



Aspire Savings Trust

Guide to Investments
September 2019



Contents

Introduction	3
How this investment guide works	4
Background to investing your savings	6
On joining the Aspire Savings Trust	10
The Aspire Pathways	14
Choice of individual funds	20
Changing your investment decision	24
Changes to the range of investment options	25
Where can I get help with my investment decisions?	26
Important Notes	29

Introduction

The investment of your savings in the Aspire Savings Trust is an important consideration. The benefit you get from your savings in the Aspire Savings Trust will mainly depend on the contributions invested and the future investment returns on your savings.

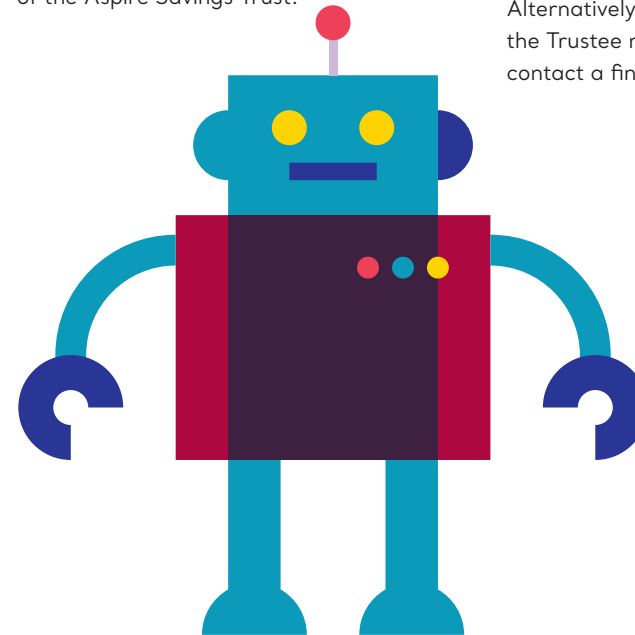
This guide provides some general background to investment considerations and the investment fund choices you have as a member of the Aspire Savings Trust.

How to find out more/ get help

If you want or need more information about the investment funds available contact the Aspire Savings Trust's administrator:

Aspire Savings Trust
Albion
Fishponds Road
Wokingham
RG41 2QE
Tel: 020 3327 5470
Email: mastertrust@psaspire.com

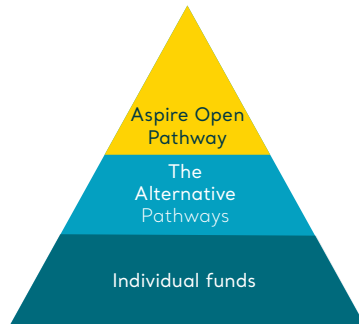
Alternatively if you need advice the Trustee recommends that you contact a financial adviser.



How this investment guide works

You may or may not wish to make investment decisions yourself, particularly if you are not sure how you plan to use your savings in the Aspire Savings Trust.

- So if you're not sure, then you can leave things as they are in the Aspire Open Pathway (we explain this later on) and perhaps make a change later.
- On the other hand you may wish to make some decisions because you know how you plan to use your savings in the Aspire Savings Trust. For this reason we have set up some more Pathways from which to choose, if you want. Again we talk about what these are later on.
- If you like getting involved and feel you know how you want your savings in the Aspire Savings Trust to work for you, then you can pick your own investment funds.
- And you can choose to mix one or more of the investment funds with what we call the Pathways. It just depends on how much involvement you want.



We've set out the fund range like a triangle so the Pathways and individual funds are broken down into three tiers.

You can go to [MyAspire.com](https://www.myaspire.com) to do all the above.

Please visit MyAspire regularly to look at, and review, the way your savings are invested to make sure they are working hardest for you.



Background to investing your savings

We want you to understand where your savings may be invested as it may also help you decide what you want to do with them.

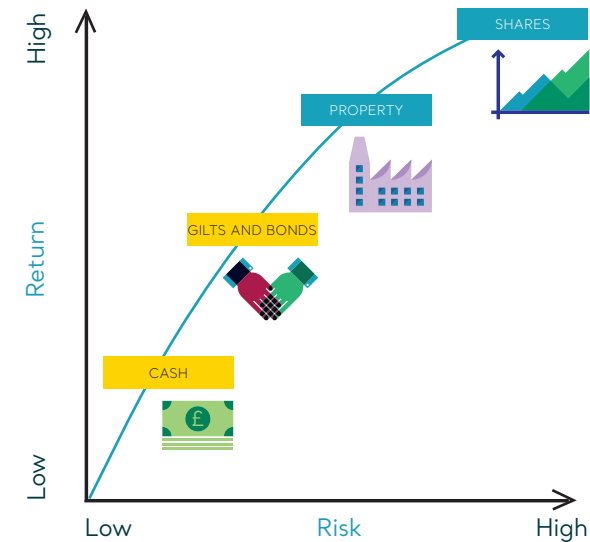
In the investment world, people generally refer to "asset classes" as this tells them where savings will be invested. There are many different asset classes, but below we have concentrated on the main ones.

- **Shares** (often referred to as equities) – which means that the fund manager is buying a stake in a company
- **Property** – where a fund manager invests in a commercial property such as a factory or office block
- **Gilts and Bonds** – investing in loans to governments, including the UK, and to companies
- **Cash** – includes money on deposit (e.g. cash in a bank or building society) and short term loans to raise cash

Each one carries a different level of risk and by that we mean that the investment may grow, or fall, in value more or less quickly than others. This is sometimes referred to as volatility and we return to this on [page 20](#), where the Trustee's investment adviser has categorised the various individual funds based on their volatility, or how the value of a fund may fluctuate.



To help you understand the risks involved, we have compared how the different asset classes may perform over, say, 10 or more years:



This isn't to say these investments will perform exactly as shown, but hopefully you will see the differences in the risk they take and how they may rise or fall in value.

It is the fund manager's job to invest your savings so they increase in value over the longer term and the choice of investment fund may give you more or less growth over that time.

Understanding different investment risks

So all investments carry some risk but you need to think about risk in different ways.

There is **investment risk** where the value of your savings may fall in value. But there is also **inflation risk** where your savings may not grow quickly enough in order to keep up with the rising cost of living, or inflation. Not taking enough risk may mean that you lose the opportunity to make your savings grow – sometimes called **opportunity risk**.

All investment funds can be affected by investment risk, while low risk funds such as cash or liquidity funds may mean you might be affected by inflation risk. If you are a younger saver in the Aspire Savings Trust then you may be looking for investment growth but if you are an older saver you may be more concerned about avoiding falls in the value of your savings as well as how you intend to use those savings.

Different people wish to take different levels of risk with their savings, and this is sometimes called "attitude to risk". Some will be naturally cautious, while others wish to take more risk because they want to see their savings grow more. Attitude to risk can be described in many ways, including:

A **cautious investor** is someone who doesn't want to take too much risk because they do not want their savings to fall in value very much. At the same time a cautious investor will accept that their savings may not be worth as much as they might have been if more risk had been taken.

A **balanced investor** is someone who is prepared to take short-term falls in the value of savings because over the long term there is the potential for them to grow more. This may include investing abroad as well as in the UK.

An **opportunity investor** is someone who understands and accepts much greater risk but in return is looking for the potential of a lot more growth.

It may well be that your attitude to risk will change over time, and/or might be affected by other retirement savings and investments that you have as well as the way you wish to use those savings.

Some things to think about

When you are thinking about saving, there are a few questions you might want to ask yourself:

- When do I want to use my savings in the Aspire Savings Trust?
- How will I use my savings in the Aspire Savings Trust?

- Do I have other savings, and how will I use those?
- How much do I need to live on when I retire, and where will that income come from?
- How much can I afford to pay in?

There is information on MyAspire.com, including modellers and videos, which will help you answer these and other questions.

Remember, the more you save, the more you may have when you come to use those savings. At the same time, if you use your savings earlier than planned, then you won't have so much to use because you will have paid in less and your savings will have had less time to grow.



On joining the Aspire Savings Trust (Tier One)

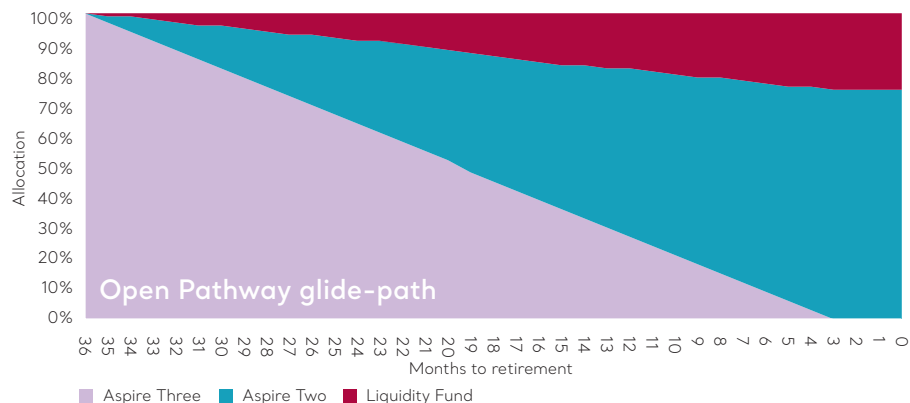
If you are automatically enrolled into the Aspire Savings Trust the first month's contribution will be held in the Trustee's bank account pending the expiry of your opt-out period.

This ensures your contribution will be fully returned if you decide to opt out. Thereafter your savings are invested in the default investment strategy which is the Aspire Open Pathway explained below.

Aspire Open Pathway

If you have not joined the Aspire Savings Trust due to automatic enrolment regulations, your contributions and or transfers in from another pension scheme will be immediately invested in the Aspire Open Pathway on joining. The Aspire Open Pathway is the default investment strategy for the Aspire Savings Trust.

It aims to provide stable growth above inflation, and then gradually switches part of your savings into lower risk funds starting three years before your selected retirement age. As you can see on the graph, the way your savings are invested automatically changes.



The Open Pathway is currently made up of three funds – the Aspire Three, Aspire Two and Liquidity funds (the Liquidity fund being the Mobius Life Sterling Liquidity fund), although the Trustee may make changes from time to time which are based on investment advice.

The proportions in each fund and/or the timing of movements between each fund may also change. If they do you will be notified.

You can use the savings that you build up in the Aspire Savings Trust in a number of ways, which we explore on pages [12](#) and [13](#).

As the name suggests, the Open Pathway is designed to keep your options open because you may not know how you will wish to use your savings when you come to take them.

However, we have assumed some of your savings will be taken as a tax free lump sum.

If you want to find out more about how Pathways work, go to page [22](#).

Information about how the funds in the Open Pathway are invested and how much they cost can be found by logging into MyAspire.com.

Selected retirement age

If you choose or remain in this Pathway, it is important that you keep the date that you are intending to take your savings (this is known as the selected retirement age) up-to-date.

The switching of funds will automatically start three years before your selected retirement age. You can change this age at any time by logging into MyAspire.com.

Why would I choose something else?

As we mentioned previously, the [Aspire Open Pathway](#) is intended to allow you to keep your options open if you are not sure how you might want to withdraw your savings in the future. It is also designed to appeal in particular to balanced investors.

However, there are several reasons why you might want to choose another investment approach including:

- You may have a different attitude to risk
- You want to decide yourself how to invest your savings
- You have decided how you want to draw your benefits

You could therefore choose one of the other Pathways or select one or more of the investment funds available, or a combination of those options.

Your retirement options

If you want to align your investment choice with the way you intend to use your savings, it is important to understand what you can do with the money you have in the Aspire Savings Trust.

Details of these options are in the Member Guide and will be outlined to you shortly before you reach your selected retirement age. We have however set out below the main points:

- **Guaranteed income:** You could buy a lifetime annuity, which is an income you purchase from an insurance company and gives you the security of a guaranteed income for the rest of your life.

[The Aspire Annuity Pathway](#) has been designed as a suitable strategy if you intend to use your savings in this way.

- **Cash lump sum:** All of your savings as a single cash lump sum or a series of smaller cash lump sums.

[The Aspire Cash Pathway](#) has been designed as a suitable strategy if you intend to take your savings in this way.

- **Flexible income:** You could take flexible payments, taking income as and when you need and leaving the rest invested. This is commonly known as drawdown.

[The Aspire Flexible Pathway](#) has been designed as a suitable strategy if you intend to take your savings in this way.

So if you know how you want to use your savings in the future (cash, guaranteed income, a flexible income or a mix) we have built three Pathways that you can invest in now to help you get there.

This is covered in the [Aspire Pathways \(Tier Two\)](#).

You can invest in one or more of these Pathway strategies and switch between them at any time.

If you like the idea of keeping your options open then you might want to stay in the Open Pathway. However, if you believe that you have a different attitude to risk, then you might want to consider the [Aspire Lower Risk Pathway](#). It is designed to do the same thing, but you may not want to take as much risk and are happy that the returns may be a bit lower.

Self-selecting your investment funds

If you want to choose your own funds then you can choose from the range available – this is covered in [Choice of individual funds \(Tier Three\)](#).

The Aspire Pathways (Tier Two)

As we mentioned in the previous section, in addition to the Open Pathway we have designed four others to cater for the preferred way you wish to take your savings. These are set out below:

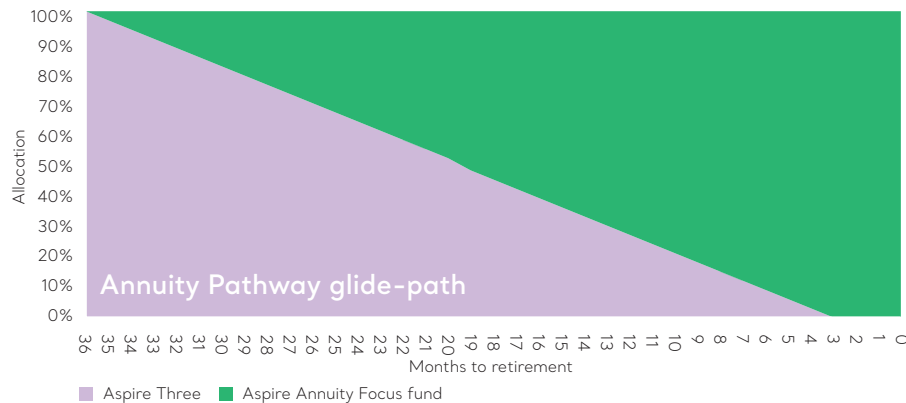
Aspire Annuity Pathway

If you choose the Aspire Annuity Pathway you will still initially be invested in the Aspire Three fund unless you are within 3 years of your retirement.

Your savings will gradually switch into the Aspire Annuity Focus fund that will help protect you against changes in the cost of buying a guaranteed income from an insurance company (called an annuity).

Information about how the funds in the Annuity Pathway are invested and how much they cost can be found by logging into MyAspire.com.

As you can see from the graph below, the way your savings are invested automatically changes.



Aspire Cash Pathway

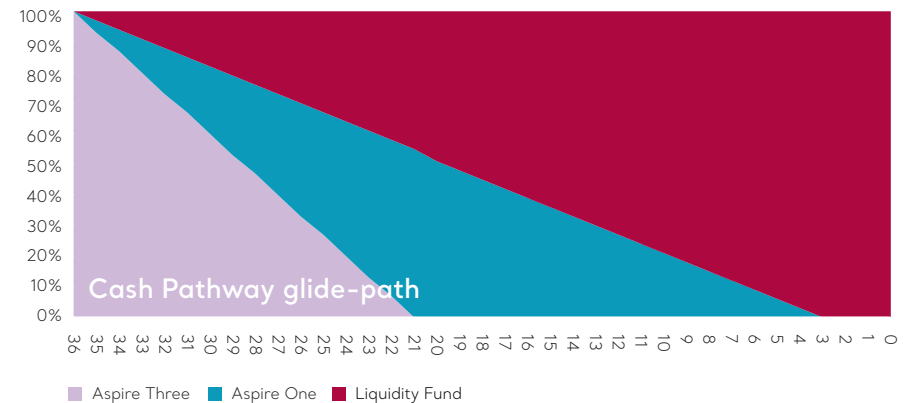
Similarly, if you choose the Aspire Cash Pathway you will still initially be invested in the Aspire Three fund unless you are within 3 years of retirement, but your savings will gradually switch into the Aspire One and Liquidity funds ending up completely in the Liquidity fund.

Like the other Pathways, the change starts three years from your selected retirement age.

Information about how the funds in the Cash Pathway are invested and how much they cost can be found by logging into MyAspire.com.

As you can see from the graph below, the way your savings are invested automatically changes.

The Liquidity fund that is currently being used by the Aspire Savings Trust is the Mobius Life Sterling Liquidity fund.



Aspire Lower Risk Pathway

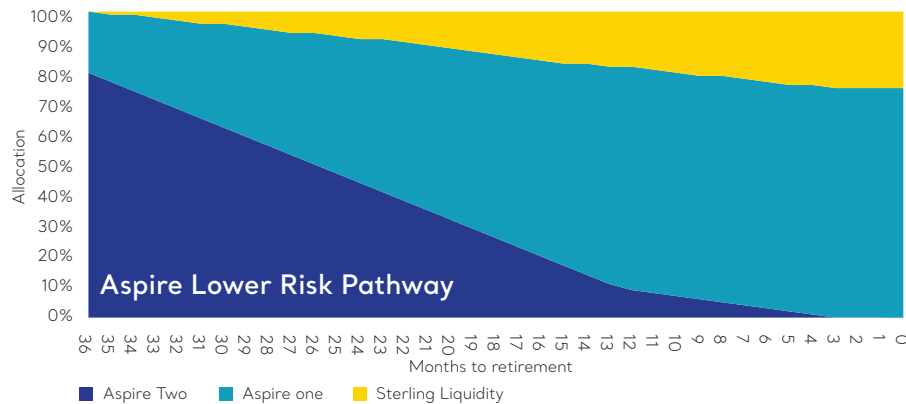
This Pathway is designed if you wish to take a lower risk investment approach than that associated with the Open Pathway.

Similar to the Open Pathway, it keeps your options open on how you might wish to take benefits from your savings in the future but, nevertheless, we have assumed you will take some of your savings as a tax free lump sum.

With this Pathway you will initially have 80% of your savings invested in the Aspire Two Fund and 20% in Aspire One Fund unless you are within three years of your selected retirement age.

When you are within this three year period your savings are invested as shown in the graph below.

Information about how the funds in the Aspire Lower Risk Pathway are invested and how much they cost can be found by logging into MyAspire.com.



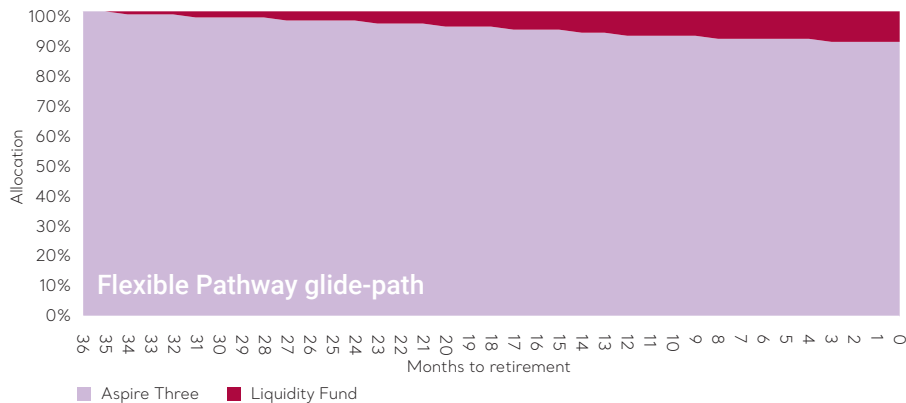
Aspire Flexible Pathway

Again, if you choose the Aspire Flexible Pathway you will initially be invested in the Aspire Three fund unless you are within 3 years of retirement. Your savings will mostly stay in the Aspire Three Fund so they will still be invested for the longer term.

However, some of your savings will move into the Liquidity fund (currently the Mobius Life Sterling Liquidity Fund) to help support any ongoing flexible income payments you may be taking.

This change will occur three years from your selected retirement age. The graph below shows the way your savings are invested in this period.

Information about how the funds in the Flexible Pathway are invested and how much they cost can be found by logging into MyAspire.com.



Selected retirement age

If you choose one or more of these Pathways it is important that you keep the date that you are intending to withdraw your savings (this is known as the selected retirement age) up-to-date, as the switching between funds will automatically start three years before that date. You can change this age at any time by logging into MyAspire.com.

Please note

The Trustee, based on investment advice, may from time to time change the funds used within the Pathways, the proportions allocated to each fund and/or the timing of movements between each Fund. If they do, we will let you know.



Choice of individual funds (Tier Three)

If you prefer to choose the individual funds in which to invest and so directly manage your own investments then you can select from the range of individual investment funds that the Trustee has made available. You can select from any combination of the investment funds listed below.

The Trustee’s investment adviser categorises the various investment funds based on their volatility, or how the value of the fund may fluctuate, as follows:

Making the right investment choice at outset is important, as is ensuring that your decision remains appropriate, so you should keep your investment choice under review to ensure it meets your needs. For this reason you can change your investment fund choice, currently without charge, at MyAspire.com.

It is important to remember that the value of the investment funds may go down as well as up. If you are in doubt over which funds may be appropriate then you should seek financial advice.

Information about how the individual funds are invested and how much they cost can be found at MyAspire.com.

< Less volatile		Volatility				More volatile			
1	2	3	4	5	6	7	8	9	10
Liquidity	Aspire Annuity Focus fund	Aspire One		Aspire Two	Retirement Builder		Aspire Three		

You may wish to invest in a range of funds across different types of investments and levels of risk. The range of individual funds therefore include ones that invest in shares, bonds (which can be both company and government debt), cash-type funds and other asset types.



How Pathways work

A Pathway aims to help ensure you are invested in a more appropriate type of fund between now and when you use your savings, in some cases seeking to protect any growth you may have benefited from in earlier years and the value of your savings from any adverse market changes just before you plan to use them.

This also means that you may miss out on future investment growth as you approach retirement.

Depending on the number of years to your selected retirement age, a Pathway invests contributions in a designated investment glidepath. This means that as retirement approaches it will automatically re-balance between the funds within the strategy that may be more appropriate at the time.

Making the right investment choice at outset is important. Therefore if you choose one or more of the Pathways, or remain in the Open Pathway, you need to be satisfied that the funds within each strategy are suitable for you.

It is also important to keep your investment choice under review to ensure it continues to meet your needs. If you wish to change your investment choice please see 'Changing your investment decision' on [page 24](#).

Chosen retirement age

Unless you advise otherwise, if you choose one (or more) of the Pathways then it will move your savings between the funds within the strategy (known as re-balancing) assuming that you will retire at age 65. This is the selected retirement age chosen by the Aspire Saving Trust.

You can therefore select a different retirement age at any time on [MyAspire.com](#) (for example, age 60 or 70) to which your Pathway strategy will re-balance. You can also change this at any time in the future by logging into [MyAspire.com](#).

If you choose one of the Pathways, when you reach your selected retirement age no future rebalancing will occur. You may therefore wish to review your retirement age, if your plans change.

Targeting a retirement age may assist with your overall financial planning but does not require you to draw benefits at that time, as you can subsequently change the selected retirement age at any time by visiting [MyAspire.com](#).

Your employer will not be informed about the retirement age you have selected.



Changing your investment decision

You can switch between one or more of the Pathways and the individual investment funds, and change how much you have invested in each one, whenever you want.

There is currently no charge for this. You can invest in as many investment funds as you wish and in any of the Pathways – all at the same time.

There's also guidance on the website that outlines the potential risks you'll need to consider before transferring your pension savings. We advise you to talk to a financial adviser before transferring any previous pension savings.

When we receive a transfer in we will invest it in the same way as your existing savings. You can then change your investment choices at [MyAspire.com](https://www.myaspire.com).

Transfers in

You may be able to transfer other pension savings into the Aspire Savings Trust. To do so, you can log in to MyAspire and download a form to start the process.

Changes to the range of investment options

The Trustee will review the range of available Pathways and funds with its advisers so they remain suitable for your savings.

The Trustee reserves the right to remove an investment option and not necessarily replace it. In the event that an investment solution or fund is removed, the Trustee will let you know.

If it becomes necessary to switch your savings out of a fund or funds then the Trustee may do so if it believes it is the right thing to do to help protect you.

The Trustee will also add further investment options, and you will be notified when this happens.

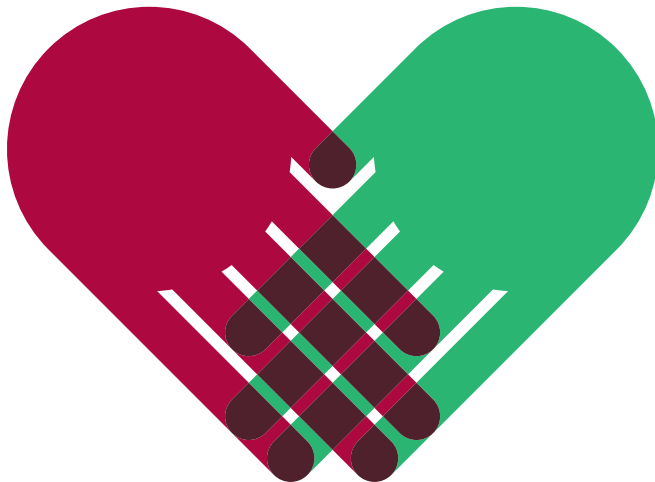


Where can I get help with my investment decision?

If you are unsure about how you want your savings invested and require more information, go to [MyAspire.com](https://myaspire.com) where there is information available. You can contact the administrator (see page 3) for information as well, although advice cannot be provided.

If you require advice, the administrator can, on request, refer you to one of the Aspire Retirement Service advisers.

Alternatively, you can obtain details of financial advisers on unbiased.co.uk.



Changes to the range of investment options

The purpose of this guide is to help you make investment decisions in respect of your savings in the Aspire Savings Trust.

Only general information can be provided and you are responsible for ensuring that you are invested in the Pathways and individual funds which meet your objectives and attitude to risk. Your individual circumstances will have a significant impact on which Pathways and individual funds may be best for you.

If you are in any doubt about which of the Pathways and individual funds to invest in then you should take financial advice.

The information given in this guide summarises the main features of the Aspire Savings Trust. Full details of all of the terms and conditions of the Aspire Savings Trust can be found in the trust deed and rules, which are the formal legal documents that govern the Aspire Savings Trust.

In the event of any conflict between the contents of this guide or any other explanatory literature and the trust deed and rules, the latter will always prevail.

All factsheets and performance statistics about the investment funds have been provided to the Trustee by its advisers and suppliers.

It is important to bear in mind that the past performance of funds is not a guide to their future performance.

Please also note that since the value of your investment can fall as well as rise, its value cannot be guaranteed and as such it is possible that you may get back less than you originally invested.

The value of assets invested in overseas funds may also be affected by changes in exchange rates and currency fluctuations.

This guide is based on our current understanding of legislation and practice, which may change in the future.



Aspire
Savings Trust

+44(0)20 3327 5470
mastertrust@psaspire.com
www.MyAspire.com

Date September 2019 Approval number 737