

Tesco Isle of Man Retirement Savings Plan

Tesco Lifestyle Cash Option

(The option you will automatically go into)

This initially invests in the:

- Tesco Growth Phase which is made up of 70% Tesco Equity Fund and 30% Tesco Diversified Fund.

Then invests in the:

- Tesco Equity Fund
- Tesco Diversified Fund
- GBP Corporate Bond AAA-AA-A Fund
- Sterling Liquidity Fund (cash)

Cash lifestyle overview

The Tesco Lifestyle Cash Option is designed for members who intend and are able to take all of their retirement savings as a one off cash lump sum at their target retirement age. The first 30% will be tax free and the rest of your savings will be subject to income tax at your marginal rate.

It's an investment strategy that offers you the potential to grow your retirement savings in the long term. However, as you get closer to retirement your savings are gradually moved (this is known as automatic switching) into lower risk funds. This strategy aims to reduce the risk of a sharp fall in markets reducing the value of your savings when you reach your target retirement age.

The Tesco Lifestyle Cash Option may not be suitable if you don't take your savings as cash at your chosen retirement age. It's important that you review your target retirement age on a regular basis, as it will determine how your money will be invested and when your investments will be moved. If it is not accurate then your savings could be moved at the wrong time and not in line with when you want to take your savings.

Investment breakdown

The chart shows how your money will be invested at the start of each year, as you approach your target retirement age.

If you are over 15 years from your target retirement age when you first become a member, most of your savings will be held in investments that are more likely to grow over the longer term.

As you approach your target retirement age, more of your savings will be held in less risky investments, as shown in the chart.

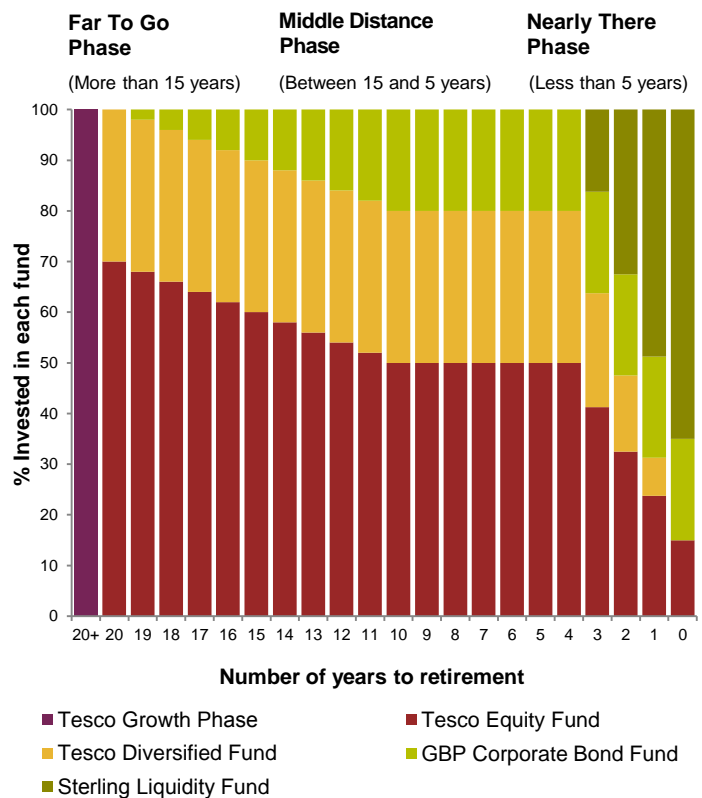
When you reach your target retirement age, your savings will be invested 15% in the Tesco Equity Fund, 20% in the GBP Corporate Bond AAA-AA-A Fund and 65% in the Sterling Liquidity Fund. Collectively these investments are less likely to lose their value, just before you are expected to take them.

For further details of the funds included in the Tesco Lifestyle Cash Option you can contact Baker Tilly Isle of Man, the plan administrator, at:

tescolOMretirementsavingsplan@bakertillyiom.com

Please remember that the value of investments can go down as well as up. It's particularly important to remember this if you are close to taking your benefits.

Please read important information overleaf.



1. The Far to Go Phase

More than 15 years until your target retirement age

Aims for growth when you are younger with time to ride any ups and downs.

2. The Middle Distance Phase

Between 15 and 5 years until target retirement age

Aims for growth while also starting to protect your savings as you get closer to retirement.

3. The Nearly There Phase

When you have fewer than 5 years to your target retirement age

Aims to protect your savings more as you get closer to retirement.

Please note: If you intend to take all of your savings as cash and are able to do so, you will normally only be able to take 30% tax free and you will be subject to tax at your marginal rate on the remaining amount.

How frequently does automatic switching take place?

Annually until five years from retirement, quarterly thereafter

Automatic switching moves your retirement savings into different investments over a period of time with the aim of making your savings achieve your retirement plans.

This automatic option has been carefully selected by your employer and their investment adviser as being appropriate for a specific objective, as detailed above.

Further Information

You can move your savings between investment options at any time. You can also change your target retirement age and invest for longer to allow more time for your fund to grow. If you choose to leave your money invested in the Tesco Lifestyle Cash Option, all of your savings need to be invested in that lifestyle option – you can't invest in this at the same time as other individual funds that you select yourself.

Tesco Lifestyle Options are not risk free. There is also a risk if you take all your retirement savings as a one off cash lump sum, you may not have enough to live on later in your retirement.

You can find more detail about the risks associated with the funds in this Lifestyle Option in the specific fund factsheets.

If you're considering any changes or want more information about the full range of funds available to you, please speak to a financial adviser or contact Baker Tilly Isle of Man.