



# Changing our glidepaths

Pension Investment Approaches

# Changing our Pension Investment Approaches (PIAs) glidepaths as you get closer to retirement

For customers invested in a PIA, we invest with the aim of giving you what we believe is the best chance of growth when you're years away from your selected retirement age (SRA). We do this by investing either completely, or mostly, in company shares. As you get closer to your SRA, we gradually move your pension into lower-risk investments with less growth potential such as bonds. This is known as a 'glidepath' and aims to help protect your pension's value.

Currently, we start to move you into lower-risk investments from 15 years before your SRA. We're shortening this to 12 years, meaning your pension will be in higher-risk investments with greater growth potential for longer.

In the final five years leading up to your SRA, your pension will gradually move into a mix of investments which are intended to prepare for taking your pension in one of the three ways: flexible access, annuity or encashment.

Your PIA also currently moves a significant amount of your pension to **cash-type investments** starting when you're five years from your SRA. While cash investments can protect your pension pot's value in the short term compared to other types of investments, they typically produce lower long-term returns and might not keep up with price inflation. Unless you're targeting taking all your pension as cash at SRA, we'll be removing this build up of cash.

We're making these change to all the PIA options, whether you're targeting flexible access, annuity purchase or total encashment when you reach your SRA.



If you're in a PIA Cautious option, we'll be gradually moving the investments you're in to match those in our Balanced approach from early 2026. This means we'll be investing more of your pension in higher-risk investments which have greater growth potential throughout your journey to retirement.

See [here](#) for more information.

We'll be making these changes gradually, in three phases over a 2-year period, to avoid sudden increases in risk and to minimise the impact of any market volatility, starting in early 2026.

## Investment types

Shares

Bonds

Annuity  
purchase  
investments

Cash-type  
investments

### Shares

Shares in UK and overseas companies, often known as equities, are likely to offer greater potential for higher returns over the longer term, but with greater changes in value. This is because they are more volatile, meaning their value can rise and fall more quickly, more often. The value of company shares is dependent on several factors including how well the companies perform and how much they pay out to shareholders in dividends. Dividends are payments that can be made from a company's profits. Shares are generally higher risk and should be considered as a longer-term investment to give time to ride out rises and falls in the stock market.

### Bonds

Bonds are essentially loans to companies (known as corporate bonds), or governments (known as government bonds or gilts in the UK). They allow companies and governments to borrow money directly from the public. Investors typically receive a return or 'interest' on their loan. A fund will include many different bonds with different interest rates and terms. Bonds typically produce lower returns over a longer period than shares, but they're generally less volatile - in other words, they're more predictable.

### Annuity purchase investments

These are predominantly bonds with a focus on providing a return consistent with the variations in annuity rates. The aim is to reduce risk when converting pension savings into an annuity.

### Cash-type investments

Cash-type investments are not the same thing as money held in your bank account, but they have similar characteristics, such as a fixed rate of interest, quick access and a low risk of capital loss. They include short-term loans to government and deposits. Cash funds are considered better at helping to protect the value of your investments in the short term compared to other types of investments. However, cash typically provides lower rates of return in the long term, might not keep up with price inflation and there is still a risk that cash investments can go down in value from time to time.

Higher-risk investments  
with most  
growth potential

Shares

Bonds

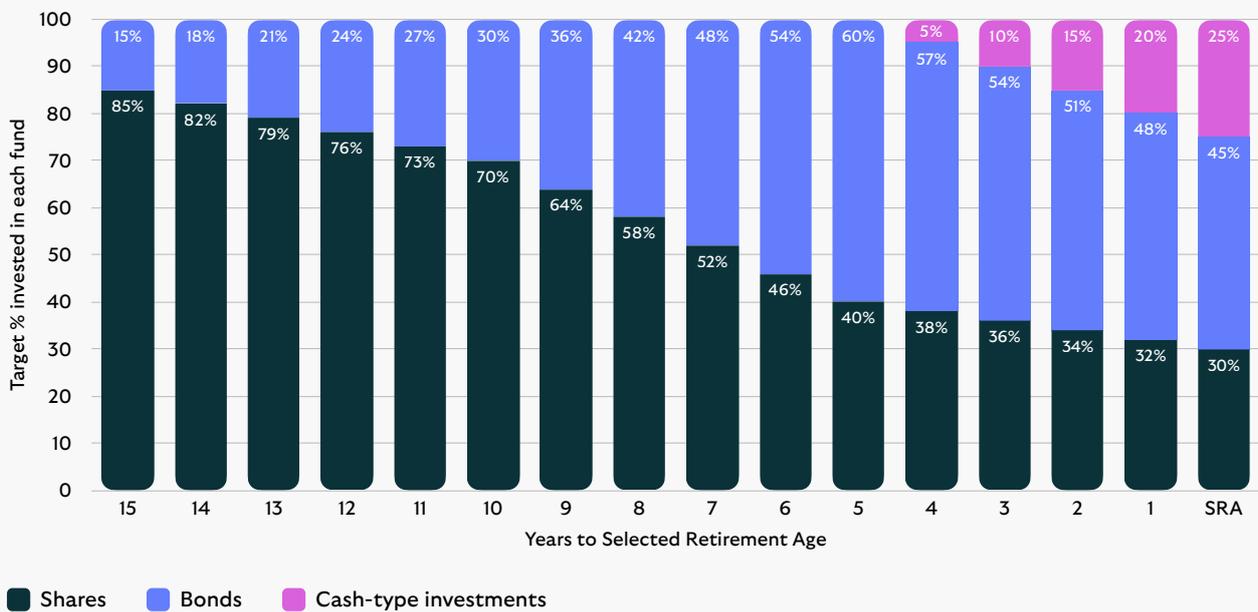
Annuity

Cash

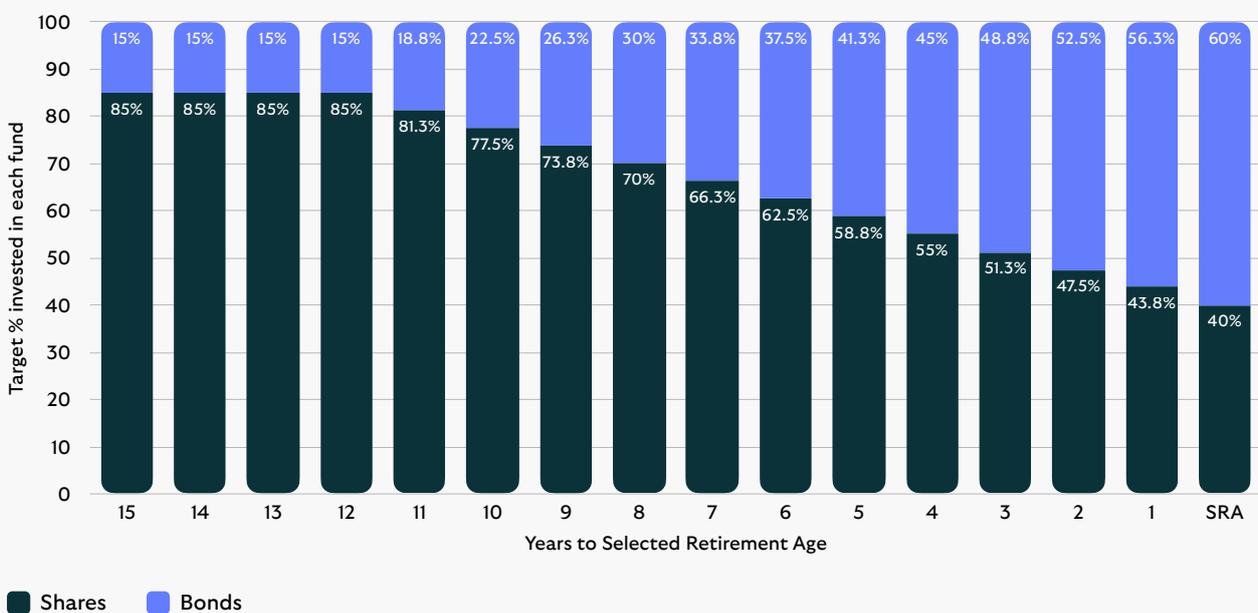
Lower-risk investments  
with least  
growth potential

# PIA Balanced targeting flexible access

## Before the changes



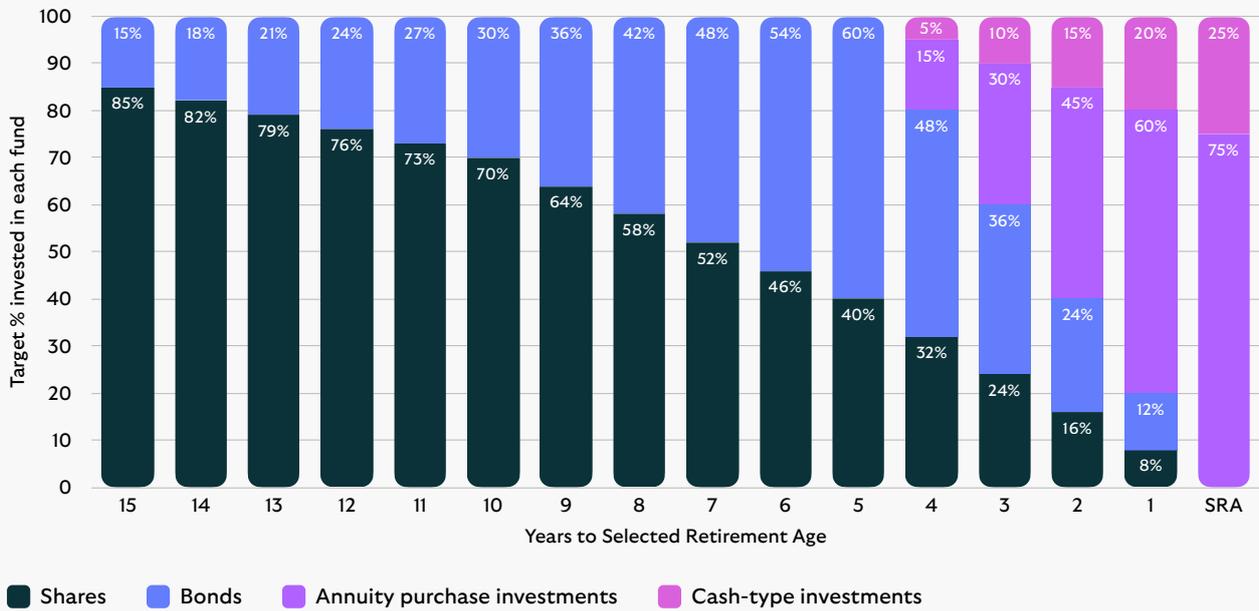
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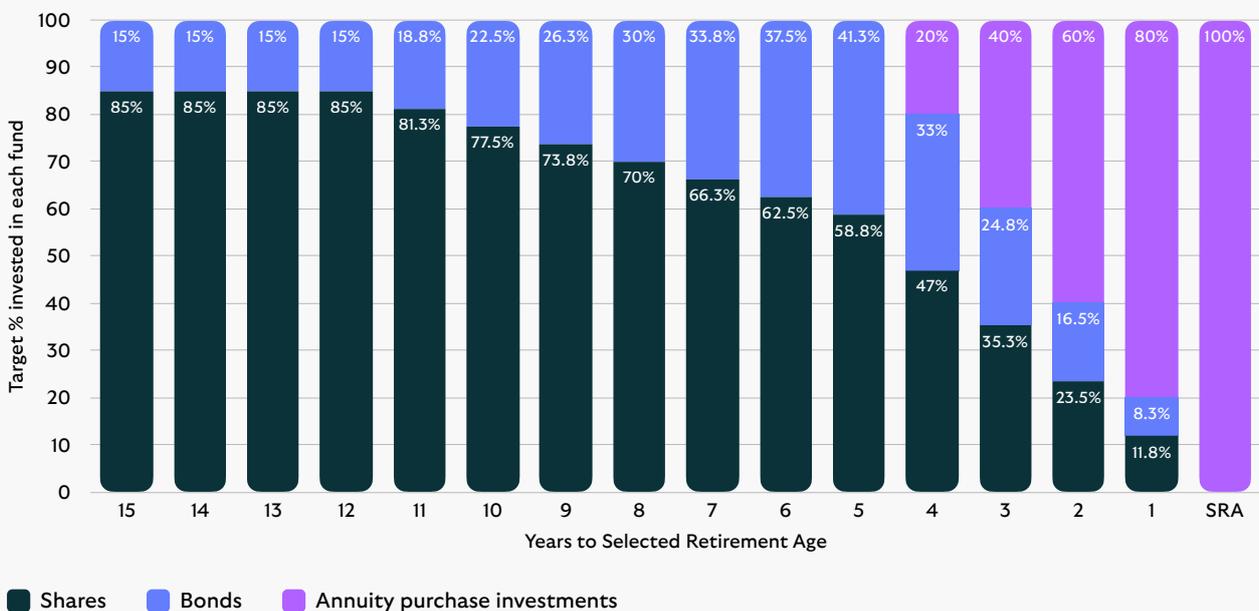
Figures may not total 100% due to the effect of rounding.

# PIA Balanced targeting annuity

## Before the changes



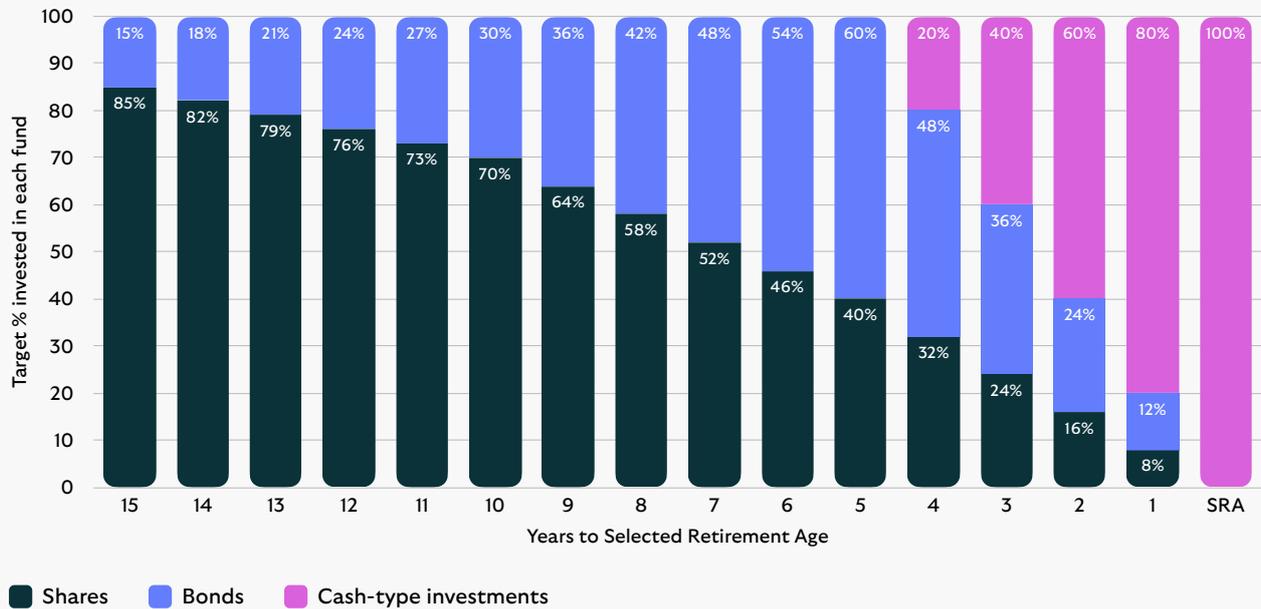
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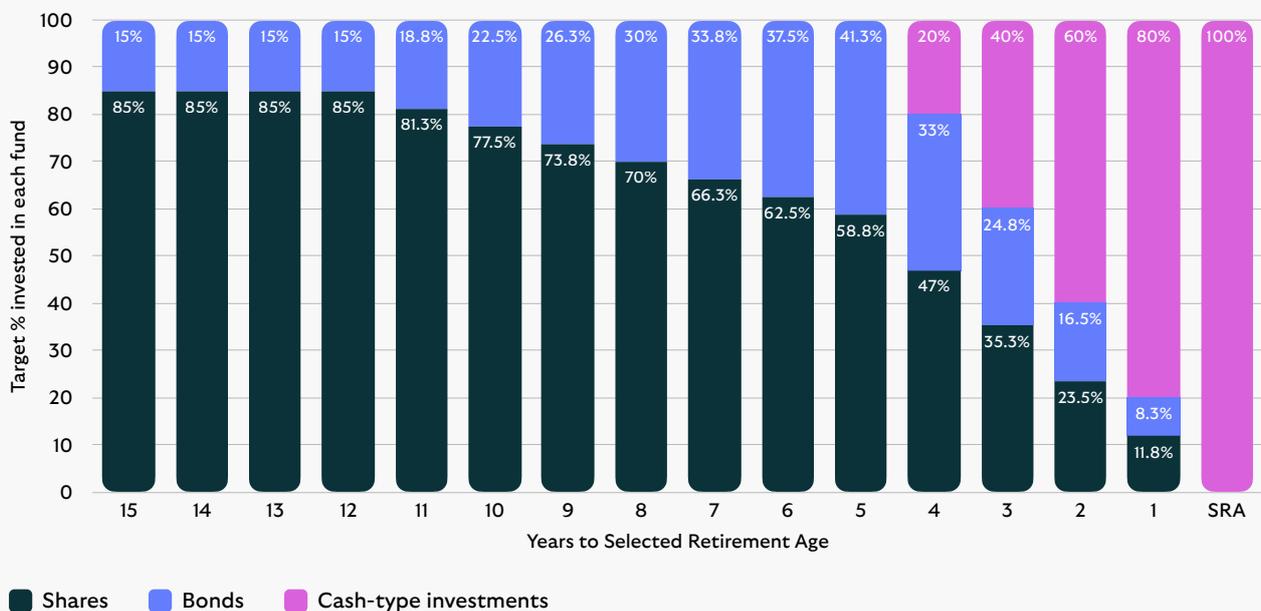
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# PIA Balanced targeting encashment

## Before the changes



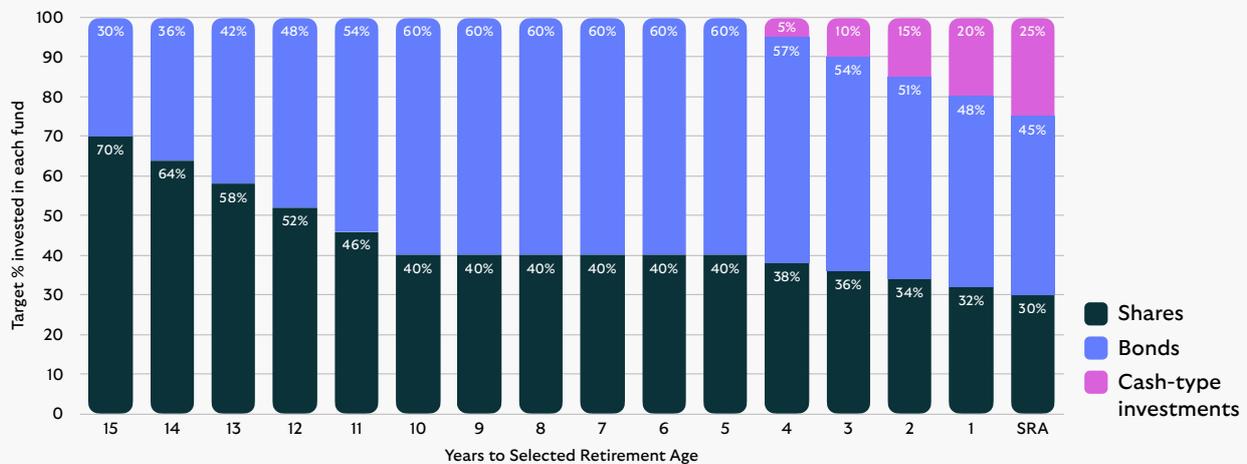
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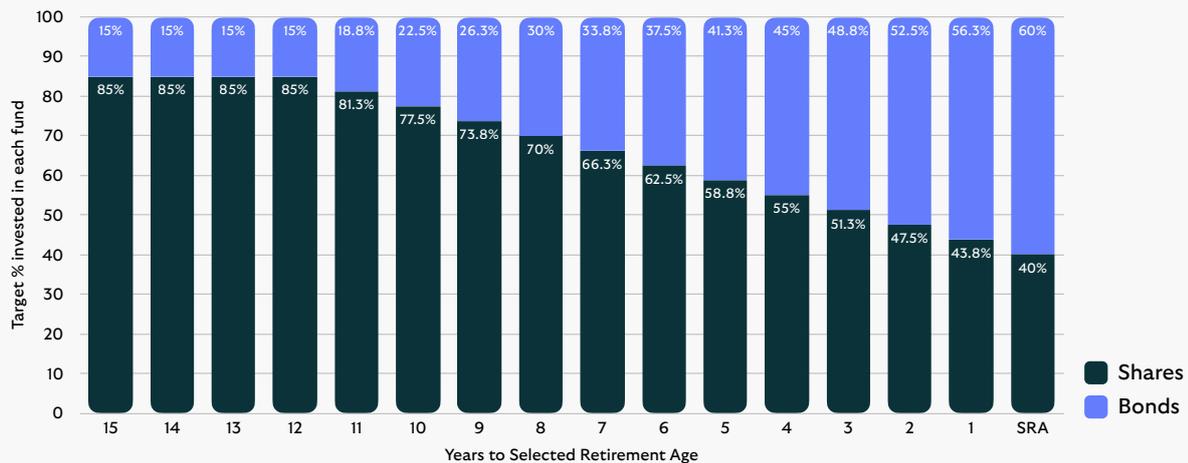
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# PIA Cautious targeting flexible access

## Before the changes



## After the changes



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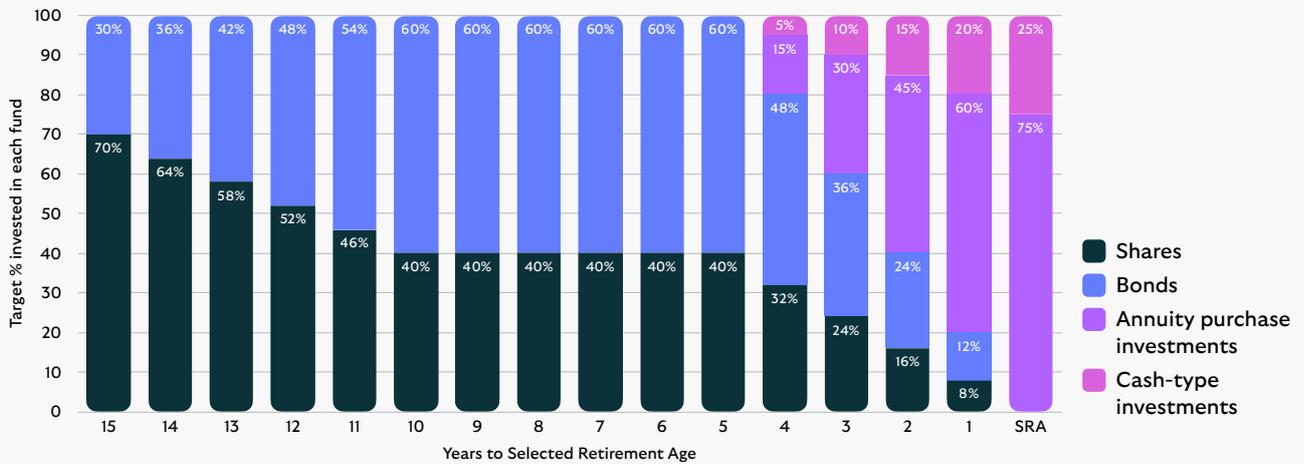


If you're in a PIA Cautious option, we'll be gradually moving the investments you're in to match those in our Balanced approach from early 2026. This means we'll be investing more of your pension in higher-risk investments which have greater growth potential throughout your journey to retirement

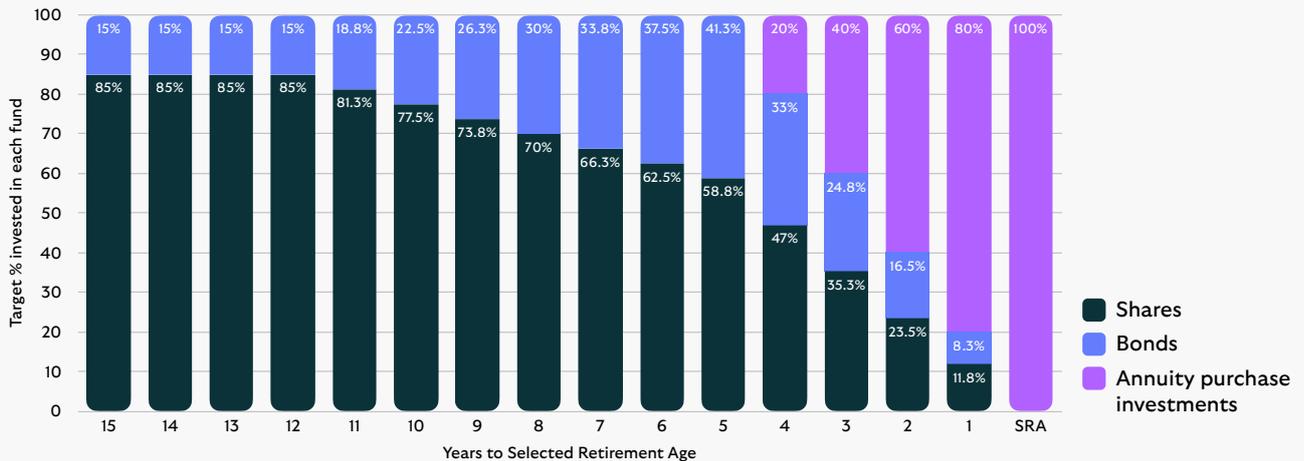
See [here](#) for illustrations of the changes to selected retirement age.

# PIA Cautious targeting annuity

## Before the changes



## After the changes



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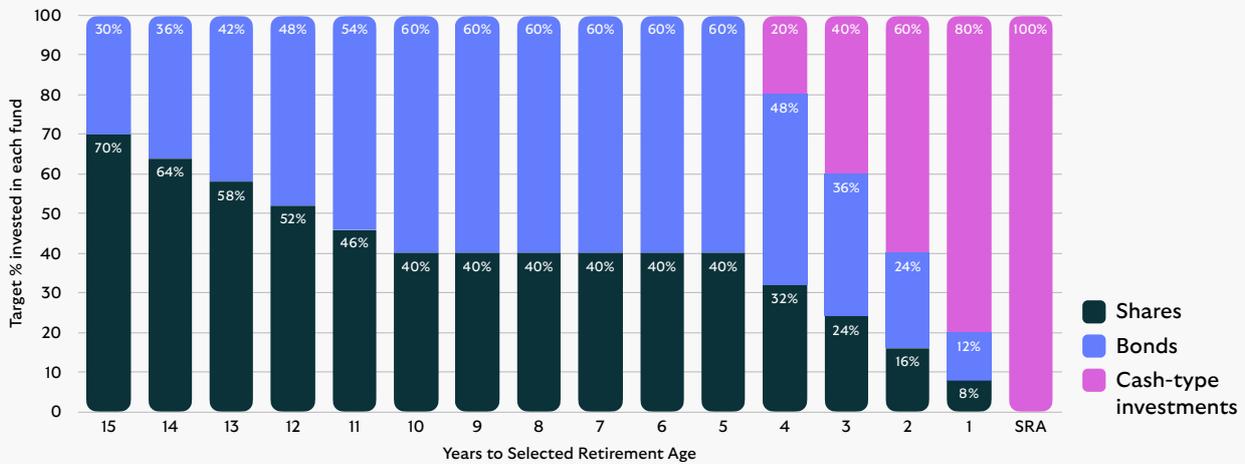


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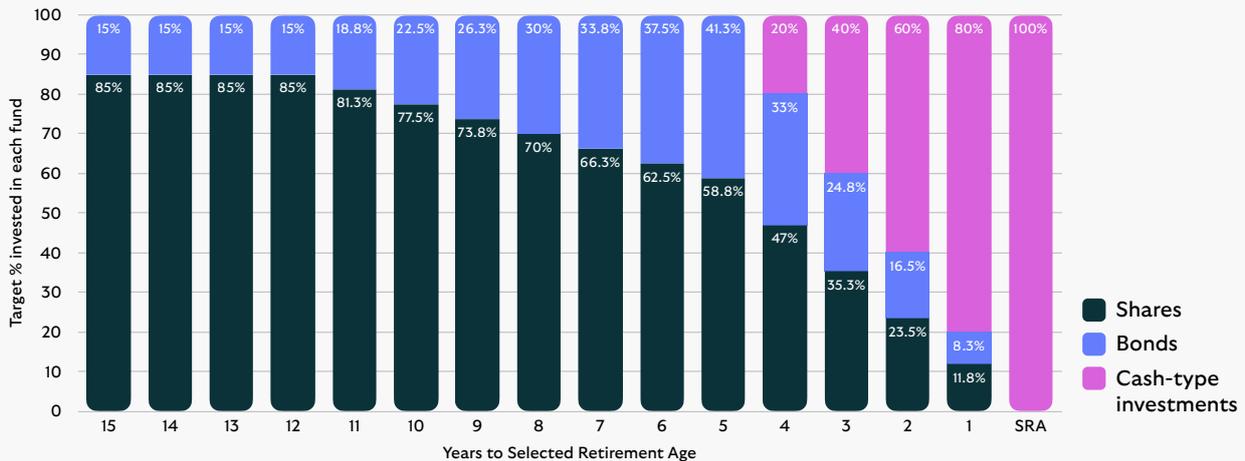
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# PIA Cautious targeting encashment

## Before the changes



## After the changes



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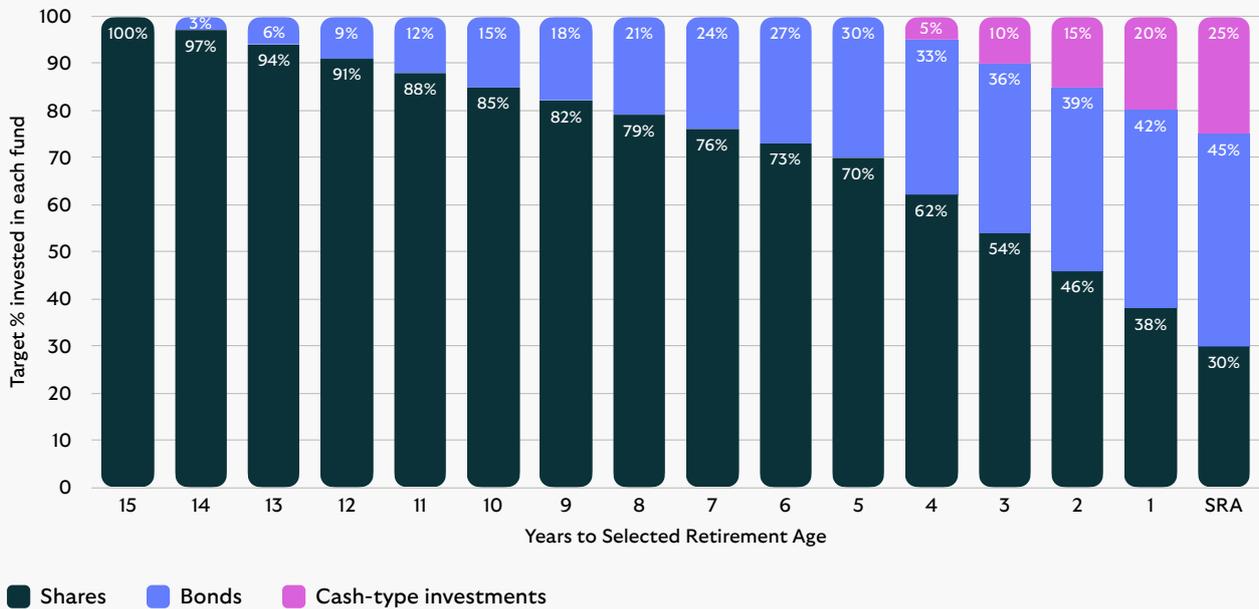


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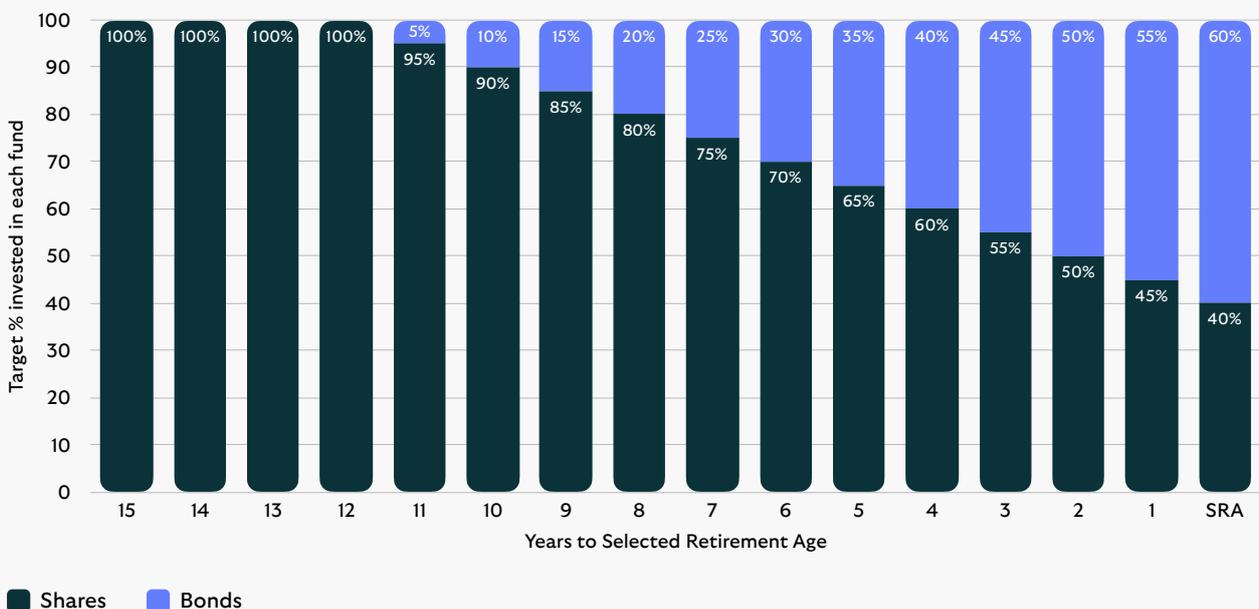
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# PIA Adventurous targeting flexible access

## Before the changes

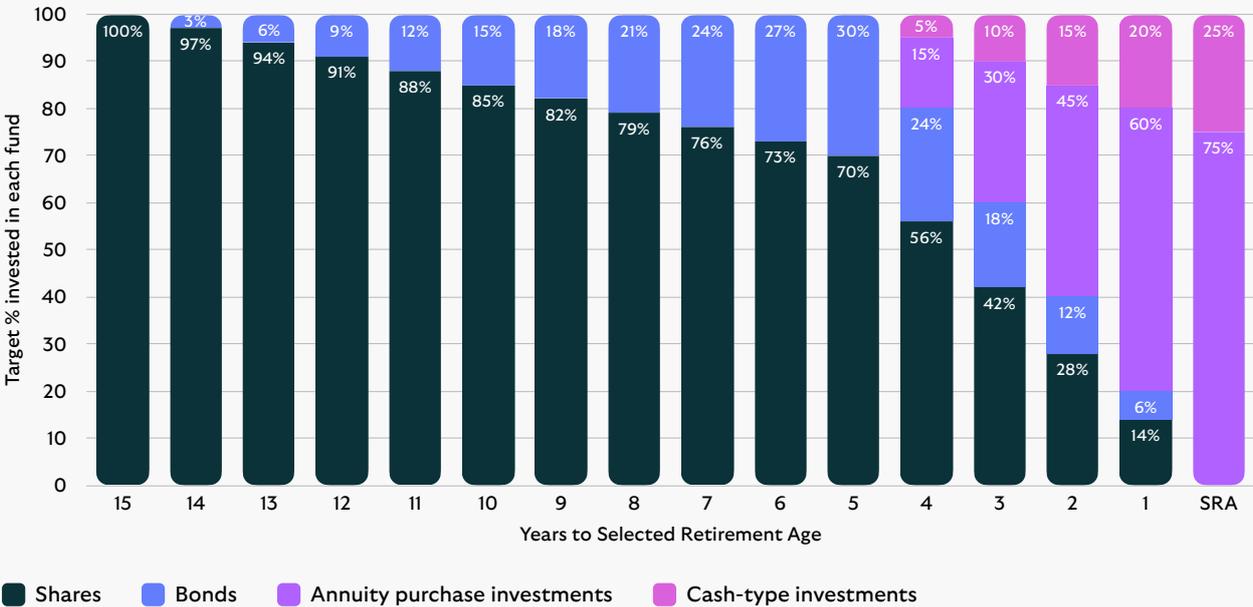


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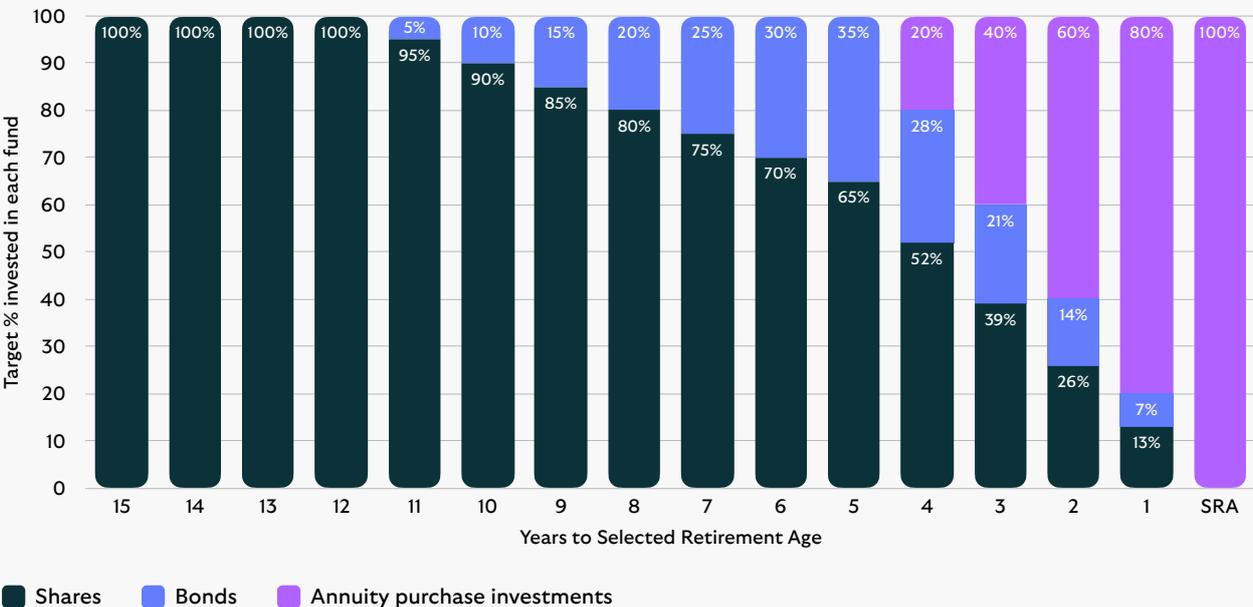


# PIA Adventurous targeting annuity

## Before the changes

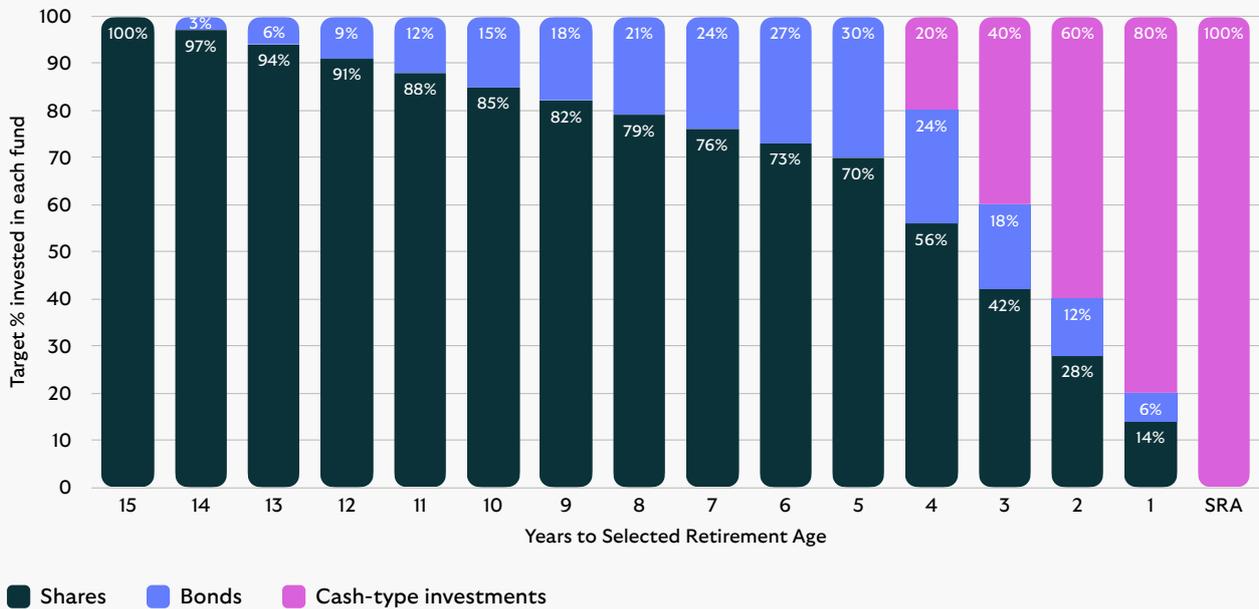


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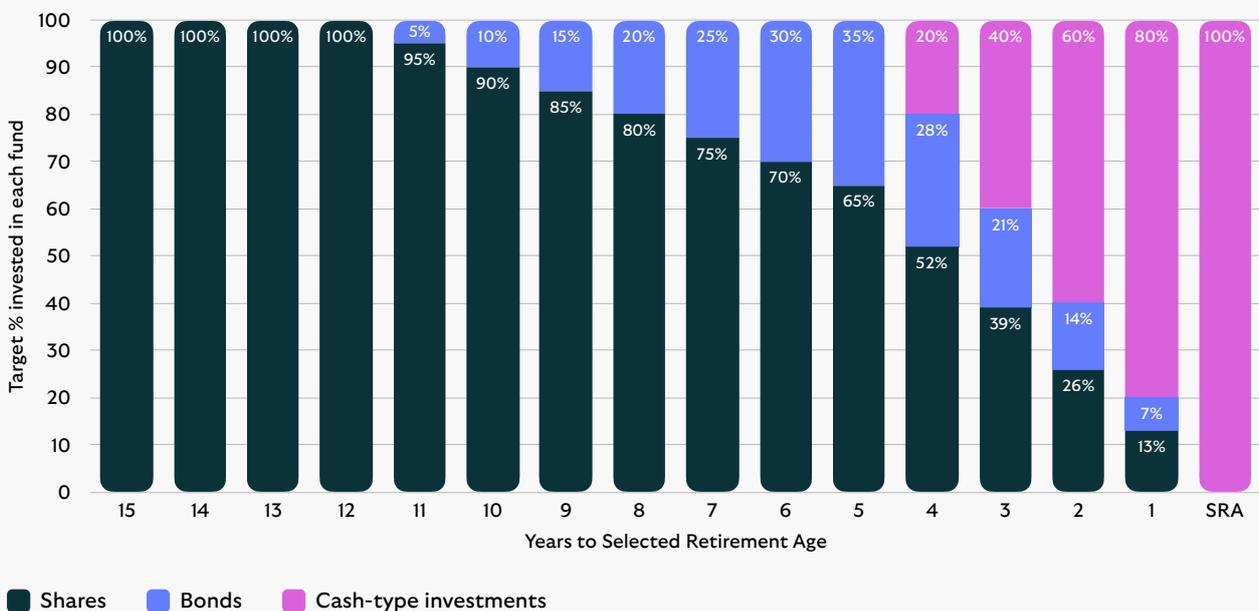


# PIA Adventurous targeting encashment

## Before the changes



## After the changes





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