

## **Portcullis Pension Plan Stakeholder Designer Pension @ Norwich Union**

### **Who are Norwich Union?**

Norwich Union is the UK life operation of Aviva Plc – the largest insurance group in the UK. They were established in 1797 and have over 200 years of protecting and providing for peoples' futures.

The following statistics relate to Aviva Plc and/or its subsidiary companies, as at 1<sup>st</sup> July 2002:

- Premium income and investment sales of £28 billion from continuing operations.
- The management of funds in excess of £200 billion on behalf of millions of customers worldwide. This includes With-Profit funds totalling in excess of £50 billion.
- Aviva is the world's 7<sup>th</sup> largest insurance group and among the top 5 life companies in Europe.
- Second largest UK-based fund manager by reference to funds under management
- One of the top 20 companies quoted on the London Stock Exchange. This ranks them by size alongside other household names such as Cable & Wireless, British Telecom and B-Sky-B
- They own around 2.7% of all British industry quoted on the London Stock Exchange on behalf of both customers and shareholders.
- The group has over 25 million customers and over 64,000 employees worldwide.
- Norwich Union provides products and services covering life, pensions, healthcare, car, buildings and contents, banking and insures 1 in 5 households in the UK.

### **What can they offer you?**

As the joint top UK pension provider to employers and the largest stakeholder pension provider to date they have a wealth of experience, which is an enormous advantage in such an important market. Norwich Union has been providing both company and individual pension plans since their inception and they have used this experience to ensure that they maximise the benefits available to their policyholders at retirement.

By choosing Norwich Union, your pension scheme benefits from the financial strength of the UK's largest insurer. Together with thousands of other employers, you can feel certain of your choice.

Norwich Union aims for superior long-term investment performance and its size and efficiency gives it the opportunity to provide an extensive range of value-for-money quality products.

They have over one million pension policyholders and they pay pensions to nearly a quarter of a million retired policyholders. You can be secure in the knowledge that so many people trust Norwich Union with their retirement plans and have confidence in their pensions expertise.

During the last decade over £4 billion has been invested in their annuity contracts and they currently pay out approximately £539 million in pension benefits to retired policyholders each year. Again, this underlines their strength as a major pension provider.

Taking all this into consideration you can understand why they can say "Together we are stronger"!

## What terms can they offer you under the Portcullis Pension Plan?

The stakeholder pension regime has made the whole process a lot simpler when it comes to charges – there is only ONE charge - called the annual management charge which is taken from your plan. What's more the normal charge for a stakeholder plan is 1% but we are pleased to advise you that we are able to offer a special reduced price of **0.4%** for all types of contribution. Other advantages are as follows:

- 100% allocation rate. – all your money is immediately invested from day one.
- No bid/offer spread – there is no difference between the price at which the fund managers purchase and sell investments.
- No monthly plan fee –there are no other administration fees being deducted.
- Annual Fund Charge – see below.
- No commission is being paid by Norwich Union to the adviser.

Charge	Contribution type		
	Regular	Singles & Transfer Values	National Insurance Rebates
Allocation rate	<b>100%</b>	<b>100%</b>	<b>100%</b>
Annual Fund Charge	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>
Bid/Offer spread	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Plan fee (each member)	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Commission payable	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

The other terms available to you are as follows:

- Easy joining process
- Plan allows for single contributions to be paid at any time, enabling you to put in lump sums when you choose.
- Plan information and transactions available via the internet.
- Regular yearly statements giving you current holding and a projection of benefits at retirement which gives you an opportunity to review your plan.
- An extremely wide range of investment funds including socially responsible investment funds in which Norwich Union has a strong presence and a great deal of experience.

## Investment

Your investment will be managed by the London-based institutional asset management business of Aviva plc.

They have investment offices in Singapore, Tokyo and an associate office in Boston, and access to the Group's network of offices around the world.

They have in excess of £104 billion of assets under management and well-established capabilities in all major asset classes and all major markets around the world. By employing over 1,000 staff, including over 150 dedicated investment managers, research analysts and strategists, they can uncover investment opportunities for clients on a global scale.

They have the top industry recognised Socially Responsible Investment team and a range of Sustainable funds.

## Industry awards made to Norwich Union

Awards received in the last three years include:

**2nd** for *Best Group Pension Provider* - Money Marketing Financial Services Awards - March 2002

**3 Star Award** for *Life and Pension providers* - Financial Adviser Service Awards - November 2001

**2nd Pensions** - *Award for Service Excellence* - Planned Savings Awards -October 2001

**1st Stakeholder Pensions** - *Award for Product Excellence* - Planned Savings Awards - October 2001

**2nd Group Pensions** - *Award for Product Excellence* - Planned Savings Awards -October 2001

**2nd** for *Best Group Pension Provider* - Money Marketing Financial Services Awards - March 2001

**5 Star Award** for *Life and Pension providers* - Financial Adviser Service Awards - November 2000

**1st (Gold)** *Pension Provider of the Year* - Financial Adviser Provider of the Year Awards - May 2000

**3rd** *Best Group Pension Provider* - Money Marketing Financial Services Awards - March 2000

## **PENSION FUND FACTS**

### **Deposit Fund**

The Deposit Fund invests in deposit type instruments placed mainly with first-class banks and major UK companies

### **Gilt Fund**

The Gilt Fund aims to provide a reasonably good return mainly through investment income\* with the prospect of some capital growth. The fund will be invested mainly in British Government stocks.

### **Property Fund**

The Property Fund aims to provide a good return from a mixture of rental and capital growth. The fund will mainly invest in commercial property.

### **Balanced Managed Fund**

The aim of the Balanced Managed Fund is to provide a good return through a combination of investment income\* and capital growth. The Fund invests in a wide range of assets to spread and control risk by using any of our other appropriate funds. The fund manager will decide the allocation of investments between different funds.

\* Investment income will be reinvested in the portfolio for the benefit of investors.

## **Lifestyling:**

Lifestyling allows you to benefit from potentially higher returns during the earlier years of the plan while increasing the security of the investment in the years immediately before retirement.

There are three Lifestyle investment approaches available. With each of these, investments will automatically be switched, free of charge, over the term of the plan to progressively more secure funds.

## **Balanced Approach**

### **The contributions**

If there are more than 10 years to retirement we will invest the contributions in the Balanced Managed Fund. From 10 years to five years before retirement we will invest the contributions in the Defensive Managed Fund. In the last five years before retirement, we will invest 75% of the contributions in the Retirement Protection Fund and 25% in the Deposit Fund.

### **The retirement fund**

From 10 years to five years before retirement, we will automatically start switching the retirement fund into the Defensive Managed Fund. In the last five years before retirement, we will start switching the retirement fund 75% into the Retirement Protection Fund and 25% into the Deposit Fund.

## **Opportunity Approach**

### **The contributions**

If there are more than 10 years to retirement we will invest 70% of the contributions in the UK Equity Fund and 30% in the Global Equity Fund. From 10 years to five years before retirement, we will invest the contributions in the Balanced Managed Fund. In the last five years before retirement, we will invest 75% of the contributions in the Retirement Protection Fund and 25% in the Deposit Fund.

### **The retirement fund**

From 10 to five years before retirement, we will automatically start switching the retirement fund into the Balanced Managed Fund. In the last five years before retirement, we will start switching the retirement fund 75% into the Retirement Protection Fund and 25% into the Deposit Fund.

## **Self-style Approach**

### **The contributions**

If there are more than 10 years to retirement we will invest all contributions in. Precisely 10 years before the retirement date, contributions can be redirected into a further two funds. Between seven and three years before retirement the contributions can be invested either wholly in the retirement Protection Fund or 75% in the Retirement Protection Fund and 25% in the Deposit Fund.

### **The retirement fund**

If a new fund selection is made 10 years before retirement, we will automatically start switching the retirement fund into the chosen fund(s). If a new fund selection is not made, the original investment choice will continue. Between seven and three years before retirement, we will start to switch the retirement fund into the chosen funds of either the Retirement Protection Fund or 75% into the Retirement Protection Fund and 25% into the Deposit Fund.