atlas

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Investment Guide

Atlas Master Trust

Capita Section

Capita Employee Solutions operates a pension scheme called the Atlas Master Trust (`Atlas'). Atlas is run by a single Trustee company which is called the Atlas Master Trust Trustee Limited. The Trustee company is legally responsible for making sure that Atlas is run properly and is composed of directors who are a select group of pension experts. The Capita Section is a section within Atlas for current and former employees of Capita. The Atlas Master Trust has its own Trustee Board which looks after the interests of all members in Atlas.

This investment guide is divided into three sections. We start by introducing some key things you need to know about Atlas and issues you may wish to consider before selecting your investment options.

The second section discusses some 'Lifestyle Strategies' which have been developed to help those who are not completely confident in making their own detailed investment decisions. More information regarding these can be found by turning to page 16 of this guide. The first of these Lifestyle Strategies, the Cash Lifestyle Strategy has been set as the default option for those who do not select an alternative.

The third section outlines all of the available funds and explains what you need to do to build your own investment strategy.

More comprehensive details on Atlas as a whole are provided in the Scheme Booklet. This is available from the Scheme Administrator.

Alternatively, please visit the Pension pages on Capita Desktop (this can be accessed by logging into Capita Desktop, going to My Self, and then Choice) or via www.capita.orbitbenefits.com, and following the links through to the website. You can see where your funds are invested, how they have performed and also make changes to your investment strategy and fund choices, whenever you wish. Please note that you will need to register the first time that you use the website, details of which are available on the homepage.

For members who have left Capita, you can also visit these pages at www.hartlinkonline.co.uk/cgmps-atlas

This booklet is correct as of January 2021, and whilst every effort has been made to ensure the information in this booklet is correct, underlying information about the funds may vary from that within the guide.

Members subject to the tax laws of the Isle of Man, Jersey or Guernsey should note that some of the retirement benefits described in this booklet may not be available to you. Please contact the Scheme Administrator for further information on the retirement options available to you in Atlas.

The fund platform

The funds available to you are 'whitelabelled' funds. This means that the funds you select are a tailored package on the Scheme's investment platform. The Trustee aims to select the best available investment manager or, where appropriate, managers, which fit the criteria described in the fund descriptions. The Trustee is responsible for the selection, monitoring and, where necessary, the termination of the contract of the underlying investment managers for each of the funds. This may therefore result in changes to the underlying investment managers, associated costs and benchmarks, for the funds available from time to time. Details of the funds available to you, at the date of publication, are shown on the following pages, and current details can be found by contacting the Scheme Administrator.

The fund platform means that Atlas does not need to offer you a long list of similar funds, as you often find if you join a personal pension scheme, as the Trustee, with help from their professional advisers, aims to select the best-in-class investment managers within each asset class. This does not mean that funds are guaranteed to outperform their benchmarks or peers.

The platform also minimises the time taken to disinvest and re-invest monies when you decide to switch funds. This reduces what is known as 'out of market' exposure (i.e. the risk that you are not exposed to market movements for a period when you intended to be).

How safe are my savings?

The Trustee has a Statement of Investment Principles (SIP) that describes their investment philosophy and how they choose the range of funds that you can invest your money in.

Financial Protection for members is one of their key considerations when choosing how to invest. Currently, all contributions are invested in well regarded, mainstream pooled investment funds which are accessed through a long-term insurance contract (policy) with Scottish Widows Limited (Scottish Widows), one of the world's largest global financial institutions.

Each year, Scottish Widows provides information to the Trustee on the various layers of financial protections available to members, describing Scottish Widows financial strength, its exposure to certain types of investment risks and descriptions of the ways in which members' assets are protected in the event of Scottish Widows failure or the failure of any external fund manager on its investment platform. These descriptions include custodial arrangements and the anticipated level of protection available under the Financial Services Compensation Scheme (FSCS). In the event that Scottish Widows became insolvent, the Trustee, on behalf of members, would be eligible to make a claim under the FSCS for losses attributable to Scottish Widows, up to 100% of its policy value.

Copies of the SIP are available to members on request by contacting the Scheme Administrator, details of which can be found on page 60. You can also find a copy on the website www.atlasmastertrust.co.uk.

Contents

Please note that your investment decisions are your responsibility. The Trustee has provided a range of options which cover the various asset classes and have a variety of risks and potential rewards. They are committed to reviewing the options available on a regular basis and remain responsible for selecting the range of options available to you. However, the decision as to which option suits you as an individual and your circumstances is your responsibility. We appreciate this is a big decision for you to make, and while the Scheme Administrator is available to offer any further information you may require, the Trustee is not regulated to give financial advice. If you feel you need advice, you will need to contact a FCA-regulated financial adviser; for details of your nearest adviser, please visit www.unbiased.co.uk. You should check the specialist advice areas of any adviser as well as the cost of their advice before appointing them.

When considering your long-term investment strategy you should be aware that there is no guarantee that an investment will meet its target return and that the value of investments, including the Lifestyle Strategies, can go down as well as up and you may not get back the money you have invested into your chosen option(s).

*You may be charged for any advice provided. Neither Capita nor the Trustee can take any responsibility for the advice you receive or any action you take as a result of it.

Section 1
A few things to think about before you begin...

What are you trying to achieve?

When putting your investment strategy together, or selecting one of the Lifestyle Strategies, it is worth having a think about what you want to achieve from your pension fund. Some people find it helpful to set themselves a target, for example you might want your income in retirement to be equal to a certain percentage of your final salary. While this cannot be guaranteed, it could help to inform how you invest your fund. For example, if you have a long time until you retire and are prepared to contribute a lot into your pension fund, you may decide to adopt a more conservative (lower risk, lower return) investment strategy to aim for your target income in retirement. Alternatively, if you want to keep your contributions to a minimum, then you may decide that a more aggressive investment strategy (a riskier, but potentially higher returning investment approach) will be required in order to try to achieve your target (although this cannot be guaranteed).

Risk - is it a necessary evil?

One of the most common words used when talking about investments, is 'risk'. Generally, reference to 'risk' refers to how volatile the performance of a fund is, that is the degree of fluctuations in value that your retirement account will experience in a short period of time.

Different investments carry different risks, and it is expected that the more risks carried by an investment, the higher the potential for reward. For example, equities are considered to be higher risk as companies may not perform as expected, but are, in general, expected to provide strong returns over the long-term. In comparison, cash is likely to provide a lower risk investment, and a steady, but lower, return. However, the value of a cash investment could still be eroded by inflation.

It is therefore important to think about how comfortable you are with the level of risk associated with your investments. Unfortunately, there is no such thing as a risk-free investment. Even putting your money under the mattress has risks: inflation may devalue it, fire may burn it or a thief may steal it.

The Trustee has selected a range of options which aim to accommodate your appetite for risk. Furthermore, they believe that the investment managers charged with looking after your money have the necessary understanding of the risks associated with the day-to-day management of the investments.

Aside from this traditional definition of risk, often referred to as 'investment risk', there are other ways to consider the concept of risk within the context of a pension investment, including, but not limited to, 'inflation risk' and 'conversion risk'. Inflation risk is the risk that if the investment returns on your fund increase at a rate lower than inflation, then the amount that you can buy with the value of your investments will fall. Conversion risk is the risk that the way your fund is invested is not a good match for how you plan to use your money – for instance, if you are planning on purchasing an annuity at retirement, you should consider the risk that annuity prices may go up or down as you approach retirement. If you are concerned about the level of risk that your investments may be exposed to, you are advised to seek personal financial advice.

The Trustee has made available a number of funds which may expose your investments to additional risks. Where appropriate the Trustee has looked to highlight key risks associated with these funds. The risks outlined in this document are not, however, exhaustive and you may wish to seek professional impartial financial advice to confirm whether these risks are acceptable given your long-term objectives.

Diversification - 'not putting all your eggs in one basket'

There are a wide range of assets available which can be invested in. Each has a different trade-off between risk and return. The key characteristics of the 'building blocks' of investments are summarised on pages 8-11. Diversification is the principle of spreading your investments and their associated risk, however small you may think they are, over several funds. If one does badly, another may do well. All of the Lifestyle Strategies invest across a range of different funds, run by different investment managers, in different assets, in different parts of the world. The intention of this is to reduce the associated volatility in performance, and the risk of extreme losses, whilst targeting a level of return which meets with appropriate expectations.

Active management vs passive management (index tracking)

An active manager will make choices on which investments to make based on their knowledge, experience and the processes that they are using. The aim of an active manager is to provide a return which beats the 'benchmark' taken from a range of returns in similar investments. Conversely, a passive manager, commonly known as an ‘index tracker’, will aim to track the overall performance of the benchmark or market ‘index’ given to them.

As a result, active management introduces additional risk (a manager may make bad decisions) and as it takes more manager time as well as expertise, active management also tends to be more expensive. Passive management/ index tracking does not contain as much manager risk but is likely to underperform the market once fees are deducted, and cannot take any defensive action should the benchmark produce negative performance.

The main lifestyle strategies (Annuity, Drawdown and Cash) in the Scheme use an approach that combines both active and passive management.

Asset classes - the ‘building blocks’ of investment

When looking at your future expected investment growth, the decisions you make in terms of asset classes have the biggest impact. Therefore, before deciding on your long-term investment strategy you may wish to consider the key characteristics of the ‘building blocks’ of investment. All of the funds which are available invest in one or more of the following broad asset classes:

- Equities (commonly known as shares)
- Property
- 'Absolute return’ funds
- Bonds
- Cash

Equities (commonly known as shares)

Generally, equity funds:

- are made up of shares in companies traded on stock markets in the UK or overseas;
- have returns that reflect the values of the shares held by the fund;
- can go up and down in value;
- are expected to experience higher **short-term** volatility when compared with bonds or cash;
- are expected to offer higher **long-term** returns than bonds or cash; and
- are more suitable for investors with **long-term** investment horizons (e.g. members further from retirement).

However, even across equity funds the expected risk and return can differ materially. For example, equity funds investing overseas may be exposed to additional currency risk. Another example would be equity funds investing in less developed countries such as emerging market equity funds. Although these funds may offer higher growth potential, they are also considered more susceptible to other risks such as corruption, volatile political environments, different regulatory/ legal regimes, sovereign default and war than developed market equity funds.

Property

Generally, property funds:

- invest in a range of commercial properties such as retail outlets, office blocks and industrial buildings;
- may also invest in the shares of companies that own and/ or operate a range of commercial properties;
- have returns that depend on the change in market value (up and down) of the individual properties and rental incomes from the properties;
- may be less liquid (that is, less easily bought and sold) than equities or bonds;
- have expected risk/ return characteristics between those of equities and bonds;

- are more suitable for investors with long-term investment horizons (e.g. members further from retirement); and
- do not typically invest substantially in residential property (i.e. houses), which means that performance would not be expected to mirror movements in residential house prices.

There are higher additional costs involved in buying and selling property than with many other asset classes. This should not necessarily dissuade a long-term investor from investing, but should be considered and may serve as a caution if you only expect to hold a property fund for a relatively short period of time.

'Absolute return' funds

Generally 'absolute return' funds:

- may be diversified across a number of asset classes;
- may also hold investments that do not fit into the mainstream categories of equities, bonds, cash and property;
- may hold underlying securities that are not as readily tradeable as equities and bonds;
- may seek to add returns by varying their holdings in different asset classes;
- may have higher investment charges than for more traditional investments;
- are expected to be less volatile than equities (though not guaranteed); and
- are more suitable for investors with long-term investment horizons (e.g. members further from retirement).

Absolute return funds are also more likely to change the underlying asset classes that they invest in over a given period of time. This 'dynamism' is one of the ways that investment managers of absolute return funds seek to enhance returns; although there is no guarantee that it will outperform a less dynamic fund as it is highly dependent on the skill of the investment manager.

Bonds

Generally, government bond and corporate bond funds:

- are made up of debt issued by governments (known as gilts when issued by the UK Government) or companies (corporate bonds), where the government or company borrows an amount of money for a given period;
- pay interest on the amount borrowed and the capital is repaid at the end of the fixed period;
- rise and fall in value over their lifetime, but returns are not expected to be as volatile as equities; and
- are more suitable for those nearing retirement who will soon wish to buy an annuity as:

  i) their values are usually less volatile than equities; and

  ii) the price of fixed/ level pension annuities in the UK has historically been broadly linked to the price of long-dated bonds whilst the price of inflation-linked pension annuities has historically been broadly linked to the price of index-linked bonds. (See Glossary for an explanation of an 'annuity').

Cash

Generally, cash funds:

- invest in high quality (i.e. low chance of default) short-term debt instruments or cash;
- are expected to provide lower returns over the long-term than equities, bonds, absolute return funds and property;
- have a significantly lower risk of capital loss than with other asset classes but the fund may still fall in value in exceptional circumstances;
- aim to achieve a competitive cash return over time, in comparison with placing funds on short-term deposit with a bank or building society;
- are less suitable for investors with long-term horizons (e.g. members with some years until retirement) as the value of the fund may not keep pace with inflation or deliver the investment growth required for adequate savings at retirement; and
- do not offer protection from changes in the cost of buying an annuity.

Cost vs value for money

Each option available to you has a fee associated with it, known as a Total Expense Ratio (TER) (see page 13 for further information on this). Fees will vary by asset class and depend on whether your chosen fund is actively managed or passively managed/index-tracking.

Due to the size of Atlas, Total Expense Ratios have been, and continue to be, negotiated to be kept to a minimum. The impact of fees can have a significant effect on the final value of your retirement account, and it is perfectly acceptable to bear the relative cost of each option in mind when selecting your investment strategy. However, the Trustee is keen to stress that, as with every purchase, the cheapest does not necessarily offer the best value for money. Creating a strategy that offers the risk and return characteristics which you would like is generally worth consideration.

It is also important to consider transaction costs when making investment decisions. Transaction costs are incurred when assets are bought and sold. These will vary by fund and are typically greater for those assets which are less readily bought and sold (such as Property). These transaction costs are often referred to as a 'spread' which is the difference between the buying (offer) and selling (bid) price. Changing investment options may incur transaction costs and costs from frequent changes may significantly affect the final value of your retirement account.

These transaction costs are reflected in the unit price of a given fund. If there are net cash flows into a fund, assets will typically need to be bought at an offer price, so the price of units in the fund will be valued on an offer basis. If there are net cash flows out of a fund, assets will typically need to be sold at a bid price, so the price of units in the fund will be valued on a bid basis. Hence, the price of fund units can typically fluctuate between bid and offer on a daily basis, depending on the direction of cash flows into, or out of, the fund. The 'spread' between the lower bid and higher offer prices will influence the size of the fluctuations in the unit price.

These fluctuations can impact the quoted performance of the fund (even though they do not necessarily reflect a change in the value of the underlying assets). This effect is most likely to be noticed on the UK Direct Property Fund, which historically has a 7% 'spread', reflecting the higher transaction costs associated with investing in property assets (i.e. due to Stamp Duty Land Tax, agency fees, etc.).

As such, when viewing the value of the fund members are warned that this can fluctuate on a day-to-day basis. Likewise, there is no guarantee on whether the platform fund will be growing or shrinking at investment or disinvestment, and the Scheme Administrator is unable to hold trades until the price is known.

Total Expense Ratio

Each fund has a Total Expense Ratio (TER) which is automatically deducted from your fund. This charge is shown under the risk indicator for each fund. The TER quoted includes the Annual Management Charge (AMC) for the underlying investment manager, a charge which contributes to the administration costs of Atlas, and also includes extra expenses that may be incurred from time to time for the custody and administration of the underlying pooled fund. Please note that the TER can vary over time.

For further information concerning the costs and charges associated with your investments, please see the fee information listed for each fund in Section 2 and Section 3 of this booklet. Alternatively, a full list of the TERs for all funds available to the Capita section is shown in the table on pages 18 and 33.

Lifestyle vs. Freestyle

The Trustee recognises that different members will want different things from their Atlas pension. Many members will prefer to let the Trustee make a number of decisions on their behalf about the most appropriate investment strategy for them, based on how far they are from retirement – these members are best suited to using one of the lifestyle strategies listed in section 2.

However, some members will prefer to take a more 'hands on' approach to their investments, choosing their own range of funds to invest in. For these members, the Trustee makes available a range of funds (referred to as 'Freestyle funds'), investing in different asset classes, and managed by asset managers who specialise in such investments. This range of funds has been carefully chosen by the Trustee with help from their professional advisers, and is regularly reviewed.

All members, unless they make an active choice to invest in something different, will have their contributions invested in the Cash Lifestyle Strategy, which is designed for members wishing to take all of their savings as Cash at retirement.

Environmental, Social and Governance considerations

The Trustee recognises that members may have differing views on Environmental, Social and Governance ('ESG') matters and how these should be incorporated with respect to their investment choices. With input from their professional advisers, they consider and review on an ongoing basis, how appointed investment managers incorporate ESG matters in their process.

ESG considerations are specifically taken into account within the Multi Asset Portfolios, which are used within the Cash, Drawdown and Annuity Lifestyle Strategies. In these strategies, the allocation to equities is achieved by using Schroders multi-factor equity approach. One of the factors used in this approach ('SustainEx') looks to alter exposures to companies by scoring them on a number of measures of social or environmental impact. As a result of this scoring, exposure is increased to those companies with the best scores in relation to social or environmental impact, and reduced for those companies where the score is low.

A new fund!

For those of you who are keen to invest in a fund which takes an ESG approach into account, the Trustee has just introduced a new fund which we're pleased to add to the fund range.

Atlas Sustainable Equity

The Fund aims to provide capital growth in excess of the MSCI All Countries World Index (net of fees) over the market cycle (typically 3 to 5 years) by investing in equities of companies worldwide. See page 46 for more information.

Section 2
Lifestyle Strategies – for members who feel they need a little guidance

Lifestyling

Overview

Typically, pension investments are long-term investments. The Lifestyle Strategies summarised on pages 16-30 aim to offer a range of prospective funds and utilise different investments which, in isolation, are expected to fluctuate in value over the short-term but when combined should provide a complementary asset mix, which is broadly suitable for the three retirement options targeted. All the Lifestyle Strategies switch funds away from higher-risk growth assets and into comparatively lower-risk defensive assets as you near retirement. These 'defensive' assets are expected to fluctuate in value less than 'growth' assets.

The Lifestyle Strategies automatically switch to more defensive assets as you approach your retirement age, with each Lifestyle Strategy doing this in a different way and to different degrees. Once you have selected the type of Lifestyle Strategy you want, all you have to do is notify the Scheme Administrator of when you aim to retire **(if they are not notified of your Target Retirement Age, they will assume it is age 65)**. Please be assured that selecting a date in this instance only affects your investments, and does not commit you to a certain date when you have to take your benefits or retire from employment. Likewise, selecting a type of Lifestyle Strategy only affects your investments, and does not commit you to a particular choice of benefit at retirement (for example, choosing the Drawdown Lifestyle Strategy does not mean you have to take benefits through drawdown in retirement).

You can change your choice of Lifestyle Strategy at any time, either to another Lifestyle Strategy or to a combination of Freestyle funds. Furthermore, three of the four lifestyle options are invested in the same way up until 10 years from retirement. This means that if your Target Retirement Age is 65 and you are younger than 55 you will be invested in the same asset allocation, whether you chose the Cash Lifestyle Strategy, the Drawdown Lifestyle Strategy or the Annuity Lifestyle Strategy. Therefore, if you switched between two Lifestyle Strategies (for example out of the Annuity Lifestyle Strategy and into the Drawdown Lifestyle Strategy) there would be no transaction costs expected as long as you are 10 years before your Target Retirement Age. You could still make a switch after this point, but you may incur transaction costs due to changes in investments.

What are the advantages of lifestyling?

The main advantage of the traditional lifestyling approach is that investments are switched to those that are expected to be less risky or volatile relative to how you intend to take benefits in retirement at a time when any losses incurred would be hard to make up. It has the added advantage that this process happens automatically without you needing to remember to switch investments so it is very much 'hands off'. However, you will need to remember to tell the Scheme Administrator when you intend to take your retirement benefits so that the switching happens at the right time.

What are the disadvantages of lifestyling?

Lifestyle switching is linked to your own Target Retirement Age if you have selected one **(or it is assumed to be 65, if you have not selected one)**. It is very important that you consider when you want to take your benefits and let the Scheme Administrator know if this changes in future because expectations about retirement often change over time.

If a lifestyling strategy starts switching someone out of growth assets too early, it will limit the amount of growth that may be made. This could have a major impact on your savings and ultimately your retirement benefits. Similarly, if a lifestyling strategy starts switching someone out of growth assets too late, then the fund will have been exposed to market fluctuations at a time when it may be difficult to make up any losses.

Lifestyling will not suit everyone because it very much depends on the lifestyling strategy adopted and your own attitude to risk. In particular, it may not be suitable for you if you prefer to actively manage and switch your own investments or if the lifestyling strategy does not suit your own risk tolerance. You may also have investments and savings elsewhere which, if taken into account, could make a different investment approach more appropriate for your circumstances.

The Lifestyle Strategies will target the different ways that members are able to take benefits in retirement (Cash, Drawdown and Annuity). Each Lifestyle Strategy is designed for a typical member targeting one of these benefits and hence, will not be suitable for every member.

Moreover, each Lifestyle Strategy only targets one particular type of benefit at retirement, so may not be suitable if you wish to take a different retirement benefit. For example, the Annuity Lifestyle Strategy may not be suitable for you if you do not want to buy an annuity at retirement. This is because as a member enters the lifestyle phase, assets will be switched to those that are expected to move more closely in line with changes in annuity prices, to provide more certainty of the amount of income you can get by buying an annuity. However, these assets may not be expected to generate the highest returns.

Three of the four Lifestyle Strategies have the same initial 'growth phase' structure which is designed to give members the opportunity for long-term growth and will be in place until 10 years prior to a member's Target Retirement Age. At this point the strategies will follow an investment approach designed with the aim of giving members the best outcome for the retirement outcome they have decided to target.

Further information about the retirement options available to members is in the Retirement Guide which should be read in conjunction with this booklet.

Lifestyle Strategies available to you

Fund Name	TER (p.a.)	Retirement Target	Page
Cash Lifestyle Strategy (Default)	0.55%	Cash	19
Drawdown Lifestyle Strategy	0.55%	Drawdown	22
Annuity Lifestyle Strategy	0.55%	Annuity	25
Passive Global Equity Lifestyle Strategy*	0.30%	Annuity	28

*Closed to new members

As you enter the lifestyle phase (10 years prior to your target retirement date) the asset allocation, benchmark, performance target, risk level and TER will change in line with the composition of funds to reflect the different target at retirement.

Cash Lifestyle Strategy

(Default option)

This is the default investment option and could be used if you wish to take your retirement savings as cash (also known as Uncrystallised Fund Pension Lump Sums [UFPLS]), either as one lump sum or a series of cash sums. Currently 25% of the amount to be designated for a UFPLS can be paid tax free, with the remaining 75% taxed as income. As with the other strategies, this option switches out of more risky assets as you approach retirement (with the objective being that any falls in investment markets, which you would struggle to make up in the short period to retirement, should have less of an impact on your fund). However, in the immediate years to retirement this option retains a higher weighting to cash in order that this is available for you to withdraw as a lump sum at retirement. Further information on Cash (UFPLS) is available within the Retirement Guide.

This investment option may not be suitable for you if you do not plan to take your savings as cash at retirement.

Growth phase until 5 years prior to Target Retirement Date

Current investment managers

Schroder - Atlas Multi-Asset Portfolio 1 Fund

Benchmark

MSCI ACWI (c. 80%)
Barclays Global Aggregate Corporate Bond Index (c. 20%)

60% of the overseas currency risk is hedged back to sterling

Performance target

The Growth phase invests in a multi-asset portfolio which targets long-term growth of Cash +5% through exposure to a range of asset classes. The fund also aims to be less volatile than a fund that is purely invested in shares (equities); it targets 80% of the volatility of a fund purely invested in equities.

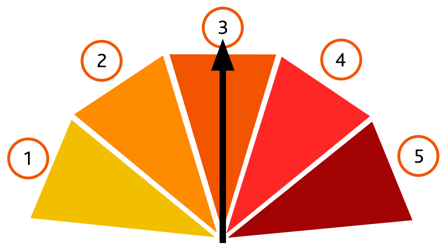
This fund is aimed at members who are prepared to accept a moderate to high level of risk over the medium to long-term. The graph opposite shows the proportions of the Growth phase that are invested in different types of assets - this is known as the Strategic Asset Allocation.

This lifestyle strategy uses a form of active management in the Growth phase, but makes greater use of passive management as members approach retirement. The type of active management used in the Growth phase allows the manager to invest differently to the Strategic Asset Allocation shown opposite. The manager uses quantitative models to determine how to invest and deviate from the Strategic Asset Allocation in terms of asset allocation and stock selection, with the expectation of performing better than the Strategic Asset Allocation. Included within this model is the use of a 'SustainEx' factor with more information on page 14.

Asset split

Global equities (hedged to GBP)	40%
Global equities (unhedged)	40%
Global sovereign bonds (hedged to GBP)	10%
Global corporate bonds (hedged to GBP)	10%

Initial risk rating

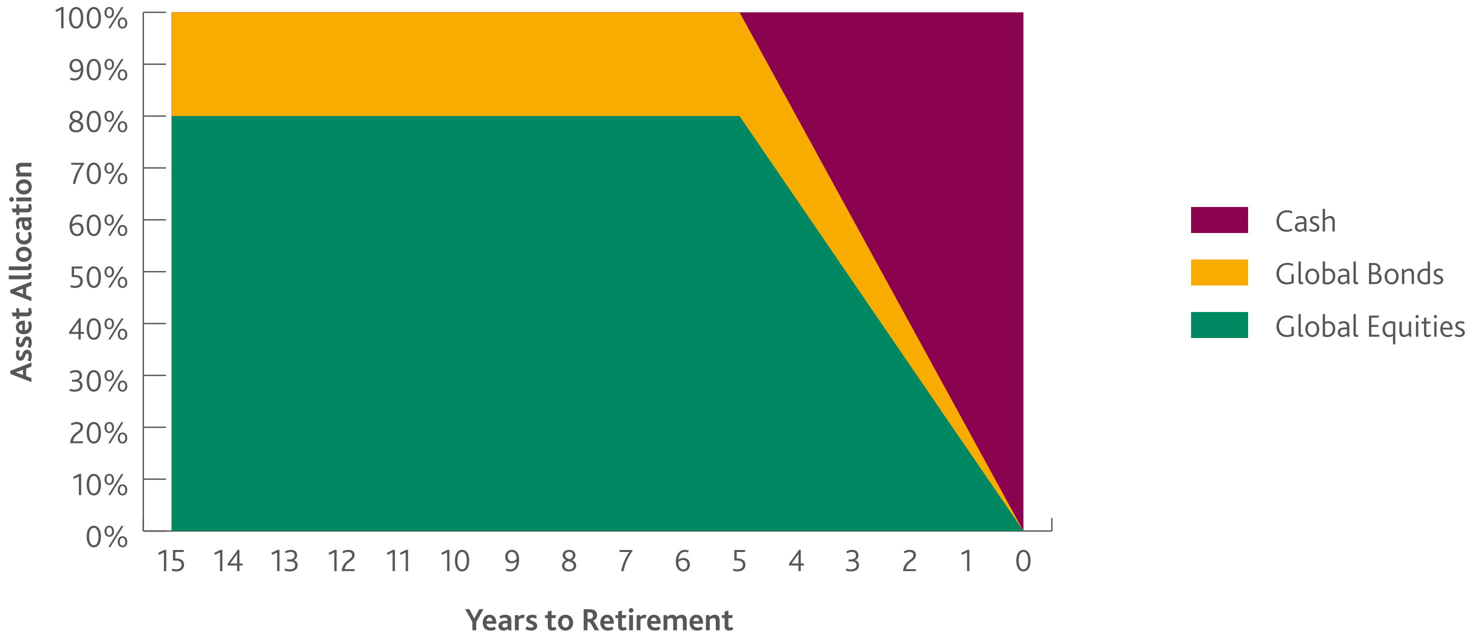


Maximum percentage of your total pension fund that may be invested in this fund: 100%.

Please note, if you invest in this fund you cannot invest in any other lifestyle strategies or funds detailed on pages 33-53.

TER - 0.55% p.a.

Target asset allocations over time to your Target Retirement Date



As you enter the lifestyle phase the asset allocation, benchmark, performance target, risk level and TER will change in line with the composition of funds.

Drawdown Lifestyle Strategy

This option could be selected if you wish to draw an income directly from your retirement savings whilst leaving a proportion of it invested (known as Flexi-Access Drawdown or taking multiple Uncrystallised Fund Pension Lump Sums). Like the Cash Lifestyle Strategy, this option switches out of more risky assets as you approach retirement (with the objective being that any falls in investment markets, which you would struggle to make up in the short period to retirement, should have less of an impact on your fund). However, in the immediate years to retirement, the fund remains invested in a combination of growth-seeking assets, bonds and cash. Hence, at retirement, this option is still exposed to investment markets with the aim of generating modest levels of growth to limit any income withdrawals eroding the value of your retirement savings too quickly. Further information on Drawdown is available within the Retirement Guide.

This investment option **may not be suitable** for you if you **do not plan** to leave your savings invested in retirement to draw an income.

Growth phase until 10 years prior to Target Retirement Date (this is the same as the growth phase for the Annuity Lifestyle Strategy)

Current investment managers

Schroder - Atlas Multi-Asset Portfolio 1 Fund

Benchmark

MSCI ACWI (c. 80%)
Barclays Global Aggregate Corporate Bond Index (c. 20%)

60% of the overseas currency risk is hedged back to sterling

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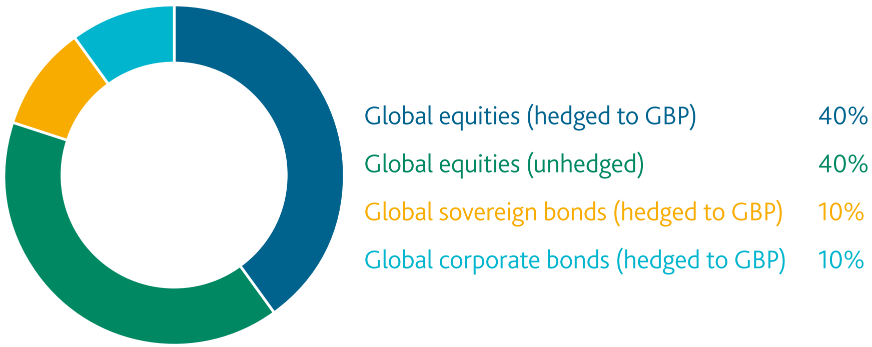
The Growth phase invests in a multi-asset portfolio which targets long-term growth of Cash +5% through exposure to a range of asset classes. The fund also aims to be less volatile than a fund that is purely invested in shares (equities); it targets 80% of the volatility of a fund purely invested in equities.

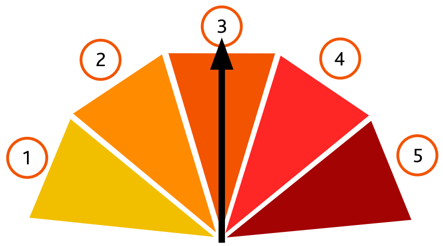
This fund is aimed at members who are prepared to accept a moderate to high level of risk over the medium to long-term. The graph opposite shows the proportions of the Growth phase that are invested in different types of assets - this is known as the Strategic Asset Allocation.

This lifestyle strategy uses a form of active management in the Growth phase, but makes greater use of passive management as members approach retirement. The type of active management used in the Growth phase allows the manager to invest differently to the Strategic Asset Allocation shown opposite. The manager uses quantitative models to determine how to invest and deviate from the Strategic Asset Allocation in terms of asset allocation and stock selection, with the expectation of performing better than the Strategic Asset Allocation. Included within this model is the use of a 'SustainEx' factor with more information on page 14.

Asset split



Initial risk rating

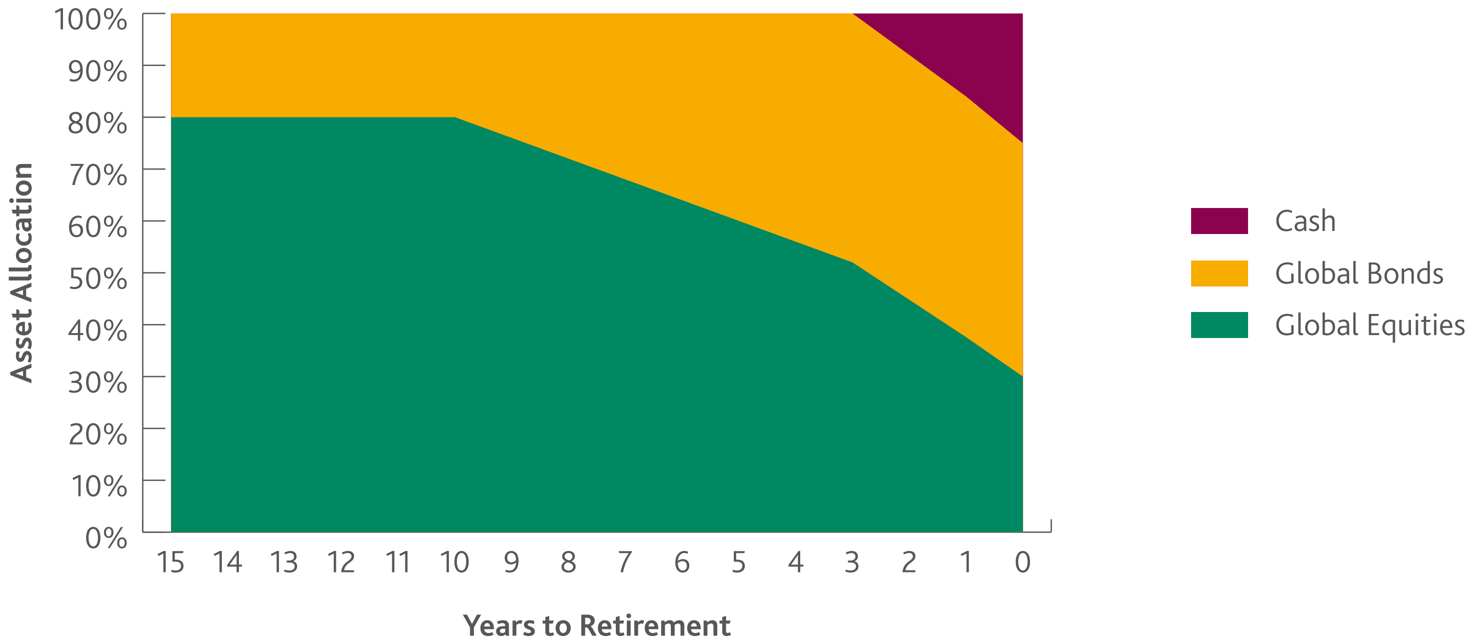


Maximum percentage of your total pension fund that may be invested in this fund: 100%.

Please note, if you invest in this fund you cannot invest in any other lifestyle strategies or funds detailed on pages 33-53.

TER - 0.55% p.a.

Target asset allocations over time to your Target Retirement Date



As you enter the lifestyle phase the asset allocation, benchmark, performance target, risk level and TER will change in line with the composition of funds.

Annuity Lifestyle Strategy

This option could be selected if you wish to buy an annuity at retirement. This option switches out of more risky assets to bonds and cash as you approach retirement (with the objective being that any falls in investment markets, which you would then struggle to make up in the short period to retirement, should have less of an impact on your fund). In the immediate years to retirement, this option will be invested in bonds and cash. The bonds that this option switches to are expected to move more closely in line with changes in annuity prices, to provide more certainty of the amount of income you can get by buying an annuity.

This investment option **may not be suitable** for you if you **do not plan** to buy an annuity at retirement.

Growth phase until 10 years prior to Retirement

Current investment managers

Schroder - Atlas Multi-Asset Portfolio 1 Fund

Benchmark

MSCI ACWI (c. 80%)
Barclays Global Aggregate Corporate Bond Index (c. 20%)

60% of the overseas currency risk is hedged back to sterling

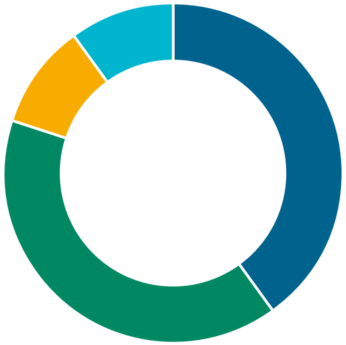
Performance target

The Growth phase invests in a multi-asset portfolio which targets long-term growth of Cash +5% through exposure to a range of asset classes. The fund also aims to be less volatile than a fund that is purely invested in shares (equities); it targets 80% of the volatility of a fund purely invested in equities.

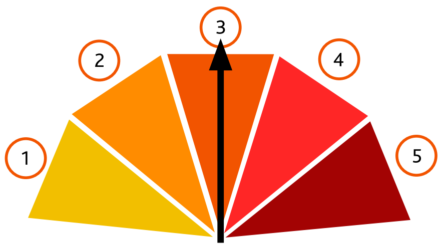
This fund is aimed at members who are prepared to accept a moderate to high level of risk over the medium to long-term. The graph opposite shows the proportions of the Growth phase that are invested in different types of assets - this is known as the Strategic Asset Allocation.

This lifestyle strategy uses a form of active management in the Growth phase, but makes greater use of passive management as members approach retirement. The type of active management used in the Growth phase allows the manager to invest differently to the Strategic Asset Allocation shown opposite. The manager uses quantitative models to determine how to invest and deviate from the Strategic Asset Allocation in terms of asset allocation and stock selection, with the expectation of performing better than the Strategic Asset Allocation. Included within this model is the use of a 'SustainEx' factor with more information on page 14.

Asset split



Initial risk rating

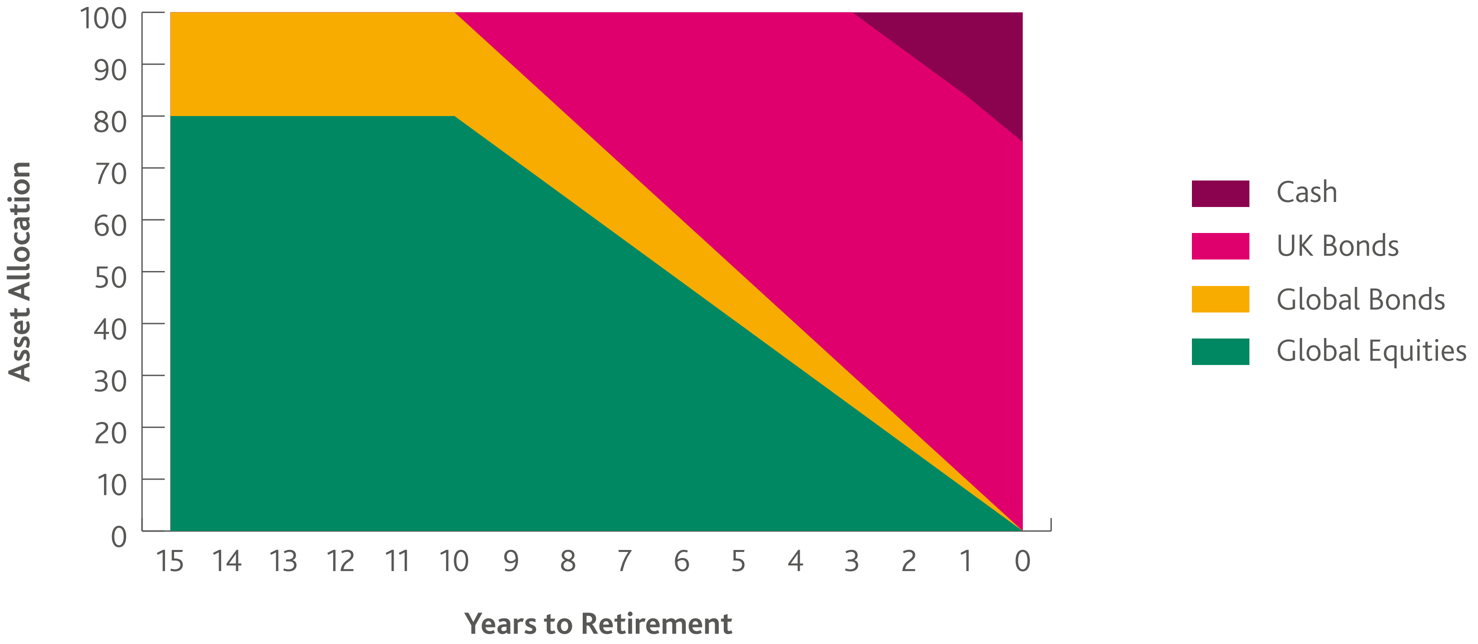


Maximum percentage of your total pension fund that may be invested in this fund: 100%.

Please note, if you invest in this fund you cannot invest in any other lifestyle strategies or funds detailed on pages 33-54.

TER - 0.55% p.a.

Target asset allocations over time to your Target Retirement Date



As you enter the lifestyle phase the asset allocation, benchmark, performance target, risk level and TER will change in line with the composition of funds.

Passive Global Equity Lifestyle Strategy (Only available to existing members)

This lifestyle strategy targets the purchase of an annuity at retirement, but unlike the Annuity Lifestyle Strategy is fully invested in equities in the years further from retirement, split across the UK (20%), and overseas (80%). Passive management is used throughout, and currency hedging is used for the developed overseas equity elements (but not emerging markets) to reduce volatility associated with fluctuations in exchange rates. This fund also incorporates a 5% cap on the amount which can be invested in any single stock within UK equities.

This option switches out of equities and into bonds and cash as you approach retirement (with the objective being that any falls in investment markets, which you would then struggle to make up in the short period to retirement, should have less of an impact on your fund). In the immediate years to retirement, this option will be invested in bonds and cash. The bonds that this option switches to are expected to move more closely in line with changes in annuity prices, to provide more certainty of the amount of income you can get by buying an annuity. This investment option **may not be suitable** for you if you **do not plan** to buy an annuity at retirement.

Growth phase until 10 years prior to Retirement

Current investment managers

LGIM – UK Equity Index Fund (c. 20%)
LGIM – North American Index Fund (c. 34%)
LGIM – World Emerging Markets Equity Index Fund (c. 18%)
LGIM – European (ex UK) Index Fund (c. 15%)
LGIM – Japan Equity Index Fund (c. 8%)
LGIM – Asia Pacific (ex Japan) Developed Equity Index Fund (c. 5%)

Benchmark

FTSE All Share Index (5% capped) (c. 20%)
FTSE All World Developed North American Index* (c. 34%)
FTSE All Emerging Market Equities Index (c. 18%)
FTSE Developed Europe (ex UK) Index* (c. 15%)
FTSE Japan Index* (c. 8%)
FTSE Developed Asia Pacific (ex Japan) Index* (c. 5%)

* The overseas currency risk is hedged back to sterling for these funds

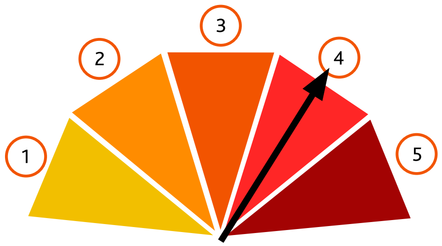
Performance target:

The Growth phase invests in equities which are expected to track the benchmark return within a reasonable tolerance.

This fund is aimed at members who are prepared to accept a high level of risk over the medium to long-term. All of the underlying funds are invested in growth assets (equities which are diversified across the world and including both developed and emerging markets). Equities are expected, but not guaranteed, to deliver higher returns over the medium to long-term than bonds and cash, but are also expected to experience higher levels of volatility (or risk).

Asset split

Initial risk rating

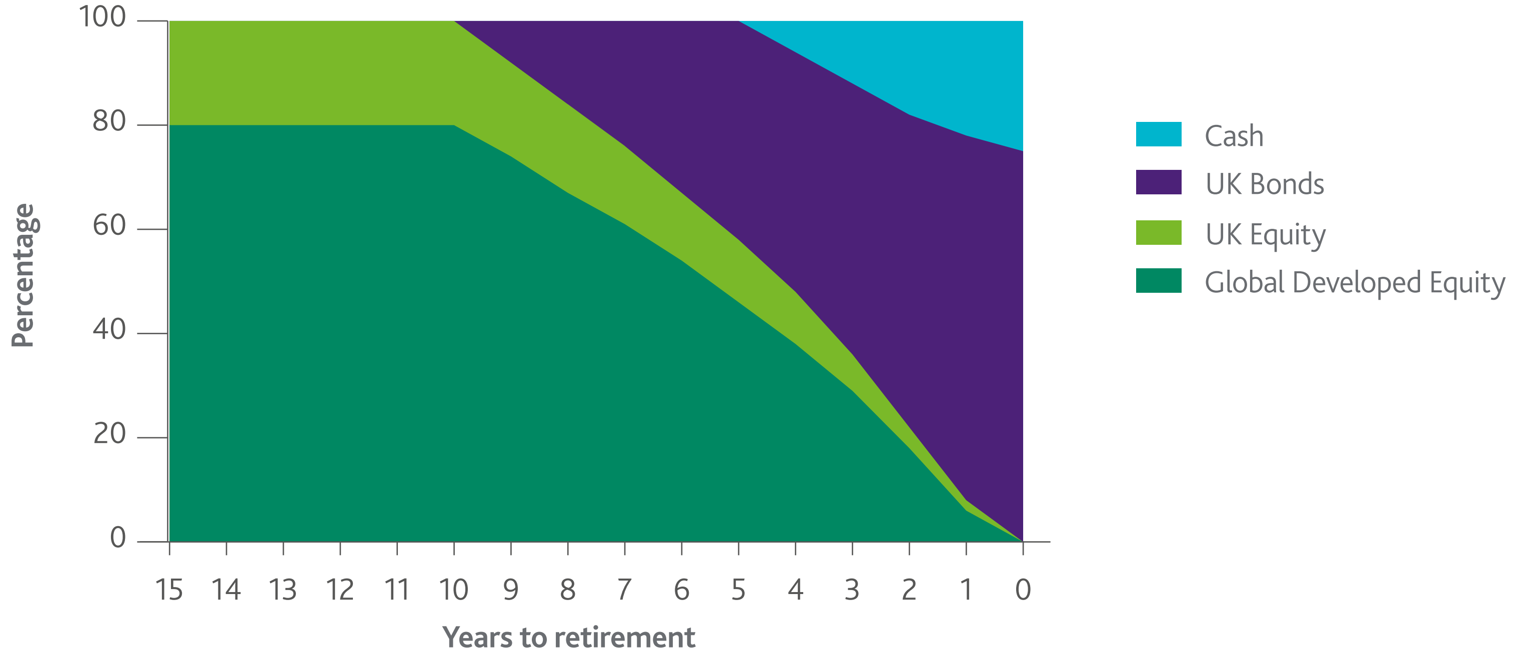


Maximum percentage of your total pension fund that may be invested in this fund: 100%.

Please note, if you invest in this fund you cannot invest in any other lifestyle strategies or funds detailed on pages 33-54.

TER - 0.30% p.a.

Target asset allocations over time to your Target Retirement Date



As you enter the lifestyle phase the asset allocation, benchmark, performance target, risk level and TER will change in line with the composition of funds.

Section 3
Advanced Options

Do it yourself - Freestyle

Section 2 outlined the Lifestyle Strategies that the Trustee has made available for you. However, you may decide that a Lifestyle Strategy is not for you. In this section we outline all individual funds which are available for you to invest in, so that you can make a decision, based on your personal circumstances, on exactly how you want your fund invested and how to alter this as you approach retirement age. Please note that the Trustee has set a cap on the percentage of your fund that you may invest in some of the higher risk funds. Where this cap applies, it is noted in the fund description.

While devising your personal strategy, you may want to consider, amongst other issues:

- Your attitude to risk and different asset classes - on pages 8-11 you will see listed all of the individual fund options, with an indication of their risk and characteristics
- Your attitude to diversification, cost and active vs. passive management (see pages 6-14)
- Your plans for retirement, and how you will take benefits at retirement – see the Retirement Guide
- When you wish to retire
- Other savings and investments which you may have to support you in retirement

You need to decide what the right balance is between the amount of risk you are willing to take and the potential rewards you want to achieve. There can be no guarantee that any one investment option, or mix of options, will produce the best returns.

The Scheme Administrator is available to give you more information on your options, but they are not authorised to give you financial advice. If you feel you need advice, you will need to contact a FCA-regulated financial adviser; for details of your nearest adviser, please visit www.unbiased.co.uk. You should check the specialist advice areas of any adviser as well as the cost of their advice before appointing them. Neither Capita nor the Trustee can take any responsibility for the advice you receive or any action you take as a result of it.

How to switch

You may switch your funds which you are invested in free of charge. The Trustee reserves the right to charge you for more than one switch per 12 month rolling period, but would contact you before imposing any such charge. You may also incur transaction costs when switching between funds. Funds typically incur transaction costs when buying and selling the underlying assets in which the funds are invested. The easiest way for you to make switches to your investment strategy is by visiting Capita Desktop (see page 2 for more information) or www.capita.orbitbenefits.com.

Total Expense Ratio

Each fund has a Total Expense Ratio (TER) which is automatically deducted from your fund. This charge is shown under the risk indicator for each fund. The TER quoted includes the Annual Management Charge (AMC) for the underlying investment manager(s), a charge which contributes to the administration costs of Atlas, and also includes extra expenses that may be incurred from time to time for the custody and administration of the underlying pooled fund. Please note that the TER can vary over time. A full list of the TERs for all funds available to the Capita section is shown in the table on the following page.

Further information

More information on the individual funds, including performance, can be obtained by viewing the fund factsheets that are available from the Scheme Administrator.

Funds available to you

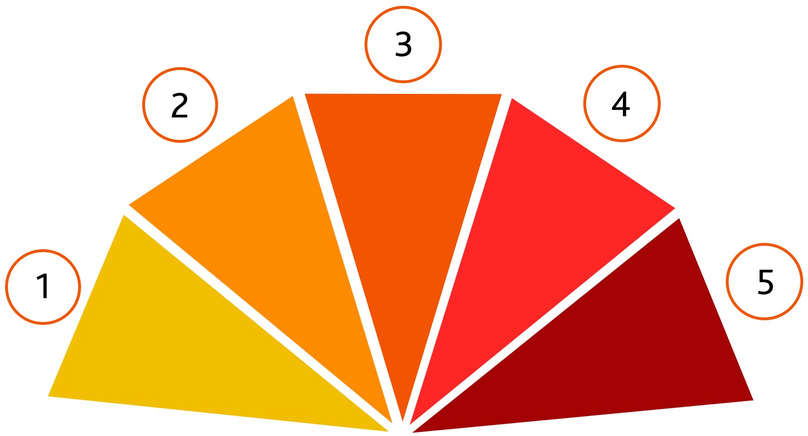
Understanding the risk ratings

The funds have been categorised on a scale of 1 to 5. As the arrow moves towards the right -> (5), the investment risk increases. So a fund with a (1) is deemed less risky than a (2), for example. You can find out more about investment risk on page 6.

No fund is totally without risk, and the greater the risk, the more opportunity there is for higher returns. So a (5) might be riskier than a (1) (in the sense that values can go up or down to a greater extent), but has the prospect of greater rewards. This balance is key when it comes to working out what sort of investor you might be.

You'll see that the arrows themselves aren't all in the same place within the same segment. You could have two funds that are both categorised as (2), but one of them is deemed more risky than the other. So a fund at the top end of one risk category could actually be closer to the risk characteristics of a fund in the next category than to the lowest risked fund in its own category, and vice versa.

We keep the risks under review and update them periodically. If you're not sure what investment funds to choose, it makes sense to talk to an independent financial adviser.



Active Emerging Markets Equities Fund

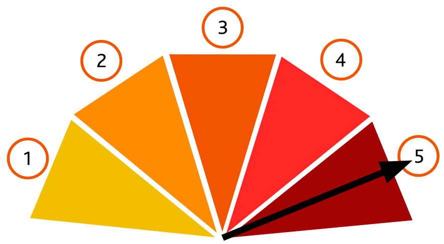
Current investment managers:
Lazard – Emerging Market Equity Fund

Benchmark:
MSCI EM (Emerging Markets) NR GBP

Performance target:
This fund is actively managed and aims to beat the benchmark return.

This fund invests in global emerging market equities, i.e. stocks and shares of companies registered within the emerging markets. This fund is actively managed; in other words, the manager invests the fund in order to beat the benchmark. The Active Emerging Markets Equities Fund typically has a high level of volatility because of the exposure to emerging markets. This reflects the fact that these economies and markets are less developed than western markets and economies. Equities are expected to produce higher long-term returns than bonds and cash, although this is not guaranteed. Equities are also expected to experience higher levels of volatility (or risk).

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 50%.

TER - 1.17% p.a.

Japan Equity Index Tracker Fund

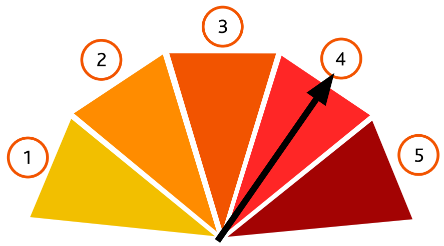
Current investment managers:
LGIM – Japan Equity Index Fund

Benchmark:
(LGIM) FTSE Japan NetTax (UKPN)

Performance target:
To track the benchmark return within a reasonable tolerance.

This fund invests in Japanese equities, i.e. stocks and shares of companies registered within Japan. This fund is passively managed; in other words, the manager invests the fund in line with the benchmark index in order to replicate the benchmark return. The fund is subject to fluctuations in the value of the equities as well as fluctuations in the exchange rate. Equities are expected to produce higher long-term returns than bonds and cash, although this is not guaranteed. Equities are also expected to experience higher levels of volatility (or risk).

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 50%.

TER - 0.30% p.a.

Asia Pacific (ex Japan) Equity Index Tracker Fund

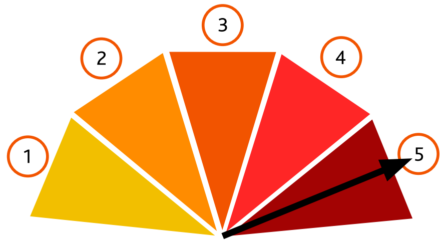
Current investment managers:
LGIM – Asia Pacific (ex Japan) Equity Index Tracker Fund

Benchmark:
(LGIM) FTSE Developed Asia Pacific excluding Japan NetTax (UKPN)

Performance target:
To track the benchmark return within a reasonable tolerance.

This fund invests in Asia-Pacific (ex Japan) equities i.e. stocks and shares of companies registered within the Asia-Pacific markets, but excludes those registered in Japan. This fund is passively managed; in other words, the manager invests the fund in line with the benchmark index in order to replicate the benchmark return. The fund is subject to fluctuations in the value of the equities as well as fluctuations in the exchange rate. Equities are expected to produce higher long-term returns than bonds and cash, although this is not guaranteed. Equities are also expected to experience higher levels of volatility (or risk).

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 50%.

TER - 0.30% p.a.

World (ex UK) Equity Index Tracker Fund

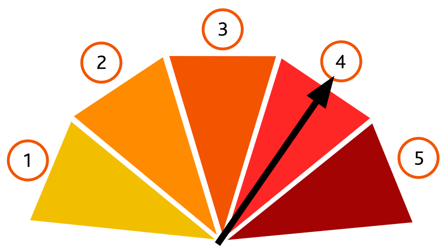
Current investment managers:
LGIM – World Developed (ex UK) Equity Index Fund

Benchmark:
(LGIM) FTSE World ex UK Index NetTax (UKPN)

Performance target:
To track the benchmark return within a reasonable tolerance.

This fund invests in equities, i.e. stocks and shares of companies registered around the world. However, it excludes UK registered companies as this investment can be obtained separately through the UK Equity Index Fund. This fund is passively managed; in other words, the manager invests the fund in line with the benchmark index in order to replicate the benchmark return. This fund typically has a slightly higher level of volatility than a UK equity fund, as it is also subject to fluctuations in the value of the exchange rates as well as fluctuations in the value of equities. Equities are expected to produce higher long-term returns than bonds and cash, although this is not guaranteed. Equities are also expected to experience higher levels of volatility (or risk).

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.30% p.a.

European (ex UK) Equity Index Tracker Fund

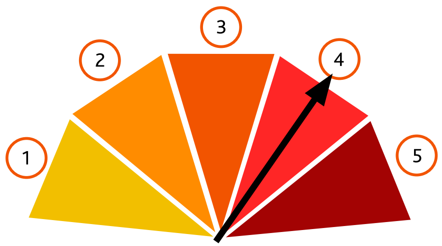
Current investment managers:
LGIM – European (ex UK) Equity Index Tracker Fund

Benchmark:
(LGIM) FTSE Developed Europe excluding UK NetTax (UKPN)

Performance target:
To track the benchmark return within a reasonable tolerance.

This fund invests in European equities, i.e. stocks and shares of companies registered within Europe. However, it excludes UK registered companies as this investment can be obtained separately through the UK Equity Index Fund. The European Equity Fund is passively managed; in other words, the manager invests the fund in line with the benchmark index in order to replicate the benchmark return. This fund typically has a slightly higher level of volatility than a UK equity fund, as it is also subject to fluctuations in the value of the exchange rates as well as fluctuations in the value of equities. Equities are expected to produce higher long-term returns than bonds and cash, although this is not guaranteed. Equities are also expected to experience higher levels of volatility (or risk).

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 70%.

TER - 0.30% p.a.

North American Equity Index Tracker Fund

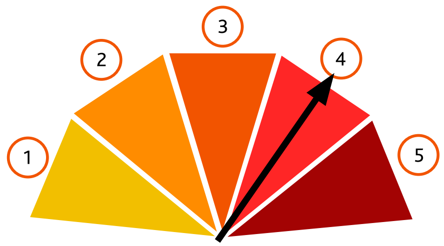
Current investment managers:
LGIM – North American Equity Index Tracker Fund

Benchmark:
(LGIM) FTSE World North America NetTax (UKPN)

Performance target:
To track the benchmark return within a reasonable tolerance.

This fund invests in US equities, i.e. stocks and shares of companies registered within the US. This fund is passively managed; in other words, the manager invests the fund in line with the benchmark index in order to replicate the benchmark return. This fund is subject to fluctuations in the value of the equities as well as fluctuations in the exchange rate. Equities are expected to produce higher long-term returns than bonds and cash, although this is not guaranteed. Equities are also expected to experience higher levels of volatility (or risk).

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.22% p.a.

Emerging Markets Index Tracker Fund

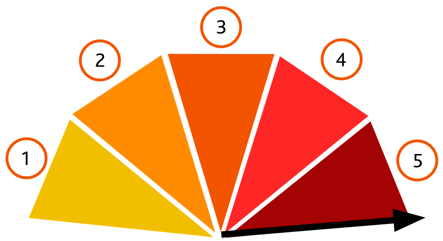
Benchmark:
(LGIM) FTSE Emerging NetTax (UKPN)

This Fund seeks long-term capital growth by investing primarily in equity securities, of companies whose principal activities are located in emerging market countries.

This Fund aims to produce a return in line with the benchmark.

This fund invests in assets which tend to produce the highest level of return but with higher risk. Over the longer term these assets should generate superior growth. There will be greater fluctuations in value, which at times may be dramatic.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.40% p.a.

Global Equity Index Tracker Fund

Benchmark:
(LGIM) FTSE All-Share: 45%

(LGIM) FTSE World North America NetTax (UKPN): 15.75%

(LGIM) FTSE Developed Europe excluding UK NetTax (UKPN): 15.75%

(LGIM) FTSE Japan NetTax (UKPN): 7.88%

(LGIM) FTSE Developed Asia Pacific excluding Japan NetTax (UKPN): 5.62%

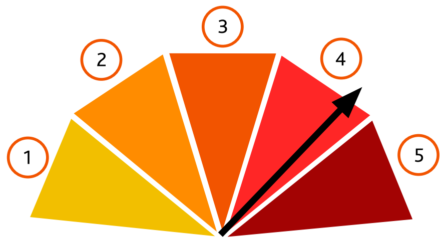
(LGIM) FTSE Emerging NetTax (UKPN): 10%

This Fund seeks long-term capital growth by investing primarily in equity securities of companies.

The Fund aims to track the performance of the benchmark, which is composed of the underlying regions in which the Fund invests.

This fund invests in assets which tend to produce a higher level of return but with a higher risk. Over the longer term these assets should generate superior growth. There will be greater fluctuations in value, which at times may be dramatic.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.27% p.a.

Active Global Equity Fund

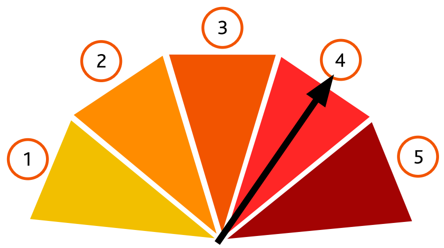
Current investment managers:
Schroder – UK Specialist Value Equity Fund (c. 10%)
Baillie Gifford – UK Equity Focus Fund (c. 10%)
BlackRock – US Equity Index Fund (c. 19%)
Stewart Investors – Global Emerging Markets Leaders Fund (c. 16%)
Dimensional – Global Smaller Companies Fund (c. 15%)
Lazard – Continental European Equity (ex UK) Alpha Fund (c. 11%)
Veritas – Global Focus Fund (c. 10%)
Baillie Gifford - Japanese Equity Pension Fund (c. 5%)
Stewart Investors - Asia Pacific Leaders Fund (c. 4%)

Benchmark:
FTSE All Share (c. 20%)
FTSE World Europe ex UK (c. 11%)
MSCI World Small Cap (c. 15%)
FTSE USA (c. 19%)
MSCI World (c. 11%)
FTSE JAPAN (c. 5%)
FTSE Asia Pacific ex Japan (c. 4%)
MSCI Emerging Markets (c. 16%)

Performance target:
This fund is actively managed and aims to beat the benchmark return.

This fund invests in equities, i.e. stocks and shares across the UK (20%), and overseas (80%). This fund uses a combination of active (c. 81%) and passive (c. 19%) management to try to beat the benchmark set by the various indices. Equities are expected to produce higher long-term returns than bonds and cash, although this is not guaranteed. Equities are also expected to experience higher levels of volatility (or risk).

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.72% p.a.

Passive Global Equity Fund

Current investment managers:
LGIM – UK Equity Index Fund (c. 20%)
LGIM – North American Index Fund (c. 34%)
LGIM – World Emerging Markets Equity Index Fund (c. 18%)
LGIM – European (ex UK) Index Fund (c. 15%)
LGIM – Japan Equity Index Fund (c. 8%)
LGIM – Asia Pacific (ex Japan) Developed Equity Index Fund (c. 5%)

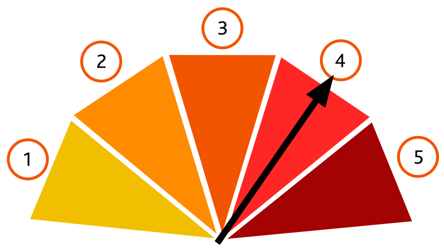
Benchmark:
(LGIM) FTSE All Share 5% Capped (c. 20%)
(LGIM) FTSE North Amercia Hedged GBP (c. 34%)
(LGIM) FTSE Developed Europe ex UK Hedged 95 (c. 15%)
(LGIM) FTSE Japan Hedged Sterling (c. 8%)
(LGIM) FTSE All World Emerging (c. 18%)

Performance target:
To track the benchmark return within a reasonable tolerance

This fund invests in equities, i.e. stocks and shares across the UK (20%), and overseas (80%). Passive management is used throughout, and currency hedging is used for the developed overseas equity element (but not emerging markets) to remove volatility associated with fluctuations in exchange rates. This fund also incorporates a 5% cap on the amount which can be invested in any single stock within UK equities.

Equities are expected to produce higher long-term returns than bonds and cash, although this is not guaranteed. Equities are also expected to experience higher levels of volatility (or risk).

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.30% p.a.

UK Equity Index Tracker Fund

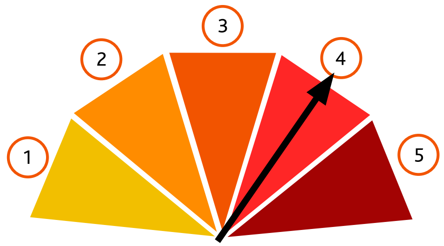
Current investment managers:
LGIM – UK Equity Index Fund

Benchmark:
(LGIM) FTSE All-Share

Performance target:
To track the benchmark return within a reasonable tolerance.

This fund invests purely in UK equities, i.e. stocks and shares of UK registered companies. This fund is passively managed; in other words, the manager invests the fund in line with the benchmark index in order to replicate the benchmark return. Equities are expected to produce higher long-term returns than bonds and cash, although this is not guaranteed. Equities are also expected to experience higher levels of volatility (or risk).

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

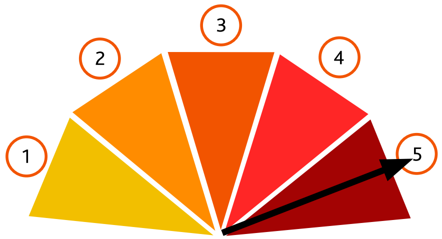
TER - 0.30% p.a.

Sustainable Equity

Benchmark:
MSCI All Countries World Index

The Fund aims to provide capital growth in excess of the MSCI All Countries World Index (net of fees) over the market cycle (typically 3 to 5 years) by investing in equities of companies worldwide.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.545% p.a.

Shariah Compliant Fund

Current investment managers:
HSBC Global Asset Management – Amanah Global Equity Index Fund

Benchmark:
DJ ISLAMIC TITANS 100 - Jan 99 (USD)

Performance target:
To track the benchmark return within a reasonable tolerance

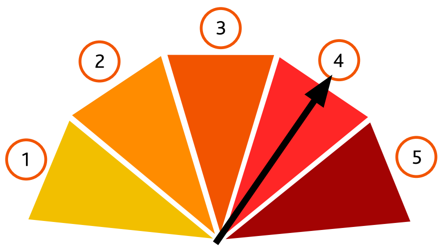
This fund invests in global equities, i.e. stocks and shares of UK and overseas companies. The underlying investment aims to create long-term appreciation of capital by investing in a diversified portfolio of securities, which are consistent with Islamic Shariah principles. The fund is passively managed; in other words, the manager invests the fund in line with the benchmark in order to replicate the benchmark return. However, marginal underperformance of the benchmark is expected due to; costs of buying and selling stocks and shares, withholding tax and the fact that dividends are subject to a 'purification ratio' whereby the portion of income that is related to non-compliant activities is donated to charity.

Investments in company shares generally carry a higher investment (or capital) risk than money market, fixed interest or property investments and investors should be aware that both price increases and decreases may be greater than average. The fund does not invest in some companies and sectors for ethical reasons and this could result in the fund underperforming other passive global equity funds over a full market cycle.

Where overseas securities are held, the value of investments may fluctuate more as a result of movements in currency exchange rates. The majority of stocks and shares held by the fund are outside of the UK.

Whilst this fund is designed to be compliant with Islamic Shariah principles, the fund could also appeal to members interested in a broad ethical approach to investing in equities as there is a relatively high commonality between this fund and other mainstream ethical investment funds. Sectors and companies excluded from investment include Tobacco, Alcohol, Weapons, Gambling, Pornography, Financial services, Pork and Leisure Media.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.45% p.a.

Active Multi Asset Fund

Current investment managers:
Schroder – Life Dynamic Multi Asset Fund

Benchmark:
UK Consumer Price Index +4%

Performance target:
The fund aims to achieve a return in line with its benchmark over a market cycle, which is typically about five years. The target is to achieve this level of return with approximately one half to two thirds of the volatility associated with an all equity portfolio.

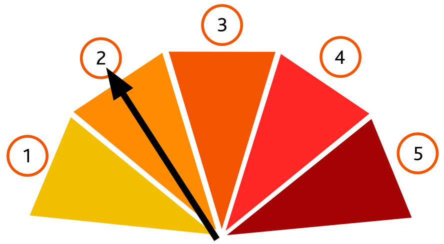
The basic principle behind a multi-asset fund is to make investments in a number of diversified asset classes in order to diversify the risks to which your investments are exposed. The selection of asset classes is left to the discretion of the fund manager but may include taking positions in equities, bonds, property, other absolute return funds, currencies and other investments.

The fund manager is currently Schroder and their fund invests in a broad range of instruments, ranging from traditional assets to futures, forwards, options and other derivatives deployed both to generate return and control risk.

The fund aims to provide a positive investment return in a variety of market conditions over the medium to long-term. The fund does not rely on one particular method of adding value, such as selecting the best stocks. Instead a diversified return fund will use different investment strategies and approaches.

Diversified return funds may make extensive use of derivatives. While these are sometimes perceived as complex financial instruments, this is not necessarily the case. Derivatives are widely used and can offer a simple, cheap and effective way to express investment views and control risks. The risks are closely monitored and managed by the fund manager.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.60% p.a.

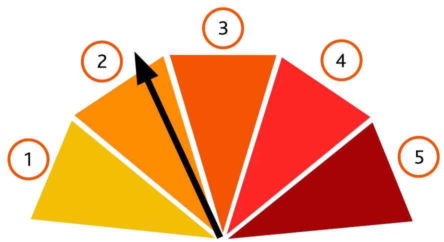
Passive Multi Asset Fund

Benchmark:
~~LIBOR~~ (3m) +3.5% p.a.

This Fund aims to provide long-term investment growth through exposure to a diversified range of asset classes. The Fund will hold between 20% and 50% in bonds, and the remaining 50% to 80% will be held in a range of assets which may include equities, property, commodities and the shares of infrastructure companies.

Exposure to each asset class will primarily be through investing in passively managed funds, although active management may be used for some asset classes where the Manager believes there is an advantage in doing so. The asset allocation will be reviewed periodically (typically annually) and the Fund will not take short term, tactical asset allocation positions.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.47% p.a.

Multi Asset Absolute Return Fund

Current investment managers:
Invesco - Global Target Return Fund (50%)
Nordea - Diversified Return Fund (50%)

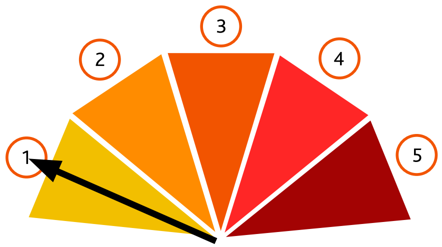
Benchmark:
~~LIBOR (6m)~~ +5%

Performance target:
The fund aims to provide a positive investment return in a variety of market conditions over the medium to long-term.

The fund does not rely on one particular method of adding value, such as selecting the best stocks. Instead it will use different investment strategies and approaches, such as looking at the relative value within asset classes or whether one asset class is more attractive than another.

This fund may make extensive use of derivatives. While these are sometimes perceived as complex financial instruments, this is not necessarily the case. Derivatives are widely used and can offer a simple, cheap and effective way to express investment views and control risks. The risks are closely monitored and managed by the fund managers.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.75% p.a.

UK Direct Property Fund

Current investment managers:
Threadneedle - Pooled Pension Property Fund (c. 50%)
LGIM – DC Property Fund (c. 50%)

Benchmark:
IPD UK All Property

Performance target:
This fund is actively managed and aims to beat the benchmark return.

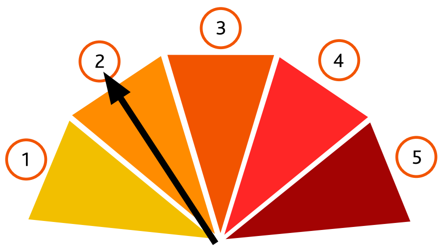
Commercial property funds have similar characteristics to both equities and bonds. It has bond-like income generating characteristics through the rent charged, and equity-like capital growth characteristics through the increase in the sale value of the property. However, commercial property does not tend to react in exactly the same way as bonds and equities to changing economic conditions, and could therefore be used to diversify the overall volatility of a member's account if combined with other funds.

This fund also invests in shares of Real Estate Investment Trusts (REITS). REITS are typically companies that invest in commercial property. Shares in REITS are expected to exhibit property-like characteristics over the long-term, but over the short term, are expected to exhibit equity-like characteristics.

Members should be aware of transaction costs (the costs of buying and selling) when considering an investment in this fund. Please refer to page 12 for further details on Cost vs. value for money. Members may wish to seek financial advice to determine whether investment in this option (in what may be construed as an illiquid investment option) is appropriate in the context of their time horizon until retirement and their likely need to access the monies invested in the fund.

Due to the illiquid nature of property, at times when it may not be possible to sell assets without detriment to investors, it is possible for the fund to defer any disinvestment requests.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 50%.

TER - 0.75% p.a.

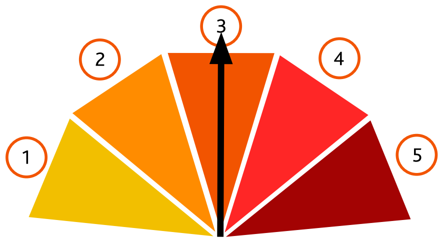
Multi Asset Portfolio 1 MAP1

Benchmark:
MSCI AC World (NDR) TL (c. 40%)
MSCI ACWI GBP Hedged (NDR) TL (c. 40%)
Barclays Global Aggregate – Corporate GBP Hedged TL (c. 10%)
Barclays Global Treasury Index GBP Hedged TL (c. 10%)

The objective of the fund is to provide long-term growth through exposure to a range of asset classes, including but not limited to equities, fixed interest, cash, property and other alternatives both in the UK and overseas.

This Fund offers a higher risk approach compared to the other multi asset portfolios and is intended for members with longer term investment horizons.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.554% p.a.

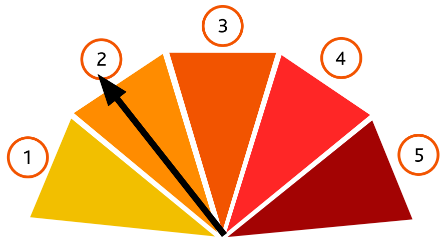
Multi Asset Portfolio 2 MAP2

Benchmark:
MSCI AC World (NDR) TL (c. 30%)
MSCI ACWI GBP Hedged (NDR) TL (c. 30%)
Barclays Global Aggregate – Corporate GBP Hedged TL (c. 20%)
Barclays Global Treasury Index GBP Hedged TL (c. 20%)

The objective of the fund is to provide long-term growth through exposure to a range of asset classes, including but not limited to equities, fixed interest, cash, property and other alternatives both in the UK and overseas.

This Fund has a middle level of risk compared to the other multi asset portfolios.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.506% p.a.

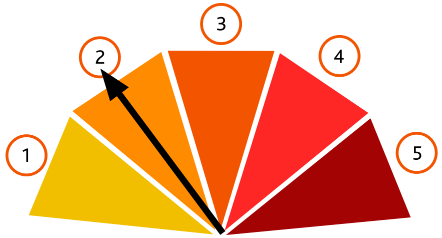
Multi Asset Portfolio 3 MAP3

Benchmark:
MSCI AC World (NDR) TL (c. 20%)
MSCI ACWI GBP Hedged (NDR) TL (c. 20%)
Barclays Global Aggregate - Corporate GBP Hedged TL (c. 30%)
Barclays Global Treasury Index GBP Hedged TL (c. 30%)

The objective of the fund is to provide long-term growth through exposure to a range of asset classes, including but not limited to equities, fixed interest, cash, property and other alternatives both in the UK and overseas.

This Fund offers a lower risk approach compared to the other multi asset portfolios.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.467% p.a.

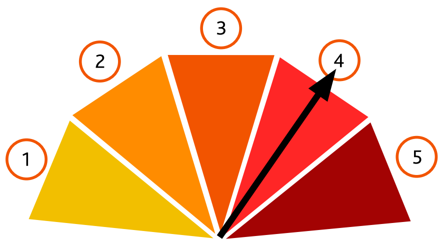
Ethical

Benchmark:
FTSE All-Share GBP

The Fund aim is to provide capital growth and increasing income over time. The manager seeks to achieve this by investing mainly in an ethical screened and diversified spread of UK equities. The ethical screening applied to the Fund means that a number of the UK's largest companies (those that form part of the FTSE 100 Index) are screened out on ethical grounds. As a result, the Fund will usually include significant exposure to medium and smaller companies.

Investment is concentrated in companies whose products and operations are considered to be of long-term benefit to the community both at home and abroad.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.93% p.a.

Active Corporate Bond Fund

Current investment managers:
M&G - Corporate Bond Fund

Benchmark:
ABI Sterling Corporate Bond Sector Average

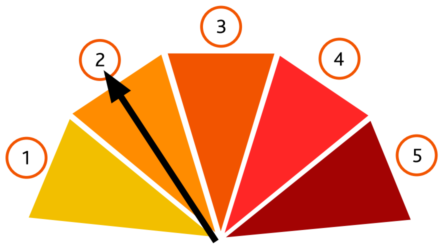
Performance target:
This fund is actively managed and aims to beat the benchmark return.

Corporations issue bonds as a type of loan in order to borrow money. In return, the purchaser of the bond receives interest payments on the loan, and the original value of the loan in full at a future date. This fund primarily invests in a mixture of high quality corporate bonds issued by companies in pound sterling.

Whilst this type of fund may be less volatile than an equity fund, it may be more volatile than the Cash Fund and the other bond funds, but should still offer some element of protection against changes in the cost of purchasing a fixed/ level annuity (a pension).

This fund is actively managed, meaning that the manager actively picks bonds with the aim of outperforming the benchmark, and has the ability to hold bonds that are not in the respective benchmark indices (e.g. overseas bonds) if they believe such an approach will improve risk-adjusted returns. The passively managed bond funds (see pages 50-53) also tend to invest in long-dated bonds, whereas this fund invests in bonds of all maturities (i.e. short, medium and long-dated), so that the manager is not constrained in their choice of investments.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.51% p.a.

Corporate Bond Index Tracker Fund

Current investment managers:
LGIM – Investment Grade Corporate Bonds All Stock Index

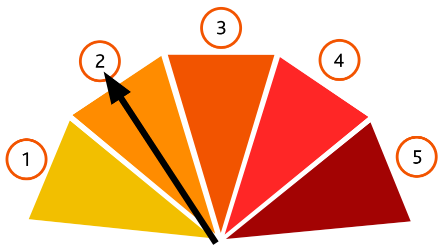
Benchmark:
(LGIM) Markit iBoxx GBP Non-Gilts (All Stocks)

Performance target:
To track the benchmark return within a reasonable tolerance.

Corporations issue bonds as a type of loan, in order to borrow money. In return, the purchaser of the bond receives interest payments on the loan, and the original value of the loan in full at a future date. This fund invests in fixed interest bonds and is passively managed. With fixed interest bonds, the loan is paid at a fixed interest rate. The fund invests in a mixture of corporate bonds with the aim of producing returns in line with the benchmark.

This type of fund may be less volatile than the equity funds over the long-term, but may be more volatile than the Cash Fund. However, it is expected to offer some element of protection against the cost of buying a fixed/ level annuity (a pension).

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.25% p.a.

Over 15 Years Gilts Index Tracker Fund

Current investment managers:
LGIM - Over 15 Years Gilts Index Fund

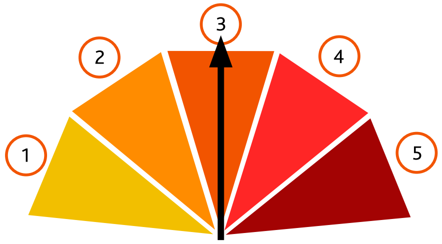
Benchmark:
(LGIM) FTSE A UK Gilts > 15 Years

Performance target:
To track the benchmark return within a reasonable tolerance.

Governments issue bonds as a type of loan, in order to borrow money, which are more commonly referred to as 'gilts' when issued by the UK government. In return, the purchaser of the bond receives interest payments on the loan, and the original value of the loan in full at a future date. 'Over 15 Years Gilts' are UK government bonds that are not due to mature (be fully repaid) for at least 15 years. Due to the additional uncertainty of a longer time to maturity, these longer dated bonds can be deemed more risky than those with a shorter time to maturity, and are expected to deliver a slightly higher return to compensate in normal market environments.

This type of fund may be less volatile than the equity funds over the long-term, but may be more volatile than the Cash Fund. However, it is expected to offer some element of protection against the cost of buying a fixed/ level annuity (a pension).

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.25% p.a.

Over 5 Years Index-Linked Gilts Index Tracker Fund

Current investment managers:
LGIM - Over 5 Years Index-Linked Gilts Index Fund

Benchmark:
(LGIM) FTSE A Index-Linked > 5 Years

Performance target:
To track the benchmark return within a reasonable tolerance.

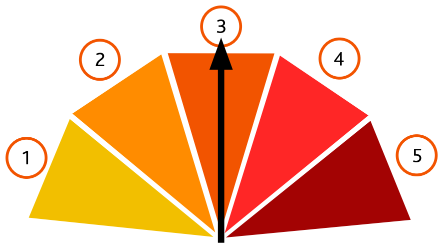
Governments issue bonds as a type of loan, in order to borrow money. In return, the purchaser of the bond receives interest payments on the loan, and the original value of the loan in full at a future date. This fund invests in index-linked bonds and is passively managed. With index-linked bonds, the rate of interest paid on the loan varies with Retail Price Inflation (RPI). 'Over 5 Years Index-Linked Gilts' are UK inflation linked government bonds that are not due to mature (be fully repaid) for at least 5 years. Due to the fact that the returns on an investment in index-linked gilts is, in part, determined by as yet unknown future changes in inflation, index-linked gilt values are more sensitive to changes in interest rates than fixed interest gilts with a similar time to maturity.

They should however, provide better long-term protection against inflation.

The fund invests in a mixture of index-linked government bonds with the aim of producing returns in line with the benchmark.

This type of fund may be less volatile than the equity funds over the long-term, but may be more volatile than the Cash Fund. However, it is expected to offer some element of protection against the cost of buying an inflation-linked annuity (a pension).

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.25% p.a.

Cash Fund

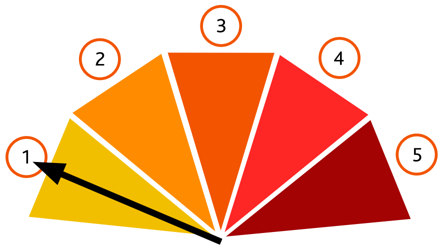
Current investment managers:
BlackRock – Institutional Sterling Liquidity Fund

Benchmark:
ABI Money Market Sector Average

Performance target:
To produce returns broadly in line with the benchmark.

This fund invests in sterling term deposits with a range of high quality financial institutions. Over the long-term, this fund is expected to earn lower returns than all of the other options available, but with positive returns and only small variations in returns from year to year.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.25% p.a.

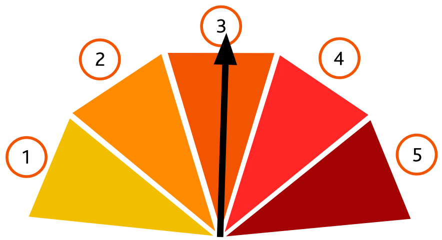
Flexible Pre-Retirement Fund

Benchmark:
(LGIM) FTSE All-Share: 17.50%
(LGIM) FTSE World North America NetTax (UKPN): 6.13%
(LGIM) FTSE Developed Europe excluding UK NetTax (UKPN): 6.13%
(LGIM) Markit iBoxx GBP Non-Gilts (All Stocks): 15.00%
(LGIM) FTSE Japan NetTax (UKPN): 3.06%
(LGIM) FTSE Developed Asia Pacific excluding Japan NetTax (UKPN): 2.18%
(LGIM) FTSE A Index-Linked > 5 Years: 15.00%
UK Consumer Price +4%: 20.00%
(LGIM) FTSE A UK Gilts > 15 Years: 15.00%

This Fund aims to invest in a lower risk manner to provide growth over the long-term. It invests in a range of different asset classes including equities, fixed interest, cash, property and others.

This Fund may be suitable for you if you intend to draw regular or irregular amounts of pension income from your pension savings. The value of your investments can go down as well as up and are not guaranteed.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.35% p.a.

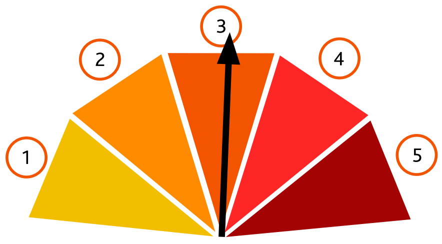
Level Annuity Target Fund

Benchmark:
(LGIM) Composite of gilts and corporate bond funds

This Fund aims to invest in a way which matches the broad characteristics of investments underlying the pricing of a typical non-inflation linked annuity. This means that the Fund will invest in different types of bonds, including corporate and government bonds both in the UK and overseas.

This Fund may be suitable if you intend to purchase a retirement annuity which does not increase in line with inflation over time. The value of your investments can go down as well as up and are not guaranteed.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.25% p.a.

Inflation-Linked Annuity Target Fund

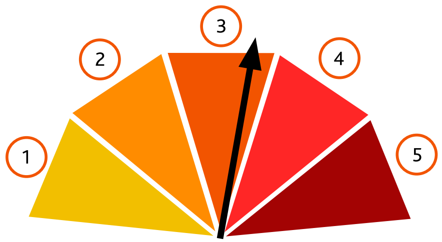
Benchmark:
(LGIM) Composite of gilts and corporate bond funds

This Fund aims to invest in a way which matches the broad characteristics of investments underlying the pricing of a typical inflation linked annuity.

This means that the Fund will invest in different types of bonds, including corporate and government bonds both in the UK and overseas.

This Fund may be suitable if you intend to purchase a retirement annuity which increases in line with inflation over time. The value of your investments can go down as well as up and are not guaranteed.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.25% p.a.

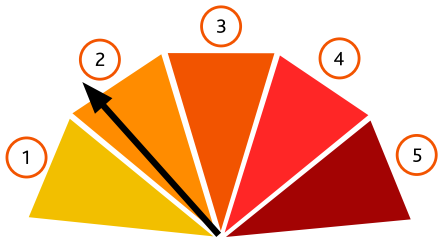
Flexible Access Retirement Fund

Benchmark:
Target: Consumer Price Index +2%

This Fund aims to invest in a lower risk manner to provide growth over the long-term. It invests in a range of different asset classes including equities, fixed interest, cash, property and others.

This Fund may be suitable for you if you intend to draw regular or irregular amounts of pension income from your pension savings. The value of your investments can go down as well as up and are not guaranteed.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.56% p.a.

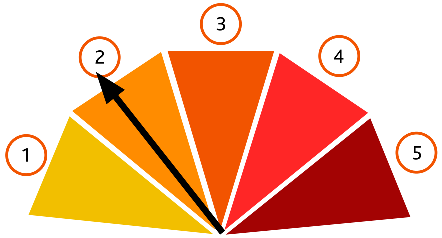
Retirement Income Drawdown Fund

Benchmark:
(LGIM) Bank of England base rate +3.5%

This Fund aims to provide long-term investment growth up to and during retirement, and to facilitate the drawdown of retirement income. The Fund invests globally in a range of different asset classes. The Fund invests in both index tracking and actively managed funds.

This Fund may be suitable for you if you intend to draw regular amounts of pension income from your pension savings. The value of your investments can go down as well as up and is not guaranteed.

Risk Indicator



Maximum percentage of your total pension fund that may be invested in this fund: 100%.

TER - 0.59% p.a.

Section 4
Glossary and Notes

Absolute return
Investment strategies targeting a positive return in absolute terms rather than relative to an index or other benchmark. These can also be referred to as 'cash plus' funds.

Annuity
At retirement it is usual for your retirement savings to be used to buy an annuity. An annuity is a contract with an insurance company to pay an annual income for the rest of your life. Amongst the common types of annuity available are fixed/ level annuities and inflation-linked annuities. Fixed/ level annuities pay a fixed level of annual income whilst inflation-linked annuities pay an inflation-linked annual income. The alternative to buying an annuity is to use Flexi-Access Drawdown or take your pot as cash (Uncrystallised Funds Pension Lump Sums). Please see the Retirement Guide for more information about these options.

Asset allocation
How your retirement savings are distributed across the investment fund options available to you.

Asset class
A category of investments e.g. equities, bonds, or cash.

Benchmark
A level of investment return, against which the performance of the investment manager is measured (for active managers) or which the investment manager aims to follow (for passive managers/ index trackers).

Bid price
Price at which assets are sold within a pooled investment fund. This is usually lower than the offer price and is given when the fund is shrinking.

Bonds
Governments and companies issue bonds as a type of loan in order to borrow money. In return, they promise to repay the loan at a future date and also pay interest in the interim.

Currency Risk
For overseas assets, there is a risk of potential loss in the value of that investment following a change in the exchange rate between the currency of the region in which the assets are held and pound sterling. This is also known as exchange rate risk. Some managers or investment strategies will reduce or 'hedge' this risk using derivatives. Where this is the case it will be clearly stated in this investment guide.

Derivatives
Financial instruments whose value is dependent on the value of an underlying index, currency, commodity or other asset. Examples include options, futures, forwards and swaps.

Diversification
The extent to which your retirement savings are spread across the different investment funds available.

Equities
These are stocks and shares in companies.

Emerging Markets
This refers to a country whose economy and financial system is progressing towards becoming advanced. Each index provider (e.g. MSCI or FTSE) will categorise global markets as 'developed' (the most advanced and developed investment markets), 'emerging' (less developed or stable investment markets) or 'frontier' (least developed). This categorisation is based on economic development, the size and liquidity of the financial markets, as well as a judgment on how accessible that market is for investors.

Forward
Contract to buy or sell an asset at an agreed price at a specified date in the future.

Freestyling
Where you choose the appropriate investment mix of individual funds for your retirement savings.

Future
Forwards that are traded on an organised exchange and subject to the rules of the exchange.

Index
A measure updated regularly that gives a representation of the movement in value of a particular market or a specified group of securities.

IPD
Investment Property Database provides performance data and analysis for real estate investors.

~~LIBOR~~
~~London Inter-Bank Offer Rate, the interest rate at which London based banks are prepared to lend money to other banks.~~

Lifestyling
Where your retirement savings automatically switch into what are perceived to be less risky funds in the years before your Target Retirement Date.

Offer price
Price at which assets are bought within a pooled investment fund. This is usually higher than the bid price and is given when the fund is growing.

Options
The owner of the option has the right, but not the obligation, to buy or sell a security at an agreed price within an agreed time period.

Out of market exposure
Risk that a portfolio misses out on the returns from a particular market because it is not invested in the market at the time. Out of market exposure potentially arises during transitions when cash from selling assets is not immediately available for reinvestment. The fund platform used by Atlas will keep this to the absolute minimum.

Platform

A platform gives Atlas access to some of the best in class investment managers within each asset class through a single insurer. The platform minimises the time taken to disinvest and reinvest monies which reduces the risk of out of market exposure. The platform also offers competitive charges from investment managers due to the combined buying power of all the assets on the platform.

Real Estate Investment Trusts (REITS)

A REIT is a company that owns or finances real estate (i.e. property-related) investments. As REITs are companies in themselves, they have shares that are often traded on major exchanges, just like equities. REITs provide an indirect method of investing in property; instead of holding physical property, by holding shares in a REIT, an investor gets indirect exposure to the real estate investments made by the REIT.

Swaps

Contracts which permit the investor to exchange payment streams for their mutual benefit.

Target Retirement Date

Assumed to be age 65 unless you inform us otherwise. It can be between 55 and 75. This is the age at which the lifestyling process will complete.

Volatility

The variability of returns relative to their mean average or expected return. This is typically quantified as standard deviation.

Withholding Tax

A tax levied on certain investments in the country in which they are held. Generally, some or all of these taxes can be reclaimed to avoid double taxation, but this is not possible in every jurisdiction.

Notes

- The return on your investment in the funds provided are directly related to the performance of the assets in which they invest.
- Past performance cannot be relied upon as a guide to future performance.
- The value of stocks and shares, including unit trusts, can go down as well as up and you may not get back the amount that you have invested.
- Investments denominated in a foreign currency will fluctuate with the value of the currency, with the exception of the Passive Global Equity Fund, which has currency hedging in place.

The risks outlined in this document are not exhaustive and as discussed within this guide, you may wish to seek professional independent financial advice to confirm whether these risks are acceptable given your long-term objectives.

Atlas is operated by the Trustee in accordance with the Scheme's Definitive Deed and Rules and Deed of Participation, and any amending legislation. While every effort has been made to ensure that the information in this booklet is correct, the Definitive Deed and Rules, Deed of Participation and legislation, are overriding should any discrepancies exist. The information in this booklet is subject to change at the discretion of the Trustee which aims to act in the best interests of members and beneficiaries whilst making decisions.

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Online member portal:
Current Capita employees can log in via: www.capita.orbitbenefits.com
or visit through Capita Desktop (see page 2 for more information).
If you're a former Capita employee you can log in at www.hartlinkonline.co.uk/cgmps-atlas.

If you feel you need advice, you will need to contact a FCA-regulated financial adviser; for details of your nearest adviser, please visit www.unbiased.co.uk. You should check the specialist advice areas of any adviser as well as the cost of their advice before appointing them. Neither Capita nor the Trustee can take any responsibility for the advice you receive or any action you take as a result of it.