



**Aviva GPP for PwC**

# **My Future and My Future Focus investment programmes**

A guide for scheme members



**pwc**

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# Welcome to My Future and My Future Focus

**This guide gives you information about how your money is invested in My Future and My Future Focus.**

Your pension pot will be invested in the My Future/My Future Focus investment programme during your journey to retirement. We may make changes to both programmes to ensure they continue to meet our investment criteria, especially when external factors, such as financial markets, the economy, regulation or legislation, change.

Please remember that the value of your retirement pot is not guaranteed and can go down as well as up. You could get back less than is paid in.

## About this guide

The information in this guide provides an overview of Aviva's My Future and My Future Focus investment programmes as at December 2020.

This guide is for information purposes only and is not intended to constitute a legally binding agreement, contract or representation between the client and Aviva, and is not providing legal or financial advice.

# How our investment programmes work

## A summary

Your pension works by investing contributions. The aim is for the value of your pension savings to grow in value over time, helping you save for your retirement. But investments can fall in value as well as rise, so it is a good idea to review how your pension savings are doing on a regular basis.

You may not have the time or expertise to do this yourself, and this is where the My Future and My Future Focus can be useful. These programmes invest your contributions in funds. At the start, the programmes invest in funds that aim to grow the value of your retirement pot. They then gradually move into funds that aim to reduce the risk of your retirement pot falling in value, as you get closer to your planned retirement date. You may choose either My Future or My Future Focus yourself, or one of these options may be automatically applied when you join your scheme (known as the 'default investment programme'). Either way, each contribution is invested in either **My Future** or **My Future Focus**.

These movements take place on a quarterly basis and are at no extra cost. As your investments are moved to different funds within the programme, your annual management charge (AMC) may change as well.

## How it can help you

Planning your retirement can feel like a full-time job in itself. My Future and My Future Focus can help when investing for retirement.

- You won't have to make investment decisions, choose funds or constantly monitor them.
- You know that the regular contributions are managed by investment professionals in a highly disciplined environment.
- You simply tell Aviva your expected retirement date and the programme will automatically move your funds as you near retirement.

However, please be aware that there is no guarantee that any investment programme will benefit your retirement pot when you come to retire and we cannot guarantee it is suitable for your individual needs or appetite for risk.

# Important things to remember about My Future and My Future Focus

## Your retirement date is crucial

My Future and My Future Focus work by targeting your planned retirement date. Please tell us if you plan to bring it forward or if you intend to retire later. We can then make important adjustments to your investment programme. If you plan to phase your retirement it's a good idea to tell us the earliest point at which you might want to access your retirement pot.

## Once you're in, so is your entire PwC retirement pot

If you select one of these investment programmes it applies to all of your retirement pot, not just part of it. So once you have joined, all contributions are invested this way. Please bear in mind this only applies here to the PwC retirement pot and not to any other pensions that you may have elsewhere.

## It's not for everyone

These programmes won't suit everyone. They are designed to mirror the flexibility and greater range of options available for accessing your retirement pot at retirement. The programmes are not focused on one particular retirement option, such as withdrawing your retirement pot as a cash lump sum, but provide a broad base from which you can choose from the range of options available to you. Please see later in the guide for details of the retirement options available to you with My Future and My Future Focus.

You should seek independent financial advice to get the full picture. There is no guarantee that any investment programme will benefit your retirement pot when you come to retire nor can we guarantee it is suitable for your individual needs or appetite for risk. Please note you might have to pay for this advice.

For queries about your plan, you can contact us using our details at the back of this guide. For investment advice, please speak to your financial adviser. If you don't have an adviser, you can find one in your local area at [www.unbiased.co.uk](http://www.unbiased.co.uk). Please note that advisers may charge.

# Important things to remember about My Future and My Future Focus

## Options to match your retirement intentions

If you do intend to use your retirement pot to buy an annuity, withdraw it as a cash lump sum (or sums) or are planning to move to a drawdown arrangement, investment options targeting these outcomes are available with My Future and My Future Focus. More information on these options can be found later in this guide.

## You can opt out and opt back in

If your retirement or investment plans change you are free to switch programmes at any time.

## My Future or My Future Focus

As mentioned we have two default investment programmes – My Future and My Future Focus. While they share a lot of the same features there are some differences, which are explained on **pages 9 and 10**. You may choose to invest in one of these two programmes or one of them may be automatically applied when you join your scheme. Please note there are additional charges for investing in My Future Focus.

# How our investment solutions manage your retirement pot

**My Future and My Future Focus manage your retirement pot automatically, whatever stage of life you are at.**

Retirement is a long journey and building the financial resources can take decades, so let's think of your retirement pot in two stages: growth and consolidation.

## Growth

This is the first stage of the pension, the so-called engine room of the pension when the focus is on growing the size of the pension over the long term.

Your contributions are invested in MyM My Future Growth Fund or My Future Focus Growth Fund at this stage, funds which predominantly invest in 'growth' assets, namely company shares, including international and UK company shares. There is an allocation to less risky assets, including fixed income investments to help manage risk should stock markets fall.

## Consolidation

The Consolidation stage starts when you are 15 years from retirement in My Future and 10 years from retirement in My Future Focus. The focus in this later stage of your retirement journey with both My Future and My Future Focus is on lowering your exposure to risk. Your pension savings, that is the money you have built up in the growth stage, are gradually moved into My Future Consolidation or My Future Focus Consolidation depending on whether you are invested in My Future or My Future Focus. Please see the graphs showing how this works later in this brochure.

It is important to note that while the MyM My Future Consolidation Fund and the MyM My Future Focus Consolidation Fund invest mainly in fixed income assets, such as government bonds, they still also invest in a small amount of money in company shares to provide the potential for your retirement pot to grow in value.

See this stage as gradually applying the brakes, continuing to grow the value of your retirement pot, but in an increasingly risk-controlled way.

# Where your money is invested

## How we diversify your money to help reduce risk

**In both the Growth and Consolidation funds, your retirement pot is invested across a range of different investments, including company shares, government and corporate bonds.**

This enables your retirement pot to benefit from diversification. Diversification, namely investing in several types of investments, is one way to lower the risk of your retirement pot being exposed to the full impact of falls in stock markets. Diversification aims to smooth out the effect of the risks attached to investing in just company shares, for example.

Even in the Growth fund, where your retirement pot is primarily invested in company shares, you will also have exposure to other less risky investments, such as government bonds. This enables your pension savings to benefit from diversification, rather than being fully exposed to any potential setbacks in the financial markets.

Fund	Where your money is invested	
	My Future	My Future Focus
Growth	Primarily company shares but also other types of investments, such as government bonds and corporate bonds.	The same as My Future but also a wider range of company shares, fixed interest investments including high yield bonds and emerging market bonds, as well as UK commercial property.
Consolidation	Primarily fixed interest investments, such as government and corporate bonds, but also company shares.	The same as My Future but also a wider range of fixed interest investments and UK commercial property. The fund also has a position in money market instruments.

For an explanation of money market, fixed interest and company shares, please see the **Glossary** on page 18.



# My Future in action

## What your pension investments could look like

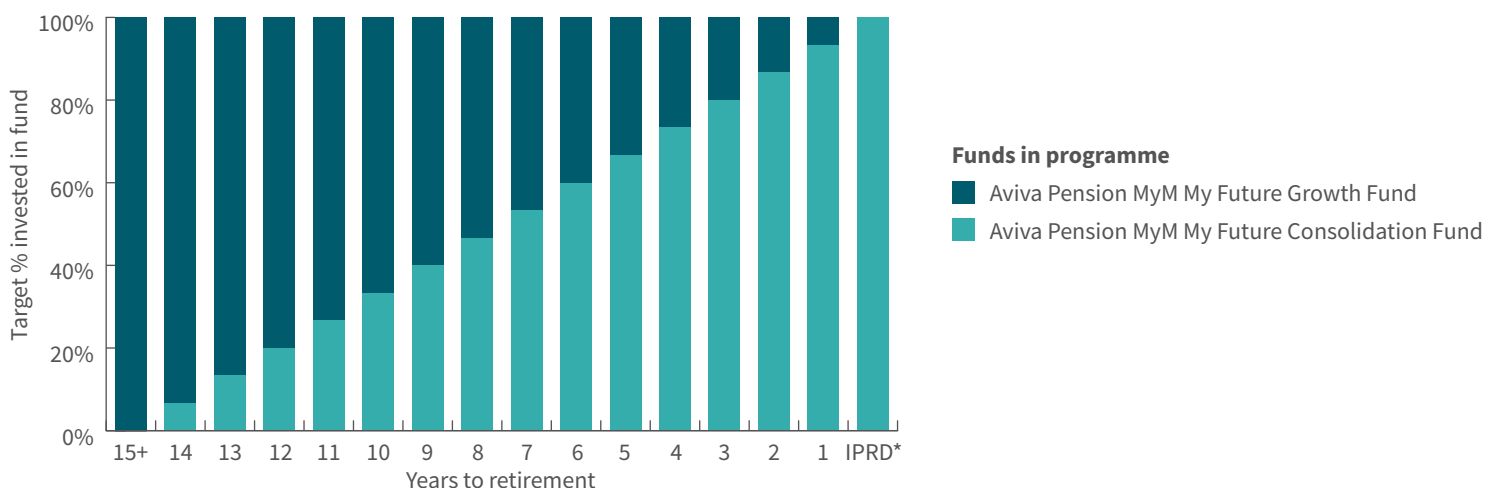
**So far, we have covered basic information on My Future. Below you can see a visual representation of how it works in practice.**

Across the bottom of the graph is the timeline of your retirement journey, ending at your planned retirement date in the bottom right corner. To the left you can see the percentage of your money allocated to each stage of the journey. How far you are from your retirement date will determine where you join My Future. For example, if you're 10 years from your retirement date, contributions will be invested in both the Aviva Pension MyM My Future Growth Fund and the Aviva Pension MyM My Future Consolidation Fund starting from the '10 years to retirement date' point.

Risk is managed throughout your retirement journey to ensure the amount of risk your savings are exposed to is reduced as you get closer to retirement. As the chart shows, when you are 15 years away from your planned retirement date, your pension savings are gradually moved into the MyM My Future Consolidation Fund. This fund mainly invests in fixed income and therefore less risky investments,

We refer to this option as the My Future 'Universal' option. It enables you to keep your options open if you have not yet decided how to take your pension savings at retirement. The other options available to members, in terms of how you can take your retirement savings with My Future, are shown later in this brochure.

### My Future investment programme



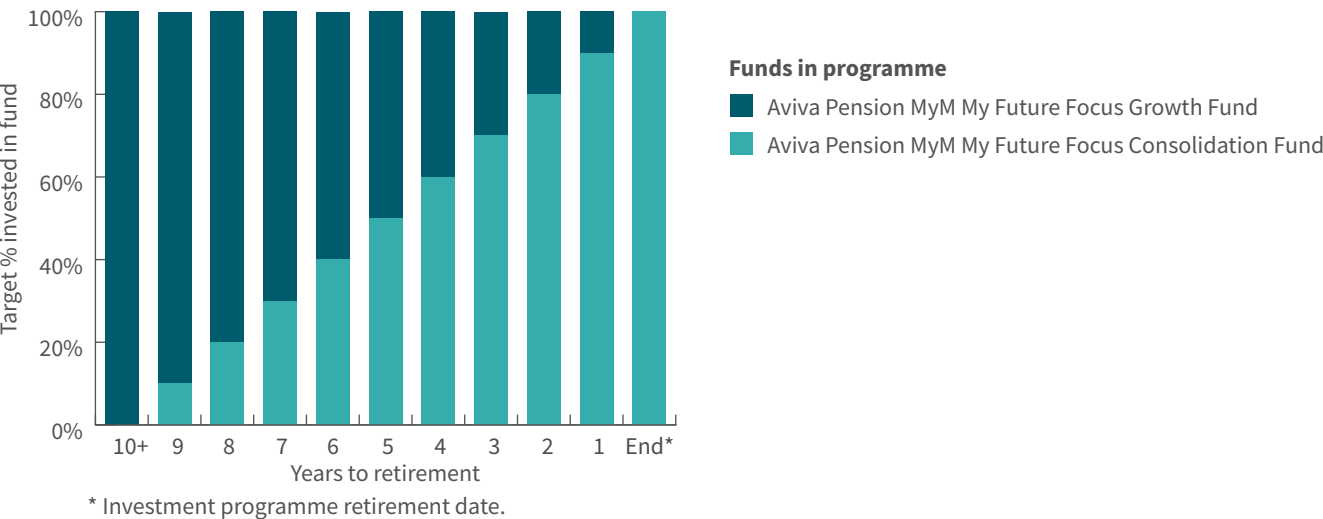
\* Investment programme retirement date.

# My Future Focus in action

## My Future Focus takes the investment programme a step further.

My Future Focus works like My Future and therefore moves your money into less risky investments as you get closer to retirement, except that when you are 10 years away from your selected retirement date, your money will start to move into the MyM My Future Focus Consolidation Fund. This is to move your pension savings into less risky assets as you approach retirement.

### My Future Focus investment programme



My Future Focus invests in a wider range of asset classes than My Future, including emerging market company shares and bonds, as well as high yield bonds and UK commercial property.

We refer to this option as the My Future Focus Universal option. This may be suitable if you have not yet decided how to take your pension savings at retirement. The other options available to you, in terms of how you can take their retirement savings with My Future Focus, are shown on the following pages of this brochure.

# Alternative options available to you

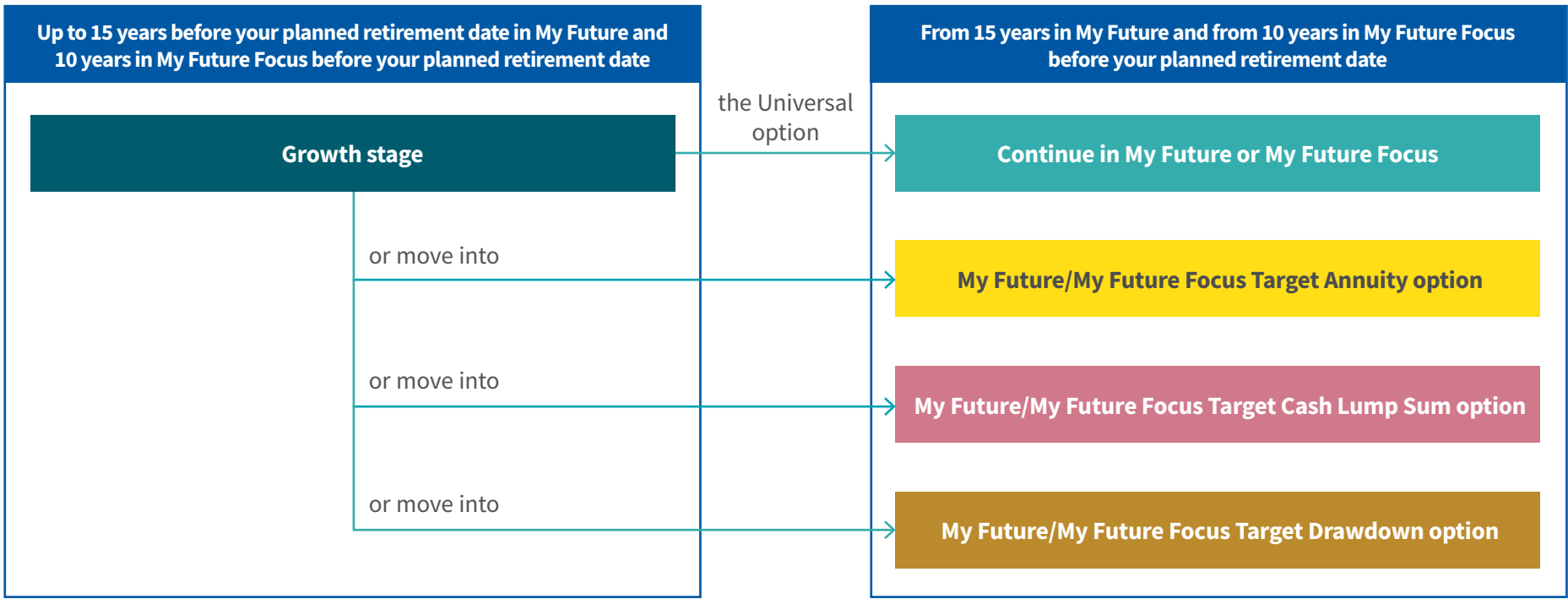
If you have a clear idea about what you would like to do with your retirement pot when you retire, we have a number of options available that may match your intentions.

All of these options have the same growth stage as the My Future and My Future Focus investment programmes.

At any time up to 15 years for My Future and 10 years for My Future Focus before your planned retirement date you can move into one of the other options, which all follow a different path from the My Future and My Future Focus investment programmes.

**Please note you don't have to move into one of these options and can remain in the My Future or My Future Focus Universal investment programme until your planned retirement date.**

Details of the options are provided on the following pages.

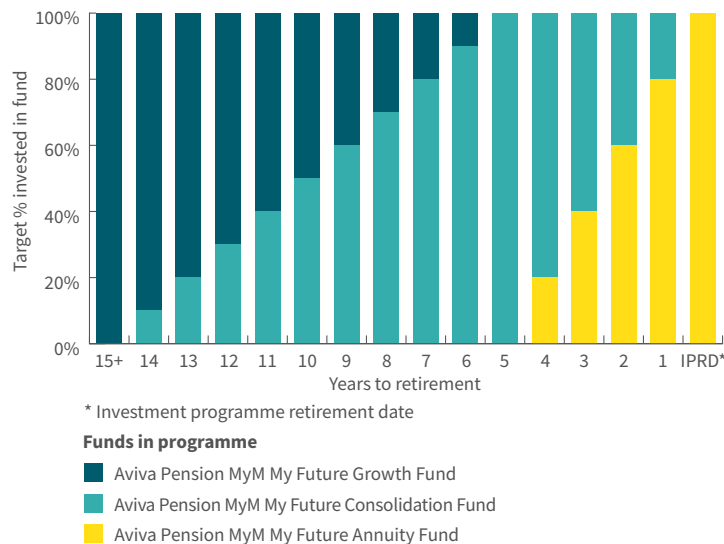


# My Future/My Future Focus 'Target Annuity' option

**This option is designed for people who intend to convert their retirement pot into a regular guaranteed income for life by buying an annuity when they retire. As a result, your retirement pot will be adjusted over time to prepare for the purchase of an annuity.**

This option uses the same Aviva Pension MyM My Future/My Future Focus Growth Funds and Aviva Pension MyM My Future/My Future Focus Consolidation Funds used in the My Future and My Future Focus investment programmes as described on pages 9 and 10. However, in this option, with 4 years to go before retirement in My Future and 9 years to go before retirement in My Future Focus, your retirement pot starts to move into the Annuity Fund, and therefore the MyM My Future Annuity Fund in My Future and the MyM My Future Focus Annuity Fund in My Future Focus.

## My Future Target Annuity investment programme

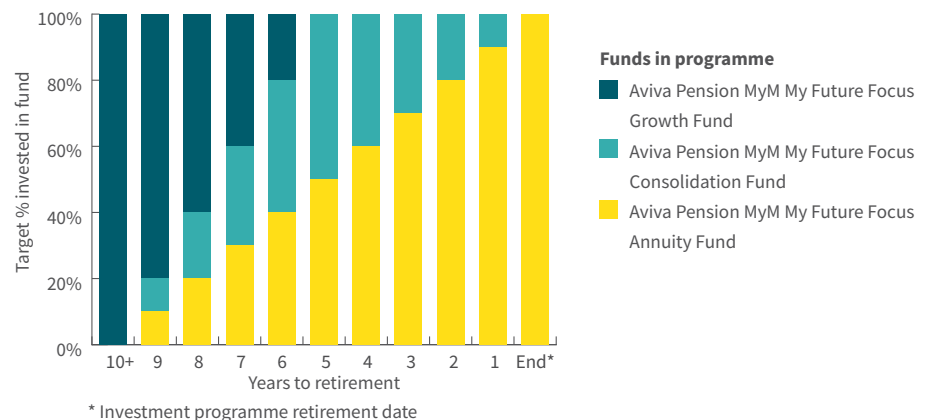


Both funds aim to both reduce the risk of your retirement pot falling in value as a result of setbacks in stock markets, and to track changes in the cost of buying an annuity.

An annuity is a retirement income product that provides a guaranteed taxable income for life. If you decide to take this product when you come to retirement, you will not be able to change your mind after the cancellation period has passed.

There are different types of annuity available and depending on your health and lifestyle an enhanced annuity could provide a higher income.

## My Future Focus Target Annuity investment programme



# My Future/My Future Focus

## ‘Target Annuity’ option

My Future Target Annuity option – funds used	Where your money is invested	
	My Future	My Future Focus
<b>Growth</b>	Primarily company shares but also other types of investments, such as government and corporate bonds.	The same as My Future but also a wider range of company shares, fixed interest investments and a position in UK commercial property.
<b>Consolidation</b>	Primarily fixed interest investments, such as government and corporate bonds, but also company shares.	The same as My Future but also a wider range of fixed interest investments, a holding in money market instruments and a small position in UK commercial property.
<b>Annuity</b>	Fixed interest investments.	Fixed interest investments.

For an explanation of money market, fixed interest and company shares please see the **Glossary** on page 18.

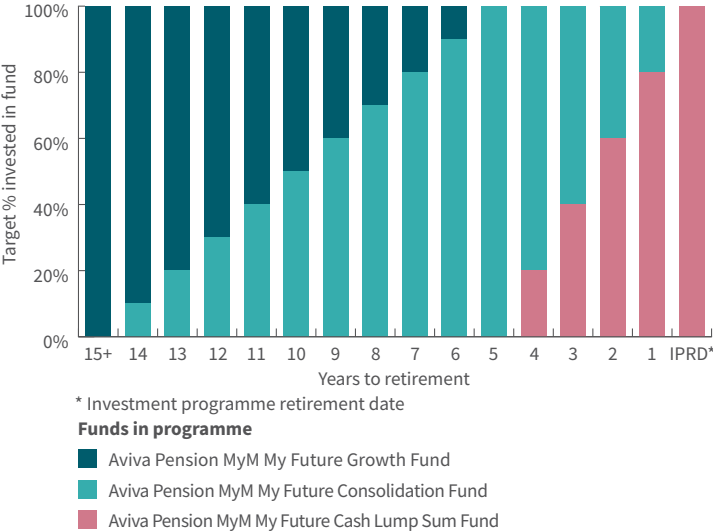
# My Future/My Future Focus

## ‘Target Cash Lump Sum’ option

This option is designed for people who intend to take their retirement pot as a cash lump sum (or sums) when they retire.

Both the My Future and My Future Focus Cash Lump Sum options use their respective growth fund from the My Future and My Future Focus Universal investment programmes, as described on pages 9 and 10. The My Future Cash Lump Sum option also uses the Consolidation Fund. However, in this option, with 4 years to go before retirement in My Future and 9 years to go before retirement in My Future Focus, your retirement pot starts to move into the Aviva Pension MyM My Future/My Future Focus Cash Lump Sum Fund.

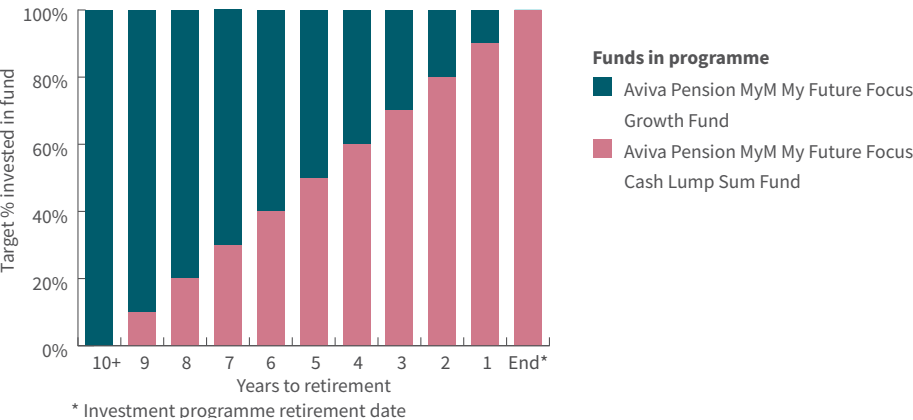
My Future Target Cash Lump Sum investment programme



These funds, which invest in lower-risk investments, such as fixed interest and money market investments, aim to reduce the risk of your retirement pot falling in value as you approach retirement.

If you decide to take this option it is important to ensure you have appropriately planned your future income in retirement. It is also important that you understand how the tax will be deducted, as this will vary depending on your individual circumstances.

My Future Focus Target Cash Lump Sum investment programme



# My Future/My Future Focus

## ‘Target Cash Lump Sum’ option

My Future Target Cash Lump Sum option – funds used	Where your money is invested	
	My Future	My Future Focus
<b>Growth</b>	Primarily company shares but also other types of investments, such as UK and overseas fixed income.	The same as My Future but also a wider range of company shares, fixed interest investments and a position in UK commercial property.
<b>Consolidation</b>	Primarily fixed interest investments, such as government and corporate bonds, but also company shares.	
<b>Cash Lump Sum</b>	Fixed interest and money market investments.	Fixed interest and money market investments.

For an explanation of money market, fixed interest and company shares please see the **Glossary** on page 18.

# My Future/My Future Focus

## ‘Target Drawdown’ option

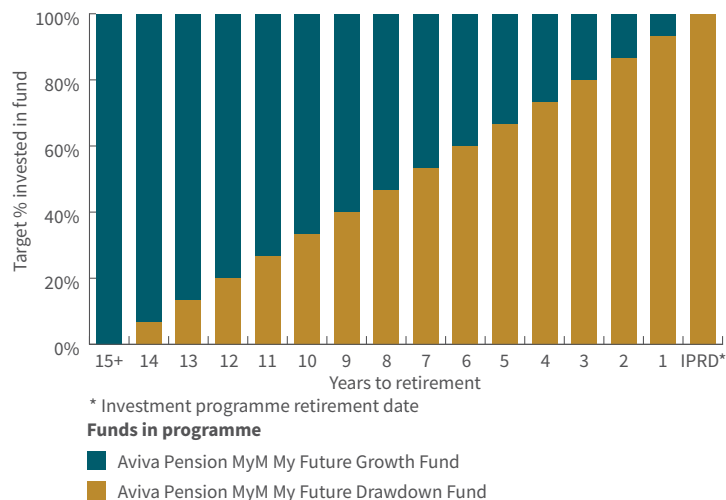
**This option is designed for people who intend to take an income by making withdrawals directly from their retirement pot while remaining invested through a drawdown arrangement.**

Both My Future and My Future Focus Drawdown options use their respective Growth Fund - My Future Growth and My Future Focus Growth in the first stages of the retirement journey. Then 15 years before retirement in My Future and 10 years in My Future Focus members' investments start to move into the respective drawdown fund, in preparation for moving into a drawdown arrangement, so My Future Drawdown in My Future and My Future Focus Drawdown in My Future Focus.

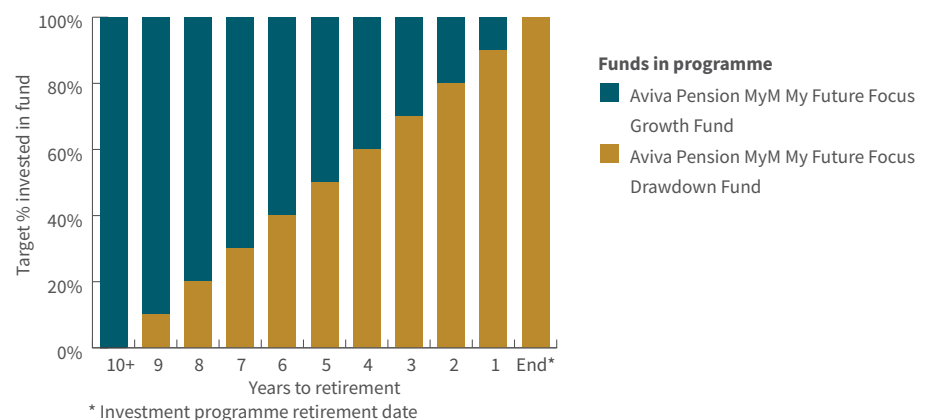
Both drawdown funds invest in different investments, including company shares and UK and overseas fixed interest. The My Future Focus Drawdown Fund also invests in emerging market bonds and high yield bonds and UK commercial property. Both funds aim to provide the potential for continued investment growth, but with a lower level of risk than the Growth funds, so My Future Growth and My Future Focus Growth.

Your retirement pot will remain invested if you are invested in this option and therefore the value of your savings can fall as well as rise. There is no guarantee that the money in your retirement pot will last.

### My Future Target Drawdown investment programme



### My Future Focus Target Drawdown investment programme





# My Future/My Future Focus

## ‘Target Drawdown’ option

My Future Target Drawdown option – funds used	Where your money is invested	
	My Future	My Future Focus
<b>Growth</b>	Primarily company shares but also other types of investments, such as government and corporate bonds.	The same as My Future but also a wider range of company shares, fixed interest investments and a position in UK commercial property.
<b>Drawdown</b>	Company shares and fixed interest investments, such as government and corporate bonds.	The same as My Future but also a wider range of company shares, fixed interest investments and a position in UK commercial property.

For an explanation of money market, fixed interest and company shares please see the **Glossary** on page 18.

# Glossary of terms

## Money market

Money market is a term that includes various types of investments that are used by companies to provide them with short-term funding (or borrowing) to enable them to run their businesses. Money market investments should not be confused with bank or building society deposit accounts.

The returns that money market investments can provide will normally reflect prevailing interest rates and will typically be lower than returns from fixed interest investments, property and shares. While the value of money market investments will normally fluctuate less than the value of fixed interest investments, property and shares, there is a risk that their value won't keep pace with inflation. Also, if the annual management charge of a money market fund is higher than prevailing interest rates or the returns generated, the value of the fund will go down.

## Fixed interest

Also referred to as bonds, fixed interest investments are loans to a government or a company. In return, you receive regular interest payments for a set period of time and your original investment (or loan) back at a specified date. The regular interest payments are calculated as a fixed percentage of the original amount of money borrowed.

The most common forms of fixed interest investments are government bonds (known as gilts in the UK) and corporate bonds (issued by companies). The value of fixed interest investments is influenced by a number of factors, including interest rates, inflation expectations, and the perception of the government or company's ability to make the regular interest payments and repay the original loan.

Fixed interest investments will typically provide lower returns over the long term compared to shares and property, but their value will normally fluctuate less than the value of shares or property. Fixed interest investments have the potential to provide higher returns than money market investments, but their value will normally fluctuate more than the value of a money market investment.

## Shares

Also known as equities, shares are often issued by companies to raise money to help them grow and develop. Shares are bought and sold on a stock market, such as the London Stock Exchange, and their value can go up and down, sometimes sharply, depending on the fortunes of the company and stock markets in general.

Shares have the potential over the long term to provide higher returns than money market and fixed interest investments, and property. However, these returns will normally fluctuate more and there is also a greater risk that they will fall in value.

# Need some help?

## Call

**0345 604 9915**

Your My Money helpline is available Monday to Friday, 8.30am-5.30pm. Please note, we may record calls to improve our service. Calls may be charged and these charges may vary; please speak to your network provider.

## Email

**[pwcgpp@aviva.co.uk](mailto:pwcgpp@aviva.co.uk)**

## Write to

Aviva, PO Box 2282  
Salisbury SP2 2HY

## Need financial advice?

Although My Money can provide you with information to help you with your decisions, it cannot provide you with specific financial advice. If you are unsure whether My Money or any of its saving and investment options are right for you, please seek financial advice. You may be charged for this advice. If you don't have a financial adviser you can find one at **[www.unbiased.co.uk](http://www.unbiased.co.uk)**.

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**Telephone 0345 602 9189 – calls may be recorded.**

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