



Legal & General AVCs – Lifestyle Strategy Option

This Lifestyle strategy (known as the 'TfL 2020 Lifestyle Strategy') is designed for members who intend to take 100% of their AVC pension pot as a cash lump sum at their retirement date.

Initially, your pension savings will be invested in a fund that invests in equities (the L&G All World Equity Index Fund). In return for targeting a higher level of investment growth over the longer term, you accept that the value of your pension savings may go up or down quite sharply, and more often, compared to some other lower risk asset classes

When you are 20 years from your retirement date, Legal & General will automatically start to gradually move your AVC pension savings so that, by the time you are 10 years from your retirement date, 100% of your fund will be invested in a diversified fund (the L&G Diversified Fund) that aims to reduce exposure to investment risk by investing in a range of different assets whilst also aiming to provide investment growth over the long term.

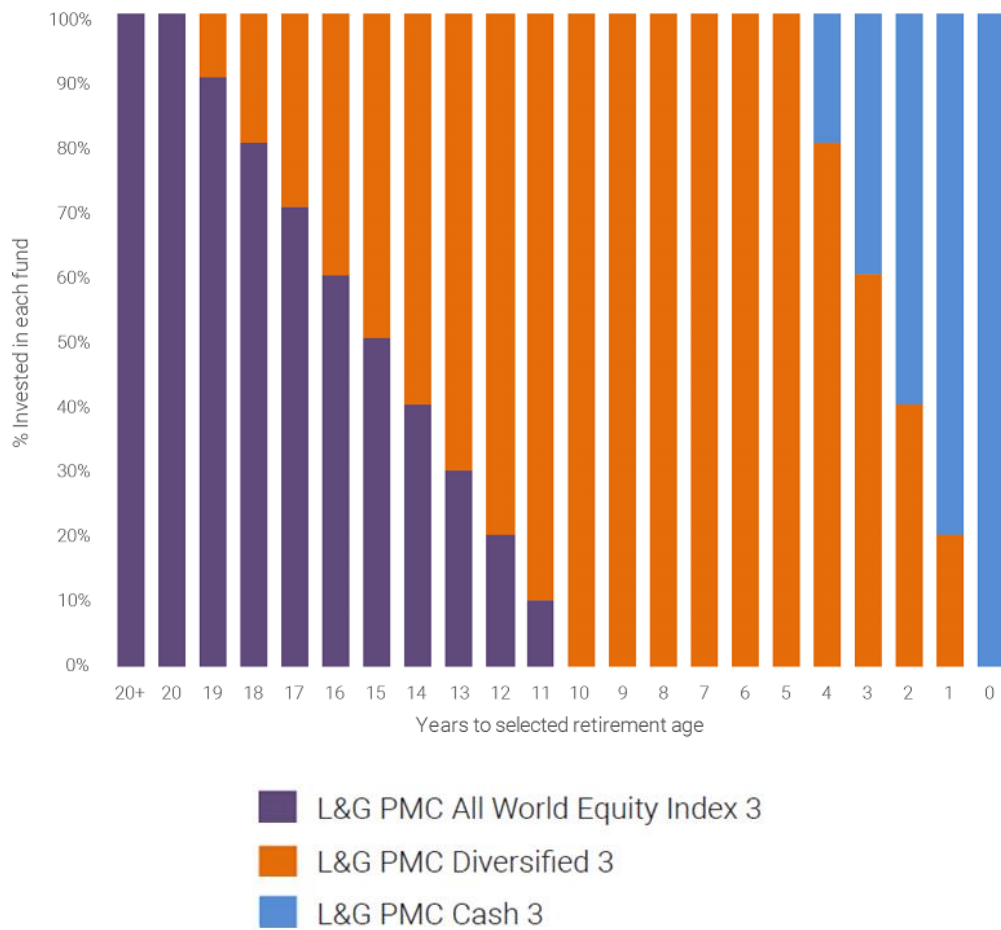
When you are five years from your retirement date, Legal & General will begin to move your AVC pension pot so that, when you reach your retirement date, 100% will be invested in a lower-risk fund that invests in short-term cash deposits (the L&G Cash Fund). Instead of aiming for higher investment growth, this fund aims to reduce the impact of any sudden falls in the value of your AVC pension pot, as you approach retirement.

The aims of this Lifestyle strategy have been set by the TFL Pension Fund Trustee having taken appropriate advice. Please note this does not necessarily mean that this Lifestyle strategy is suitable for you and your individual circumstances. It's important to be aware that there are other investment options available to you.

This Lifestyle strategy may not be suitable if you don't take pension benefits as intended once you reach your retirement date. It's also important to review your investment strategy on a regular basis, both before and after your retirement date, to ensure that the funds in which your AVC pension pot is invested remain suitable for your needs.

Please note that, if you intend to take all of your AVCs as cash, only 25% of the total value of your TfL Pension Fund pension and AVCs may be taken tax free. If you do not take your AVCs at the same time as your Fund benefits then the maximum tax free cash sum would be limited to 25% of your AVC fund and you will be subject to tax at your marginal rate on the remaining amount.

The chart below shows how your AVCs are automatically switched into lower risk funds as you approach your target retirement age.



If you wish to invest through the Lifestyle strategy option this would apply to the whole of your AVC funds, you cannot mix* and match between the Lifestyle strategy and self select funds.

It is important that if you choose to invest through the Lifestyle strategy that you select an appropriate target retirement age; you can change this age in the future at any time should your plans for retirement change. You should regularly review your retirement plans and if you do intend to change your target retirement age, the earlier you do so the better to avoid investments being switched to lower risk investments too soon (if you intend to retire later) or remaining in higher risk funds (if you intend to retire earlier)

*If you have transferred in AVCs from one of the Fund’s previous AVC providers, these may be in self select funds and if this is the case you will need to contact Legal & General if you wish to switch the transferred funds into the Lifestyle strategy.