

**Statement of Investment Principles**  
**Honeywell Retirement Plan**

# Statement of Investment Principles Honeywell Retirement Plan

*February 2025*

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# 1 Introduction

## **Plan details**

- 1.1 This document describes the investment policy pursued by the Trustee of the Honeywell Retirement Plan (the Plan).
- 1.2 The Plan operates for the exclusive purpose of providing retirement benefits and death benefits to eligible participants and beneficiaries.
- 1.3 In addition to the 2013 section of the Plan (for all new hires), there are the following groups of legacy Defined Contribution sections:
  - UKRP (formerly Allied Signal)
  - PensionBuilder
  - Benefit Builder (Novar)
  - Intermec Pension Fund
  - Ex-DB (former members of the Honeywell UK Pension Scheme on 30 June 2017)
- 1.4 UKRP members of the Honeywell Retirement Plan are no longer contracted-out of the State Second Pension under the Pension Schemes Act 1993.
- 1.5 The Plan is registered with Her Majesty's Revenue and Customs under Chapter 2 of Part 4 of the Finance Act 2004
- 1.6 Administration of the Plan is managed by the Trustee, who is responsible for the investment of the Plan's assets.

## **Pensions Act 1995 (amended 2004)**

- 1.7 Under the Pensions Act 1995, subsequently amended by the Pensions Act 2004 (the Pensions Act), the Trustee is required to prepare a statement of the principles governing investment decisions. This document fulfils that requirement for the Plan.
- 1.8 In preparing this Statement, the Trustee has regard to the requirements of the Pensions Act concerning diversification and suitability of investments taking into account the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005.
- 1.9 In reviewing and revising this Statement, the Trustee has consulted the Principal Employer, and will do so whenever they intend to revise the Statement. However, the ultimate power and responsibility for deciding investment policy lies solely with the Trustee.
- 1.10 In preparing this Statement, the Trustee has received written advice from the Plan's investment consultant, Willis Towers Watson. The written advice considered the issues set out in the Occupational Pension Schemes (Investment) Regulations 2005 and the Pensions Act.
- 1.11 The Trustee will review this document, at least every three years and without delay following any significant change in investment policy.

- 1.12 When choosing investments, the Trustee and the investment managers (to the extent delegated) are required to have regard to the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005 and the principles contained in this Statement.

**Financial Services and Markets Act 2000**

- 1.13 In accordance with the Financial Services and Markets Act 2000, the Trustee will set general investment policy, but will delegate the responsibility for the selection of specific investments, subject to the investment restrictions outlined in this document to an appointed investment manager or managers via investment in the Plan, which may include an insurance company or companies. The investment manager(s) shall provide the skill and expertise necessary to manage the investments of the Plan competently. The Trustee will have consideration of the asset classes and investment processes offered to members and the selecting and monitoring of the investment managers appointed to deliver them.

**The Pensions Regulator's Code of Practice**

- 1.14 The Trustee adheres to the Pensions Regulator's Code of Practice by paying particular attention to managing and contracting with external advisers (including advice on strategic asset allocation, investment management and actuarial issues). The Trustee will continue with the current arrangement until this ceases to be appropriate.

### Objectives

- 2.1 The long-term investment objective of the Trustee is to:
- Acquire suitable assets of appropriate liquidity which will generate income and capital growth which, together with new contributions from members and the Principal Employer, will provide a fund at retirement with which members are able to provide an income at retirement.
- 2.2 The Trustee aims to meet the long-term objective by:
- Identifying appropriate investment managers.
  - Providing a range of investment funds which aim to meet members differing personal investment requirements and preferences by offering a suitable mixture of real and monetary assets. The return on real assets, while expected to be greater over the long term than those on monetary assets, are likely to be more volatile. Members' investment needs change as they progress towards their selected retirement age. Younger members, e.g. those with more than 10 years to retirement, have a greater need for real growth in an attempt to ensure their investment accounts keep pace with inflation and, if possible, salary escalation. Younger members will also, all other things being equal, have a greater tolerance for volatility of returns, as they have a greater time to retirement in which markets may come back in line from any temporary low. Older members, e.g. those with 10 years or less to retirement, will require a greater level of stability in their fund values or the amount of annual pension which may be purchased with their investment accounts.
  - Monitoring, through the use of the manager reports and meetings, the investment managers to ensure that they comply with the guidelines and that there is a reasonable expectation that they can meet the performance objectives going forward.
  - Seeking advice, as appropriate, from the Plan's professional advisers.
  - Negotiating competitive fees with investment managers to keep member borne costs low and fair.
- 2.3 The liabilities of the defined contribution arrangement are, by definition, equal to the sum of members' personal accounts. It is the Trustee's policy to ensure as far as possible that actual holdings are exactly matched with members' accounts, and regular reconciliations are carried out to ensure that this is the case. Plan assets not allocated to members are switched into the Scheme Asset Account as and when they arise and form part of the Plan's general reserve.
- 2.4 The Plan does not purchase assets directly. Instead, it holds units in a range of pooled funds to ensure adequate diversification for a plan of this size, provide access to investment management techniques that would not be readily available to a plan of this size, minimise expenses and ensure that assets are easily realisable at low cost. In addition, investment through a pooled fund enables the Plan to ensure trading is carried

- out on regulated markets. The range of pooled funds in which the Plan invests is set out in Appendix A.
- 2.5 It is the Trustee's current policy to invest assets in passive or indexed funds, with the exception of the Property fund, which is partially managed on an active basis, and some elements of the Global Growth, Diversified and Cash funds.
- 2.6 The Trustee or fund managers do not permit borrowing of money or act as guarantor for the purposes of providing liquidity (unless it is temporary).
- 2.7 A default arrangement is any investment in which member funds have been automatically invested without them having made an explicit choice. This could be:
- i. Investments into which members contributions are invested when they have not provided an investment instruction – the Trustee has the current default Lifestyle for auto enrolment purposes.
  - ii. Investments into which members' assets are switched and/or future contributions are redirected without explicit member consent – the Trustee has one such default arrangement, the HRP Cash Lifestyle.
- 2.8 Members who offer no investment direction will have their personal account invested in line with the Drawdown Lifestyle (Default) Matrix. When designing this investment option the Trustee considered the likely risk tolerance of its members and how the majority of members are likely to draw their benefit at retirement in order to determine an investment strategy that would be in the best interest of the majority. The objective of the Drawdown Lifestyle is to achieve capital growth ahead of inflation while the member is a number of years from retirement. In the years immediately prior to retirement, the Lifestyle aims to reduce the volatility of fund values while maintaining exposure to growth assets. The Drawdown Lifestyle matrix and details of the underlying funds are outlined in Appendix A.
- 2.9 The Trustee's policy is to retain legacy lifestyles where it is not considered to be in members best interests to move them to an alternative investment. The Plan currently has three legacy default investments, the Equity Lifestyle, the Income Drawdown Lifestyle, and the Global Growth Lifestyle. These Lifestyles were previously used for member investments when a member hadn't specifically chosen their investments. These Lifestyles are closed to new members. The objectives of these Lifestyles are to achieve capital growth ahead of inflation while the member is a number of years from retirement. In the years prior to retirement, the Lifestyles aim to provide protection for those intending to purchase an annuity at retirement.
- 2.10 The Trustee's policy is to redirect regular contributions to the HRP Cash Fund, in the best interest of its members, when there are periods of fund illiquidity in the members chosen investment, whether this is due to underlying asset illiquidity or valuation uncertainty. The Cash Fund is a default arrangement and has the objective to perform in line with 7 Day GBP LIBID, without incurring excessive risk.

- 2.11 The Trustee's other investment policies outlined within this SIP, including but not limited to exercising of rights, engagement and arrangements with managers, apply to the Plan's default arrangements.
- 2.12 In addition to the Drawdown Lifestyle, three further lifestyles are offered to members – the Annuity Lifestyle, the Cash Lifestyle and the Adventurous Lifestyle. The Annuity Lifestyle aims to achieve capital growth ahead of inflation while the member is a number of years from retirement, increasingly aiming to provide protection against rising annuity costs as members approach retirement. The Cash Lifestyle aims to achieve capital growth ahead of inflation while the member is a number of years from retirement, increasingly aiming to provide capital protection as members approach retirement. The Adventurous Lifestyle offers members with a higher risk appetite a strategy that retains a higher equity exposure for a longer period of time over the glidepath. These matrices are outlined in appendix A.
- 2.13 Members can also choose to invest their personal account using what is known as the Freestyle Option. Under the Freestyle Option, investments can be made by members, in whatever proportions they specify, in the following funds on the LGIM investment only platform:

<b>Fund</b>	<b>Management Type</b>
LGIM UK Equity Fund	Passive
LGIM Global Growth Fund**	Passive*
LGIM All World Equity Fund	Passive
LGIM Global Equity 30:70 Fund**	Passive
LGIM World ex UK Equity Fund	Passive
LGIM Emerging Markets Fund	Passive
LGIM Diversified Growth Fund	Passive*
LGIM Corporate Bond Fund	Passive
LGIM Future World Annuity Aware Fund	Passive
LGIM Over 5 year Index-Linked Gilts Fund	Passive
LGIM Property Fund	Active
LGIM Global Ethical Fund	Passive
LGIM Cash Fund	Active
HSBC Global Islamic Equity Fund	Passive

\*Fund may contain active management of some asset classes

\*\* Fund is closed to new members

- 2.14 There are additional funds and a Lifestyle available to members previously invested in the Intermec Pension fund. These are closed to new contributions. Assets are invested in insurance policies with AEGON and Phoenix and administered through the Willis Towers Watson administration team. BlackRock and Phoenix CIS freestyle funds are offered to members in addition to a lifestyle strategy which is outlined in Appendix A.

### **Socially Responsible Investments (SRI) and corporate governance**

- 2.15 The Trustee in consultation with its advisers, considers financially material ESG risks and opportunities, including climate change as relevant to the Plan's strategy. The Trustee's current policy is to delegate day-to-day investment decisions including integration of financially material ESG risks and opportunities (including but not limited to climate change) to its investment managers. Where the manager invests on a passive basis the Trustee does not consider it appropriate for a passive investment manager to take account of ESG considerations in the selection, retention and realisation of investments. When considering the appointment of new managers, and reviewing existing managers, the Trustee, together with its investment consultant, looks to take account of the approach taken by managers with respect to sustainable investing including their approach to ESG integration and stewardship.
- 2.16 The Trustee's policy is to delegate responsibility for the exercising of ownership rights (including engagement and voting rights) to the investment managers, including those in relation to the Default Lifecycle, but acknowledge that any actions taken by the investment managers are on the Trustee's behalf. The Trustee expects the Plan's Investment Managers to have effective stewardship, both through voting and engagement. Investment Managers are therefore expected to engage with relevant persons, including the issuers of debt and equity, investment managers, stakeholders or other holders of debt or equity in relation to relevant matters.
- 2.17 The Trustee has set three areas of stewardship as priorities which are communicated to the investment managers. These areas are "Climate", "Biodiversity" and "Human and labour rights". The Trustee considers these areas important for members' best interests.
- 2.18 The Trustee monitors the stewardship practices of its managers to understand how they exercise these duties on the Plan's behalf and receive reports on principal investment manager practices (covering engagement and voting). The Trustee recognises the UK Stewardship Code and UK Corporate Governance Code as best practices and encourages its investment managers to comply with the codes or explain where they do not adhere to this policy. The Trustee will review the investment manager's policies and engagement activities from time to time. If the Trustee expectations are not met the Trustee will engage directly with the manager.
- 2.19 At present, the Trustee does not explicitly take account of non-financial matters, including views of members and other beneficiaries, in the design of the Plan but does offer an ESG integrated equity fund (Global Ethical Fund) as part of the freestyle fund range to allow members to reflect specific non-financial considerations.



### **Liquidity and realisation of investments**

- 2.20 The Trustee's policy is to invest members' accounts in insurance policies that provide the required level of liquidity. The funds available to members typically allow daily dealing and hence can be realised promptly to provide pension benefits on retirement, or earlier on transfer to another pension arrangement or fund switch. The exception to this is the Hybrid Property Fund, where it is recognised settlement can take longer. The responsibility for buying and selling investments has been delegated to the investment managers.
- 2.21 In the default arrangement, the Trustee indirectly invests in illiquid assets through the Diversified Growth Fund ("DGF") and considers this to be appropriate in terms of risk and return for the Default Lifestyle. This allocation is at the discretion of the investment manager and consists of property, infrastructure, and private equity assets.
- 2.22 The DGF is used within the current default strategy, with members starting to invest 20 years out from their target retirement age. The allocation builds up to 100% over the first 10 years, and gradually reduces to 75% over the next 10 years leading up to target retirement.
- 2.23 In the self-select range, members have the ability to invest in the LGIM Managed Property fund which holds illiquid assets.
- 2.24 The Trustee's policy is to invest in assets that are sufficiently liquid to allow them to be realised readily; these are typically daily dealt. The Trustee has decided not to invest directly into illiquid assets at this time.

### **Additional Voluntary Contributions (AVCs)**

- 2.25 Members are entitled to pay additional voluntary contributions (AVCs) to enhance their benefits at retirement. The Trustee's policy is that members are offered the same range of funds as for their core contributions.

The AVC investment options are reviewed on a regular basis, having taken written advice on their continued suitability as required by Section 36 of the Pensions Act.

A legacy option exists, and the assets are held with Prudential.

### **Diversification**

- 2.26 The choice of benchmarks and the range of funds made available to members are designed to ensure the Plan's investments are adequately diversified.

### **Suitability**

- 2.27 The Trustee has taken advice from the investment consultant to ensure the benchmark and the ranges of the funds made available to members are suitable for the criteria for investment set out in the Occupational Pensions Schemes (Investment) Regulations 2005.

**Liquidity**

- 2.28 With regards to the DC assets the member' accounts are held in funds which can be realised to provide pension benefits on retirement, or earlier on transfer to another pension arrangement.

**The Trustee**

3.1 The Trustee of the Plan is responsible for:

- Reviewing the content of this Statement of Investment Principles at least every three years and for modifying it if deemed appropriate.
- Assessing their own procedures and decisions as Trustee.
- Reporting regularly to members the results of the monitoring of themselves and advisors, including, if applicable, an explanation of why the Plan has chosen to depart from The Pensions Regulator's Code of Practice 13.
- Consulting with the Principal Employer when reviewing investment policy issues.
- Reviewing the effectiveness in practice of the policies in place.
- Monitoring compliance of the investment arrangements with this Statement on an ongoing basis.
- Selecting and monitoring investment managers and the range of investment strategy options and funds available to members.

**Investment Consultant**

3.2 The investment consultant will be responsible for:

- Participating with the Trustee in reviews of this Statement of Investment Principles.
- Provision of performance reporting services.
- Advising the Trustee as requested by them on any significant changes in the investment environment that could present either opportunities or problems for the Plan.
- Undertaking project work as required including reviews of asset allocation policy.
- Advising on the selection of new funds/managers.

**Investment Manager**

3.3 The investment manager responsibilities include:

- At their discretion, but consistent with fund objectives, implementing changes in the asset mix and selecting securities within each asset class.
- Providing the Trustee with quarterly statements of the assets.
- The independent safekeeping of the assets and appropriate administration (including income collection and corporate actions).
- Acting in accordance with the statements of this policy document where relevant.

**Manager structure**

- 4.1 LGIM has been selected as the Plan's investment platform, with the majority of the funds managed by LGIM. Details of the full fund range can be found in Appendix A.
- 4.2 Aegon BlackRock, Phoenix CIS funds and a legacy Intermec Lifestyle strategy exist but are closed to new contributions.
- 4.3 The Trustee's policy is to obtain ongoing advice on whether these funds continue to be satisfactory as required by the Pensions Act and that LGIM continues to be an appropriate investment manager for the Plan.

**Alignment with Investment Managers**

- 4.4 Alignment between an investment manager's management of the Plan's assets and the Trustee's policies and objectives is a fundamental part of the appointment process of a new investment manager, the following policies in this statement are aimed to incentivise this alignment, including the Plan's default arrangements. As the Plan invests primarily in pooled investment funds, the Trustee cannot directly influence or incentivise investment managers to align their management of the funds with the Trustee's own policies and objectives. However, the Trustee will seek to ensure that the investment objectives and guidelines of any investment fund used are consistent with its own policies and objectives as set out in this Statement of Investment Principles (and as relevant to the investment fund in question), in particular those required under regulation 2(3)(b) of the Occupational Pension Scheme (Investment) Regulations (2005). The Trustee will also seek to understand the investment manager's approach to sustainable investment (including engagement).
- 4.5 The Trustee is responsible for monitoring the investment funds and managers. As part of this, the Trustee will provide investment managers with the most recent version of this Statement of Investment Principles (SIP) on a regular basis to ensure managers are aware of the Trustee's expectations regarding how the Plan's assets are being managed. In addition, the Trustee meets with the Plan's investment managers from time to time to ensure alignment between the manager and Trustee.
- 4.6 Should the Trustee's monitoring processes reveal that an investment fund's objectives and guidelines, or an investment manager's approach to sustainable investment, do not appear to be sufficiently aligned with the Trustee's policies, the Trustee will engage with the investment manager to ascertain the reasons for this and whether closer alignment can be achieved. If this is not possible the Trustee may consider alternative options available in order to terminate and replace the manager.
- 4.7 The Trustee appoints its investment managers with an expectation of a long-term partnership, which encourages active ownership of the Plan's assets. For most of the Plan's investments, the Trustee expects the investment managers to invest with a medium to long time horizon, and to use their engagement activity to drive improved performance over these periods.

- 4.8 When assessing an investment manager's performance, the focus is on longer-term outcomes in line with the policies outlined in this statement, and the Trustee would not expect to terminate an investment manager's appointment based purely on short term performance. However, an investment manager's appointment could be terminated within a shorter timeframe due to other factors such as a significant change in business structure or the investment team.
- 4.9 Investment managers are paid a fee expressed as a percentage of assets managed, in line with normal market practice, for a given scope of services which includes consideration of long-term factors and engagement.
- 4.10 The Trustee reviews the costs incurred in managing the Plan's assets on a regular basis, which includes the costs associated with portfolio turnover. In assessing the appropriateness of the portfolio turnover costs at an individual investment manager level, the Trustee will have regard to the actual portfolio turnover and how this compares with the expected turnover range for that type of fund.

5.1 The Trustee recognises a number of risks involved in the investment of the assets of the Plan including:

- *Investment Manager risk*
  - is measured by the expected deviation of the prospective return, as set out in the managers' objectives, relative to the investment policy.
  - is managed through the Trustee's ongoing monitoring of the managers' actual deviation of returns relative to the individual managers' index tracking objectives.
- *Capital risk*
  - the risk of a fall in value of the members' fund.
  - is managed by the built-in gradual de-risking of members investments in the Plan lifestyles.
- *Inflation risk*
  - the risk that the value of a member's account fails to provide an adequate amount of benefit.
  - is managed by making available suitable funds which are expected to provide a return in excess of inflation.
- *Pension conversion risk*
  - the risk that the value of a member's account in the years prior to retirement does not match their retirement objectives, exposing members to inefficient or uncertain outcomes.
  - The Trustee has made available a Drawdown Lifestyle for the purpose of managing this risk for those members who intend to remain invested in a drawdown policy throughout retirement.
  - the Trustee has made available an index-linked bond fund, a pre-retirement fund, and lifestyle arrangements for the purpose of managing this risk for those members who will purchase an annuity at retirement.
  - the Trustee has made available a Cash Lifestyle and cash fund for the purpose of managing this risk for those members who intend to take a lump sum at retirement.
- *Opportunity cost risk*
  - the risk that members fail to invest in a suitably aggressive manner and thereby are left with a lower level of pension benefit than they might otherwise have achieved and one that is lower than many of their peers.
  - is managed by making available lifestyle options, which are designed to address this issue of spending investment risk in an appropriately aggressive manner over the course of a 'typical' member's working lifetime.

- *Currency risk*
  - is measured by observing the difference between hedged and unhedged returns.
  - the Trustee manages this by hedging a proportion of the Diversified fund to Sterling and consequently investments held by members in the lifestyles within 20 years to retirement.
- *Liquidity risk:*
  - is measured by the amount of a pooled fund investment that can be redeemed by members over a specified period.
  - is managed by typically offering members pooled funds that are readily redeemable in normal circumstances at reasonable prices.
- *Political risk:*
  - is measured by the level of concentration of any one market leading to the risk of an adverse influence on investment values arising from political intervention.
  - is managed by the Plan's investment consultant through regular reviews of the actual investments relative to policy and through regular assessment of the levels of diversification within the existing policy.
- *Diversification risk:*
  - is measured by observing the relative and absolute volatility of the investment options.
  - is managed through the selection of broad based funds that show internal diversification, as well as by offering the membership a range of funds across several asset classes and a diversified fund offering broad diversification.

5.2 The Trustee undertakes to monitor these risks on a regular basis



# Current investment management arrangements

## Defined Contribution sections

### Investment structure

The Trustee has selected a range of funds made available through the LGIM investment only platform for investment of contributions. All funds are managed by LGIM unless stated otherwise.

Fund	Fund composition	Annual Management Charge (%)	Benchmark
UK Equity Fund	UK Equities	0.050	FTSE All-Share Index
Global Growth Fund	60% Global Equities, 40% Diversified Fund	0.1380	18% FTSE-All Share Index, 42% FTSE AW All-World (ex-UK) Index (GBP Hedged Basis excluding Emerging Markets element), 40% SONIA + 3.5% pa
All World Equity Fund*	100% Global Equities	0.100	FTSE All-World Index
Global Equity 30:70 Fund	30% UK Equities, 70% Overseas Equities	0.110	30% FTSE-All Share Index, 70% FTSE AW All-World (ex-UK) Index (GBP Hedged Basis excluding Emerging Markets element)
World ex UK Equity Fund	Overseas Equities	0.100	FTSE AW – All World (ex UK) Index (GBP Hedged Basis)
Emerging Markets Fund	Overseas Equities	0.250	FTSE AW – All Emerging Index
Diversified Growth Fund*	Equities, bonds and alternative assets	0.180	SONIA + 3.5% pa
Corporate Bond Fund	UK Corporate Bonds	0.080	Markit iBoxx GBP Non-Gilts (All Stocks)
Future World Annuity Aware Fund	UK Corporate and Government Bonds	0.080	Bespoke composite of gilts and corporate bond funds
Over 5 Year Index-Linked Gilts Fund	Index-Linked Government Bonds	0.050	FTSE A Index-Linked (Over 5 Year) Index
Property Fund	Property	0.500	Composite Index



HSBC Global Islamic Equity Fund	Global Equities	0.350	Dow Jones Islamic Market Global Titans 100 Index
Global Ethical Fund	UK & Overseas Equities	0.300	FTSE AW – 4 Good Index
Cash Fund*	Cash	0.07	SONIA 7 Day GBP

\*Constituents of the default Lifestyle.

The Property Fund aims to provide diversified exposure to the UK Property market and Global Real Estate Equity market through investment in two sub funds. The first sub fund (70% component of overall fund) is an actively managed UK Property Fund, investing in freehold and leasehold commercial properties. Up to 15 % of the Fund may be invested in indirect property vehicles. The remaining 30% of the overall fund is invested in the Global Real Estate Index Fund, which aims to provide global, diversified exposure to listed real estate equity markets around the world by tracking the FTSE EPRA/NAREIT Global Real Estate Index Total Return Index (net).

The matrices for the **Annuity Lifestyle**, **Drawdown Lifestyle**, **Cash Lifestyle**, **Intermec Lifestyle** and **Adventurous Lifestyle** are set out below:

#### **Annuity Lifestyle**

Period to SRA	Approximate % Invested in Global Equity Fund	Approximate % Invested in Diversified Fund	Approximate % Invested in Future World Annuity Aware Fund	Approximate % Invested in Cash Fund
20+	100.0%	0.0%	0.0%	0.0%
19	90.0%	10.0%	0.0%	0.0%
18	80.0%	20.0%	0.0%	0.0%
17	70.0%	30.0%	0.0%	0.0%
16	60.0%	40.0%	0.0%	0.0%
15	50.0%	50.0%	0.0%	0.0%
14	40.0%	60.0%	0.0%	0.0%
13	30.0%	70.0%	0.0%	0.0%
12	20.0%	80.0%	0.0%	0.0%
11	10.0%	90.0%	0.0%	0.0%
10	0.0%	100.0%	0.0%	0.0%
9	0.0%	92.5%	5.0%	2.5%
8	0.0%	85.0%	10.0%	5.0%
7	0.0%	77.5%	15.0%	7.5%
6	0.0%	70.0%	20.0%	10.0%
5	0.0%	62.5%	25.0%	12.5%
4	0.0%	55.0%	30.0%	15.0%

3	0.0%	52.2%	35.0%	17.5%
2	0.0%	40.0%	40.0%	20.0%
1	0.0%	32.5%	45.0%	22.5%
0	0.0%	25.0%	50.0%	25.0%

### Drawdown Lifestyle

Period to SRA	Approximate % Invested in Global Equity Fund	Approximate % Invested in the Diversified Growth Fund	Approximate % Invested in Cash Fund
20+	100.0%	0.0%	0.0%
19	90.0%	10.0%	0.0%
18	80.0%	20.0%	0.0%
17	70.0%	30.0%	0.0%
16	60.0%	40.0%	0.0%
15	50.0%	50.0%	0.0%
14	40.0%	60.0%	0.0%
13	30.0%	70.0%	0.0%
12	20.0%	80.0%	0.0%
11	10.0%	90.0%	0.0%
10	0.0%	100.0%	0.0%
9	0.0%	97.5%	2.5%
8	0.0%	95.0%	5.0%
7	0.0%	92.5%	7.5%
6	0.0%	90.0%	10.0%
5	0.0%	87.5%	12.5%
4	0.0%	85.0%	15.0%
3	0.0%	82.5%	17.5%
2	0.0%	80.0%	20.0%
1	0.0%	77.5%	22.5%
0	0.0%	75.0%	25.0%

### Cash Lifestyle

Period to SRA	Approximate % Invested in Global Equity Fund	Approximate % Invested in the Diversified Growth Fund	Approximate % Invested in Cash Fund
20+	100.0%	0.0%	0.0%

19	90.0%	10.0%	0.0%
18	80.0%	20.0%	0.0%
17	70.0%	30.0%	0.0%
16	60.0%	40.0%	0.0%
15	50.0%	50.0%	0.0%
14	40.0%	60.0%	0.0%
13	30.0%	70.0%	0.0%
12	20.0%	80.0%	0.0%
11	10.0%	90.0%	0.0%
10	0.0%	100.0%	0.0%
9	0.0%	93.0%	7.0%
8	0.0%	86.0%	14.0%
7	0.0%	79.0%	21.0%
6	0.0%	72.0%	28.0%
5	0.0%	65.0%	35.0%
4	0.0%	58.0%	42.0%
3	0.0%	51.0%	49.0%
2	0.0%	44.0%	56.0%
1	0.0%	37.0%	63.0%
0	0.0%	30.0%	70.0%

### Intermec Lifestyle

<b>Period to SRA</b>	<b>Approximate % Invested in Aegon BlackRock (70:30) Global Equity</b>	<b>Approximate % Invested in Aegon BlackRock Over 15 Years UK Gilt Index Fund</b>	<b>Approximate % Invested in Aegon BlackRock Cash Fund</b>
10+	100.0%	0.0%	0.0%
9	90.0%	10.0%	0.0%
8	80.0%	20.0%	0.0%
7	70.0%	30.0%	0.0%
6	60.0%	40.0%	0.0%
5	50.0%	50.0%	0.0%
4	40.0%	60.0%	0.0%
3	30.0%	70.0%	0.0%
2	20.0%	71.7%	8.3%
1	10.0%	73.3%	16.7%
0	0.0%	75.0%	25.0%

**Adventurous Lifestyle**

<b>Period to SRA</b>	<b>Approximate % Invested in Aegon BlackRock (70:30) Global Equity</b>	<b>Approximate % Invested in Aegon BlackRock Over 15 Years UK Gilt Index Fund</b>	<b>Approximate % Invested in Aegon BlackRock Cash Fund</b>
10+	100.0%	0.00%	0.00%
9	90.0%	7.50%	2.50%
8	80.0%	15.00%	5.00%
7	70.0%	22.50%	7.50%
6	60.0%	30.00%	10.00%
5	50.0%	37.50%	12.50%
4	40.0%	45.00%	15.00%
3	30.0%	52.50%	17.50%
2	20.0%	60.00%	20.00%
1	10.0%	67.50%	22.50%
0	0.0%	75.00%	25.00%