A GUIDE TO INVESTMENT PATHWAYS

Investment funds to help meet your plans



NFU Mutual
RETIREMENT PLANNING



YOU'VE DECIDED TO TAKE AN INCOME FROM YOUR PENSION POT

This guide is designed to help you understand how your pension pot will be invested, as you have chosen to use your Select Pension Plan for Income Drawdown and decided to do this without taking financial advice. You have told us what plans you have for your pension pot in the next five years.

You can find more information on setting up and running Income Drawdown without financial advice on our website **nfumutual.co.uk/incomedrawdown** or from our specific guide available from your local agency office.

This guide is not personal advice or a recommendation. If you are unsure whether the choices you have made are right for you, you should contact us for further guidance or to take financial advice.

NFU Mutual Financial Advisers advise on NFU Mutual products and selected products from specialist providers. When you get in touch they'll explain the advice services they offer and the charges.

INVESTING YOUR MONEY IN INCOME DRAWDOWN

The money you are moving in to Income Drawdown needs to be invested in one or more of the investment funds we offer.

We offer a range of funds. However, at the current time, you have told us you do not want to choose a fund. In this situation, your money is invested in to one of our four Investment Pathway funds. These are explained below.

Investment Pathway funds

The money you are moving into Income Drawdown, after taking your tax-free cash sum, will be invested in the Investment Pathway fund that best suits the plans you have for this pot of money in the next five years.

You can choose from the following four options;

- **Option 1 –** I have no plans to touch my money in the next five years
- **Option 2 –** I plan to use my money to set up a guaranteed income (buy an annuity) within the next five years
- **Option 3 –** I plan to start taking my money as a long-term drawdown income within the next five years
- **Option 4 –** I plan to take all my money out within the next five years.

These options have been set by the Financial Conduct Authority, all companies who offer Investment Pathway funds will present you with the same four options.

Once you have decided which option matches your plans we will invest your money in the investment fund that we use for that option. Each of these Investment Pathway funds invest in funds that we make available to all our investors in the Select Pension Plan. The funds we use for each option are described over the page.



INVESTMENT PATHWAY FUNDS

Investment Pathway	Which of our investment funds does this invest into?	What is your five year plan?
1. I have no plans to touch my money in the next five years	40 – 85% Mixed Portfolio	You are looking to defer taking any further money from this pension pot for at least the next five years. You would therefore expect your investment to have the potential to grow over and above returns achievable from a bank or building society.
2. I plan to use my money to set up a guaranteed income (buy an annuity) within the next five years	With-Profits Risk Level 2	You want a guaranteed income (an annuity) but are looking to defer buying it for up to five years and you want your investment to have the potential to grow your pension pot in that time.

You can find detailed information about each fund in the Key Investor Information Document, or the With-Profits Investor Information Document, for that Investment Pathway fund. These can be found by visiting **nfumutual.co.uk/investmentpathways**

How can this fund help meet your plan?
This fund invests in a range of assets with the aim of achieving growth by investing in shares, normally up to 85% of the fund's investments. By investing a high proportion of its assets in shares, the fund has the potential to achieve real growth over a minimum of five years. As shares can rise and fall more sharply than other types of investment, the fund holds other less volatile investments, to provide potentially more consistent investment returns. For customers with a plan to stay invested in this fund, through its investments in shares and other investments, it has the potential to grow the value of a pension pot over that time.
The investment objective of the With-Profits Risk Level 2 fund is to achieve long-term growth by providing smoothed returns, which keeps some of the growth from good years to boost returns in the poor years. Returns are paid in the form of bonuses. The fund achieves this by investing in a broad range of assets both in the UK and abroad. These assets include company shares, property, fixed interest securities and deposits. For customers with a plan to buy a guaranteed income, this fund offers the potential for growth through its investment in fixed interest assets alongside some investment in shares.

Please note, the value of the funds can rise or fall and you may get back less than you invested.

Investment Pathway	Which of our investment funds does this invest into?	What is your five year plan?
3. I plan to start taking my money as a long-term drawdown income within the next five years	20 – 60% Mixed Portfolio	You are looking to take regular withdrawals from your pension pot within the next five years and to grow the remaining money invested in the pot. You want your fund to have the potential to provide growth.
4. I plan to take all my money out within the next five years	With-Profits Risk Level 2	You are looking to take your remaining pension pot as cash in the next five years. This means that you want some potential for growth over that time. However, holding money in cash for several years can result in the buying power of your money reducing e.g. if your returns don't keep pace with inflation.

You can find detailed information about each fund in the Key Investor Information Document, or the With-Profits Investor Information Document, for that Investment Pathway fund. These can be found by visiting **nfumutual.co.uk/investmentpathways**

How can this fund help meet your plan?
This fund holds a spread of investments. These include shares from around the world, normally up to 60% of the investments held, and interest paying investments such as Government and company debt, both UK and overseas. The allocation to shares gives this fund the potential to achieve real growth over a minimum five year term. As shares can rise and fall more sharply than other types of investment, the fund's holding of other less volatile investments can provide potentially more consistent investment returns. For customers with a plan to start taking income, this fund by holding a range of different investments aims to provide income with the potential for capital growth.
The investment objective of the With-Profits Risk Level 2 fund is to achieve long-term growth by providing smoothed returns, which keeps some of the growth from good years to boost returns in the poor years. Returns are paid in the form of bonuses. The fund achieves this by investing in a broad range of assets both in the UK and abroad. These assets include company shares, property, fixed interest securities and deposits. For customers with a plan to take all money out, this fund offers the potential for growth through its investment in fixed interest assets alongside some investment in shares.

Please note, the value of the funds can rise or fall and you may get back less than you invested.

QUESTIONS AND ANSWERS

Can I invest in more than one Pathway fund?

You can only invest in one Pathway fund at a time – that fund should be the one that best fits your plans over the next five years. However, if you decide to have more than one retirement drawdown account to meet different objectives, you can select a different pathway for each account. Otherwise, just select the fund that best fits your plans over the next five years.

How will I know the value of my Investment Pathway fund?

You will be able to see the current value of your Investment Pathway fund at any time by logging in to your online My Investment account. You can set up your online account by visiting the My Investments registration page on our website at **nfumutual.co.uk/myi**

Each April, July, October and December you will also see a quarterly statement giving you details of your plan.

Can I change Pathway funds?

You can change your Pathway fund at any time to a fund which may better suit your plans. That could be another Pathway fund, or a fund chosen from the range we make available to all Select

Pension Plan customers. For example, you may be invested in the Pathway fund for 'I have no plans to touch my money in the next five years' but then decide to change to the Pathway fund for 'I plan to start taking my money as a long-term drawdown income within the next five years'.

What happens at the end of five years?

When you first invest in Income Drawdown, your Investment Pathway fund will reflect the plans you have for the next five years. Towards the end of that five years, we will contact you to ask what your plans are for the following five years. Depending on what your plans are, your money could stay invested in the same Pathway fund or we will move it to another Investment Pathway fund that better suits your then plans.

Where can I find more information about each Investment Pathway fund?

You can find more from the Key Investor Information Document. These can be found on our website at **nfumutual.co.uk/investmentpathways**

Can NFU Mutual change the investment fund for an Investment Pathway?

We can change the investment fund for any Investment Pathway if we believe it is more likely to meet the objectives of that pathway. If we change the fund for your pathway we will give you 30 days notice before making the change. You can choose to change your pathway if you wish.

Next steps

To speak to us about your retirement options and for more information, call **0800 622 323** or visit **nfumutual.co.uk**

If you'd like this document in large print, braille or audio, just contact us

If you're hard of hearing or deaf, or you have difficulty with your speech, you can contact us by using the Relay UK app on your smartphone or tablet, or by dialling 18001 before our number on your textphone.

To stop us contacting you for marketing, write to Marketing Department (Do Not Contact Me), NFU Mutual, Tiddington Road, Stratford-upon-Avon, CV37 7BJ or talk to your local agency office. To find out more about how we use your personal information and your rights, please view the privacy policy on our website.

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