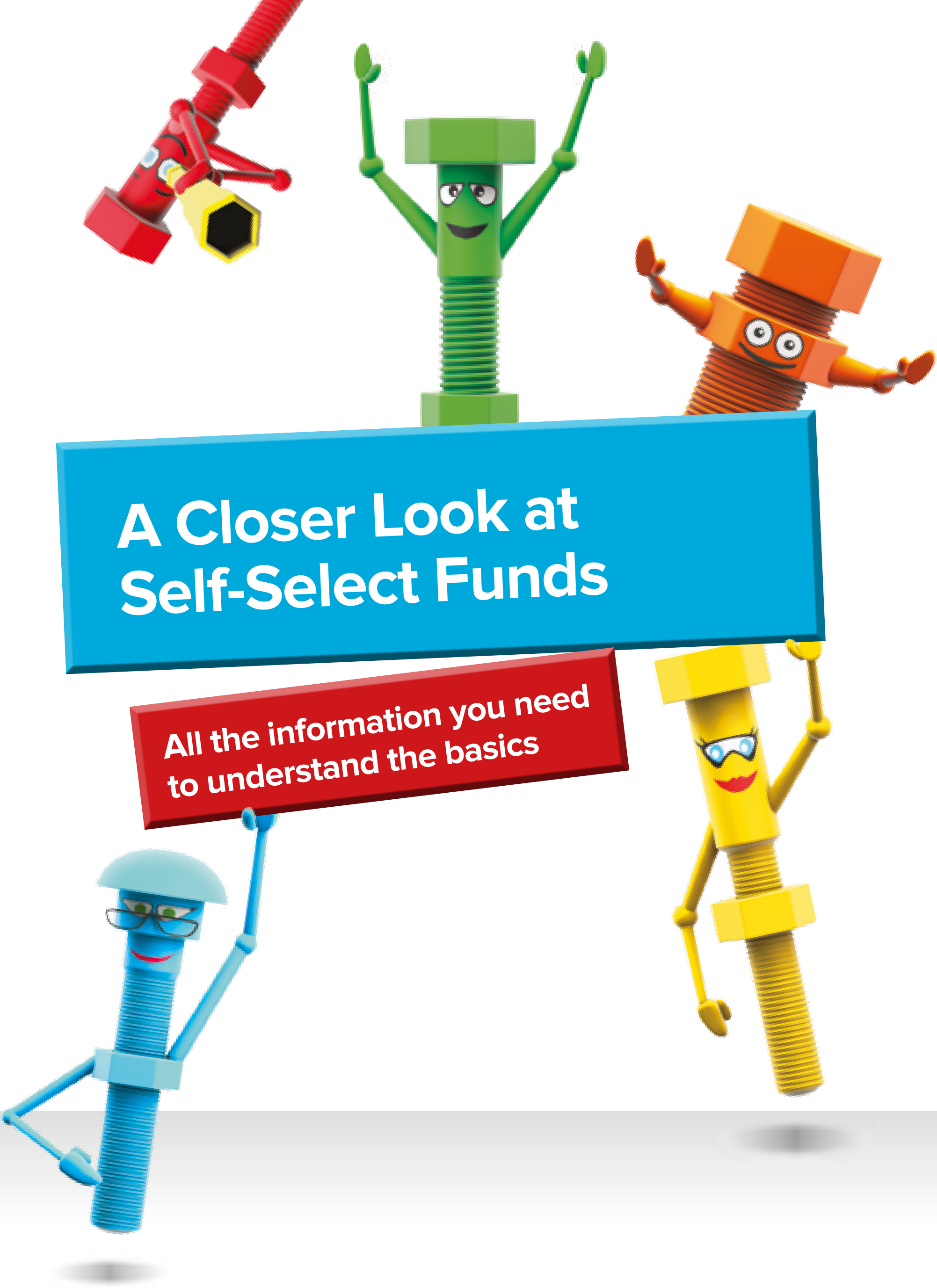
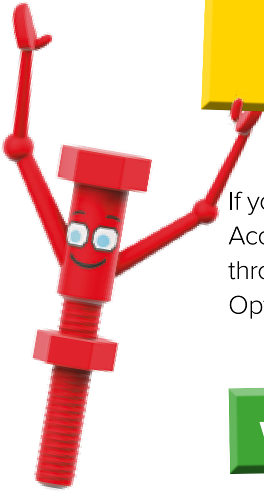


A Closer Look at Self-Select Funds

All the information you need to understand the basics

Kingfisher

What's a Self-Select Fund? Let's take a look

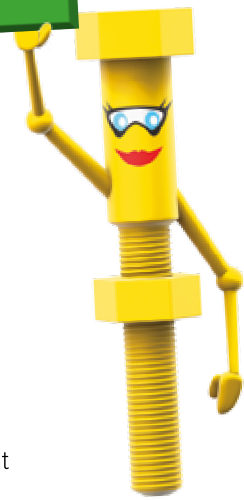


If you decide to select your own funds to invest your Retirement Account into, rather than letting your Trustee choose them for you through the 'default option', there are essentially two types: Lifestyle Options or Self-Select Funds.

What's the difference between these two types?

A Lifestyle Option will automatically move your Retirement Account from one fund to another (usually one with less risk) when you're getting closer to retirement, so you don't have to think about it. With a Self-Select Fund, you can choose where to invest depending on your personal attitude to risk and what you think is best for you. If this is your preferred option, there are some essential things you need to know first – and don't worry, it's not as complicated as it sounds. So let's get started.

Finding the Self-Select Funds that are right for you

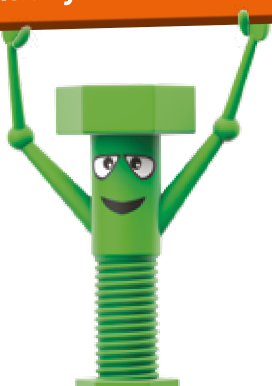


Self-Select Funds offer a number of choices, so where do you start? Well firstly you need to understand the different types. Most funds have different goals and invest across four main areas of investment:

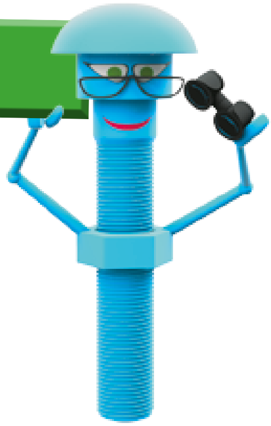
1. **Bonds** – which are loans to a government or company
2. **Equities (shares)** – which give you part ownership in a company
3. **Property** – direct investments in buildings and land or indirect investments (shares in property companies)
4. **Cash (and other 'money market instruments')** – which are deposits with banks and building societies, governments and large corporations.

There are also other types of Self-Select Funds available to our Scheme members, from the Ethical and Shariah Funds to the Emerging Markets and Property Funds. The full list is available at **www.kingfisherpensions.com**.

We'll find out what you need to know



More things to look at



- **Your attitude to risk** – generally, higher-risk funds could deliver a greater potential return, and the lower-risk funds may carry lower ones, but with the latter, you are less likely to experience the same extreme changes to your investment. Which strategy do you prefer? Remember, investments can fall as well as rise and you might get back less than you originally invested.

- **Charges** – fund charges are often overlooked but can have a big impact on your returns. So check yours upfront.

- **Which investment style do you prefer** – active or passive? They each have different characteristics. Active investments rely on the skill of a fund manager to try to achieve above-average returns. They are not guaranteed and are generally more expensive. Passive investments copy the performance of the market. They can be volatile but will not be impacted by the active stock selection of an investment manager. Find out more online or speak to an independent financial adviser.

Why it's wise to seek some independent financial advice

If you are a confident investor, Self-Select Funds can be beneficial because they give you the freedom to choose the ones that you think are right for you – ones that match your attitude to risk and your preferred investment style. If you do choose this option, you should review your investment regularly to make the most of it and not just set it up and leave it.

Also, Self-Select Funds don't suit everyone. That's why it's a good idea to get an unbiased point of view on your personal situation from an independent financial adviser. You can find one local to you by visiting **www.unbiased.co.uk**.

And remember...

Whichever funds you choose to invest in, the younger you start contributing and the more you are able to save each month, the better off you could be in years to come.

In fact, this might even have a greater impact on your final balance than the investment you choose.

SAVING FOR YOUR FUTURE

10/2014