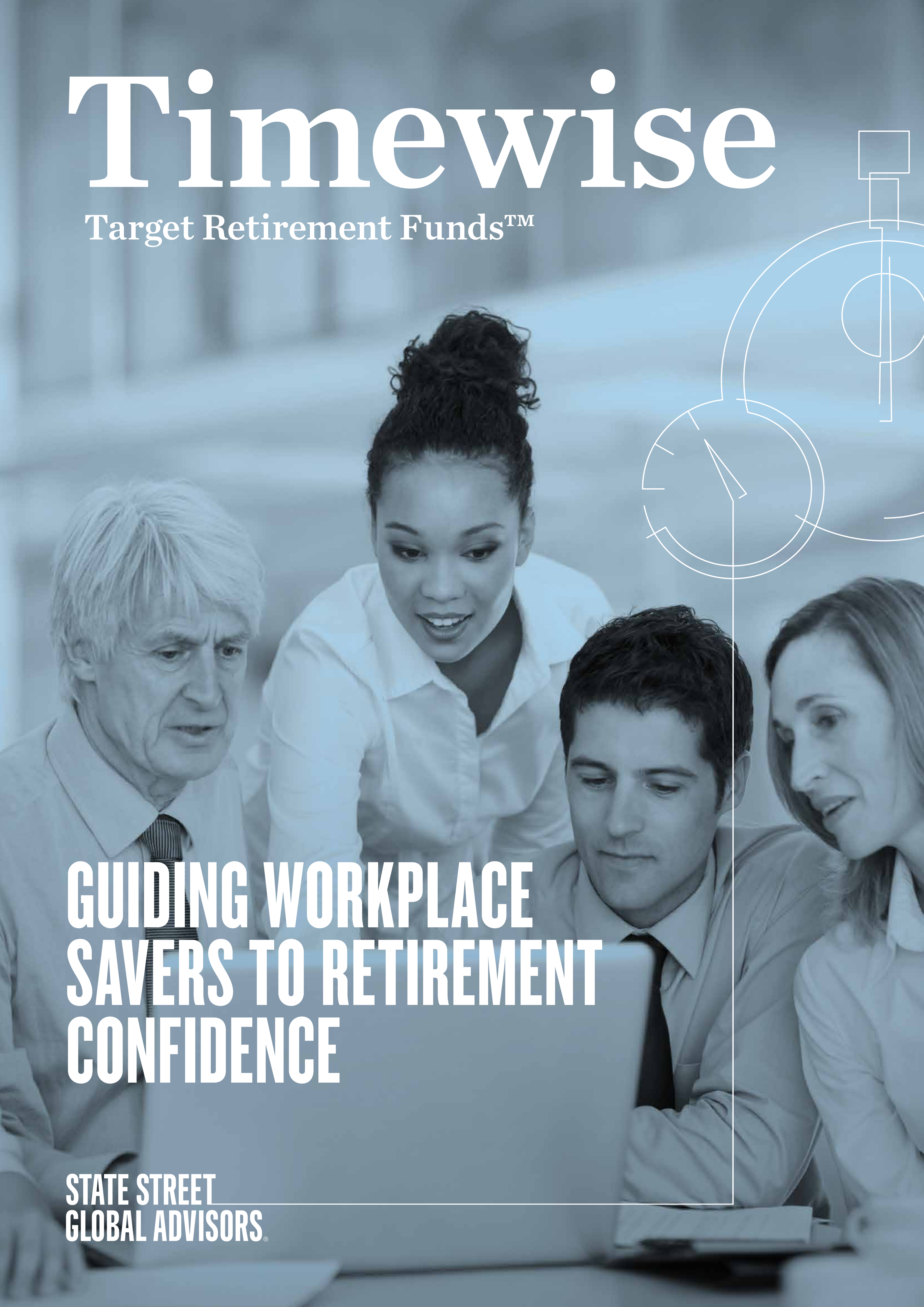
Timewise

Target Retirement Funds™



GUIDING WORKPLACE SAVERS TO RETIREMENT CONFIDENCE

STATE STREET GLOBAL ADVISORS

INVESTMENT DESIGN FOR WORKPLACE PENSION PLANS

State Street Global Advisors (SSGA) is committed to developing investment solutions for the evolving needs of defined contribution pension schemes, consultants and fund platforms. We provide investment expertise and wide-ranging support to pension professionals as they seek to help people in workplace pension plans become better financially prepared for life beyond work.

We aim to do this by providing high quality investment design within a simple, reliable and value driven structure.

"Timewise Target Retirement Funds balance investment risk and return with precision and care throughout people's working lives into retirement and beyond."

Timewise Target Retirement Funds™

Timewise Target Retirement Funds are designed for people in workplace pension schemes saving for their retirement. They feature an asset allocation approach that aims to balance investment risk and return according to the funds' target retirement dates. Our philosophy in creating the funds was built around three objectives:

1

Deliver a more intuitive approach to investment

Asset allocation based on real world behavioural and market insights — throughout the investment journey.

2

Evolve with the times

People change and markets change too. Today's defined contribution investment solutions need to be designed so they are agile and flexible enough to adjust accordingly.

3

Generate confidence

We aim to help people feel more confident about the prospects for their retirement savings through the knowledge that investment risks are expertly monitored and managed.

Defined Contribution at SSGA

SSGA manage over £225 billion in global Defined Contribution (DC) assets.

Our success is built on real-world insight gained through industry-wide collaboration and analysis of market trends and member behaviour. Our expertise has been gained through 30 years of global DC investment experience.

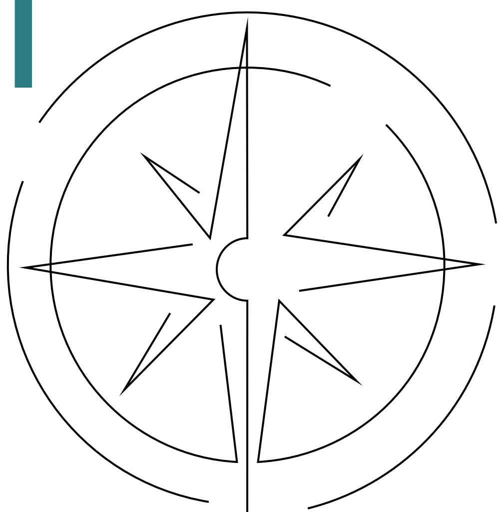
Our DC team offers a wide range of high-quality investment options that are designed to serve the complex and evolving needs of DC pension schemes, consultants and fund platforms, yet are straight-forward for the people in company schemes who rely on them.

Our clients benefit from the financial strength and expertise of a world class investment manager. Most importantly, we help all engaged parties keep the end goal in mind — improving retirement outcomes for scheme members.

Timewise Target Retirement Funds are available as sub-funds within Managed Pension Funds Limited (MPF), SSGA's flagship pooled fund vehicle for UK pension fund investors.

Source: SSGA. 31 December 2015

THE JOURNEY TO A MORE CONFIDENT RETIREMENT



At SSGA, we believe that target retirement funds can help address many of the complex and challenging investment issues members face as part of their retirement planning.

With defined contribution replacing defined benefit as the primary retirement savings vehicle for UK workers, the onus is increasingly on the individual to save for their own retirement. While members must take responsibility for setting their retirement goals, a well-designed target retirement fund solution can help by managing the key investment risks they typically face, ensuring a disciplined approach to asset allocation and delivering diversified portfolios.

Designed with members in mind

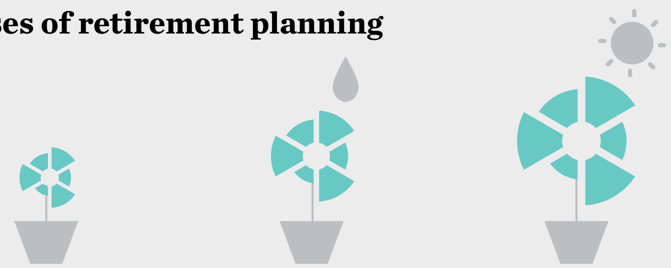
Our starting point for designing our target retirement funds was to put ourselves in the shoes of scheme members. By focusing on their typical investment needs and how these may change over key phases of their working lives, we aim to provide a strategic balance between capturing market returns and managing risk over time.

Understanding people's retirement and pension expectations is crucial for investment design. Our research-driven approach is designed to:

- Help us gain in-depth knowledge of typical member objectives and attitudes to investment risk
- Enable us to systematically structure asset allocation in line with retirement planning needs throughout the phases of asset growth, asset consolidation and wealth preservation.

Our research shows that DC scheme members prefer to leave complex investment decisions to trusted experts so that they can focus on the two things they feel they can control: when to retire and how much to save.

Phases of retirement planning



GROWTH	CONSOLIDATION	PRESERVATION
Earlier working years	Later working years	Years closer to target retirement date
Assets with higher risk profile and potential for higher returns	Focus on reducing risk and volatility but aim to maintain growth potential	Progressively increase allocation to less volatile assets

DIVERSIFICATION AND FLEXIBILITY

When it comes to retirement planning, people unsurprisingly prefer uncomplicated and intuitive solutions. They want to feel confident that their investments are on the right track.

With an intelligently devised and value-driven combination of assets Timewise Target Retirement Funds are powerful and flexible. They are engineered with the aim of satisfying three key financial objectives of people in workplace pension plans:

- Provide growth, while allowing for increased investment risk for younger members and less investment risk for those nearing retirement
- Improve protection from downside risk at all stages and, ultimately,
- Deliver a more predictable investment path to and through retirement.

Greater confidence for people in company schemes

Timewise Target Retirement Funds have been created to generate the confidence that people are looking for, by targeting more predictable retirement saving outcomes. We do this by recognising that people's tolerance for investment risk typically varies across different age groups. Managing these risks throughout the investment journey is as important as the destination itself.

The Timewise Target Retirement Funds glide path: guiding workplace pension savers on their investment journey

The way we adjust investment risk and return for workplace pension savers is through our proprietary investment glide path. Our glide path has been created to emphasise diversification, flexible asset allocation, risk management and value over the period of a member's participation in the fund. Asset allocation is carefully constructed according to our view of the investment needs of a typical member and the years they have remaining to retirement.

What matters most to people

Said that the thing they thought about most was 'how long to save for'.

60%

Said 'how much to save'.

51%

Source: SSGA UK DC Member Survey September 2013

Choice at retirement

Members have a range of choices they may exercise at retirement — to take a lump sum, purchase an annuity or to keep their savings invested and draw an income over time. So we've designed an asset allocation that we believe balances the need for capital stability with some growth potential.

Greater diversification

Typically, diversification can help to reduce risk, dampen volatility and improve the potential to maximise returns over time. Timewise Target Retirement Funds access an extensive range of asset classes from a broad opportunity set including:

- Developed and emerging market equities
- Fixed income and cash
- A range of alternative assets that are often out of reach for the average workplace pension saver.

Continual asset class evolution

To help us assemble the asset mix within the Timewise Target Retirement Funds, we perform comprehensive annual investment reviews. The inclusion of new asset classes or approaches may be considered if it makes sense to further diversify the asset mix. We conduct extensive proprietary macroeconomic and member behaviour research, and combine this with insight from decades of managing institutional portfolios to determine what we believe is the most efficient long-term asset allocation for the funds.

People in workplace pension schemes can be confident their investments are expertly managed across each phase of their retirement savings journey.

"Our priority is to reassure people that while they save we continue to take care of their investments."

Enhanced risk management

The market crisis of 2008 reinforced the need for glide path designs and asset allocation strategies that effectively balance wealth preservation and wage replacement potential as members approach retirement. A diversified portfolio provides a strong foundation for managing market volatility. Timewise Target Retirement Funds are designed to enhance this with built-in risk management systems. These utilise market intelligence to dynamically change asset allocations in accordance with market conditions, with the aim of providing an optimised balance of risk and reward.

More value for workplace savers

Keeping investment management fees low helps people keep more of what their investment portfolios earn over time. With the aim of providing better value for people in workplace pension schemes, Timewise Target Retirement Funds invest in a foundation of index investments. This includes the equity and fixed income allocation, as well as a diversified portfolio of alternative assets classes.

Market-leading governance

The Pensions Regulator has highlighted the need for improved oversight to be applied to default funds. Choosing an asset allocation or a set of funds that is good for today and then just leaving it there forever ('set and forget') leaves members exposed to the vagaries of the markets. Timewise Target Retirement Funds address this by embedding a 'monitored and managed' approach within the glide path design itself. We use forecasts of the investment environment that influence corresponding adjustments to the asset allocation over time. We believe this places good governance at the heart of the funds.

Combining investment expertise with behavioural insight

To better inform our investment design, we research and analyse how people's attitudes to investment risk and approaches to retirement saving evolve over time.

Each year we undertake a rigorous research programme. It's designed to provide us with an even better understanding of typical members' expectations of their workplace pension investments and their preferences in relation to investment risk.

Alternative assets add diversification and flexibility

Timewise Target Retirement Funds include an allocation to a diversified growth portfolio along the glide path.

This portfolio uses a cost-effective mix of underlying index assets, including a range of alternative asset classes such as commodities and infrastructure, as well as emerging market debt and high yield bonds.

It uses a proprietary risk indicator to monitor market conditions and help determine the timing for asset allocation decisions. It's an added layer of risk management designed to help insulate against unexpected losses.

This diversified portfolio also provides the flexibility for risk to be scaled down during the consolidation phase of the savings journey, while seeking to maintain growth potential.

THE TIMEWISE TARGET RETIREMENT FUNDS GLIDE PATH

From the very first day a member starts contributing to their workplace pension, the asset allocation in Timewise Target Retirement Funds is expertly managed.

“We design efficient long-term asset allocations intended to address the changing risks that people face.”

Why is the glide path approach important?

The aim of the glide path is to ensure that people are invested in the right asset classes at the right time — throughout all the phases of their working lives.

Early in people's careers the emphasis is on accumulation, growth and wealth creation.

Over time, there is a reduction in more volatile assets — a process that accelerates as the target retirement date approaches. This is designed to minimise the potential for unexpected losses at a time when wealth protection is a priority.

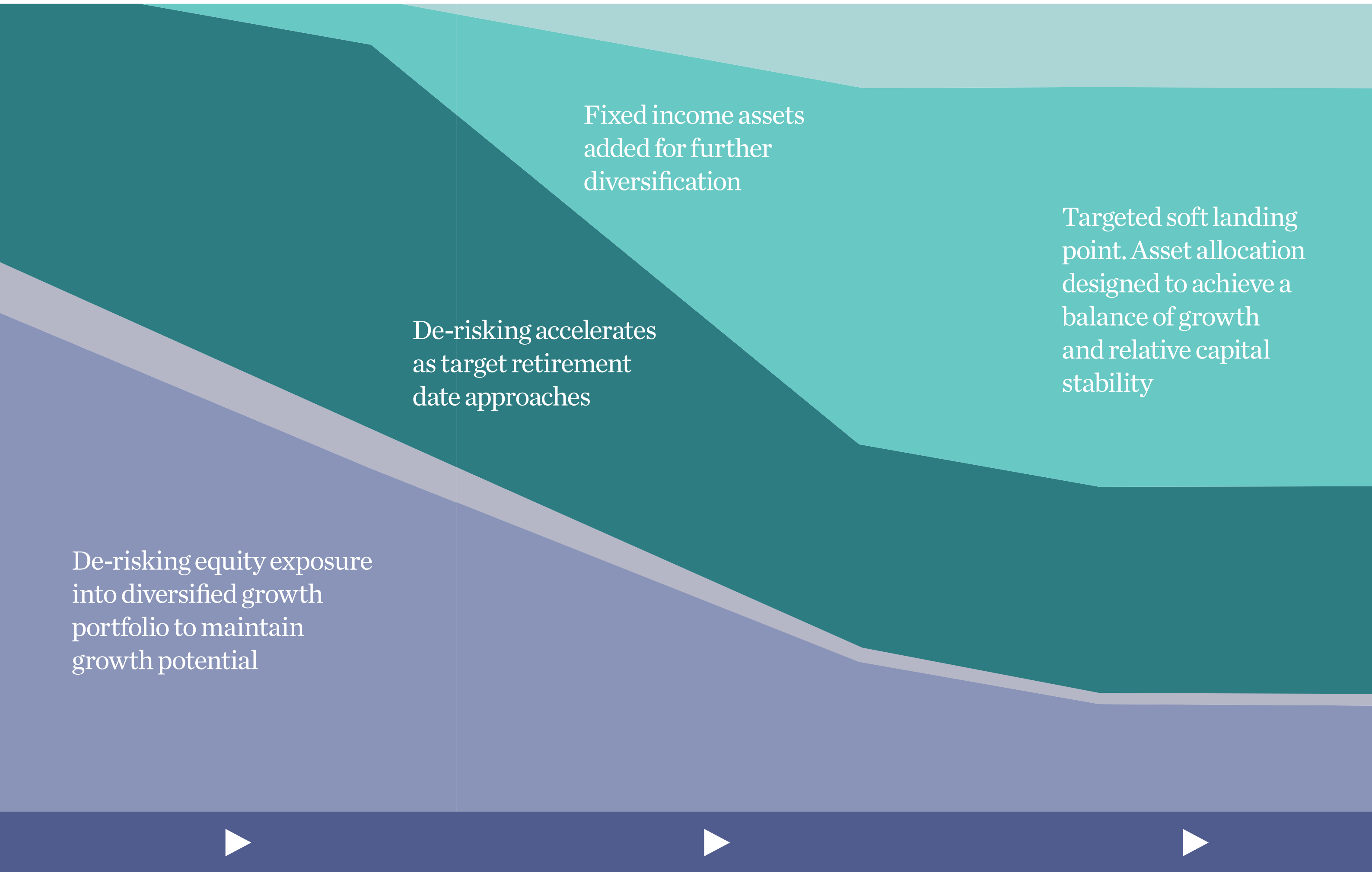
Intuitive asset allocation

By combining our proprietary economic forecasts with decades of institutional portfolio management experience, we design efficient long-term asset allocations intended to address the changing risks that people face throughout the retirement savings journey.

A softer landing at retirement

The landing point portfolio is intended to provide some investment growth with relatively low volatility. It contains mainly bonds, with some investment in equities and diversifying assets.

Nearing target retirement date



Glide path data is indicative and for illustrative purposes only. Source: SSGA as at 31 January 2015.

MANAGING THE COMPLETE RANGE OF RISKS

Because the key investment risks members face in relation to their retirement savings are multi-layered, DC investment design needs to be more multi-dimensional than in the past.

While people take responsibility for setting their retirement goals, Timewise Target Retirement Funds can help them get there by effectively managing against the risks they are likely to face over time. This can help create more predictable outcomes at retirement.

We know that people in workplace pension schemes see market volatility and loss of wealth as among the primary risks they face. With millions of new or recently joined scheme members embarking on their retirement savings journey, we believe that managing these risks effectively can help give them more confidence to stay the course.

Timewise Target Retirement Funds help mitigate risk

We aim to address a range of risks and provide a more predictable investment journey for workplace pension savers. Among the risks they may encounter as they save for retirement are Shortfall, Longevity, Market Volatility, Inflation, and Policy risk.

Common risks facing workplace pension savers

SHORTFALL RISK

Will members have enough money to fund their retirement aspirations?

INFLATION RISK

Will members lose purchasing power from their retirement savings over time?

LONGEVITY RISK

Will members' assets keep pace with longer life spans?

MARKET VOLATILITY RISK

Will market downturns affect the value of members' retirement portfolios?

POLICY RISK

Will regulatory change impact retirement planning and people's retirement funds?

What people say about risk and their pension investments

73%

Say 'risk' is an important factor in their investment decisions

21%

Say some / moderate investment risk is acceptable.

31%

Want to eliminate / lessen investment risk – they don't want to lose money.

Source: SSGA DC Member Survey, September 2013

Timewise Target Retirement Funds Risk Management

SHORTFALL RISK

Global developed and emerging market equities, combined with alternative assets for long-term growth.

Accelerating risk reduction as target retirement date approaches

LONGEVITY RISK

Asset allocation at the end of the glide path can be adjusted to reflect typical decumulation preferences

POLICY RISK

Annual review allows the glide path to evolve in line with regulatory changes

INFLATION RISK

Allocation to equity and real assets as part of the diversified portfolio

VOLATILITY RISK

Two built-in volatility indicators are designed to manage the allocation to global equities and diversified assets, and reduce the potential for unexpected losses

Our research shows that workplace pension savers are particularly averse to large unexpected falls in their investments.

They typically seek the confidence that market volatility is expertly monitored and their investments are adjusted accordingly. Timewise Target Retirement Funds are designed to address this with two distinct volatility risk models.

These models are implemented along all phases of the glide path with the aim of limiting extreme losses in adverse market conditions. Any corresponding reduction in growth assets to reduce risk may reduce potential performance.

1

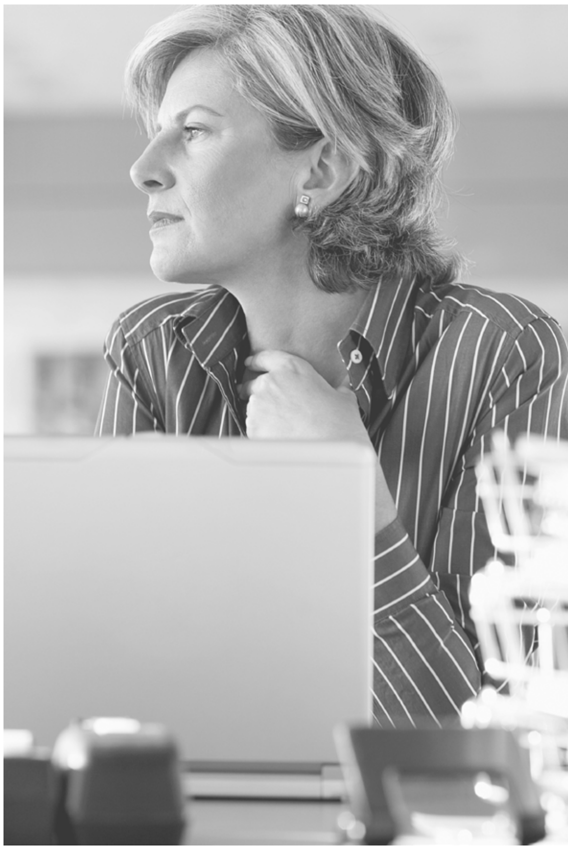
Market Regime Indicator

Embedded within the diversified assets portfolio of the funds is our Market Regime Indicator. It monitors market conditions and assesses multiple risk factors. This is designed to enable rapid and dynamic asset rebalancing to capture opportunities for growth while seeking to minimise downside risks.

2

Target Volatility Trigger

Pre-determined volatility trigger levels are set to help manage the overall allocation to global equities in the Timewise Target Retirement Funds. We adjust these levels over time with the aim of ensuring that they are a suitable match for the glide path. For example, as the need for protection against market volatility heightens towards the target retirement date, the sensitivity of the volatility trigger rises.



IN PARTNERSHIP WITH YOU

SSGA is dedicated to the success of our defined contribution clients.

Our dedicated DC team and Investment Solutions Group work closely with consultants, platforms, trustees and scheme sponsors.

Offering innovative glide path design and asset allocation strategies, broad diversification and value driven solutions, our Timewise Target Retirement Funds may be an ideal choice to meet your plan's objectives and the needs of your plan's members.

We aim to provide you with best-in-class investment solutions for your defined contribution plan. If you're considering the investment options for your plan, find out how SSGA Target Retirement Funds can help your plan's members better meet their retirement objectives.

Important information about charges, expenses and risks

This document contains general information about the Timewise Target Retirement Funds. More detail can be found in the Managed Pension Funds Limited Policy Document, the Fee and Instruction Letter and the Strategy Disclosure Document. All transactions should be based on these documents which contain more information regarding the charges, expenses and risks involved in investing in the funds

Get more with SSGA

When you begin a relationship with State Street Global Advisors, you benefit from more than just the investment solutions we provide. We work with you to create comprehensive solutions that include thoughtful investment design, results-driven member communications and insightful member research.

In a world where you balance multiple responsibilities, we can help you do more with — and get more from — your defined contribution plan.

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To find out more visit ssga.com/ukdc

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This communication is directed at professional clients (this includes eligible counterparties as defined by the Financial Conduct Authority) who are deemed both knowledgeable and experienced in matters relating to investments.

The products and services to which this communication relates are only available to such persons and persons of any other description (including retail clients) should not rely on this communication.

Risk associated with equity investing include stock values which may fluctuate in response to the activities of individual companies and general market and economic conditions.

Bonds generally present less short-term risk and volatility than stocks, but contain interest rate risk (as interest rates rise bond prices usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

Assumptions and forecasts used by SSGA in developing the Portfolio's asset allocation glide path may not be in line with future capital market returns and participant savings activities, which could result in losses near, at or after the target date year or could result in the Portfolio not providing adequate income at and through retirement.

Investing in foreign domiciled securities may involve risk of capital loss from unfavourable fluctuation in currency values, withholding taxes, from differences in generally accepted accounting principles or from economic or political instability in other nations.

Investments in emerging or developing markets may be more volatile and less liquid than investing in developed markets and may involve exposure to economic structures that are generally less diverse and mature and to political systems which have less stability than those of more developed countries.

Timewise Target Retirement Funds™ are designed for investors expecting to retire around the year indicated in each fund's name. When choosing a Fund, investors should consider whether they anticipate retiring significantly earlier or later than age 65 even if such investors retire on or near a fund's approximate target date. There may be other considerations relevant to fund selection and investors should select the fund that best meets their individual circumstances and investment goals. The funds' asset allocation strategy becomes increasingly conservative as it approaches the target date and beyond. The investment risks of each Fund change over time as its asset allocation changes.

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Asset Allocation is a method of diversification which positions assets among major investment categories. Asset Allocation may be used in an effort to manage risk and enhance returns. It does not, however, guarantee a profit or protect against loss.

Diversification does not ensure a profit or guarantee against loss.

Investing in commodities entail significant risk and is not appropriate for all investors. Commodities investing entail significant risk as commodity prices can be extremely volatile due to wide range of factors. A few such factors include overall market movements, real or perceived inflationary trends, commodity index volatility, international, economic and political changes, change in interest and currency exchange rates.

There are risks associated with investing in Real Assets and the Real Assets sector, including real estate, precious metals and natural resources. Investments can be significantly affected by events relating to these industries.

Investing in high yield fixed income securities, otherwise known as junk bonds, is considered speculative and involves greater risk of loss of principal and interest than investing in investment grade fixed income securities. These Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer

International Government bonds and corporate bonds generally have more moderate short-term price fluctuations than stocks, but provide lower potential long-term returns.

SSGA uses quantitative models in an effort to enhance returns and manage risk. While SSGA expects these models to perform as expected, deviation between the forecasts and the actual events can result in either no advantage or in results opposite to those desired by SSGA. In particular, these models may draw from unique historical data that may not predict future trades or market performance adequately. There can be no assurance that the models will behave as expected in all market conditions. In addition, computer programming used to create quantitative models, or the data on which such models operate, might contain one or more errors. Such errors might never be detected, or might be detected only after the Portfolio has sustained a loss (or reduced performance) related to such errors. Availability of third-party models could be reduced or eliminated in the future.

State Street Global Advisors is the investment management business of State Street Corporation (NYSE: STT), one of the world's leading providers of financial services to institutional investors.

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