GREENE KING
BURY ST EDMUNDS

SPIRIT (LEGACY) PENSION SCHEME
Defined Contribution (DC) Investment Guide

February 2024

ENTER

INVESTING YOUR ACCOUNT

As a member of the Scheme with Defined Contribution and/or Additional Voluntary Contribution savings, you can choose how your account is invested.

The idea behind investing your account is that it grows over the years to provide a valuable retirement benefit. However, investing money always carries some kind of risk; your investments could go down in value as well as up and you may not get back all the money you put in.

A range of investment options are available to you – **lifestyle** options and **self-select** funds – and we explain what these entail in this guide.

There is a default lifestyle investment option, which is how your account is invested unless you make a different choice.

However your account is invested, we recommend you monitor your investments to ensure you remain comfortable with how they are developing.

You can change how your savings are invested at any time.

MANAGING YOUR INVESTMENTS

When you invest, you need to think about:

- what kind of investments you want to make;
- what sort of return you want from your investments;
- how you want to take your benefits at retirement; and
- how you feel about the risks involved

This guide tells you what investments are available in the Scheme and how you can choose to invest your account in them. We have tried to give you as much information as we can to help you decide but, by law, we cannot give you financial advice. 'Taking advice' on page 13 tells you how you can access independent financial advice.

To change your investments or your Target Retirement Age, please contact the administration team using the contacting details on page 13.

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Note that the Trustees, with help from their advisers, monitor the Scheme investment options on an ongoing basis. The funds, including those used within the lifestyle investment options, and the timing of the switches as you approach retirement, can be subject to change.

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WHAT YOU CAN INVEST IN

There are the three main types of investments available to you in the Scheme:

Equities (also known as 'shares')

Equities refer to shares of companies. The returns on equities are based on the business performance of those companies. The value of equities can be variable – they can go up and down in value in the short-term – but they are generally expected to grow in value at a faster rate than many other types of investment over longer periods.

Funds are available which allow you to invest in the shares of companies from around the world or in specific countries or regions.

Corporate bonds and gilts

Corporate bonds are loans to companies and gilts are loans to the UK Government. The returns on these types of investments are based on the interest payments the companies and the Government make on the loans.

The returns on some gilts are linked to the level of inflation; these are called 'index-linked gilts'. If the level of inflation increases, the value of the index-linked gilts goes up (all else being equal).

The value of investments in corporate bonds and gilts can be variable but they tend to be more stable than investments in equities. However, the returns on corporate bond and gilt investments are generally expected to be lower than investments in equities.

Cash

Cash means investments in secure, short-term assets. It is a very stable investment but the returns are generally expected to be lower than equities, corporate bonds and gilts over the longer term.

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HOW FUNDS ARE MANAGED

When you invest your account, your money goes into something called an 'investment fund'.

Investment funds are looked after by a fund manager. A fund manager's job is to make decisions about how to invest people's money. This could be, for example, what types of businesses to invest in, or what sort of organisations to loan money to. In the end, their main objective is to get the best return for investors based on the stated aim of that fund.

Most of the funds are managed on a **passive** or 'index-tracking' basis and are known as 'tracker' funds. A tracker fund aims to track a market index whether it goes down or up, which means it aims to give average performance.

This is seen to be lower risk when compared to **active** management (when the manager aims to outperform the market but may or may not achieve this).

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CONSIDER THE DIFFERENT RISKS

It might help to think about the three main kinds of risk associated with your pension investments:

1 NOT HAVING ENOUGH SAVINGS WHEN YOU RETIRE

A key risk is that you will not have enough savings when you retire to provide for your needs in retirement. You can help reduce this risk by saving more towards your pension. Getting good investment returns on your pension savings also helps reduce this risk by boosting the value of your retirement pot.

2 VALUES GOING DOWN AS WELL AS UP

You risk the value of your investments going down as well as up; this is called volatility. Volatility in the value of your pension investments can disrupt your plans particularly as you approach retirement.

However, investments which are more volatile tend to offer higher returns. As such, it is important to strike a balance between the level of volatility experienced by your pension investments and getting high enough returns so that your savings are sufficient to provide for your needs in retirement.

3 MISMATCH RISK

When you retire, you will be able to take your retirement pot as a cash lump sum, purchase an annuity (a secure pension for life) or transfer it to a drawdown provider (keeping your account invested and gradually withdrawing money from it).

Mismatch risk exists when your investments do not adequately protect the value of your benefits in the form you choose to take.

For example, mismatch risk would exist if your investments did not protect the value of your cash lump sum or annuity pension if you chose to take your benefits in that way.

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LIFESTYLE STRATEGIES

There is an investment strategy you can choose, called 'lifestyle', which automatically adjusts how your account is invested depending on how close you are to your retirement age.

There are three different lifestyle strategies to choose from – the Drawdown, Annuity, and Cash approaches; each reflecting the different ways in which you can take your benefits at retirement.

For more information on taking your benefits at retirement, go to **www.moneyhelper.org.uk**

All the Lifestyle Strategies invest in equities whilst a member using them is further away from retirement. This is done because equities are expected to have relatively good rates of return over the long term which should help reduce the risk of not having enough savings at retirement (see Risk 1 on page 5).

From ten years before retirement, the lifestyle strategies begin investing in corporate bonds and index-linked gilts. These types of investment are gradually introduced in order to reduce the levels of volatility in the approach to retirement (see Risk 2 on page 5).

All three Lifestyle Strategies invest in the same way until members are five years from retirement. Over the final five years before retirement, the lifestyle strategies diverge and invest in assets which aim to reduce mismatch risk (see Risk 3 on page 5). More information on each of the Lifestyle Strategies is provided in the next few pages.

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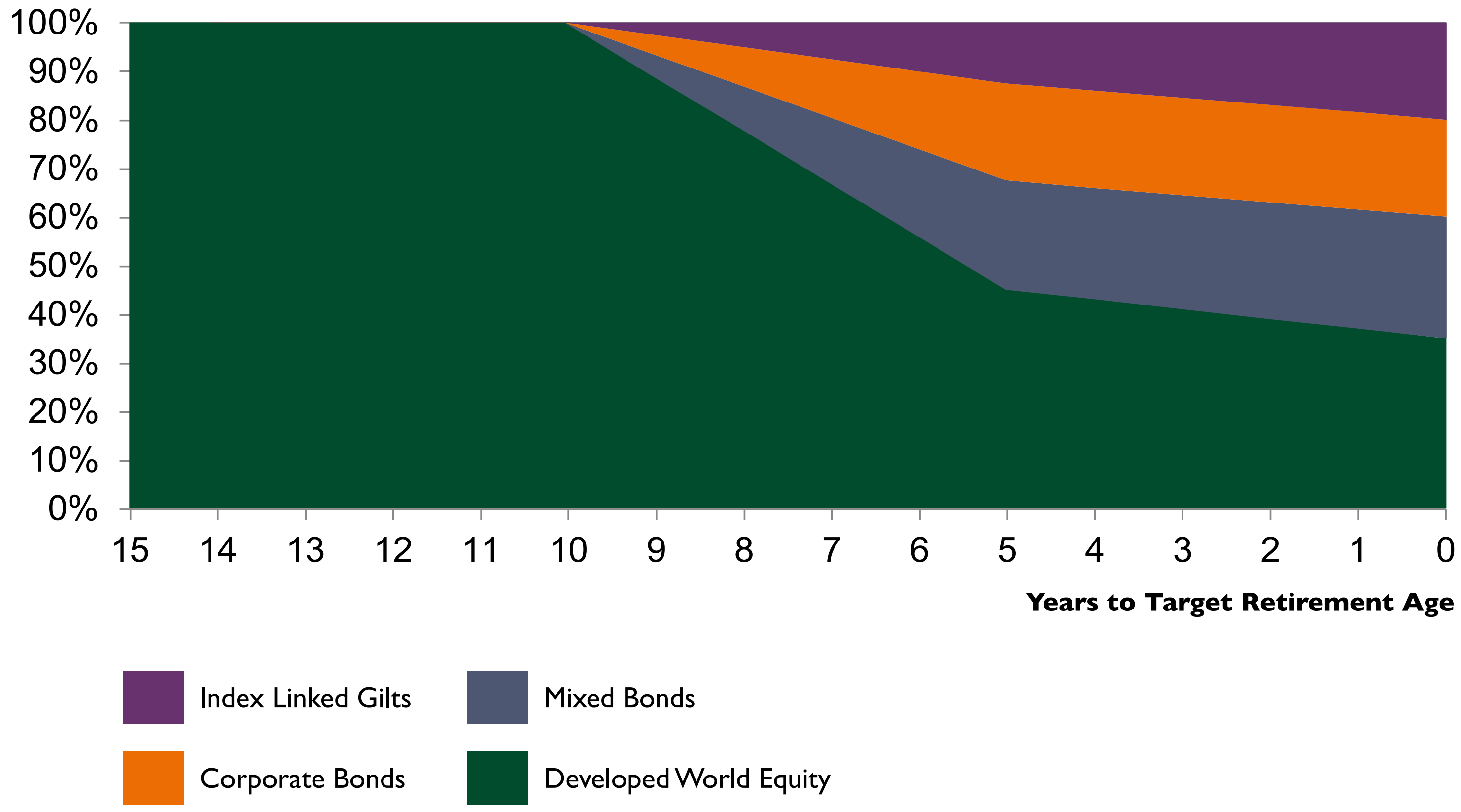
LIFESTYLE STRATEGIES (CONTINUED)

Drawdown management costs range from 0.13% to 0.22% per year depending on your term to retirement.

The charts below show how your account moves with each of the three Lifestyle Strategies:

DRAWDOWN LIFESTYLE STRATEGY

Over the five years before retirement, the Drawdown Lifestyle Strategy moves to a mix of investments designed to be appropriate for members who are likely to enter into an income drawdown arrangement when they retire.



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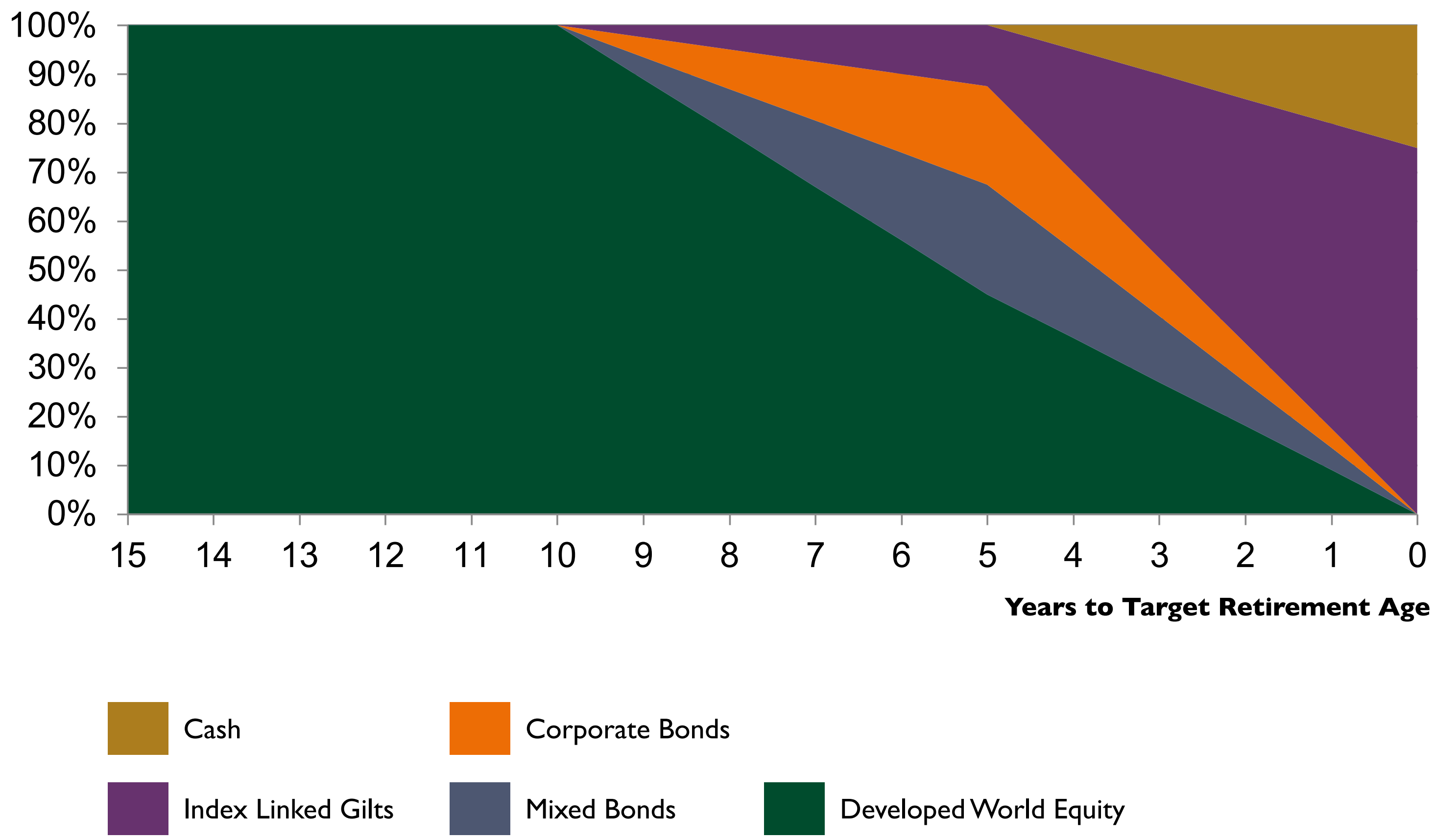
LIFESTYLE STRATEGIES (CONTINUED)

Annuity management costs range from 0.12% to 0.21% per year depending on your term to retirement.

ANNUITY LIFESTYLE STRATEGY

Over the five years before retirement, the Annuity Lifestyle Strategy moves to a mix of investments designed to be appropriate for members who are likely to take a cash lump sum and buy an annuity when they retire.



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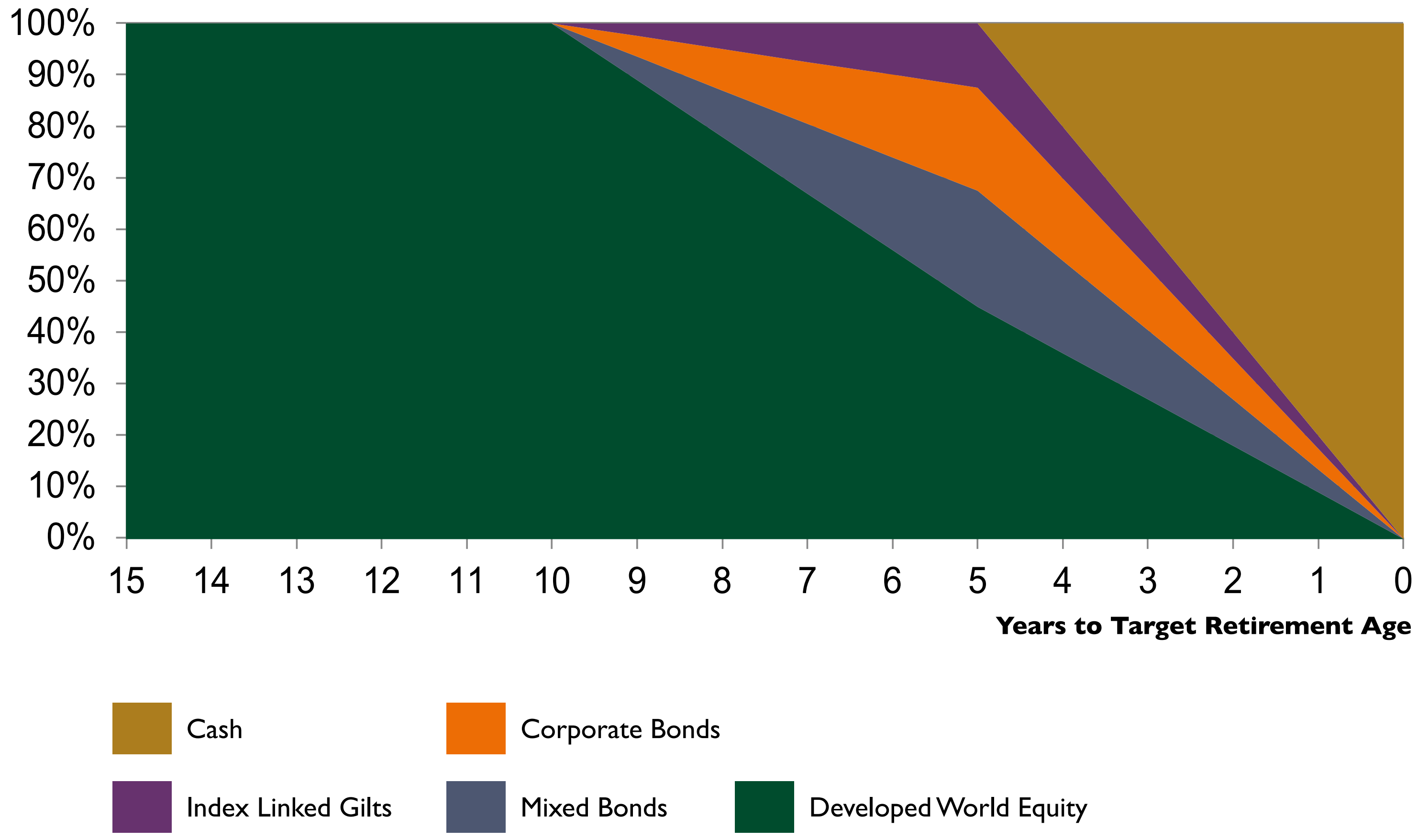
Cash lifestyle management costs range from 0.13% to 0.21% per year depending on your term to retirement.

CASH LIFESTYLE STRATEGY

Over the five years before retirement, the Cash Lifestyle Strategy moves to invest in a cash fund. It is designed to be appropriate for members who are likely to take all their funds as a cash lump sum when they retire.



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Please remember, choosing to invest in a Lifestyle Strategy is a decision in itself. Although the Lifestyle Strategies are designed to be broadly suitable for most people, it will not necessarily be the best option for everybody.

If you opt to invest in a Lifestyle Strategy, you are encouraged to consider which one is best suited to your needs, particularly as you approach retirement.

AN IMPORTANT NOTE ABOUT INVESTING IN A LIFESTYLE STRATEGY

As you approach your Target Retirement Age in the Scheme, the Lifestyle Strategies automatically begin moving your pension savings from growth focussed investment funds to funds which aim to provide more stability. It is important that you tell the administration team your Target Retirement Age, because the allocation to the underlying investments within the Lifestyle Strategies are based on the retirement age we have on record.

If you have not already, please contact the administration team to confirm your Target Retirement Age. The administration team's contact details are shown in the 'Getting in touch' section on page 13.

SELF-SELECT INVESTMENT FUNDS

Alternatively, you can choose to invest in the Self-Select Funds. The Self-Select Fund range has been designed for those members who would like to choose one or more funds that invest in a specific asset class or region.

Here we take you through the different funds you can choose from.

The overall charge on each fund, known as the Total Expense Ratio (TER), is set out in the table below alongside an indication of the relative level of investment volatility that might be expected with each fund.

Fund	Description	TER * % pa	Expected Volatility
Equities			
SL Vanguard FTSE Developed World ex UK Pension Fund	This fund is passively managed and invests only in overseas equities.	0.11%	High
SL Vanguard FTSE UK All Share Index Pension Fund	This fund is passively managed and invests only in UK equities.	0.11%	High
SL Vanguard Emerging Markets Stock Index Pension Fund	This fund is passively managed and invests in equities of companies based in emerging market countries – those countries as regarded as having rapidly growing economies.	0.26%	High
Bonds			
SL Vanguard UK Investment Grade Bond Index Pension Fund	This fund is passively managed and invests in corporate bonds.	0.11%	Medium
SL Vanguard UK Inflation Linked Gilt Index Pension Fund	This fund is passively managed and invests only in UK gilts linked to the level of inflation.	0.11%	Medium
SL SLI Absolute Return Global Bond Strategies Pension Fund	This fund is actively managed and invests in a combination of corporate and government bonds from around the world.	0.52%	Medium
Cash			
Standard Life Deposit and Treasury Fund	The fund generally invests in secure, short term assets like cash and it is actively managed.	0.16%	Low

* Correct at the time of writing and subject to change.

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SELF-SELECT INVESTMENT FUNDS (CONTINUED)

Please note that the Trustee Board may add, remove or change funds in the future. We will get in touch if this happens.

You can choose to invest your whole account in one of the funds or spread it across several funds. It is entirely up to you which funds you choose and how much of your account you put in each.

High level detail of the different types of assets available in the Self-Select Fund can be found in the 'What you can invest in' section on page 3.

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An important note about investing in Self-Select Funds: It is important to note that, unlike the Lifestyle Strategies, the Self-Select Funds do NOT automatically change how they invest in the approach to retirement. As such, you should make sure you consider the way your funds are invested as you approach retirement to ensure you are appropriately protected at this critical point.

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IFA SUPPORT AVAILABLE FROM WPS ADVISORY

For free advice on your retirement options, please contact WPS Advisory:

Phone: **0808 141 0676** – UK
0203 282 7664 – calling from overseas

Email: **spirit@ukwps.com**

Write to: **WPS Advisory, The Old Rectory, 8 Main Street, Glenfield, Leicester, LE3 8DG**

MANAGING YOUR INVESTMENTS

To change your investments or your Target Retirement Age, contact the administration team – see details to the right.

There is no explicit charge associated with switching your existing investments into new funds up to twice a year.
There may be a charge for making more than two changes in a twelve-month period.

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Please note, that you may incur transaction costs when disinvesting from and investing in funds. These costs are part of the normal operation of the funds and are reflected in your fund value after the trade takes place.

GETTING IN TOUCH

If you have any questions about the Scheme or your investment options, please contact the administrators on the details below:

Telephone: 0370 850 6840

Email: spirit.group.mailbox@aon.com

**Write: Aon
PO Box 196
Huddersfield
HD8 1EG**

EMAIL US

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SB8727