

Future Advantage funds

Customer guide

Choose an investment option based on your attitude to risk

1. Future Advantage

Easy investment choices based on your attitude to risk

Future Advantage is a risk-rated range of five investment options.

The Future Advantage range gives you choice as you save to and through retirement, allowing you to choose an investment option that matches your own attitude to risk and investment aims.

You can check how much risk you're comfortable taking with our [online questionnaire](#):



Assess your attitude to risk

Check how much risk you might be comfortable taking with your investments with our risk questionnaire



Each Future Advantage option is rated 1-5, with 1 being the lowest risk and 5 the highest.

The higher the risk, generally the higher the potential return. However, as with all investments, the value can fall as well as rise and you may get back less than you invest.

Future Advantage 1

Risk: Lowest Risk
Assets: Mainly bonds

1

Future Advantage 2

Risk: Second lowest Risk
Assets: Bonds and equities

2

Future Advantage 3

Risk: Middle of the range
Assets: Mainly equities

3

Future Advantage 4

Risk: Second highest risk
Assets: Mainly equities

4

Future Advantage 5

Risk: Highest Risk
Assets: Significant equities

5

Increasing levels of risk

■ Growth assets ■ Defensive assets

Definitions



Defensive and growth investments: Defensive investments, like some types of bonds, are less likely to move up and down in value than growth investments like equities



Bonds: Bonds are sometimes known as fixed income or fixed interest investments. They are loans to a government or company.



Equities: Equities are shares in a company. As the company's value goes up and down, so does the value of your investment.

For more definitions see our [Investment Guides](#).

2. Investment built on beliefs

Your retirement outcomes are at the heart of everything we do.

Our investment beliefs shape the design of all our investment options, including the Future Advantage range.

We believe in putting your investment outcomes first when we build our investment options.

We believe in future-proofed investment options, so that we can respond during unpredictable times.

We believe that investing responsibly today can mean better financial outcomes in the future.

We believe in investment independence, and we have the freedom to choose from a wide range of investment managers and strategies.

We believe robust governance helps us to check and keep improving our investment options.

<p>Outcome focused</p> <p>We believe insight driven solutions can drive good outcomes.</p> 	<p>Future proofing as standard</p> <p>We believe in future proofing as standard to support an ever changing market place and evolving customer needs.</p> 	<p>Responsible investment</p> <p>We believe responsible investing can lead to better long-term financial outcomes and may help to support a more sustainable future.</p> 	<p>Robust governance</p> <p>We believe robust governance can provide comfort and drive continuous improvement.</p> 	<p>investment independence</p> <p>We believe in investment independence, which enables us to select from a range of managers and strategies.</p> 
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3. Take advantage: Risk-rated funds offer choice and flexibility

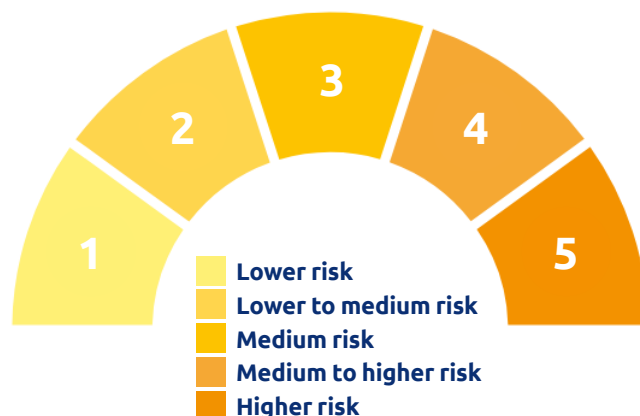
Choosing a Future Advantage investment

Use our **online risk questionnaire** to decide how much risk you're comfortable taking, and then choose the risk level that's right for you.

Then, simply select your investment option.

We review the funds regularly to make sure they keep on doing what they are supposed to do.

You can change your investment option at any time and it's a good idea to get in the habit of reviewing your investments regularly.



Choose your risk level

Future Advantage options cover a range of different investment types, including stock and shares, bonds, property and cash.

We use mainly passive investments, creating a mix of investments for each risk level that is reviewed each year.

Passive management – this is when an investment aims to track the performance of a benchmark. You might also see this referred to as index tracking. Passively managed investments often incur lower charges than actively managed ones.

Active management – this involves a fund manager deciding which companies the fund should or shouldn't include and aiming to meet or exceed a given target.

Risk level 1

Designed for customers who only want to take a small amount of risk to potentially achieve modest or relatively stable returns. There may be some short-term changes in value.

Risk level 2

Designed for customers who want the potential to achieve reasonable long-term returns and are prepared to take some risk in doing so. There may be some frequent but quite small changes in value.

Risk level 3

Designed for customers who are quite comfortable taking some risk to potentially achieve better long-term returns. The value can change frequently and sometimes significantly.

Risk level 4

Designed for customers who are comfortable taking some risk to potentially achieve higher long-term returns. The value is likely to change frequently and often significantly.

Risk level 5

Designed for customers who are very comfortable taking some risk to potentially achieve high long-term returns. The value is likely to change very frequently and significantly.

4. Take advantage: Responsible investment approach for equities

Responsible investing at Standard Life is first and foremost about helping our customers aim for a good retirement.

We're prioritising good financial outcomes while also considering other factors we know our customers want and expect us to look out for on their behalf.

The Future Advantage range includes a responsible investment approach for the equity investments included in each fund.

The responsible investment content in each option varies depending on where it invests. The more equity in the fund, the greater the proportion of responsible investment content.

Future Advantage 1 and 2 invest more in bonds. Bonds in the range do not have a responsible investment approach yet.

Future Advantage 4 and 5 invest more in equities. Equities in the range do have a responsible investment approach.

How the responsible investment content varies for each fund:



Responsible investment approach

Responsible investing means considering environmental, social and governance (ESG) risks and opportunities when deciding where to invest money. We're focused on growing your pension pot so we'll look at the areas of responsible investing that we believe can achieve this.

This means we'll seek to avoid investing in companies that could present a risk; for example, those involved in activities such as controversial weapons or tobacco production. We'll also invest more in companies that could provide an opportunity, like those focused on carbon reduction and green technology.

You can find out more about how Standard Life approaches responsible investment on our website: standardlife.co.uk/investments/guides/sustainable-investing

5. Take advantage: Monitored by our teams

Our governance teams will make regular checks to ensure that:

- Third party investment managers are meeting our requirements
- Funds are being run in line with their stated objectives
- Customers are treated fairly

We share performance quarterly through our fund factsheets, which are available online:

Performance information



[Standard Life Future Advantage 1 Pension Fund](#)



[Standard Life Future Advantage 2 Pension Fund](#)



[Standard Life Future Advantage 3 Pension Fund](#)



[Standard Life Future Advantage 4 Pension fund](#)



[Standard Life Future Advantage 5 Pension fund](#)

We also report in our quarterly fund factsheets on carbon emissions and provide details on the companies that are excluded from the Future Advantage investments in equities.

6. Important information

The value of any investment can go down as well as up, and isn't guaranteed. You may get back less than was paid in.

It's a good idea to check your investments regularly to make sure they are still meeting your needs.

As a Standard Life customer you will be able to log into our online dashboard to check your investments, and you can make changes at any time.

www.standardlife.co.uk

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