

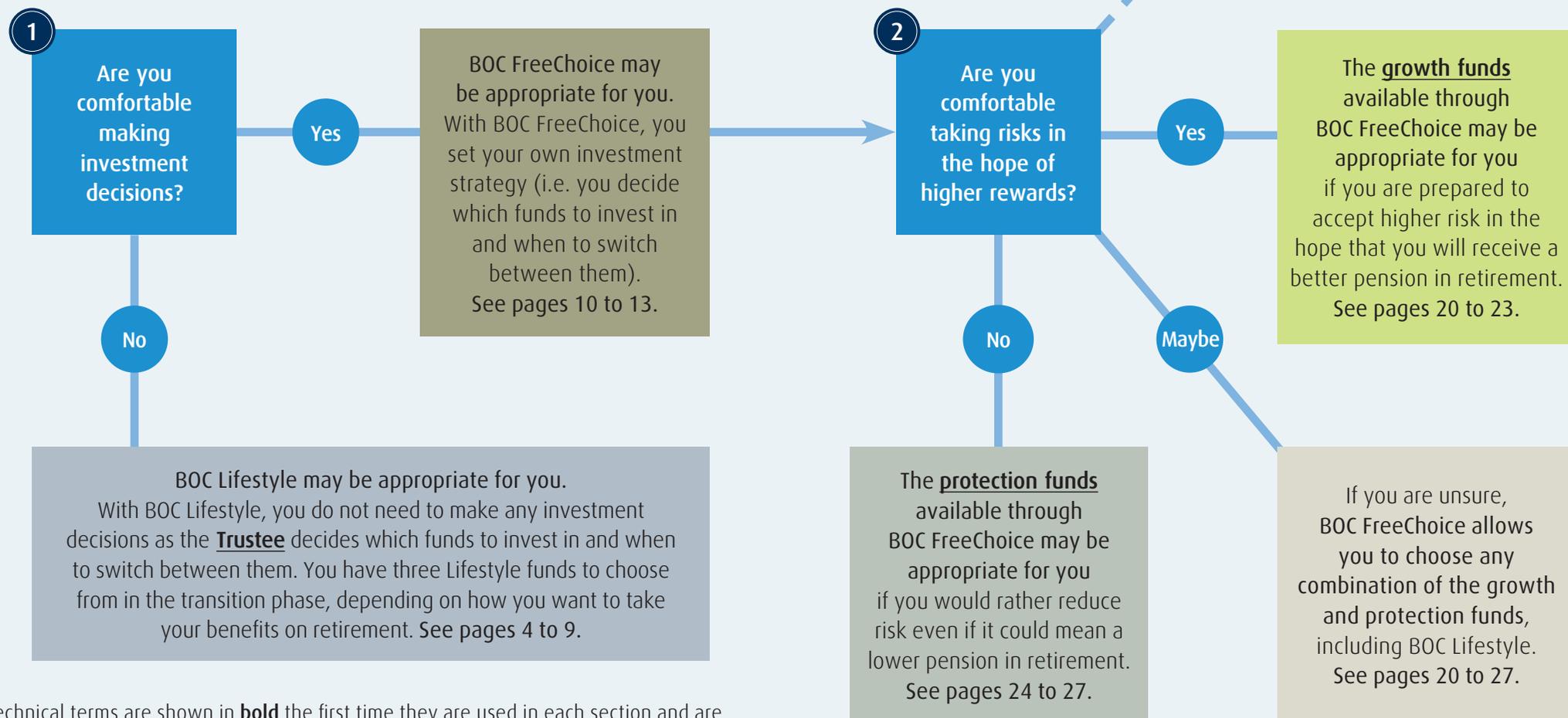
BOC Retirement Savings Plan

Your guide to AVC investments



How should I invest my Additional Voluntary Contributions (AVCs)?

This guide will help you to make important decisions about your AVCs. These decisions will directly affect the amount of pension you will receive in retirement.



Technical terms are shown in **bold** the first time they are used in each section and are described within the Jargon buster on page 30.

BOC Lifestyle – an overview

With BOC Lifestyle, the **Trustee** decides which funds to invest in and when to switch between them. You do not need to do anything to prompt these switches.

The fund selection is determined by the number of years you are from retirement:

- If you are a long way from retirement, your savings will be invested in **growth funds** – this is the growth phase.
- As you approach retirement, your savings will be gradually switched into **protection funds** – this is the transition phase.

You should consider when you are likely to retire:

- Please remember to notify BOC Pension Services if your selected retirement age changes, so that your transition phase begins at the most appropriate time.

There is only one Lifestyle fund in the growth phase – but there are three different Lifestyle funds to choose from in the transition phase:

- BOC Annuity Lifestyle – for those who plan to take a tax-free cash lump sum of 25% on retirement, and use the rest to buy an Annuity (a regular income). This is the default option.
- BOC Cash Lifestyle – for those who plan to take their whole Account as a cash lump sum on retirement (the first 25% is tax-free).
- BOC Income Drawdown Lifestyle – for those who plan to take a tax-free cash lump sum of 25% on retirement, and transfer the rest to an **Income Drawdown** arrangement – this allows you to take a variable income to meet your needs.

Choosing a Lifestyle fund in the transition phase:

- You will be asked to select a Lifestyle fund eight years before your selected retirement age – if you don't make a decision, your funds will be invested in BOC Annuity Lifestyle.

BOC Lifestyle – in detail

With BOC Lifestyle, you do not need to make any investment decisions. The Trustee decides which funds to invest in and when to switch between them depending on your selected retirement age.



Up until eight years from your selected retirement age...

...your AVCs are invested in growth funds because you are better placed to:

- take advantage of long-term growth; and
- ride out any short-term falls in the value of your investments.

Over the last eight years before your selected retirement age...

...your AVCs move funds to suit your chosen retirement option:

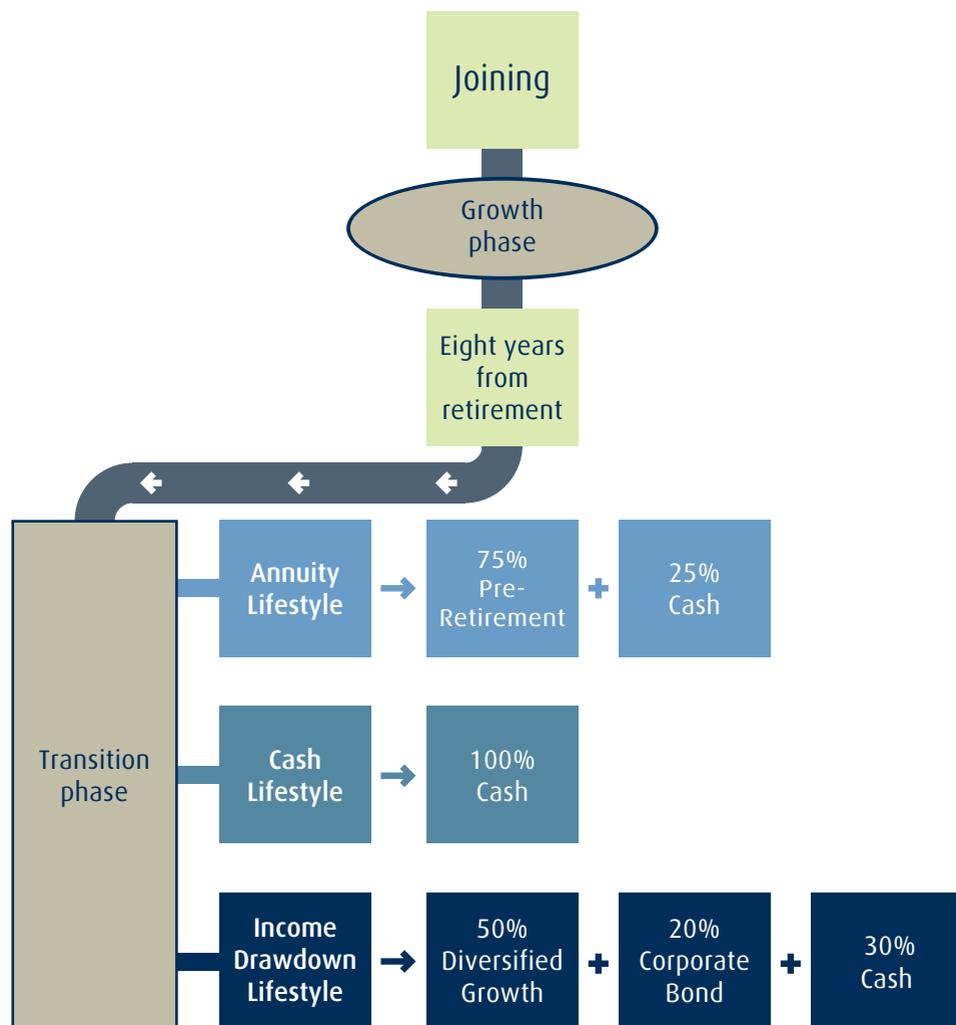
- In BOC Annuity Lifestyle, protection funds try to protect against changes in the cost of buying an Annuity.
- In BOC Cash Lifestyle, protection funds move into the Cash Fund to secure the value of your AVCs.
- In BOC Income Drawdown Lifestyle, part of your AVCs move into protection funds, while some remain invested in growth funds to maintain the potential to achieve investment returns.



Please see page 15 for information about the BOC Growth phase.

Your options in BOC Lifestyle

There is only one Lifestyle fund in the growth phase. Eight years before your retirement, you choose from three Lifestyle funds in the transition phase.



Which option is right for me?

It's important to choose the right option to suit your circumstances, so that you make the most of your benefits. Remember that you can also combine the different options if you wish. Here are a few factors to consider:

	Cash	Income Drawdown	Annuity
Flexible	✓	✓	
Regular income			✓
Good for smaller funds	✓		
Good for bigger funds		✓	✓
Pension for your spouse			✓
Good if you have other sources of income	✓		
Funds can remain invested (outside RS Plan)		✓	

BOC FreeChoice – an overview

You decide which funds to invest in and when to switch between them:

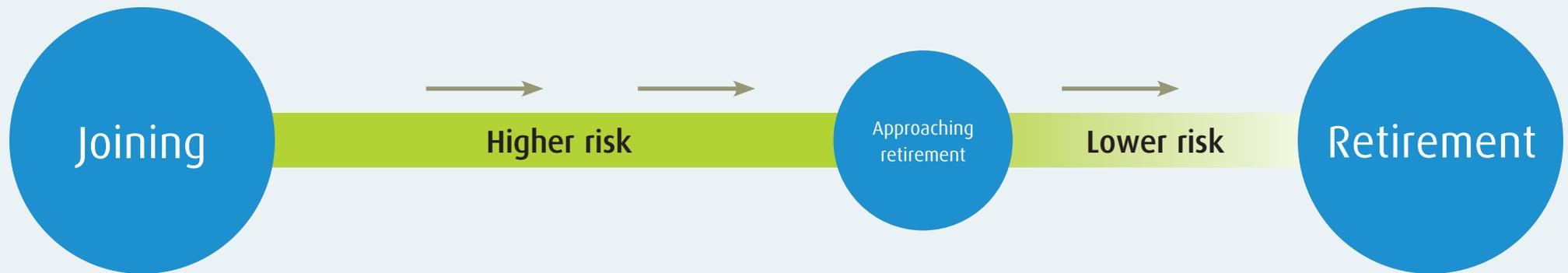
- **Growth funds** aim to maximise returns.
- **Protection funds** aim to minimise risk.
- You can also invest in BOC Lifestyle, which is an automatic investment approach (see pages 4 to 9).

If you want to invest in BOC FreeChoice:

- You need to understand your attitude to financial risk before you draw up your strategy (see pages 12 and 13).
- You should monitor the value of your investments and review your fund value regularly.
- You are responsible for making sure that your investment strategy is appropriate for your circumstances.

Your attitude to risk

It is more likely that your investments will be successful if you choose the appropriate level of risk for your circumstances.



If you are many years from retirement, you may:

- be willing to accept a higher level of short-term risk (i.e. the chance of your investments going down as well as up in value) in the expectation that you will earn a better investment return over the long-term; and/or
- want to avoid investing in funds that don't keep pace with inflation.

If this is the case, you may want to consider the growth funds offered through BOC FreeChoice (please see pages 20 to 23).

As you approach retirement, you may:

- prefer to reduce the level of short-term risk to try to protect the value of your investments. This is because sudden falls in share prices can be a problem if they occur immediately before retirement when investments need to be sold; and/or
- want to invest in funds that provide returns that are closely linked to the cost of buying a pension.

If this is the case, you may want to consider the protection funds offered through BOC FreeChoice (please see pages 24 to 27).

BOC Lifestyle

You may want to consider investing in BOC Lifestyle if you would prefer not to choose your own mix of investments. With BOC Lifestyle, the Trustee decides which funds to invest in and when to switch between them.

There are two phases in BOC Lifestyle: the growth phase (while you are younger), and the transition phase (as you approach retirement). There is only one Lifestyle fund in the growth phase, but there are three Lifestyle funds to choose from in the transition phase. Eight years before your normal retirement age (or target retirement age, if you have selected one), you will be asked to choose one of the following Lifestyle funds for the transition phase:

- BOC Annuity Lifestyle
- BOC Cash Lifestyle
- BOC Income Drawdown Lifestyle

BOC Annuity Lifestyle is the default BOC Lifestyle transition phase, so if you do not make any selection eight years ahead of retirement, this is where your AVCs will be invested.

You should note that the risk rating shows the level of risk measured by the **investment manager**, Scottish Equitable plc (part of Aegon UK), in relation to its overall fund range. For more information about risk see pages 12 and 13.

BOC Lifestyle – Growth phase

BOC Growth Fund

Description: Invests in the BOC Diversified Growth Fund and the BOC Equity Fund until eight years before your selected retirement age. See page 23 for information about the BOC Diversified Growth Fund and page 21 for information about the BOC Equity Fund.

Aim: To achieve long-term growth while you are far away from retirement.

May be appropriate for: Members who do not want to make investment decisions.

Risk rating:  A horizontal scale of seven colored boxes representing risk levels: VERY LOW (light blue), LOW (blue), LOW/MED (light orange), MEDIUM (orange), MED/HIGH (green), HIGH (light green), and VERY HIGH (yellow-green). A vertical line with a downward-pointing triangle above and an upward-pointing triangle below is positioned over the 'MED/HIGH' box.

Investment charge: 0.42%

BOC Lifestyle – Transition phase

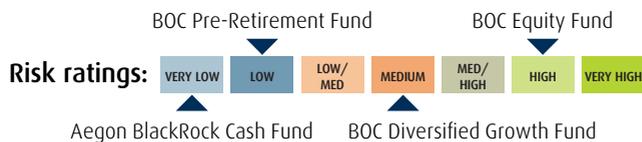
BOC Annuity Lifestyle

Description: During the eight years before retirement, your funds gradually begin to move out of the BOC Diversified Growth Fund and the BOC Equity Fund (which make up the BOC Growth Fund – see page 15). Your funds move into the BOC Pre-Retirement Fund (see page 26) and the Aegon BlackRock Cash Fund (see page 27). Your funds will be invested as follows by the time you reach retirement: 75% BOC Pre-Retirement Fund; 25% Aegon BlackRock Cash Fund.

BOC Annuity Lifestyle is the default BOC Lifestyle transition phase, so if you do not make any selection eight years ahead of retirement, this is where your AVCs will be invested.

Aim: To provide stable investment returns and protect against changes in the cost of buying an Annuity.

May be appropriate for: Members planning to buy an Annuity (a regular income) on retirement.



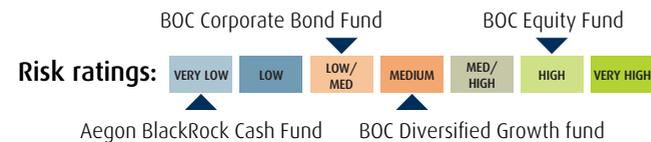
Investment charges: BOC Equity Fund: 0.20%
 BOC Diversified Growth Fund: 0.58%
 BOC Pre-Retirement Fund: 0.18%
 Aegon BlackRock Cash Fund: 0.13%

BOC Cash Lifestyle

Description: During the eight years before retirement, your funds gradually begin to move out of the BOC Diversified Growth Fund and the BOC Equity Fund (which make up the BOC Growth Fund – see page 15) into the BOC Corporate Bond Fund (see page 25) and the Aegon BlackRock Cash Fund (see page 27). Your funds will be invested entirely in the Aegon BlackRock Cash Fund by the time you reach retirement.

Aim: To secure the value of your AVCs.

May be appropriate for: Members planning to take their whole AVC Account value as a cash lump sum on retirement.



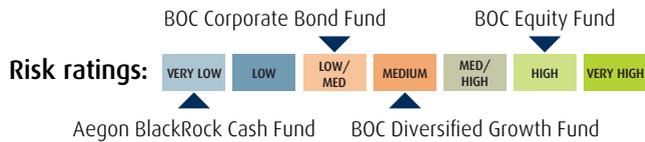
Investment charges: BOC Equity Fund: 0.20%
 BOC Diversified Growth Fund: 0.58%
 BOC Corporate Bond Fund: 0.47%
 Aegon BlackRock Cash Fund: 0.13%

BOC Income Drawdown Lifestyle

Description: During the eight years before retirement, your funds gradually begin to move out of the BOC Equity Fund (see page 21) into the BOC Corporate Bond Fund (see page 25) and the Aegon BlackRock Cash Fund (see page 27). Your funds will be invested as follows by the time you reach retirement: 50% BOC Diversified Growth Fund; 20% BOC Corporate Bond Fund; 30% Aegon BlackRock Cash Fund.

Aim: To reduce the risk of falls in value, while retaining the potential to achieve growth.

May be appropriate for: Members planning to transfer to an Income Drawdown arrangement on retirement.



Investment charge: BOC Equity Fund: 0.20%
 BOC Diversified Growth Fund: 0.58%
 BOC Growth Fund: 0.42%
 BOC Corporate Bond Fund: 0.47%
 Aegon BlackRock Cash Fund: 0.13%



Growth funds

You may want to consider investing in the **growth funds** if you are a long way from retirement (e.g. more than eight years from retirement).

This is because these types of investments can be volatile, which means that their value can significantly increase or decrease over short periods of time.

The growth funds available are:

- Aegon BlackRock World (ex UK) Equity Fund
- BOC Equity Fund
- BOC Growth Fund
- Aegon BlackRock UK Equity Fund
- BOC Diversified Growth Fund

These funds are described on pages 21 to 23.

You should note that the risk rating shows the level of risk measured by the **investment manager**, Scottish Equitable plc (part of Aegon UK), in relation to its overall fund range. For more information about risk see pages 12 and 13.

Aegon BlackRock 70/30 Global Equity Fund

Description: Approximately 70% of this fund is invested in shares of UK companies. The remaining 30% is invested in shares of overseas companies according to average pension fund weightings.

Aim: To achieve long-term growth, while producing an investment return in line with its **benchmark**.

May be appropriate for: Members who are a long way from retirement and/or prepared to accept a high level of risk.

Risk rating:  VERY LOW LOW LOW/MED MEDIUM MED/HIGH HIGH VERY HIGH

Investment charge: 0.14%

BOC Equity Fund

Description: A **blended fund** that invests in shares of UK and overseas companies. This includes the Aegon BlackRock World (ex UK) Equity Fund (see above) and the Aegon BlackRock UK Equity Fund (see page 22), in addition to a number of other funds.

Aim: To achieve long-term growth.

May be appropriate for: Members who are a long way from retirement and/or prepared to accept a high level of risk.

Risk rating:  VERY LOW LOW LOW/MED MEDIUM MED/HIGH HIGH VERY HIGH

Investment charge: 0.20%

BOC Growth Fund

Description: A blended fund that invests in the BOC Equity Fund (see page 21) and the BOC Diversified Growth Fund (see page 23).

Aim: To achieve long-term growth.

May be appropriate for: Members who are a long way from retirement and/or prepared to accept a high level of risk.

Risk rating: 

Investment charge: 0.42%

Aegon BlackRock UK Equity Fund

Description: A fund that invests in the shares of UK companies.

Aim: To achieve long-term growth, while producing an investment return in line with its benchmark.

May be appropriate for: Members who are a long way from retirement and/or prepared to accept a medium to high level of risk.

Risk rating: 

Investment charge: 0.11%

BOC Diversified Growth Fund

Description: A fund that invests in a wide range of investments (e.g. **equities, bonds** and property). By spreading the risk across a variety of investments, this type of fund tends to be less volatile than one investing in equities alone.

Aim: To provide a positive investment return in all market conditions over the medium to long-term, while producing an investment return which is better than its benchmark.

May be appropriate for: Members who are a long way from retirement and/or prepared to accept a medium to high level of risk.

Risk rating: 

Investment charge: 0.58%

Aegon BlackRock European Equity Fund

Description: This fund invests in the shares of companies in Europe.

Aim: To achieve a return that is consistent with the return of the FTSE All-World Developed Europe ex-UK Index.

May be appropriate for: Members who are a long way from retirement and/or prepared to accept a medium to high level of risk.

Risk rating: 

Investment charge: 0.15%

Aegon BlackRock Japanese Equity Fund

Description: This fund invests in the shares of Japanese companies.

Aim: To achieve a return that is consistent with the return of the FTSE All-World Japan Index.

May be appropriate for: May be appropriate for: Members who are a long way from retirement and/or prepared to accept a medium to high level of risk.

Risk rating:  VERY LOW LOW LOW/MED MEDIUM MED/HIGH HIGH VERY HIGH

Investment charge: 0.14%

Aegon BlackRock Pacific Rim Equity Fund

Description: This fund invests in the shares of companies in the Pacific Rim.

Aim: To achieve a return that is consistent with the return of the FTSE All-World Developed Asia Pacific ex-Japan Index.

May be appropriate for: Members who are a long way from retirement and/or prepared to accept a medium to high level of risk.

Risk rating:  VERY LOW LOW LOW/MED MEDIUM MED/HIGH HIGH VERY HIGH

Investment charge: 0.15%

Aegon BlackRock US Equity Fund

Description: This fund invests in the shares of US companies.

Aim: To achieve a return that is consistent with the return of the FTSE All-World USA Index.

May be appropriate for: Members who are a long way from retirement and/or prepared to accept a medium to high level of risk.

Risk rating:  VERY LOW LOW LOW/MED MEDIUM MED/HIGH HIGH VERY HIGH

Investment charge: 0.13%

Protection funds

You may want to consider investing in the **protection funds** if you are approaching retirement (e.g. within eight years of retirement).

This is because these types of investments tend to produce more stable but lower investment returns than the **growth funds**. The funds that invest in **bonds** and/or **gilts** offer additional protection by providing returns that move broadly in line with the cost of purchasing a pension.

The protection funds available are:

- BOC Corporate Bond Fund
- Aegon BlackRock Over 5 year Index-Linked Gilt Fund
- Aegon BlackRock Over 15 year Gilt Fund
- BOC Pre-Retirement Fund
- Aegon BlackRock Cash Fund

These funds are described on pages 25 to 27.

You should note that the risk rating shows the level of risk measured by the **investment manager**, Scottish Equitable plc (part of Aegon UK), in relation to its overall fund range. For more information about risk see pages 12 and 13.

BOC Corporate Bond Fund

Description: A fund that invests mainly in corporate bonds, fixed-interest securities (e.g. gilts) and other money market instruments.

Aim: To provide a stable investment return, which is better than its **benchmark**.

May be appropriate for: Members who are approaching retirement and/or prefer a low to medium level of risk.

Risk rating:  A horizontal scale of seven colored boxes representing risk levels: VERY LOW (light blue), LOW (blue), LOW/MED (orange), MEDIUM (light orange), MED/HIGH (light green), HIGH (green), and VERY HIGH (dark green). Two arrows point towards the LOW/MED and MED/HIGH boxes.

Investment charge: 0.47%

Aegon BlackRock Over 5 year Index-Linked Gilt Fund

Description: A fund that invests in index-linked gilts with a maturity period of 5 years or longer.

Aim: To provide a stable investment return in line with its benchmark.

May be appropriate for: Members who are approaching retirement and/or prefer a low level of risk.

Risk rating:  A horizontal scale of seven colored boxes representing risk levels: VERY LOW (light blue), LOW (blue), LOW/MED (orange), MEDIUM (light orange), MED/HIGH (light green), HIGH (green), and VERY HIGH (dark green). Two arrows point towards the LOW box.

Investment charge: 0.11%

Aegon BlackRock Over 15 year Gilt Fund

Description: A fund that invests in gilts with a maturity period of 15 years or longer.

Aim: To provide a stable investment return in line with its benchmark.

May be appropriate for: Members who are approaching retirement and/or prefer a low level of risk.

Risk rating:  A horizontal scale of seven colored boxes representing risk levels: VERY LOW (light blue), LOW (blue), LOW/MED (orange), MEDIUM (light orange), MED/HIGH (light green), HIGH (green), and VERY HIGH (dark green). A blue downward-pointing triangle is above the 'LOW' box, and a blue upward-pointing triangle is below it.

Investment charge: 0.11%

BOC Pre-Retirement Fund

Description: A **blended fund** that invests in a diverse range of corporate and UK Government bonds, designed for those intending to buy an Annuity at retirement. It aims to provide an appropriate balance between reducing the risk of short-term falls in value, and providing some returns.

Aim: To provide a stable investment return, which may move broadly in line with the cost of purchasing a pension.

May be appropriate for: Members who are approaching retirement and/or prefer a low level of risk.

Risk rating:  A horizontal scale of seven colored boxes representing risk levels: VERY LOW (light blue), LOW (blue), LOW/MED (orange), MEDIUM (light orange), MED/HIGH (light green), HIGH (green), and VERY HIGH (dark green). A blue downward-pointing triangle is above the 'LOW' box, and a blue upward-pointing triangle is below it.

Investment charge: 0.18%

Aegon BlackRock Cash Fund

Description: A fund that invests in cash, deposits and other money market instruments.

Aim: To produce an investment return which is better than its benchmark.

May be appropriate for: Members who are close to retirement and/or prefer a very low level of risk.

Risk rating:  A horizontal scale of seven colored boxes representing risk levels: VERY LOW (light blue), LOW (blue), LOW/MED (orange), MEDIUM (light orange), MED/HIGH (light green), HIGH (green), and VERY HIGH (dark green). A blue downward-pointing triangle is above the 'VERY LOW' box, and a blue upward-pointing triangle is below it.

Investment charge: 0.13%

Finding out more

Factsheets

The **investment manager** produces quarterly performance factsheets for each investment fund.

BOC Pension Services has also produced factsheets which provide general information about cash, equities, bonds and gilts. You may want to read these factsheets before you make your investment choices.

 You can download the factsheets from the website at www.bocpensions.co.uk



BOC Growth Fund
 Defined Contributions
 As at 31 December 2019

Fund facts
 Fund type: LIFE
 Domicile: UK
 Issuing company: Aegon/Scottish Equitable plc
 Use of Income: Accumulation
 Base Currency: GBP
 Entry Fees: No
 Exit Fees: No
 Performance Fee: No

Fund objective
 The objective of the Fund is to achieve long-term capital growth by investment in a diversified portfolio of global equities and other types of investment which have the potential to provide long-term growth, such as equities, bonds, property and alternative assets. The Fund is suitable for those members who are a long time from retirement and those who are prepared to accept a higher level of risk.

Fund performance
 BOC Growth Fund % returns
 Standardised yearly fund performance (3 months): 16.5, 16.5, 16.5, 16.5, 16.5, 16.5, 16.5, 16.5, 16.5, 16.5

BOC Pre-Retirement Fund
 Defined Contributions
 As at 31 December 2019

Fund facts
 Fund type: LIFE
 Domicile: UK
 Issuing company: Aegon/Scottish Equitable plc
 Use of Income: Accumulation
 Base Currency: GBP
 Entry Fees: No
 Exit Fees: No
 Performance Fee: No

Fund objective
 The fund will invest mainly in UK Gilts, UK Bonds and other fixed income securities and aims to produce a return in excess of a benchmark designed to reflect long-term changes in immediate annuity prices.

Fund performance
 BOC Pre-Retirement Fund % returns
 Standardised yearly fund performance (3 months): 9.9, 9.7, 9.1, 9.9, 9.7, 9.1, 4.4, 4.2, 4.1, 5.3, 5.2, 4.9

Relative Risk Profile
 Very Low, Medium, Very High

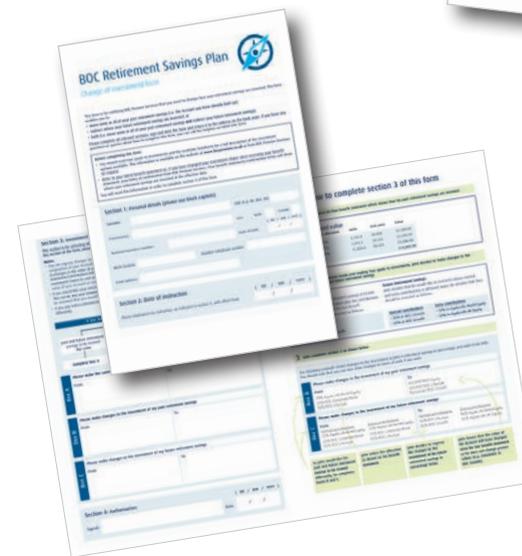
Your pension benefit statement

You will receive a regular benefit statement, which details the current value of your investments.



Changing your investment choices

You can change your investment choices at any time before retirement. In fact, you should review your investment choices regularly to ensure that they remain appropriate for you.



 If you want to change your investment choices, please complete and return a *Change of investment form*. Forms are available to download from the website at www.bocpensions.co.uk or on request from BOC Pension Services.

Jargon buster

Benchmark – a measure to compare performance against, for example a particular stock market index.

Blended fund – invests in a number of separate funds.

Bonds – loans to a company or a government which earn interest at regular intervals. The interest can be fixed or index linked (i.e. linked to inflation).

Equities – shares in the ownership of a company or companies.

Gilts – bonds issued by the UK Government, which earn interest at regular intervals. The interest can be fixed or index linked (i.e. linked to inflation).

Growth funds – can be subject to significant fluctuations in value, but generally produce higher investment returns over the long-term than protection funds.

Income Drawdown – you can leave your savings invested in an Income Drawdown arrangement while drawing a variable income to suit your needs.

Investment manager – responsible for managing the fund(s) in which your AVCs are invested. This is Scottish Equitable plc (part of Aegon UK).

Protection funds – generally produce more stable but lower investment returns than growth funds, particularly over the long-term.

Trustee – responsible for managing the BOC Retirement Savings Plan on behalf of its members.

The small print

The Trustee can change the investment manager or selection of funds offered at any time.

The Company pays the administration costs of managing RS Plan. Currently, you only have to meet the investment manager's charges, which can vary at any time. The current investment charges are outlined in this guide (see pages 15 to 27) and are taken into account by the investment manager when calculating the unit price.

You should be aware of the risks involved in investing your AVCs:

- If you are invested in the growth funds, there is no guarantee that long-term growth will be achieved. Growth assets can be volatile, and gains and losses can be significant. There is no guarantee that your AVCs will recover from any losses before you reach retirement.
- If you are invested in the protection funds, your AVCs may not maintain their value in real terms, especially if inflation rates are high. Investing in protection funds over the long-term may also mean that you miss out on any higher investment returns achieved by the growth funds, which could mean a lower pension at retirement. However, if growth funds fall in value, investing in protection funds over the long-term may give you a higher pension.

Nothing in this guide constitutes financial advice. It is your responsibility to obtain advice if you decide that you need it. To find details of independent financial advisers in your area visit www.unbiased.co.uk

Contact us

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www.bocpensions.co.uk

Legal note

Please note that this guide is intended to provide information and nothing in it grants any legal rights to benefits. Your entitlement to benefits is defined in the Trust Deed and Rules (as amended from time to time) at the date you leave service. You can download a copy of the current Trust Deed and Rules at www.bocpensions.co.uk or request one from BOC Pension Services. Nothing in this guide constitutes financial advice. It is your responsibility to obtain advice if you decide that you need it. To find out details of financial advisers in your area visit www.unbiased.co.uk

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