

# New pension options from Fidelity

This document is intended for UK plan sponsors and their advisers and should not be relied upon by plan members or individual investors.

Workplace Investing

## Regular income drawdown and Investment Pathways

From October 2020 members of our contract-based and master trust workplace pensions will have the option of taking a regular income from their pension, without having to transfer to another plan. They will also have access to four new Investment Pathways for the crystallised savings in their Pension Drawdown Account. These are extra investment options designed around members' objectives for how and when they might want to use their pension savings.

Our full range of retirement income options for members will be:

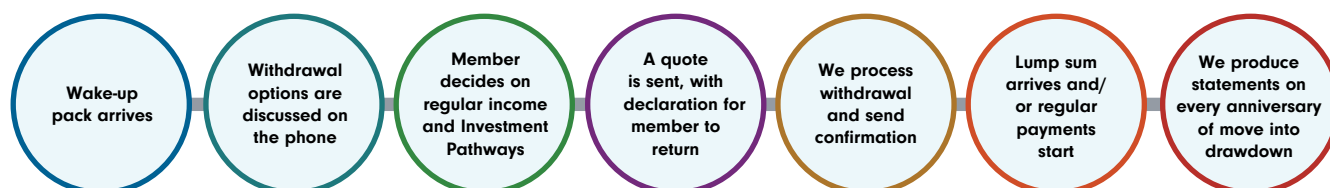
- 1 Uncrystallised funds pension lump sum (UFPLS) – full or partial.
- 2 Tax-free cash – full or partial.
- 3 Ad hoc taxable lump sums.
- 4 Regular income drawdown. **NEW**
- 5 Annuity purchase on the open market (available with support from Fidelity's retirement service or the member's own adviser).

### Our regular 'in-scheme' income drawdown option

- ✓ Choice of monthly, quarterly or annual payments, with three payment dates available.
- ✓ No minimum payment.
- ✓ No fees to set up or change payments.
- ✓ Electronic payments, direct to member's bank account.
- ✓ Member can choose which fund their payments should come from.
- ✓ Payment arrangements and transactions can be checked in PlanViewer.
- ✓ Member receives alerts before savings run out.

### How members set up regular income and Investment Pathways





Decisions on regular income and drawdown investments will be incorporated into the current telephone-based process. During their call members will be asked to make an active choice as to how the money in their Pension Drawdown Account is invested. All documents sent to members have been updated and rewritten to ensure they are as simple and clear as possible.







# Fidelity Investment Pathways at a glance

- Our four Investment Pathways will be automatically available to members with crystallised savings in a Pension Drawdown Account.
- Fidelity's Master Trust Board and Independent Governance Committee have taken independent investment advice on the suitability of the Investment Pathways for members, and will continue to do so.
- Members will have the option to choose one or more of the Investment Pathways during the phone call about their retirement income plans.
- Members are free to decide how they use the Investment Pathways. There is no minimum investment amount. They can spread their money over more than one Investment Pathway, move money from one Investment Pathway to another or choose an Investment Pathway for some of their drawdown money and invest the rest in their own choice of funds from the range available through their plan.
- Members can change their investments at any time in PlanViewer or by calling Fidelity. There are no charges for switching into or out of an Investment Pathway or any other fund.





## Investment Pathway 1 – I have no plans to touch my money in the next five years

- Invests in**  Fidelity Diversified Markets Fund
- Strategy**  Aims for long-term risk-controlled growth with a broad range of assets.
- Risk controls**  Can respond strategically to market conditions and up to half of the fund can be held in more defensive investments.
- Strengths**  Core component of Fidelity's FutureWise strategy.





## Investment Pathway 2 – I plan to use my money to set up a guaranteed income (annuity) within the next five years

- Invests in**  Fidelity Pre-Retirement Bond Fund
- Strategy**  Aims to preserve member's annuity-buying power.
- Risk controls**  Hedges against movements in annuity rates by holding similar investments.
- Strengths**  Seven-year track record.

## Investment Pathway 3 – I plan to start taking my money as a long-term income within the next five years

- Invests in**  Fidelity Multi Asset Balanced Income Fund
- Strategy**  Aims for capital growth with a long-term income target of 3-5% a year.
- Risk controls**  Holds a broad range of assets, some of them relatively defensive.
- Strengths**  Benefits from Fidelity's multi asset expertise.

## Investment Pathway 4 – I plan to take out all my money within the next five years

- Invests in**  Fidelity Cash Fund
- Strategy**  Aims to preserve value of member's capital.
- Risk controls**  Holds liquid, short-term assets to guard against negative growth.
- Strengths**  Proven track record in capital preservation.

**Important information** – please remember the value of investments can go down as well as up, so members may get back less than they invest.