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# Celebrating 10 Years of Timewise Target Retirement Funds



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November 2024 marked the ten-year anniversary of State Street Global Advisors' Timewise Target Retirement Funds.

The funds were launched to provide DC schemes with a well-governed and effective default options for their members, which evolves with changes in markets, regulation, and member behaviour.

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## 10 Years of Evolution

From the very first day a member starts contributing to their pension, through to the day they retire and beyond, the asset allocation of Timewise is monitored and managed. The annual review forms part of this process. We use insights from our member research as well as our latest investment views to ensure Timewise incorporates our very best thinking.

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### 2014

Timewise launched with annuity purchase objective. Post, March 2014 budget, glide path changed to reflect freedom of retirement options now available to members.

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### 2015

Review concluded glide path remained suitable.

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### 2016

Added smart beta, aiming to improve risk adjusted returns.

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### 2017

Increased allocation to smart beta and evolved volatility controls, aiming to improve risk adjusted returns.

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### 2018

Review concluded glide path remained suitable.

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### 2019

State Street Multi-Factor+ESG smart beta equity fund integrated into equity allocation, aiming to improve risk adjusted returns.

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### 2020

Allocation to infrastructure added, aiming to increase diversification. ESG exclusions applied to certain funds.\*

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### 2021

Allocation made to State Street World TPI Climate Transition Index Equity Fund. High Yield exposure switched to Global High Yield ESG Screened SICAV.

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### 2022

Launched the Timewise Target Retirement 2070 Fund, for younger cohorts of members.

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### 2023

Reduced landing point duration due to new interest rate environment. Re-introduced cash allocation, aiming to improve risk-adjusted returns.

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\* ESG screening to eliminate UNGC Compact Violators and companies associated with Controversial Weapons applied to core equity and fixed income index funds within Managed Pensions Funds Ltd 18th November 2020, and State Street Luxembourg SICAV 28th May 2021. The information contained above is for illustrative purposes only. Diversification does not ensure a profit or guarantee against loss.

## Performing for Every Stage of the Journey

The further a member is from their target retirement date, the more risk they may be able to tolerate. This can result in higher potential returns from their retirement savings compared to members approaching or in retirement. This trend is demonstrated in the performance table (Figure 1), where the 2060 Fund (growth phase) has generated higher returns than the 2030 (de-risking phase) and 2020 (post-retirement phase) Funds over the 10-year period.

Timewise employs three layers of protection to help reduce extreme drawdowns for members and protect the value of their pots in volatile market environments:

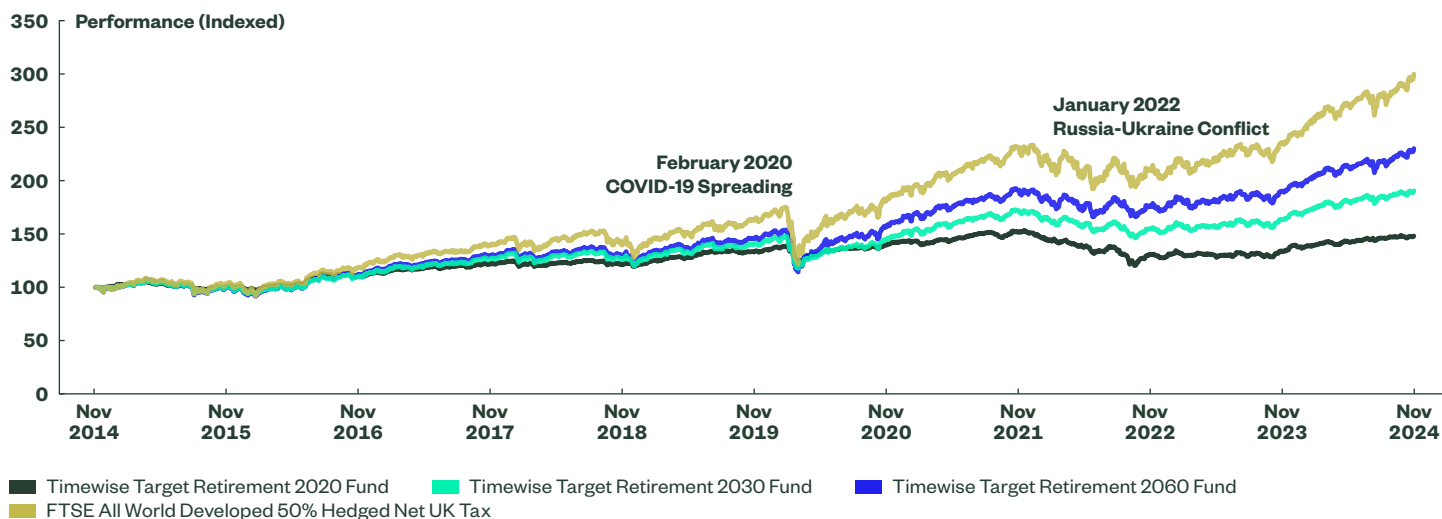
- 1 Strategic diversification across asset classes to spread risk effectively.
- 2 The Dynamic Diversified Fund, which adjusts allocations dynamically based on market conditions.
- 3 Developed and Emerging Market Target Volatility Trigger strategies, designed to reduce equity allocations and increase cash allocations during periods of market stress.

As shown in Figure 2, over the 10 years to November 2024, these three phases of the glide path have provided protection against market drawdowns compared to a global equity index.

Figure 1 **Timewise Performance**

	Return Since Inception (%)		Standard Deviation (%)	Risk: Return	Max Drawdown (%)
	Cumulative	Annualised			
Timewise Target Retirement 2020 Fund	48.28	4.02	5.34	0.75	-21.48
Timewise Target Retirement 2030 Fund	90.74	6.67	7.76	0.86	-20.24
Timewise Target Retirement 2060 Fund	130.05	8.69	9.99	0.87	-25.64
FTSE All World Developed 50% Hedged Net UK Tax	199.77	11.60	14.01	0.83	-30.27

Figure 2 **10-Year Performance of 3 Glide Path Stages**



Source: State Street Global Advisors. The three funds selected were from three different points in the glidepath to give an indication of how the funds in different phases performed. Data from 24 November 2014 to 24 November 2024. Past performance is not a reliable indicator of future performance and individual outcomes may vary based on market conditions and investment decisions. The performance figures contained herein are provided on a gross of fees basis and do not reflect the deduction of advisory or other fees. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in GBP. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income as applicable. The performance assumes no transaction and rebalancing costs, so actual results will differ. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. While these strategies aim to mitigate risks, it is important to recognize that no approach can completely eliminate market risk. Please note that past performance is not indicative of future results, and individual outcomes may vary based on market conditions and investment decisions.

## Your DC Partner

Timewise Target Retirement Funds would suit DC schemes looking for:

- A well-governed, member-focused solution
- A fund that targets both growth and capital preservation
- A futureproof default that can adapt to change
- A simple to understand, and value for money product

We thank our clients and their advisors for their partnership over the past 10 years and look forward to continuing to provide innovative investment solutions in the UK DC market.

## About State Street Global Advisors

For over four decades, State Street Global Advisors has served the world's governments, institutions, and financial advisors. With a rigorous, risk-aware approach built on research, analysis, and market-tested experience, and as pioneers in index and ETF investing, we are always inventing new ways to invest. As a result, we have become the world's fourth-largest asset manager\* with US \$4.73 trillion<sup>†</sup> under our care.

\* Pensions & Investments Research Center, as of December 31, 2023.

<sup>†</sup>This figure is presented as of September 30, 2024 and includes ETF AUM of \$1,515.67 billion USD of which approximately \$82.59 billion USD in gold assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated. Please note all AUM is unaudited.

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