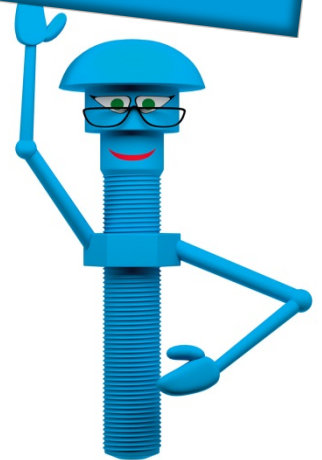
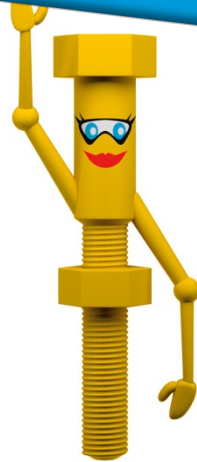
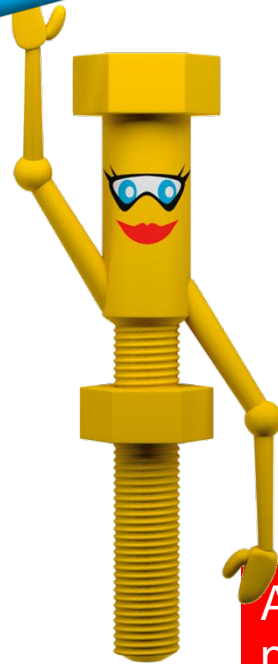


# Kingfisher Pension Scheme



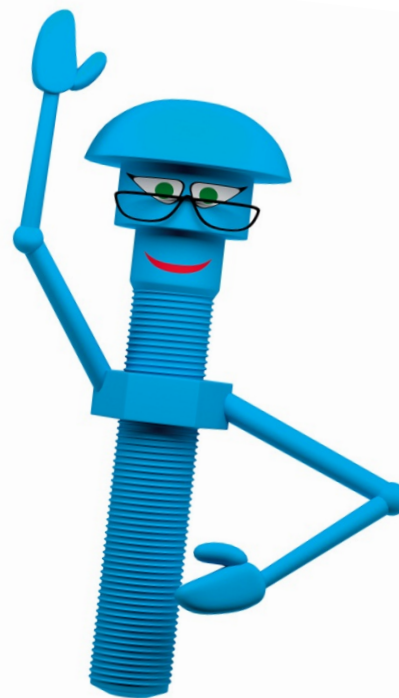
# A Closer Look at Self-Select Funds



All the information you  
need to understand  
the basics

# Self-Select Funds

If you wish to make your own investment decisions for your Retirement Account, you have a number of funds you may choose to invest in. These are known as the Self-Select Funds.



# Self-Select Funds

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2. [Which Funds are Available?](#)
3. [Attitude to Risk](#)
4. [Charges](#)
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# Self-Select Funds – The Facts

A Self-Select Funds are an investment option where you decide where to invest depending on your personal circumstances, attitude to risk and what you think is best for you.

There are certain factors you should consider before choosing your own funds.

You also have the option of investing your Retirement Account in one of the Lifestyle options. These will automatically move your Retirement Account from one fund to another the closer you get to retirement – so you don't have to think about it.

You can't invest in both Self-Select funds and Lifestyle options.

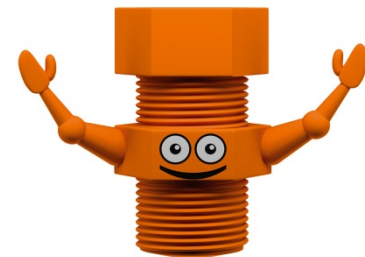


# Which Funds are Available?

Self-Select funds offer a number of choices but you need to understand the different types of investment available.

The funds have different goals and invest across four main areas of investment:

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



# Which Funds are Available?

## Cont...

There are also funds that invest in a manner which is consistent with certain beliefs. For example:

- **Shariah Fund:** this fund is designed to invest in keeping with Islamic Shariah principles in line with the Dow Jones Islamic Titans Index. The fund invests in company shares from around the world.
- **Ethical Funds:** these limit their investment to securities of firms meeting certain environmental, social and governance standards.
- **Emerging Markets Funds:** this fund invests in shares of overseas companies located in developing countries.

*Every fund has its own objective and features.*



# Attitude to Risk

Every person's attitude to risk is different. Some individuals prefer to invest in funds that are seen as safe. Whereas others prefer to take a greater degree of risk.

- Generally, the higher risk funds could deliver a bigger return (or profit) but bear the risk of losing the most.
- While the lower risk funds carry lower returns but are less likely to experience extreme losses.

You may also find your attitude to risk changes as you get older. So it is a good idea to keep an eye on this as you may wish to change your funds to reflect your changing requirements.

There is no right answer – what's important is that you choose a fund that suits you!





# Charges

When choosing your Self-Select Fund, it is also a good idea to look at the charges (known as the Annual Management Charges).

- ❖ Each investment has a cost.
- ❖ These charges are deducted automatically from your Retirement Account.
- ❖ It is the cost of managing your Retirement Account and includes the investment manager's fees.
- ❖ Every fund has its own specific charge.

Charges can have a big impact on your returns – make sure you check them!



# Investment Style

You should also think about the investment style you prefer. There are two types, Active or Passive.

## **Active Management:**

Relies on the skills of a fund manager who aims to achieve above-average returns and out-perform the market. Generally this type of investment carries higher risk and charges.

## **Passive Management:**

Aims to reflect the performance of the market. This type of investment can be volatile but is not impacted by active stock selection of an investment manager as the make up of the fund will reflect the market as a whole, rather than just one sector.



# Should I Choose Self-Select Funds?

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.

If you do choose your own funds, then you should review your investment regularly to make the most of it and ensure it continues to meet your needs.



# Advice

Something you should know is that neither the Company nor the Trustee can give you personal financial advice.

Without knowing all your personal details and without the specialist expertise required it is difficult to give advice specific to your circumstances.



The Trustees can provide you information about the various Self-Select Funds. To find out more [click here](#).



# Financial Advice

If you are not comfortable making your own decisions and are looking to change from the default option then we recommend you seeking independent financial advice.

For personal financial help or advice you need to speak to an Independent Financial Advisor (IFA) who can look at your circumstances and help you plan what's best for you.

You can use the [unbiased.co.uk](https://unbiased.co.uk) 'find an adviser' search to find local professional advisers.



# Other Sources of Information



The Pensions  
Regulator

The PENSIONS  
Advisory Service



CAPITA



# Investment Jargon

## Lots of jargon when it comes investments

<b>Active Management</b> = these are funds that selects stocks which are believed to beat the market expectations	<b>Money Market Funds</b> = invest in short term money market instruments and fixed deposits	<b>Risk</b> = the risk of losing some or all of the money you originally invested or the profits you have made so far
<b>Passive Management</b> = these are funds that are selected to deliver returns that are close to the overall market returns	<b>Gilts</b> = common name for Bonds that are issued by the British Government	<b>Index linked</b> = both interest and capital repayments move in line with the price of goods as measured by the RPI
<b>Equities</b> = A name for shares or share-based investments	<b>Bonds</b> = loans to a government or company	<b>Cash</b> = deposits with banks and building societies, governments and large corporations.

# Important Contacts

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The Pensions  
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[www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)



[Financial Express  
Fund Information](#)





# Kingfisher Pension Trustee Limited

This module was developed by Kingfisher Pension Trustee Ltd to help you better understand the pension scheme and related subjects. Please have a look at the other modules to see if they could also be of benefit to you.

