

New Annuity Lifestyle funds' performance for 1 October to 31 December 2020

The Annuity Lifestyle option is designed for those who may want to purchase an annuity at retirement. An annuity would provide you with a guaranteed income for life. Below we show the past performance for this option over the three months to 31 December 2020.

If you are looking to access your pension savings in a different way, you should consider the other Lifestyle or Freestyle investment options – at www.skypensionplan.com/understanding-investments

Performance to 31 December 2020 (%) Underlying funds¹ and benchmarks² 3 month 1 year 3 years 5 years Annual Total Expense (per year) (per year) Management Charge Ratio (AMC) (TER) **Fund** BlackRock Aquila Life (30:70) Currency Hedged **Global Equity Fund** 12.3 6.4 6.2 9.9 **Equities** 0.10% 0.09% Benchmark 30% FTSE All-Share Index, 60% Developed Equity, 10% MSCI Global Emerging Markets Index 12.6 6.5 6.3 9.9 7.5 8.4 4.3 5.4 **Fund Schroders Diversified Growth Fund Diversified** 0.35% 0.41% Target $CPI + 5\%^{3}$ 1.4 5.6 6.3 6.7 **Fund BlackRock Aquila Life Over 15 Years UK Gilt Index** 0.0 14.2 8.5 9.4 **Fund** 0.10% 0.12% FTSE UK Gilts Over 15 Years Index Benchmark 1.1 13.9 8.6 9.4 **Bonds** Fund **BlackRock Aquila Life Over 15 Years Corporate Bond Index Fund** 5.3 15.2 9.0 10.2 0.08% 0.11% Benchmark iBoxx Over 15 Years £ Non-Gilts Index 6.0 14.8 8.9 10.2 0.0 0.2 0.5 0.4 Fund **BlackRock Aquila Life Cash Fund** Cash 0.10% 0.13% Benchmark 7 Day Sterling LIBID 0.0 0.1 0.4 0.3 100% 90% What does this mean for me? 80% Key: This chart shows which fund you are invested in during your time in the Annuity Lifestyle option. 70% **Equities** The investment funds change near to retirement to decrease the level Diversified 60% % invested of risk you face over time. **Bonds** 50% Cash **Prepare** – At retirement 40% Your savings are 30% invested in the Diversified fund, 52.5% in Bonds and 17.5% invested in Cash. 30% 20% Prepare – from 10 years to retirement 10% Your savings begin switching into Bonds 0% 20+ 18 16 14 12 10 8 6 4 Consolidate - from 20 years to retirement Time to retirement Your savings begin switching into the Schroders Diversified Growth If I invested £100 3 months ago, it £112 £104 would now be worth: Grow – more than 20 years from retirement Your savings are 100% invested in the BlackRock Aquila (30:70) Currency Hedged Global Equity Fund

¹Returns are shown net of fees.

²The benchmark is a standard against which investment performance is measured. The returns achieved by the relevant benchmarks are shown.

³ The Schroders Diversified Growth Fund is not benchmarked against any index however has a target of CPI +5%.