



Changes to the Plan's lifestyle strategies

TotalEnergies UK Pension Plan



August 2024



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1. Overview

This Guide gives you additional detail regarding the changes to the Plan's lifestyle strategies in 2024.

The main changes we are making are:

- **Introducing a three-phased approach to the lifestyle strategies**, to help you understand where you are on your journey to retirement. These three phases will be growth, transition, and retirement.
- **Shortening the de-risking period from 25 years to 15 years**, bringing our lifestyle strategies more in line with other similar pension plans, and improving expected outcomes for members in retirement. This will mean that some members who had started de-risking will now come out of that phase and be moved into the "growth" phase.
- **Improving the asset allocation in the de-risking period.** This will aim to enhance the risk and return profile for the new transition phase.
- **Improving the asset allocation in the "at retirement" phase of the Drawdown Lifestyle Strategy.** Again, this will aim to enhance the risk and return profile of the "at retirement" phase of the Drawdown Lifestyle Strategy.
- **Renaming the Cash Lifestyle Strategy as the Lump Sum Lifestyle Strategy.**

What are lifestyle strategies?

Lifestyle strategies are investment strategies that change the type of investments you hold (e.g. equities, bonds etc) as you get closer to your Target Retirement Date (TRD).

In the early and middle parts of your career, we expect your priority to be growth. Your account is therefore invested primarily in assets such as equities, which are expected to deliver better long-term growth, although have a higher risk of short-term drops in value. As retirement approaches, we expect protection - i.e. preserving the value of the money you've saved - to become a more important priority. Your account is therefore shifted to be invested primarily in assets such as bonds or cash, which are not expected to grow as much in the long run, but are also less likely to suddenly lose value. This shift is called de-risking.

The de-risking happens automatically and is driven by how far you are from your TRD. Unless you tell us otherwise, we assume that your TRD is your 65th birthday.

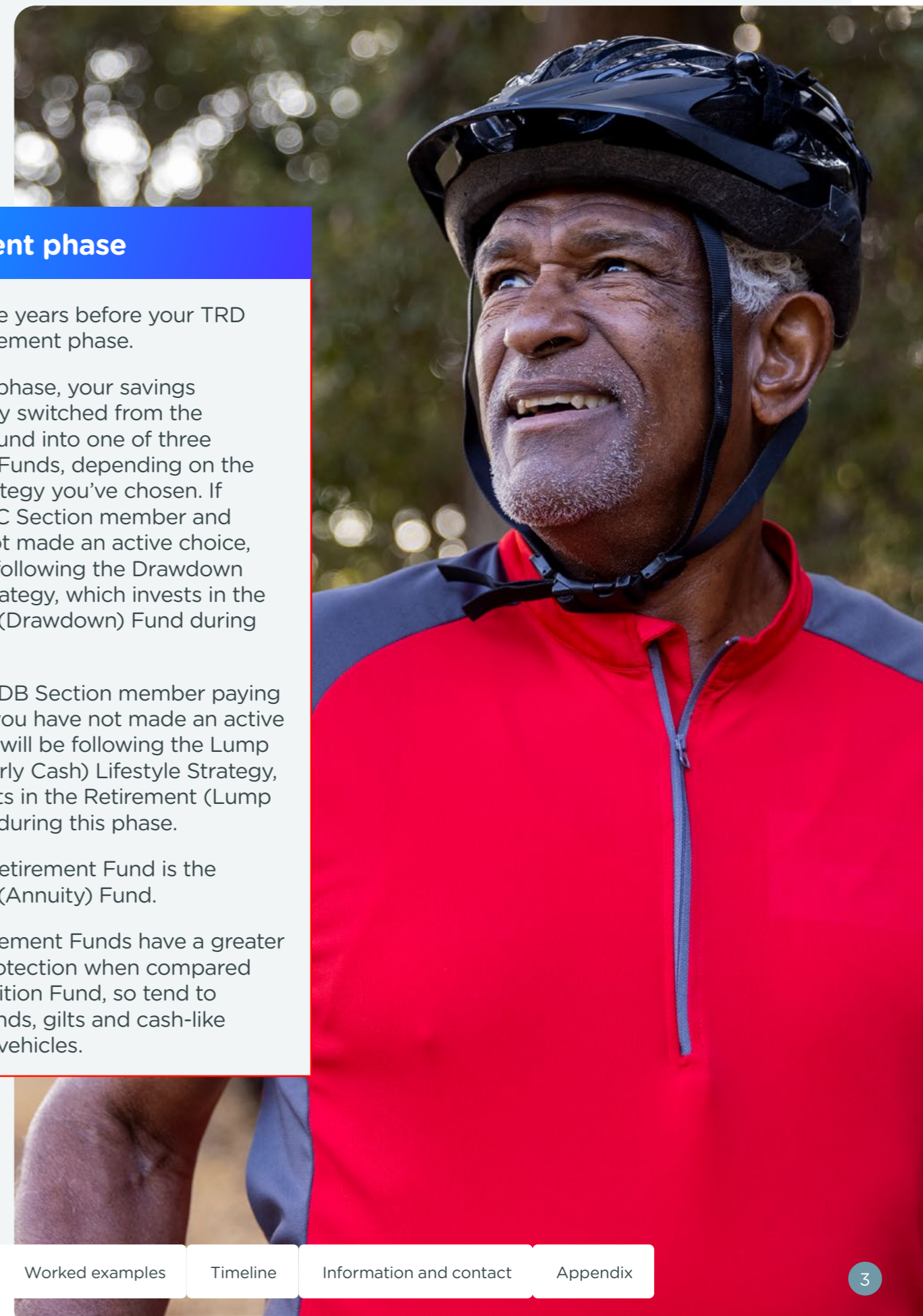
It is vitally important that your TRD is accurate and kept up to date, to ensure that the investment approach remains aligned with the your retirement goals. You can check and/or change your TRD on the member portal.

2. Understanding the three phases

We want to make sure your journey into retirement is as straightforward and easy to understand as possible. That's why we are introducing a three-phased approach to our lifestyle strategies: growth, transition, and retirement.

Growth phase	Transition phase	Retirement phase
<p>Until you are fifteen years from your Target Retirement Date (TRD), you will be in the growth phase.</p> <p>As the name suggests, the priority in this phase is that your savings should have the maximum opportunity to increase in value by being invested in assets that are more likely to deliver higher returns over the long term. For that reason, your savings will be invested in the Growth Fund.</p> <p>It makes sense to take a long-term approach in this phase of your career, because retirement is still at least 15 years away. If your savings do experience a drop in value, there should be plenty of time to recover any losses.</p>	<p>When you are fifteen years from your TRD, you will enter the transition phase.</p> <p>During this phase, your savings are gradually switched from the Growth Fund into the Transition Fund, so that five years from retirement all your savings are in the Transition Fund.</p> <p>The Transition Fund aims to provide a balance between growth and protection. It invests in a variety of asset types in order to achieve this balance.</p>	<p>The final five years before your TRD are the retirement phase.</p> <p>During this phase, your savings are gradually switched from the Transition Fund into one of three Retirement Funds, depending on the lifestyle strategy you've chosen. If you are a DC Section member and you have not made an active choice, you will be following the Drawdown Lifestyle Strategy, which invests in the Retirement (Drawdown) Fund during this phase.</p> <p>If you are a DB Section member paying AVCs, and you have not made an active choice, you will be following the Lump Sum (formerly Cash) Lifestyle Strategy, which invests in the Retirement (Lump Sum) Fund during this phase.</p> <p>The other Retirement Fund is the Retirement (Annuity) Fund.</p> <p>All the Retirement Funds have a greater focus on protection when compared to the Transition Fund, so tend to invest in bonds, gilts and cash-like investment vehicles.</p>

The Growth Fund, the Transition Fund and the three Retirement Funds all contain a blend of underlying funds. You can find out where they are invested in the appendix to this guide.

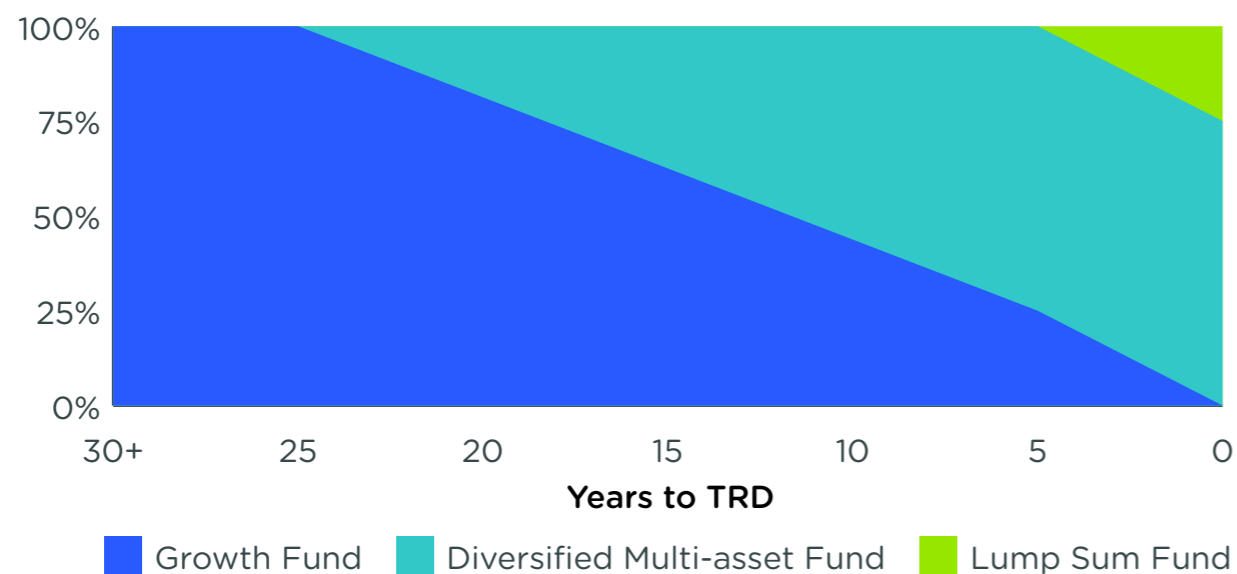


3. Changes in detail: Drawdown Lifestyle Strategy

If you are currently invested in the Drawdown Lifestyle Strategy, you will be moved from the old drawdown profile to the new drawdown profile. Members in the DC Section who have not made an active investment choice will be invested in the Drawdown Lifestyle Strategy by default.



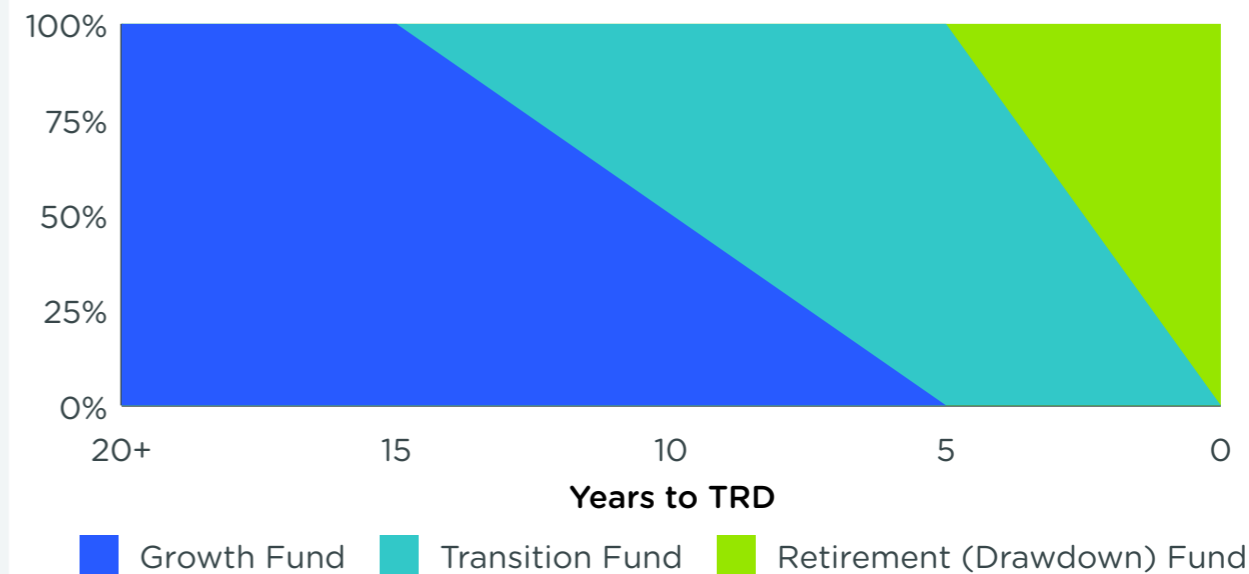
Old Drawdown Lifestyle Strategy



Key features:

- De-risking starts 25 years before TRD
- The Diversified Multi-asset Fund is used for de-risking
- The Lump Sum Fund is introduced 5 years before TRD and builds to 25% of savings at TRD. This is to cater for a member who wants to take 25% of their savings as a cash lump sum at retirement

New Drawdown Lifestyle Strategy



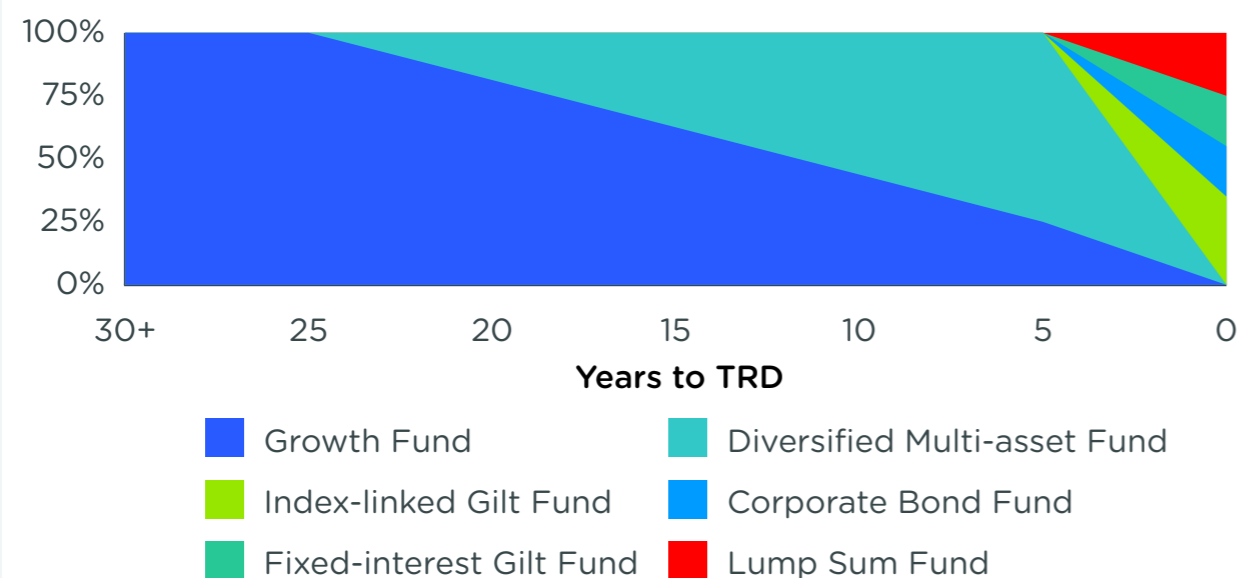
Key features:

- De-risking starts 15 years before TRD
- The Transition Fund is used for de-risking
- During the retirement phase, the investments move from the Transition Fund to the Retirement (Drawdown) Fund

4. Changes in detail: Annuity Lifestyle Strategy

If you are currently invested in the Annuity Lifestyle Strategy, you will be moved from the old annuity profile to the new annuity profile.

Old Annuity Lifestyle Strategy



New Annuity Lifestyle Strategy



Key features:

- De-risking starts 25 years before TRD
- The Diversified Multi-asset Fund is used for de-risking
- The final five years introduce a range of funds that are designed to track movements in the annuity market and cater for a member who wishes to take 25% of their savings as a cash lump sum at retirement

Key features:

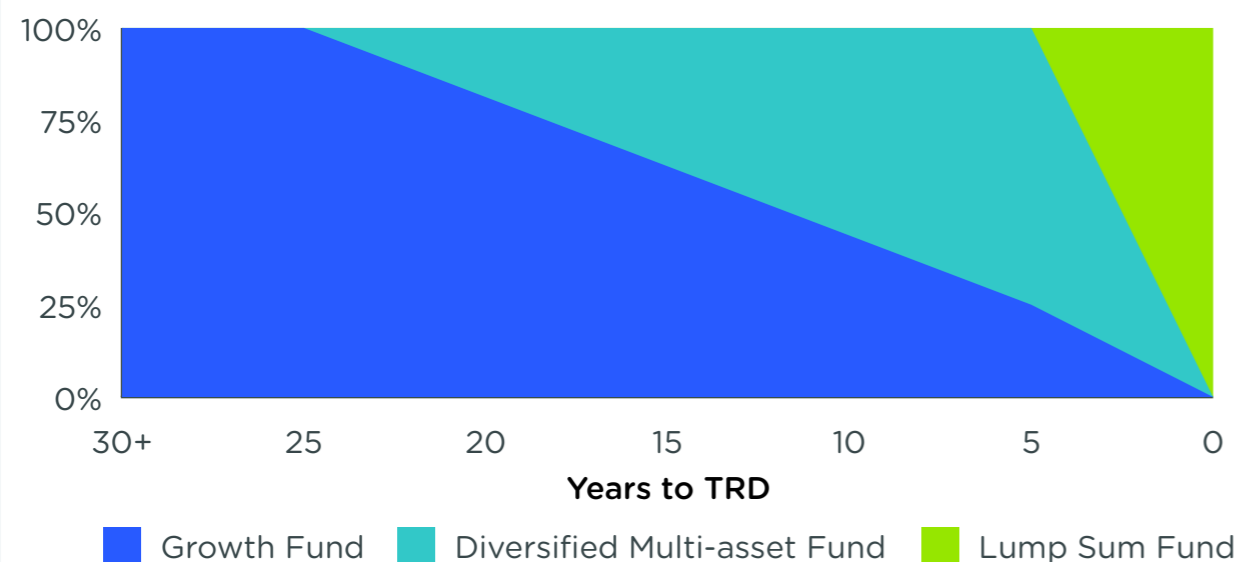
- De-risking starts 15 years before TRD
- The Transition Fund is used for de-risking
- During the retirement phase, the investments move from the Transition Fund to the Retirement (Annuity) Fund. This contains a range of investment types that are designed to track movements in the annuity market

5. Changes in detail: Cash (now Lump Sum) Lifestyle Strategy

If you are currently invested in the Cash Lifestyle Strategy, you will be moved from the old lump sum profile to the new lump sum profile. Please note that the Cash Lifestyle Strategy is also being renamed as the Lump Sum Lifestyle Strategy. AVCs paid by members in the DB Section who have not made an active investment choice will be invested in the Lump Sum Lifestyle Strategy by default.



Old Lump Sum Lifestyle Strategy



Key features:

- De-risking starts 25 years before TRD
- The Diversified Multi-asset Fund is used for de-risking
- The Lump Sum Fund is introduced 5 years before TRD and builds to 100% of savings at TRD. This is to cater for a member who wants to take their entire pension account as a cash lump sum at retirement

New Lump Sum Lifestyle Strategy



Key features:

- De-risking starts 15 years before TRD
- The Transition Fund is used for de-risking
- During the retirement phase, the investments move from the Transition Fund to the Retirement (Lump Sum) Fund. This contains a range of funds that are designed to protect the value of a member's pension account so it can be taken as a cash lump sum at retirement

6. Worked examples



Pierre

Pierre is 25 years old and has been a member of the Plan for a year. He did not make an investment choice when he joined, so he is invested in the Drawdown Lifestyle Strategy by default. His TRD in the Plan is his 65th birthday.

What's changing for Pierre?

Because Pierre has not yet started de-risking, there will not be any change to his investments, so there is no immediate impact for him. However, his de-risking will start ten years later than it would have done, at age 50 rather than age 40. That means Pierre's savings will have more years with a focus on growth, which should increase his chances of having a better income in retirement.



Louise

Louise is 45 years old and has been a member of the Plan for ten years. She is currently invested in the Annuity Lifestyle Strategy with a TRD of her 65th birthday.

What's changing for Louise?

Louise's pension account started de-risking five years ago, on her 40th birthday. The changes will move her out of the transition phase and back into the growth phase, so the portion of her savings currently in the Diversified Multi-asset Fund will be moved into the Growth Fund. That should improve her prospects for growth, and potentially give her a better income in retirement.

When she reaches the age of 50, her de-risking will start again, and her savings will be gradually moved into the Transition Fund.



Anthony

Anthony is 60 years old and has been a member of the Plan for fifteen years. He is currently invested in the Cash Lifestyle Strategy and his TRD is his 63rd birthday.

What's changing for Anthony?

Anthony is well into his de-risking journey, and that won't change. However, there will be some changes to how his savings are invested. Under the old Cash Lifestyle Strategy, his savings were split between the Diversified Multi-asset Fund and the Lump Sum Fund, with a small amount remaining in the Growth Fund. After the changes, he will be in the Lump Sum Lifestyle Strategy, with his savings split between the Transition Fund and the Retirement (Lump Sum) Fund.

Whatever your situation, remember you should review your investment choices and your selected TRD regularly, using the **member portal**, to check they remain appropriate.

7. Timeline of the changes

Here we set out the expected timetable for delivery of the changes:



If there are any changes to this timetable as the project progresses, we will let you know.

8. Further information and contact details

The Member Portal

You can see how your account is invested and check its current value on the member portal. Go to [the Plan's website](#) and select "View my pension online" to gain access.

The Plan Administrator

If you have any questions that aren't answered using the information provided, please contact the Plan Administrator at totalenergies@buck.com or on **0330 123 9570**.

MoneyHelper

MoneyHelper is a free service provided by the Money and Pensions Service.

The Money and Pensions Service is an arm's-length body of HM Government, sponsored by the Department for Work and Pensions. It has a joint commitment to ensure that people throughout the UK have free access to the information and guidance they need to make effective financial decisions over their lifetime.

MoneyHelper also operates **Pension Wise**, which offers free, impartial advice to defined contribution savers over the age of 50.

Independent Financial Advice

Neither the Plan Administrator nor the Trustee are able to give you financial advice. If you require professional guidance regarding these changes or any aspect of retirement saving, we recommend speaking to an Independent Financial Adviser (IFA). You can find an IFA in your area by going to the **MoneyHelper website**.

Please note: Investment options are subject to change from time to time, so we recommend you regularly check your investment choices to ensure they are suitable for your personal circumstances.

Appendix: Underlying funds

This table sets out the underlying funds and their target allocations for the funds used in the lifestyle strategies:

Fund name	Underlying fund	Target allocation %
Growth Fund	LGIM Low Carbon Transition Global Equity Index Fund	50%
	LGIM Low Carbon Transition Global Equity Index Fund - GBP Hedged	50%
Transition Fund	LGIM Low Carbon Transition Global Equity Index Fund	25%
	LGIM Low Carbon Transition Global Equity Index Fund - GBP Hedged	25%
	Schroder Sustainable Future Multi-Asset Fund	10%
	M&G Total Return Credit Fund	25%
	Wellington Global Credit ESG Fund	15%
Retirement (Drawdown) Fund	LGIM Low Carbon Transition Global Equity Index Fund	15%
	LGIM Low Carbon Transition Global Equity Index Fund - GBP Hedged	15%
	Schroder Sustainable Future Multi-Asset Fund	10%
	M&G Total Return Credit Fund	25%
	Wellington Global Credit ESG Fund	15%
	BlackRock Sustainable Sterling Short Duration Credit Fund	10%
	LGIM Cash Fund	10%
Retirement (Annuity) Fund	LGIM Future World Annuity Aware Fund	75%
	BlackRock Sustainable Sterling Short Duration Credit Fund	12.5%
	LGIM Cash Fund	12.5%
Retirement (Lump Sum) Fund	BlackRock Sustainable Sterling Short Duration Credit Fund	50%
	LGIM Cash Fund	50%

