

Income Drawdown Plan Guide to CF Investment Funds

This is an important document. Please read it and keep for future reference.

CF Investment Funds

Introduction

Capita Financial Managers Limited (CFML) manages a range of core pension funds designed to meet different investment needs.

With five risk-rated drawdown portfolios, we cover a range of asset classes, geographical locations, sectors and management styles.

We select and review our fund range in conjunction with our investment adviser. We regularly monitor and review the performance of our full fund range, to ensure each fund is meeting its investment objective. Each of the CF funds invests in a fund managed by a respected UK fund manager. These include Henderson Global Investors, Aberdeen Asset Management and Legal & General Investment Management.

Drawdown Portfolios

Portfolios allow you to spread your pension savings across a range of investments. Portfolios are a collection of investments grouped together to reflect different attitudes to risk to invest in. You must choose one of the five drawdown portfolios listed below.

By spreading your investment across a range of funds, you are diversifying your investments. This means that if one investment type performs poorly, the overall impact will not be as significant. For investments in general, the higher the potential return, the higher the level of risk and chance of losing some of your pension savings. The lower levels of risks offer greater security but the potential for lower returns. For more information on risk please read our **Guide to Investment Risk**.

When considering which portfolio in which to invest in you should also consider:

- Attitude to risk
- Ability to deal with any potential financial loss
- Length of time over which you are looking to invest.

Governance

We provide governance for our entire portfolio range. This includes regular monitoring of the mix of assets within a portfolio. We review and, if required, adjust investments on a quarterly basis to ensure the portfolio continues to meet its original investment and risk objective.

Important Note: If you are unsure about which portfolio in which to invest in, you should consult your financial adviser. Please remember that the value of your investment may go up or down and the original investment is not guaranteed.

Drawdown Portfolio composition

All portfolios automatically rebalance on a quarterly basis to maintain the investment proportion listed below.

At age 75, all of your pension savings will be automatically moved into our lowest-risk portfolio, Drawdown Portfolio 1, to reduce the impact of any sudden market movements.

You can choose not to move your pension savings and remain in your existing portfolio, or switch to another portfolio.

Drawdown Portfolio composition (continued)

Fund	Risk Rating				
	Drawdown Portfolio 1 Low	Drawdown Portfolio 2 Low-Medium	Drawdown Portfolio 3 Medium	Drawdown Portfolio 4 Medium-High	Drawdown Portfolio 5 High
Cash	5%	5%	5%	5%	5%
Index Linked Gilt	10%				
UK Gilt	10%				
Cautious Managed	60%	47%	15%		
Multi-Asset	15%	40%	50%	35%	
Global Equity		8%	13%	20%	
UK Index			12%	20%	22%
UK & Irish Smaller Companies			5%	10%	10%
US Growth				10%	30%
European Growth					10%
Japan Opportunities					11%
Pacific Opportunities					6%
Emerging Markets Opportunities					6%
Total Expense Ratio (TER)*† < £100,000 in Funds	1.13%	1.29%	1.32%	1.27%	1.13%
Annual Management Charge (AMC)*† < £100,000 in Funds	1.0%	1.1%	1.1%	1.1%	1.0%

* For single investments over £100,000 there is a reduction of 0.1% on the TER and AMC shown for each portfolio selected.

* For single investments over £250,000 there is a reduction of 0.2% on the TER and AMC shown for each portfolio selected.

† The Total Expense Ratios (TERs) and Annual Management Charges (AMCs) are based on the TER and AMC of the individual investment funds and asset allocation used in each Drawdown Portfolio as at 31.03.15. The TER covers the Annual Management Charge shown and the additional costs of operating each fund.

Investment Funds

The full range of funds used within the portfolios is listed below along with a summary of investment objectives and policies.

Investing directly into CF Investment Funds is not possible: you can only invest into portfolios with the Income Drawdown Plan. If you do not choose a portfolio, we will automatically choose the 'medium-risk' portfolio, Drawdown Portfolio 3, on your behalf. You can switch to a different portfolio at any time.

For more detailed information on the fund objectives please refer to the Prospectus of the CF Personal Pension Trust, available at www.capitafinancial.com/pensions. Our website gives details of the third party funds that our CF funds invest in.

Investment objective and policy

The fund aims to provide long-term capital growth by investing in a single authorised collective investment scheme which:

Money Market Funds

Cash	Invests mainly in money market instruments with the aim of providing a high level of security for your capital.
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Gilt Funds

Index Linked Gilt	Tracks the performance of the FTSE-A Index-Linked (All Stocks) Index after adjustment for management charge and taxation.
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UK Gilt	Invests predominantly in UK gilts and debt instruments relating to the public finance sector in the UK.
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Mixed Asset Funds

Cautious Managed	Invests up to 60% in global equities, as well as in bonds and other transferable securities.
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Multi-Asset	Invests in a diverse portfolio, with up to 85% in global equities in all economic sectors.
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Equity Funds

Global Equity	Invests predominantly in global equities and other financial instruments with the aim of providing long-term return.
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UK Index	Seeks to track the performance of the FTSE All-Share Index.
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UK & Irish Smaller Companies	Invests predominantly in equities and other transferable securities issued by companies in the UK and Ireland.
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US Growth	Invests predominantly in large capitalisation US companies with the aim of providing capital growth.
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European Growth	Invests predominantly in Continental Europe in companies of any market capitalisation with the aim of providing capital growth.
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Japan Opportunities	Invests predominantly in Japan, in all economic sectors, to achieve capital growth.
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Pacific Opportunities	Invests predominantly in equities and other transferable securities issued by companies in the Pacific Basin area.
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Emerging Markets Opportunities	Invests predominantly in shares and other financial instruments in global developing and emerging markets in all economic sectors.
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The funds may also invest in cash should continued investment in the chosen authorised collective investment scheme become impracticable.

Capita Financial Managers Limited (CFML) is authorised and regulated by the Financial Conduct Authority.
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