduce the risk of poor performance in any one asset type affecting the value of your entire savings.

Your approach to risk is also likely to be linked to how long you are investing for, be it the short, medium or long term.

Management styles

There are two styles of investment management and knowing how each one works can help when you're thinking about how to invest your savings.

Active

Active management aims for returns that are higher than a particular **market index**. To try and achieve this, the investment manager is able to undergo research (into a specific company for example), before deciding whether or not to buy their shares. So active management allows the investment manager to pick and choose the investments they think will perform well.

Actively managed funds offer the potential for higher-than-average returns, but with the risk of a return below the market index.

Passive

Passive management aims for returns that are in line with a particular market index. To try and achieve this, the investment manager invests in broadly the same investments as the market, and in the same proportions, rather than selecting specific funds that may or may not perform better.

Management costs

The charges for active management are normally higher than for passive management due to the additional costs associated with researching investment opportunities.

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How long are you investing for?

How far you are from retirement is key to you deciding how you want your savings to be invested.

So: when do you plan to retire?

You can nominate the age at which you plan to retire - currently any age between 55 and 75. If you do not nominate an age, we will assume you plan to retire on your 60th birthday (your normal retirement date).

(The earlier you retire, the less valuable your Scheme benefits are likely to be.)

Contact the administrators if you want to nominate a retirement age other than 60.

When thinking about when you want to retire, bear in mind any State Pension benefits you may be entitled to. Check the Goverment website for more information about the State Pension – see **www.gov.uk/state-pension.** At what age will you become eligible to receive these and does this affect when you want to start taking your Scheme benefits?

Once you've decided when you plan to retire, it's easy to work out how long you are likely to be investing for.

If you are just a few years from retirement, in investment terms you need to make a choice for the short term. If you are a long way from retiring, your investment period is considered to be long term. Take a look at the table below to see which investment period you might want to base your investment decision on.

How long until you retire?		Your investment period
Less than 5 years from retirement		Short-term
5–15 years from retirement	=	Medium-term
More than at least 15 years from retirement		Long-term

Knowing how long you are likely to be investing for is crucial because traditionally, different types of investments are more suited to certain investment periods.

(The different types of **assets** are covered next.)

Types of assets

There are many different types of investment, or **asset**.

All funds invest in at least one asset type and many invest in several. Understanding the different asset types puts you a step closer to making an informed investment decision.

Note that the risk ratings in the tables opposite should be taken as a general guide only: individual funds in each asset class may have different risk levels than those shown.

Equities

Target growth	High
Capital risk	High
Inflation risk	Low
Conversion risk	High

These are shares in the value of a company, which investors buy and sell on stock markets in the UK and overseas. Their value depends on the economy, market conditions and of course, the company itself.

In the past, over the very long term equities have achieved significantly higher returns than other types of investments. However, the prices of equities can rise and fall quickly, sometimes dramatically so. There have even been periods of 10 years or more during which equities have not performed as well as other assets.

That said, equities are usually considered to be a good investment when the aim is for very long-term growth. Or to look at it another way, equities are not usually invested in shortly before retirement, as a sharp fall in value could mean that there is insufficient time to recover.

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Property

Target growth	Medium
Capital risk	Medium
Inflation risk	Low to medium
Conversion risk	High

These types of investments usually refer to commercial property (shops, warehouses and offices) rather than residential housing.

The value of property tends to grow slowly over the long term. It can also provide income from rentals. Property investments also tend to behave differently to other types of investment. This can make property a popular choice to have alongside other types of investment, to spread the risk of any one type falling in value. This is known as **diversification**, see 'Mixed' by using the links below.

Bonds and Gilts

Target growth	Medium to low
Capital risk	Low to medium
Inflation risk	Medium
Conversion risk	Low

A bond is a type of loan which pays interest. Companies issue 'corporate bonds' as a way of raising money. They are traded like shares on the stock markets.

The company issuing the bond promises to repay the money to whoever holds it at an agreed date in the future and to pay interest until that time. The interest on most corporate bonds is fixed.

Gilts are bonds issued by the UK Government. They work in the same way as corporate bonds, but because they have the backing of the Government, it's generally accepted that they pose a lower risk than corporate bonds. For this reason, as you might expect, the interest rate offered by gilts is usually lower than corporate bonds. The interest can be at a fixed rate or linked to a **market index** (such as the **Consumer Prices Index** which measures **inflation**).

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Investment basics (continued)

Cash

Target growth	Low
Capital risk	Low
Inflation risk	High
Conversion risk	Medium to high

In normal circumstances, investing in cash funds is similar to putting your money into a regular bank or building society savings. Interest is paid on a regular basis, but this might fall behind **inflation** over the long term. Consequently, cash typically offers low growth. It is generally thought to be the most secure type of investment and is often used for the short term. However, in extreme cases, values can go down.

If you plan on taking a tax-free cash sum at retirement, a cash fund is likely to be a suitable choice for the part of your savings you intend to take as cash. A cash fund is likely to protect the value of that part of your savings.

Similarly, if you plan on drawing down benefits over time, you may decide to invest some of your savings in a cash fund shortly before you want to 'draw down'.

Mixed

Target growth	Medium to high
Capital risk	Medium
Inflation risk	Low to medium
Conversion risk	Medium to high

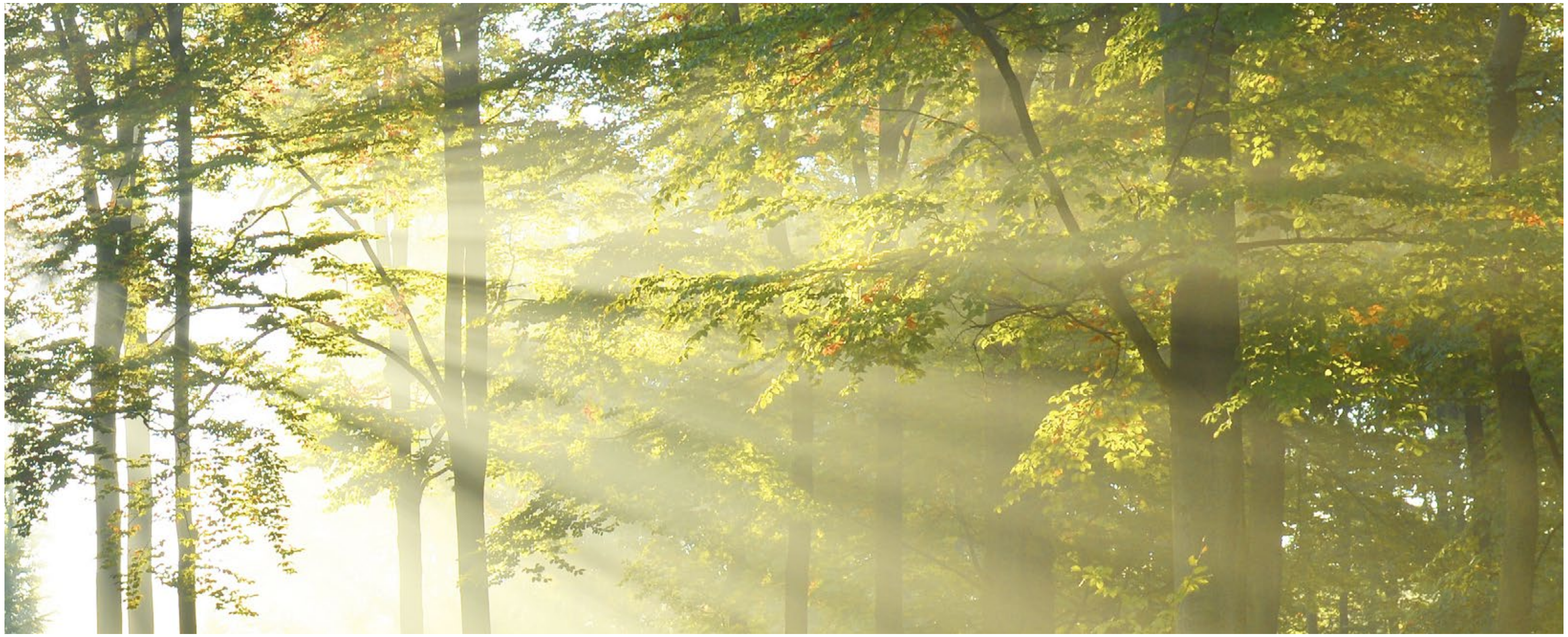
Mixed funds are commonly used to try and achieve returns similar to those historically achieved from equities, but with less risk.

The investment manager of a mixed, or **diversified**, fund has the freedom to invest in different **asset** types and across different countries. They can also change the mix of investments to take advantage of potential 'ups' in the market or to avoid potential 'downs'.

Mixed funds can come under different technical terms.

- A 'diversified growth' fund uses a wide range of investments. (A diversified fund is available.)
- An '**absolute return**' fund targets a particular level of return.

Mixed funds are more time consuming to manage and so usually have higher management charges compared to other types of fund.



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When it comes to different types of investments, broadly speaking:

The greater the risk of a sudden fall in value, the greater the chance for achieving higher long-term growth.

The lower the risk of a sudden fall in value, the lower the level of long-term growth you might expect to achieve.

Equities | Property | Bonds and Gilts | Cash | Mixed

Your Self Select choices

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Here we summarise the Self Select funds that are available to you through the Scheme.

Most of the Self Select funds are 'white labelled' in the same way as all of the Lifestyle funds are.

See more fund details >>>

Your Self Select choices (continued)

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Equity Funds

Aon Managed Global Equity Fund (passively managed)	
Aim	This fund aims to outperform its benchmark.
Asset allocation range	70–100% developed market equity funds 0–30% emerging market equity funds
Benchmark	MSCI All Country World Index †
AMC *	0.23%
TER *	0.28%

Aon Managed Active Global Equity Fund (actively managed)	
Aim	This fund aims to outperform its benchmark.
Asset allocation range	100% equity funds
Benchmark	MSCI World Index †
AMC *	0.80%
TER *	0.87%

Property Fund

Aon Managed Property & Infrastructure Fund (actively managed)	
Aim	This fund aims to outperform its benchmark.
Asset allocation range	50–100% global equity funds that are property related 0–30% collective investment schemes that invest in property 0–30% collective investments that invest in infrastructure
Benchmark	70% FTSE EPRA/NAREIT Developed Index † 1.5% AREF/IPD UK Quarterly All Balanced Property Index † 15% FTSE Macquarie Global Infrastructure 100 Index †
AMC *	0.45%
TER *	0.47%

* The AMCs and TERs shown are as at 31 October 2015, but please note that the additional expenses included in the TERs are estimates and can change over time. AMCs may also increase or decrease from time to time. You can find the latest information in the Fund factsheets via www.westpacpensions.co.uk.

See more fund details >>>

Equity Funds | Property Fund | Multi-Asset Growth Fund | Bond/Gilt Funds | Cash Fund | Specialist Funds

Your Self Select choices (continued)

Multi-Asset Growth Fund

Aon Managed Progressive Growth Phase Fund (actively managed)	
Aim	This fund aims to outperform its benchmark by 3.0% a year over rolling three-year periods.
Asset allocation range	100% multi-asset funds
Benchmark	3 month LIBOR GBP †
AMC *	0.80%
TER *	0.88%

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See more fund details >>>

Your Self Select choices (continued)

Bond/Gilt Funds

Aon Managed Long Term Inflation Linked Fund (passively managed)	
Aim	This fund aims to achieve returns that are in line with its benchmark.
Asset allocation range	100% index-linked gilts
Benchmark	FTSE UK Gilts Index-Linked Over 5 Years Index†
AMC *	0.20%
TER *	0.21%

Aon Managed Pre-Retirement Bond Fund (actively managed)	
Aim	This fund aims to achieve returns that are in line with its benchmark.
Asset allocation range	Bespoke mix of bonds and gilts.
Benchmark	Return in line with the pricing of typical annuity rates.
AMC *	0.32%
TER *	0.32%

Aon Managed Bond Phase Fund	
Aim	This fund aims to outperform its benchmark by 1.5% a year over rolling three-year periods
Asset allocation range	0–100% absolute return bond funds 0–40% emerging market debt funds 0–100% corporate bond funds
Benchmark	50% 3-month LIBOR GBP † 50% iBoxx Sterling Non-Gilts All Stocks Index
AMC *	0.38%
TER *	0.41%

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Cash Fund

Aon Managed Liquidity Fund (actively managed)	
Aim	This fund aims to achieve returns that are in line with its benchmark.
Asset allocation range	100% cash
Benchmark	7 Day LIBID Rate †
AMC *	0.20%
TER *	0.23%

Aon Managed Liquidity Fund

You should be aware that although this fund is classified as having low capital risk, its value cannot be guaranteed and under extreme conditions may fall.

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Your Self Select choices

Specialist Funds

LGIM Global Ethical Index Fund (passively managed)	
Aim	This fund aims to achieve returns that are in line with its benchmark. This fund invests only in ethical funds.
Asset allocation range	Mainly overseas equities. This fund holds only ethical investments.
Benchmark	FTSE4Good Global Index †
AMC *	0.35%
TER *	0.35%

† *Where one or more acronyms form part of the benchmark name, details are provided here.*

AREF	Association of Real Estate Funds
CAPS	Combined Actuarial Performance Services
EPRA	European Public Real Estate Association
FTSE	Financial Times Stock Exchange
IPD	IPD Investment Property Databank
LIBID	London Interbank Bid Rate
LIBOR	London Interbank Offered Rate
MSCI	Morgan Stanley Capital International
NAREIT	National Association of Real Estate Investment Trusts

HSBC Amanah Fund (passively managed)	
Aim	This fund aims to create long-term capital growth and invests only in funds that comply with Shariah law.
Asset allocation	100% equities
Benchmark	Dow Jones Islamic Titans 100 Index
AMC *	0.35%
TER *	0.35%

* The AMCs and TERs shown are as at 31 October 2015, but please note that the additional expenses included in the TERs are estimates and can change over time. AMCs may also increase or decrease from time to time. You can find the latest information in the Fund factsheets via www.westpacpensions.co.uk.

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Hopefully, you now have a better understanding of the investment choices you have for your savings, and of the sorts of things to think about that may affect your decision.

Now might be a good time to take stock and ask yourself some questions to work out an investment strategy that's right for you.

Self Select or Lifestyle? | Self Select: Investment Growth? | Self Select: Protecting your Investments?

Finding your way (continued)

Self Select or Lifestyle?

Are you comfortable taking an active role with your investments?

YES

NO

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Self Select or Lifestyle?

Self Select: Investment Growth?

Self Select: Protecting your Investments?

Finding your way (continued)

With Self Select, how do you want your investments to grow?

If you are a long way from retirement, do you want to target maximum growth (with increased risk)?

YES

NO

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Want to retire sooner?

Self Select or Lifestyle?

Self Select: Investment Growth?

Self Select: Protecting your Investments?

Finding your way (continued)

With Self Select, how do you want your investments to grow?

If you are a few years from retirement, do you want to target maximum growth (with increased risk)?

YES

NO

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Self Select or Lifestyle?
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Finding your way (continued)

With Self Select, how do you want to protect your investments?

If you are a long way from retirement, do you want to protect some or all of your savings from a potential sudden fall in value?

YES

NO

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Want to retire sooner?

Self Select or Lifestyle? | Self Select: Investment Growth? | Self Select: Protecting your Investments?

Finding your way (continued)

With Self Select, how do you want to protect your investments?

If you are only a few years from retirement, do you want to protect some or all of your savings from a potential sudden fall in value?

YES

NO

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Self Select or Lifestyle?

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Choose how your savings are invested

6 January to 5 February 2016:
This is the four-week window when you can let us know if you have any different investment choices to those we mapped for you.

15 February to 9 March 2016:
This is the 'blackout' period when we switch everyone's savings into their new funds, and you cannot make any changes to your investment choices.

Mid-March 2016 onwards:
Your savings will be in their new funds, and you can carry on making investment decisions as normal.

Changing your mind

We appreciate that you may want to change your mind about how you invest your savings. After all, your choice could have a major impact on your retirement income.

You are not 'locked in' to the investment strategy you choose and you can change your strategy and the funds that you are investing in at any time after mid-March 2016. Any change in investment strategy will usually apply to your savings within three weeks of receiving your instructions.

Keeping on track

It's important that you keep track with how your investments are affecting the value of your savings.

The administrators send you a benefit statement each year. This shows you the value of your savings at the date of the statement and the investment returns your savings achieved for the year. It also shows an estimate of your savings value at retirement, based on an assumed level of return on your investments.

Keeping yourself up to speed with how your investments are performing puts you in the best position to check whether your savings are growing in line with your expectations. Indeed, how your investments perform might prompt you to change your choice of investments. You can review your savings online by logging in to your personal account at www.westpacpensions.co.uk

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Scheme website

The website provides plenty of useful information about the Scheme, your savings and your investment choices, including links to individual investment Fund factsheets.

www.westpacpensions.co.uk

Contact the administrators if you have forgotten your passcode.

Contact point

Contact the Scheme administrator, Capita, if you want to nominate your retirement age, request an investment change form, or if you have a general query about your Scheme benefits.

Write to

Capita
PO Box 4990
Sheffield
S1 9GE

Phone

01227 771445

Email

westpac@capita.co.uk

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Special terms

Absolute return fund

A mixed investment fund which targets a particular level of return.

AMC

Annual Management Charge. Every investment fund carries an AMC to cover the running costs. The AMC applies per year to the total value of your investments in that fund. For example, an AMC of 0.85% on an annual investment worth £1,000 would attract a charge of £8.50 for that year. AMCs shown are as at 31 October 2015. AMCs may increase or decrease from time to time.

Annuity

An insurance policy which guarantees a yearly income for the rest of your life.

Asset

A type of investment. There are many different types of asset, including equities, bonds, gilts and more.

Consumer Prices Index (CPI)

This is a measure of inflation that's published each month by the Office for National Statistics. In effect, it's a 'basket' of everyday goods and services, the prices of which are monitored each month.

Diversified/diversification

Diversification means spreading capital risk by investing in a range of different assets so that if one asset type performs poorly, it will have less of an impact on the whole.

Inflation

Over time, the prices of goods and services increase. In other words, the cost of living rises. Inflation is an important consideration for making investment choices as if returns fall below the level of inflation, the buying power of your savings falls.

Market index

This refers to the overall performance of a specified combination of investment funds. Market indices are used to measure investment performance over time.

Normal Retirement Date

Your default Normal Retirement Date is your 60th birthday. If you want to retire before or after age 60, please contact the administrators, Capita, to discuss your options.

TER

Total Expense Ratio. Some investment funds attract expenses in addition to an AMC, for example, legal, audit and accounting fees. The TER is the AMC plus the value of any extra charges. The TER applies per year to the total value of your investments in that fund. TERs shown are as at 31 October 2015. The additional expenses included in the TERs are estimates and can change over time.

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Disclaimer

Please note that assets held in unit-linked funds can fluctuate in money terms and the unit prices can go down as well as up. If unit prices fall, the value of your savings may be less than the amount originally invested and you may not get back as much as you have invested. Past investment performance is not a guide to future investment performance.

If the fund you choose invests in overseas markets, changes in currency exchange rates may cause the value of your holding to fall. Some overseas funds invest in developing markets where arrangements in relation to regulation, dealing, liquidity and custody may be less secure than in the UK. Such funds can therefore carry greater risk.

The information within this guide is for guidance purposes only. It is not intended to constitute financial or other professional advice, and should not be relied on or treated as a substitute for specific advice relevant to your particular circumstances.

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