DCP Lifestyle Fund (2019)

Below average | **Single fund solution** | **Lifestyle**

Our risk rating

Below average risk funds will generally see some change in day-to-day value, both positive and negative, and these changes will typically be larger than those of a cash deposit. They may hold a broad range of investment types, including equities (shares), but a significant proportion may also be invested in investments that aim to provide a reliable source of income (like government and corporate bonds) and, with that, greater stability than would typically be available from equities. They try to provide better long-term growth prospects than a cash deposit, but are lower risk than funds investing largely in equities.

Fund objective

This factsheet is for lifestyle members who are planning to retire in 2019. This fund has a two stage investment approach aimed at investors who want to protect their savings from undue volatility as they approach retirement and prefer not to manage this process themselves.

In the first stage, the Accumulation Stage, your contributions are invested in the DCP Global Equities fund which invests in a mix of equities (shares) from around the world with the aim of growing your savings.

The second stage, the De-risking Stage, starts when you're 10 years from retirement and aims to reduce the risk your savings are exposed to. At this point, we move your existing savings and future contributions into the Target Dated lifestyle fund for your retirement year. This fund gradually and progressively moves your investment from equities into lower risk investments such as bonds and cash. This process happens automatically.

Fund information

Benchmark	No Benchmark
Fund provider	AEGON
Fund launch date	23/03/2010
ABI sector	Unclassified (Pen)
Aegon fund size (£million)*	£0.4m
Fund type	Pension
Total charge**	0.21%

*The fund size is the total sum of assets held within the fund.**This is the total charge deducted from your plan. We reserve the right to change it.

About fund performance

You should always look at performance over periods of at least five years and in relation to the fund's objective. Even if a fund has risen in value, this doesn't mean it's meeting its objectives, especially if it's aiming to outperform a particular benchmark or meet a risk target. The same applies if it's gone down.

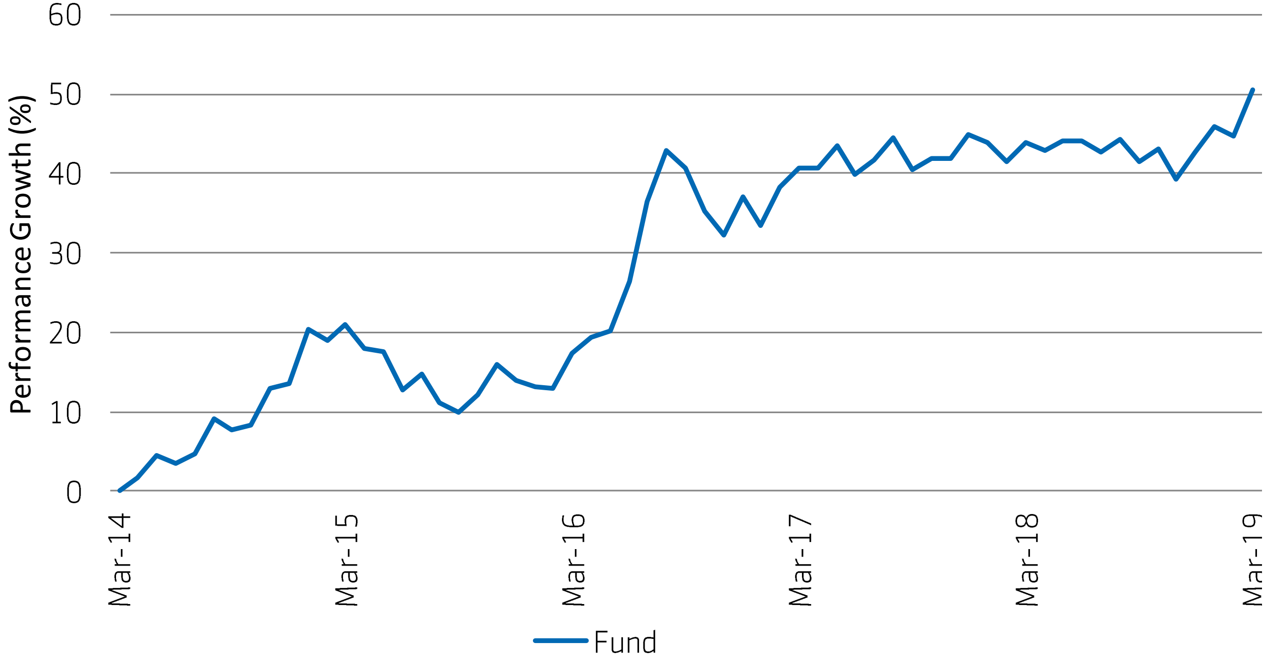
All performance in this factsheet is to 31 March 2019 unless otherwise stated. Fund performance is shown net of the total charge shown in the fund information section on the first page. Where the fund is less than five years old, performance is shown since launch.

Please remember that past performance is no guide to future performance and the value of this investment can go down as well as up.

Fund performance

The following charts and tables show the fund's performance against its benchmark (if there is one) over various time periods.

Five years to 31 March 2019



Performance in detail

	Periods ended 31/03/2019*				Growth (%) over 12-month periods shown below*				
	1Y (%)	3Y (%)	5Y (%)	10Y (%)	Mar 2018 to Mar 2019	Mar 2017 to Mar 2018	Mar 2016 to Mar 2017	Mar 2015 to Mar 2016	Mar 2014 to Mar 2015
DCP Lifestyle Fund (2019)	4.5	8.4	8.3	-	4.5	2.0	19.7	-3.2	20.7

*Source: Aegon. Figures in £s, net of charges, with gross income reinvested. Performance for periods of greater than one year is annualised (% per year).FE for benchmark performance figures.

The growth stage

In the early years, when you're still a long way from retirement, this fund concentrates on growing your savings. Growth depends on lots of things, including markets, what you're invested in, how much you invest and inflation. Generally speaking, the riskier the fund, the higher the potential returns over the long term, but the greater the chance of losses, especially in the short term.

Approaching retirement

The closer you get to retirement, the greater care you need to take of your savings. This is because, if markets crash, you may not have time to recover your losses. To try to reduce this risk, ten years before you're due to retire, we automatically switch your investment into assets that aim to preserve the size of pension you can buy at retirement.

In the final three years we'll also move part of your investment into cash, to cater for your maximum free cash entitlement, currently 25% of your pension fund.

On your selected retirement date (SRD), you'll be 50% invested in UK corporate bonds, 25% in UK government bonds (gilts) and 25% in cash.

How your fund changes as you near retirement

	Years to retirement											
Investments	**10+**	**10**	**9**	**8**	**7**	**6**	**5**	**4**	**3**	**2**	**1**	**0**
Global Equities	100.0%	98.2%	88.1%	77.9%	67.8%	57.7%	47.7%	37.7%	27.8%	18.0%	8.2%	
Corp Bonds		1.8%	11.9%	22.1%	32.2%	42.3%	52.3%	62.3%	69.7%	63.7%	54.5%	50.0%
UK Gilts									1.7%	11.9%	21.2%	24.9%
Cash									0.8%	6.5%	16.1%	25.1%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The table above shows how the fund's investment mix changes as members get closer to retirement. Throughout the year, each fund progressively changes what it invests in each month until it reaches the target mix at the start of the following year.

The blue box in the table highlights what your fund currently invests in.

Single fund solution

DCP has designed this fund for scheme members who don't want the worry of having to choose and manage their own retirement portfolio. They believe it is suitable to be an investor's only fund because it uses a two-stage investment strategy called lifestyling, which manages the changing needs of pension investors from their early working life right up to retirement. In the early years it invests in a diversified mix of global equities (company shares) with the aim of growing your pension savings. Then, 10 years before your SRD, it automatically moves into investments designed to preserve the size of pension you can buy at retirement and provide you with tax-free cash.

Where the fund invests as at 31 March 2019

Asset allocation	%
Corp bonds	50.0
Cash	25.1
UK Gilts	24.9

Top holdings	%
DCP GBP Corporate Bonds Fund	50.0
DCP Cash fund	25.1
DCP UK Gilts Fund	24.9
Assets in top holdings %	100

Below average

Risks specific to this fund

There's no guarantee this fund will meet its objectives. All our funds carry a level of risk, in particular the value of your investment may go down as well as up. You may get back less than you invested. The table below draws your attention to the key risks specific to this fund.

Risk type	Description of risk
Third party risk	In the event that the underlying investments which the fund invests in suspend trading, Aegon may defer trading and/or payment to investors. The value ultimately payable will depend on the amount Aegon receives or expects to receive from the underlying investments.
Credit risk	This fund invests in bonds or other types of debt. Bonds are essentially loans to companies, governments or local authorities so there's a risk that these companies or government bodies may default on the loan. Bonds are rated in terms of quality, usually from AAA down to B and below. AAA is the highest quality and therefore the least likely to default and B or lower the most likely to default. Where we have it we show the credit quality of the loans held by this fund in the 'Where the fund invests' section.
Currency risk	This fund invests overseas so its value will go up and down in line with changes in currency exchange rates. This could be good for the fund or bad, particularly if exchange rates are volatile.
Lifestyle strategy	Long gilts and long corporate bonds are used in lifestyle strategies because of their inverse relationship with annuity rates, not because they are ‘safe’ investments. When long bonds go down annuity rates generally go up and vice versa, meaning the size of annuity you can buy stays roughly the same whether bonds go up or down. But, this relationship isn’t perfect and can fail, for example there can be a delay between changes in long bond values and annuity rates.
Post retirement	If you don’t buy an annuity on your retirement date, you’ll remain invested 75% in long-dated bonds (government bonds only or a mix of government and corporate bonds) and 25% in cash until you tell us what you want to do. This mix isn’t designed for long-term investing and returns may not keep pace with inflation, meaning the real value of your fund may fall.