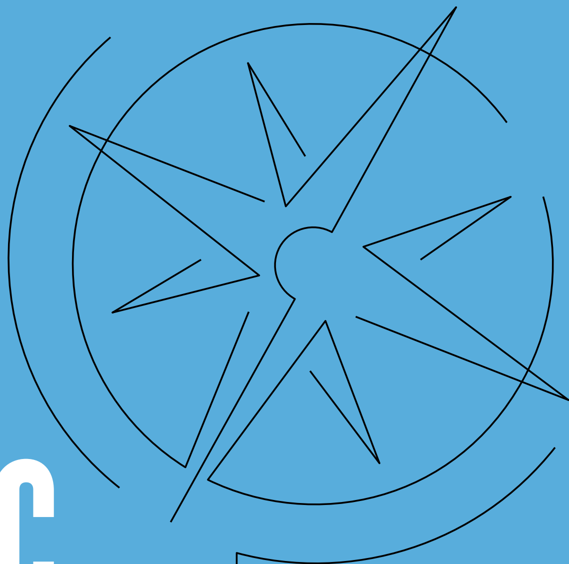


DYNAMIC. ADAPTABLE. INTUITIVE.

STATE STREET
GLOBAL ADVISORS®

Our Target Retirement Funds offer scheme sponsors an ideal default fund.

THE FUTURE DESIGN OF RETIREMENT

Although they have only recently come to the UK, Target Retirement Funds (TRFs) are not new. They were introduced into the US pension market in the 1990s.

Their adaptability marks a significant progression from lifestyle strategies. TRFs are flexible enough to accommodate changing member needs, market conditions and regulations.

With the reality of continually shifting regulatory requirements facing DC schemes, we explore why a TRF may be the right default fund structure for your scheme.

Lifestyle versus Target Retirement Funds

New generation TRFs are simple to administer, flexible to evolving markets and regulations, and reflect DC member's changing investment needs over time.

Old Defaults Lifestyle Strategy	**New Defaults** Target Retirement Funds	**Advantages** Target Retirement Funds
Member holds several funds	Member holds a single fund	Simple for members to understand and simple for employers to oversee
Targets a specific retirement date	Groups members into age cohorts	More flexibility around when a member will retire
Admin switches from fund to fund	Manager switches assets in fund	Quicker, lower cost and easier to implement
Asset allocation usually preset	Asset allocation can be dynamic	Asset allocation proactively managed through market and regulatory changes
Blackout period may be required if the glide path changes	No admin impact from a glide path change	No administration impact

Target Retirement Funds: The Basics

DYNAMIC

A TRF manages investment risk dynamically through time. The member invests in a fund which is closest to the time they anticipate retiring. As they move towards this target retirement period the fund gradually changes its holdings from higher risk growth assets, such as equities, to lower risk assets, such as bonds.

ADAPTABLE

TRFs provide schemes with a flexible default strategy. Market and member behaviour research can be used so that the funds can be aligned to regulatory, investment and member changes.

INTUITIVE

TRFs allow members to invest in one fund during their working years, right through to retirement and beyond, offering members an intuitive way to save for their retirement.

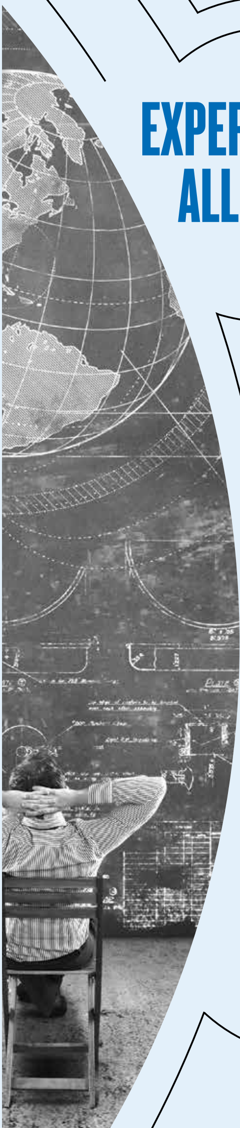
TRFs ARE DESIGNED TO

Manage the key risks members face over time, which include shortfall, volatility and inflation.

Ensure a disciplined approach to asset allocation and the ability to be dynamic.

Create diversified portfolios with exposure to a broad range of cost-effective equity and fixed income asset classes.

Why Use Target Retirement Funds?



EXPERT ASSET ALLOCATION

Able to adapt quickly to the markets, regulatory and member changes

Investment professionals set asset allocation making governance more robust

TIMELY GOVERNANCE

Designed by investment professionals

Reviewed annually and on an ad hoc basis as necessary

ADMIN SIMPLICITY

No administrative impact from glide path changes

Easy for members to switch between funds if their circumstances change

Do you want a default solution that is:

1 Carefully designed, managed and governed by investment professionals?

2 Quick to adapt to changes in regulation, consumer behaviour and market conditions?

3 Simple and easy to communicate to your members?

If the answer to any of the above questions is yes, Target Retirement Funds could be for you.

To find out more about State Street Global Advisors and our Timewise Target Retirement Funds™ visit ssga.com/ukdc or email us at ukdc@ssga.com

A GLOBAL ASSET MANAGEMENT LEADER

State Street Global Advisors is a leading provider of investment management services and one of the world's largest institutional asset managers with over £1.7 trillion in assets under management*.

We have been operating in London since 1990 and now rank as one of the major investment managers in the UK. Our depth, buying power and global presence helps us provide workplace pension schemes with broad market exposure, efficient trading operations and multiple vehicles for accessing investment strategies.

COLLABORATIVE APPROACH

We work with you to create solutions that include thoughtful investment design, results-driven member communications and insightful member research.

BROAD ASSET CLASS EXPOSURE

Our Timewise Target Retirement Funds™ offer innovative glide path design and asset allocation strategies, alongside broad diversification.

RISK MANAGEMENT

Our glide path and built-in risk management tools are designed to help address common risks that members face when investing for retirement: shortfall, inflation, market volatility and conversion risks.

Marketing Communication

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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.

Equity securities may fluctuate in value in response to the activities of individual companies and general market and economic conditions.

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.

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.

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