2

The ALSTOM Ltd Group Personal Pension Plan

Your lifestage investment approach choices and core funds

AVIVA

Contents

Welcome to the ALSTOM Ltd Group Personal Pension Plan

Your employer has chosen Aviva to run your company pension.

Your pension plan is an important part of your future, so it's worth taking a few minutes now to understand the options available to you.

A pension plan is designed specifically to help you invest for your retirement. This means that in most cases, under government rules, you usually can't access your pension fund until you turn 55. That doesn't mean that you can't have a say in how it's invested. After all, it's still your money.

On joining you will be invested in the Alstom Mixed Investment Lifestage and your Target Retirement Age will be defaulted to 65. If you'd like take more control of your own pension fund, there are other options available to you. There are two more Lifestage Investment Approaches to choose from, as detailed in the next few pages. Alternatively, you can find further options in 'A guide to investing in your company pension' which is available at www.aviva.co.uk/mypension/alstom/.

If you would prefer to talk to us or for any other queries you can contact the Alstom Helpdesk on 0800 2600386.

Before you continue to read this brochure, please be aware that there is a base Annual Management Charge for your scheme. This is currently 0.23%. Furthermore, some funds have additional changes which are detailed in the fund table at the back of this brochure.

What is a lifestage investment approach?

First things first, a lifestage investment approach is a pre-determined investment path. This means that, at various stages, we'll move your investment from growth funds to more stable funds. We do this to lessen the risk to your money as you move closer to retirement.

The movement between stages happens gradually on a quarterly basis.

In a nutshell, a lifestage investment approach is a way of investing for your retirement without having to be too hands on in managing your pension fund.

Invest wisely now to benefit later

As we've already said, your investment sits in your pension fund from the moment you start paying in until you decide to retire. The more you invest, the more you should have in your fund when you retire, especially if that investment has had time to grow over the years.

Invested wisely, your pension fund could provide you with a comfortable retirement. So, you need that investment to work as hard as possible for you over the years, not just sit there gathering dust. You should bear in mind that the value of your pension fund can go down as well as up and may be worth less than the amount paid in.

Make your money work for you

If you have a long time to go before you retire, you may want to invest in funds that offer you the potential for higher returns in the medium to long term, but can be more volatile, especially in the short term. As you get closer to your Target Retirement Age, it may make sense to move your investment into more stable funds, where there's less risk to your investment.

You also need to consider how much risk you're comfortable accepting. There is always going to be an element of risk, but you can control how much of a risk you want to take.

You can choose to do all this yourself, but if you'd rather leave the big investment decisions to an expert, a lifestage investment approach might be just the thing for you.

Let us do the work for you

All you have to do is decide whether you want to invest through a lifestage investment approach. We'll tell you in the next few pages what your options are, so read them carefully and choose which one suits you best.

Once your pension plan is up and running, you just need to check every now and again that the lifestage investment approach is still right for you. We'll take care of everything else.

How does a lifestage investment approach work?

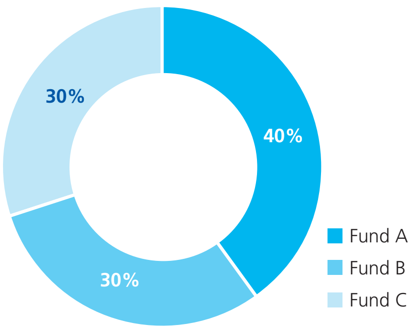
A lifestage investment approach sets out a path for how we'll invest your money. Each approach has its own set of funds and stages when we'll assess where your money should be at that time.

We'll invest your payments in the funds outlined in the lifestage investment approach you've chosen. As you get closer to retirement, we automatically move the money invested in your pension plan between funds, moving from growth funds to funds that are either lower risk or which aim to protect the value of your pension. We do this to lessen the risk to your money as you move closer to retirement. We do this gradually, rather than in just one bulk move.

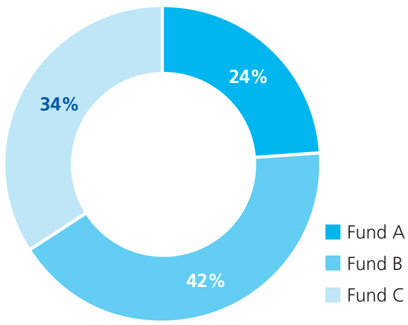
We also manage your exposure to risk by making sure that we keep the money invested in the funds in the split outlined in the lifestage investment approach you've chosen. We do this by regularly rebalancing the funds.

How rebalancing works

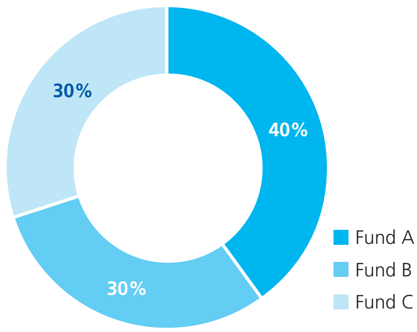
1. How your money should be invested under your lifestage



2. Before rebalancing



3. After rebalancing



1. Your lifestage investment approach outlines how we split your money between the funds.
2. As the value of the funds change, you may drift away from the fund split for your approach. This means you have more money invested in some funds and less in others. This could expose you to greater risk.
3. We rebalance the funds on a regular basis by moving your investment between them so it's split as outlined by your lifestage investment approach.

Why is rebalancing important?

Rebalancing is important so that we keep your funds in line with your investment approach.

Our intention with rebalancing is to protect your investment. We rebalance your funds automatically on set quarterly dates, so there's a chance that we may move your money at a time that wouldn't offer you the best return on your investment. You should also bear in mind that fund values can go down as well as up and may be worth less than the amount paid in.

What are the lifestage investment approaches I can choose from?

Your employer has chosen 3 lifestage approaches specifically for your pension plan. We'll automatically check your pension plan and gradually move your money from growth funds to funds that are either lower risk or which aim to protect the value of your pension, as outlined in the lifestage investment approach.

Alstom Mixed Investment Lifestage Approach – Default Investment Option

All members will automatically be invested in this lifestage when they are enrolled into the Alstom GPP. It is designed to maximise the potential return in the early years, known as the 'Growth' phase, by investing in more risky funds, when members are expected to be able to ride out the volatility of returns over a number of years. It is then designed to lower the investment risk as the member's target retirement age approaches by switching their existing benefits and future contributions gradually into less volatile funds. This is known as the 'Risk Reduction' phase. This lifestage reduces equity volatility by investing only 60% in equities and the remaining 40% in a mixed asset fund during the growth phase and then reducing the equity exposure further starting 8 years before a member's target retirement age. It then moves to a risk reduction phase 5 years before the member's target retirement age.

This is the default option for your scheme. If you don't make your own investment choice, we will invest your money using this lifestage investment approach.

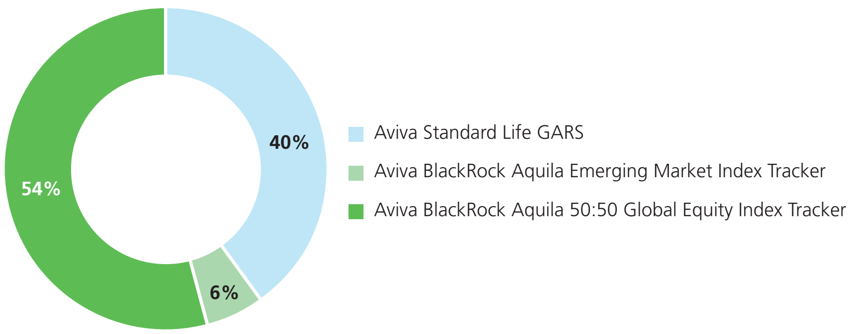
The Target Retirement Age is 65. If you intend to retire at a different age it is important you tell us so your pension plan can be updated.

For full details on what each fund aims to achieve, please see the table on page 13.

Stage 1
If you start your plan more than 8 years before your Target Retirement Age, we'll invest your payments in the following funds:

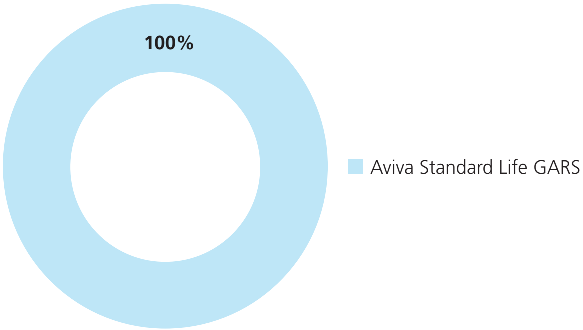
Aviva BlackRock Aquila 50:50 Global Equity Index Tracker
Aviva Standard Life Global Absolute Return Strategies (GARS)
Aviva BlackRock Aquila Emerging Markets Index Tracker

Until 8 years before your Target Retirement Age, your pension funds will be invested like this:



Stage 2
Between 8 years before your Target Retirement Age, and 5 years before your retirement age, we will gradually start moving your money out of the **Aviva BlackRock Aquila 50:50 Global Equity Index Tracker** and **Aviva BlackRock Aquila Emerging Markets Index Tracker** funds and move all of it into the **Aviva Standard Life Global Absolute Return Strategies (GARS)** fund:

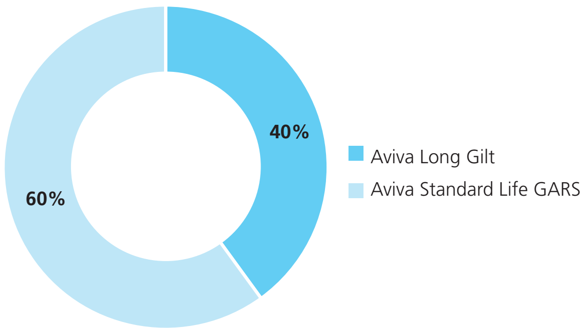
At 5 years before your Target Retirement Age, your funds will be split like this:



Stage 3

Between 5 years before your Target Retirement Age and 3 years before your retirement age, we will gradually start moving some of your money out of the **Aviva Standard Life Global Absolute Return Strategies (GARS)** fund and into the **Aviva Long Gilt** fund**.**

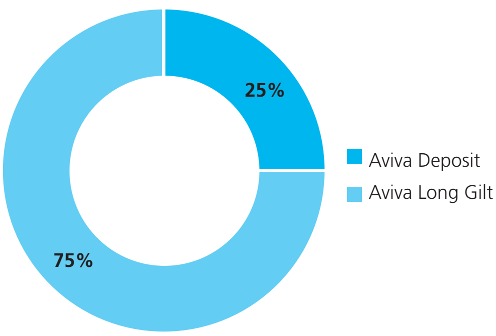
At 3 years before your Target Retirement Age, your funds will be split like this:



Stage 4

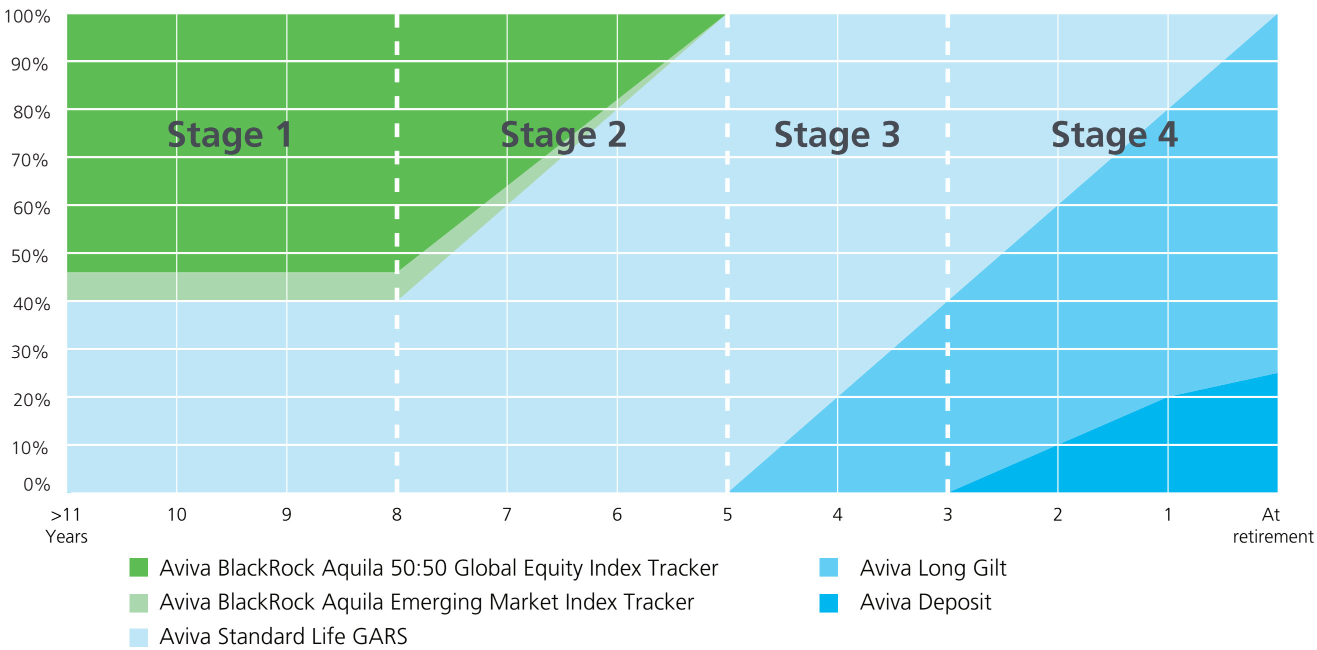
Between 3 years before your Target Retirement Age, up until your retirement age, we'll gradually move your money out of the **Aviva Standard Life Global Absolute Return Strategies (GARS)** fund and move more it to the **Aviva Long Gilt** fund and the rest into the **Aviva Deposit** fund.

By the time you reach your Target Retirement Age, your pension funds will be split like this:



The exact fund split at the start of your investment depends on how far you are from retirement when you join the pension scheme.

This diagram shows how we'll split your investment between funds in the years before your Target Retirement Age.



Alstom Equity and Bonds Lifestage Approach

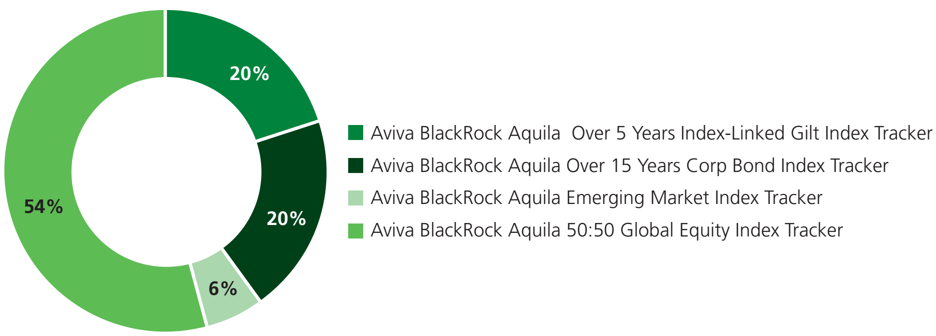
Stage 1

This lifestage is similar to the Alstom Mixed Investment Lifestage except that the 40% allocated to mixed assets is replaced by bonds to try to provide further protection against equity market volatility in a cost effective manner, some of which invests in UK Government bonds which aim to provide growth to match inflation and some which invest in bonds issued by highly rated companies. The risk reduction phase commences earlier at 10 years, rather than 5 years, before the target retirement age.

If you start your plan more than 10 years before your Target Retirement Age, we'll invest your payments in the following funds:

Aviva BlackRock Aquila 50:50 Global Equity Index Tracker
Aviva BlackRock Aquila Over 15 years Corporate Bond Index Tracker
Aviva BlackRock Aquila Over 5 years Index Linked Gilt Index Tracker
Aviva BlackRock Aquila Emerging Markets Index Tracker

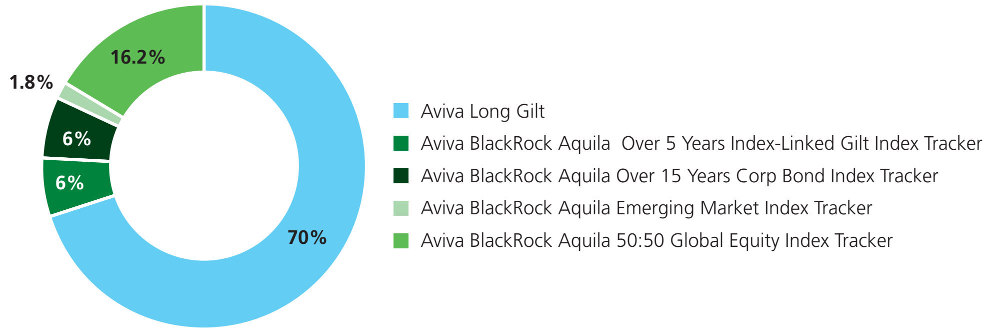
Until 10 years before your Target Retirement Age, your pension funds will be invested like this:



Stage 2

Between 10 years before your Target Retirement Age, and 3 years before your retirement age, we'll gradually start moving some of your money out of the above mentioned funds and move it to the **Aviva Long Gilt** fund.

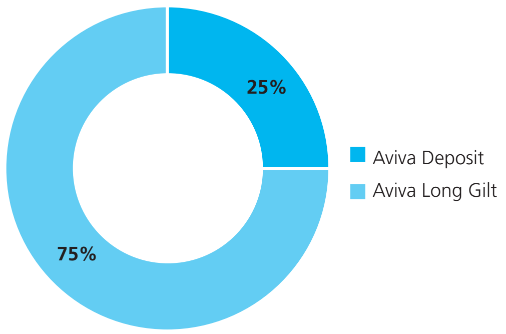
At 3 years before your Target Retirement Age, your pension funds will be split like this:



Stage 3

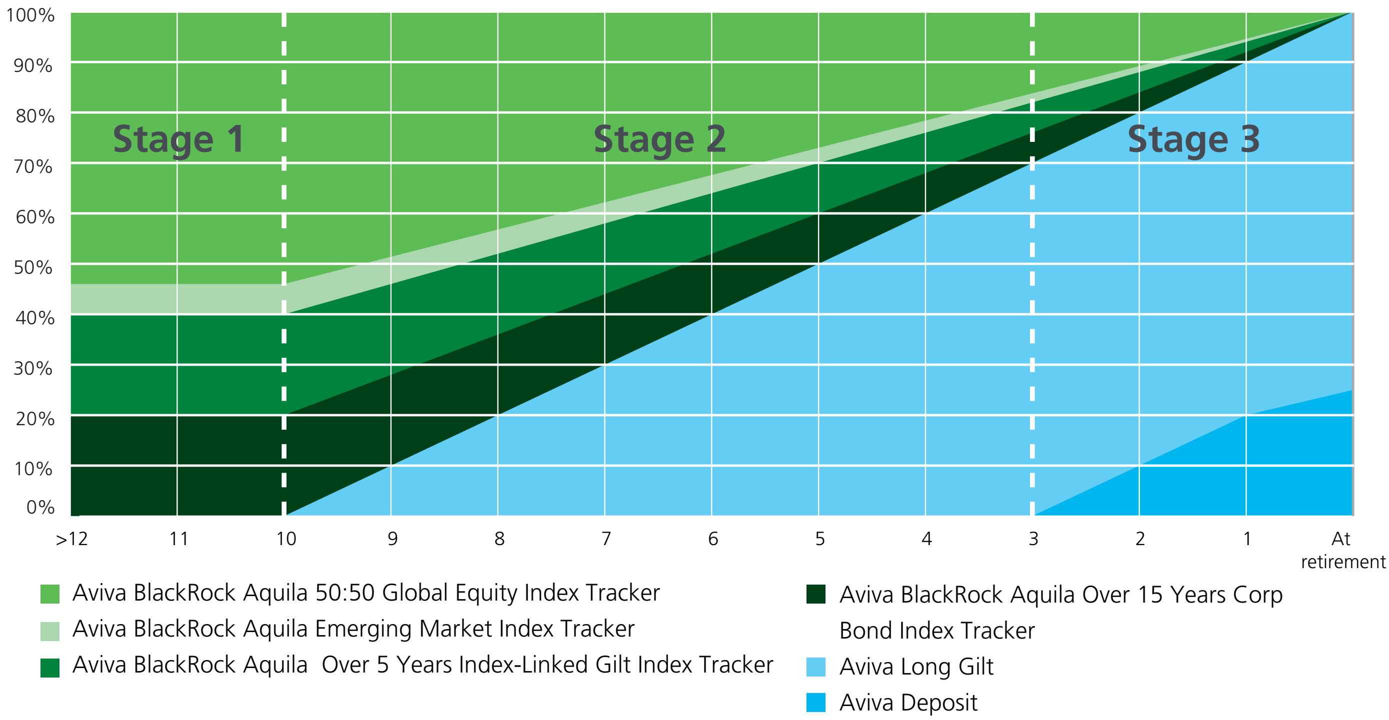
Between 3 years before your Target Retirement Age, and your retirement age, we'll gradually start moving all of your money out of the funds from stage 1 and move some of it into the **Aviva Long Gilt** fund and the rest into the **Aviva Deposit** fund.

By the time your reach your Target Retirement Age, your pension funds will be split like this:



The exact fund split at the start of your investment depends on how far you are from retirement when you join the pension scheme.

This diagram shows how we'll split your investment between funds in the years before your Target Retirement Age



Alstom High Equity Lifestage Approach

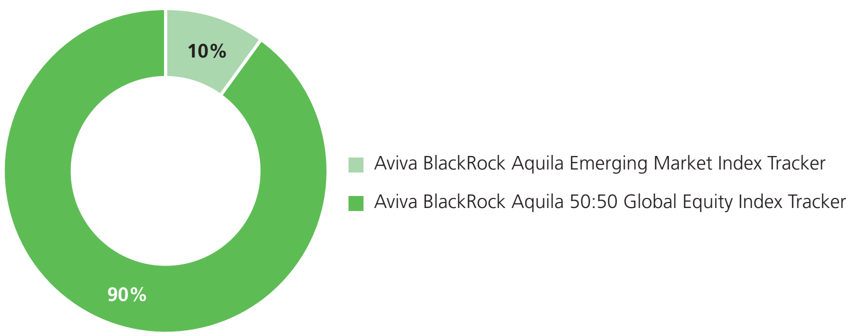
Stage 1

This approach aims to maximise the growth potential in a member's fund in the growth phase by investing 100% in equities, with the corresponding level of volatility, before moving to a risk reduction phase 5 years before the member's target retirement age.

If you start your plan more than 5 years before your Target Retirement Age, we'll invest your payments in the following funds:

Aviva BlackRock Aquila 50:50 Global Equity Index Tracker
Aviva BlackRock Aquila Emerging Markets Index Tracker

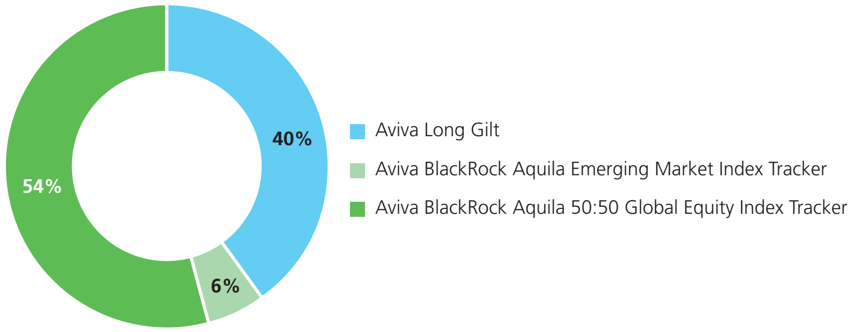
Until 5 years before your Target Retirement Age, your pension funds will be invested like this:



Stage 2

Between 5 years before your Target Retirement Age, and 3 years before your retirement age, we'll gradually start moving some of your money out of the above funds and into the **Aviva Long Gilt** fund.

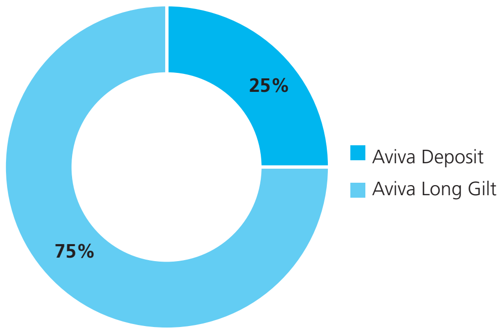
At 3 years before your Target Retirement Age, your pension funds will be split like this:



Stage 3

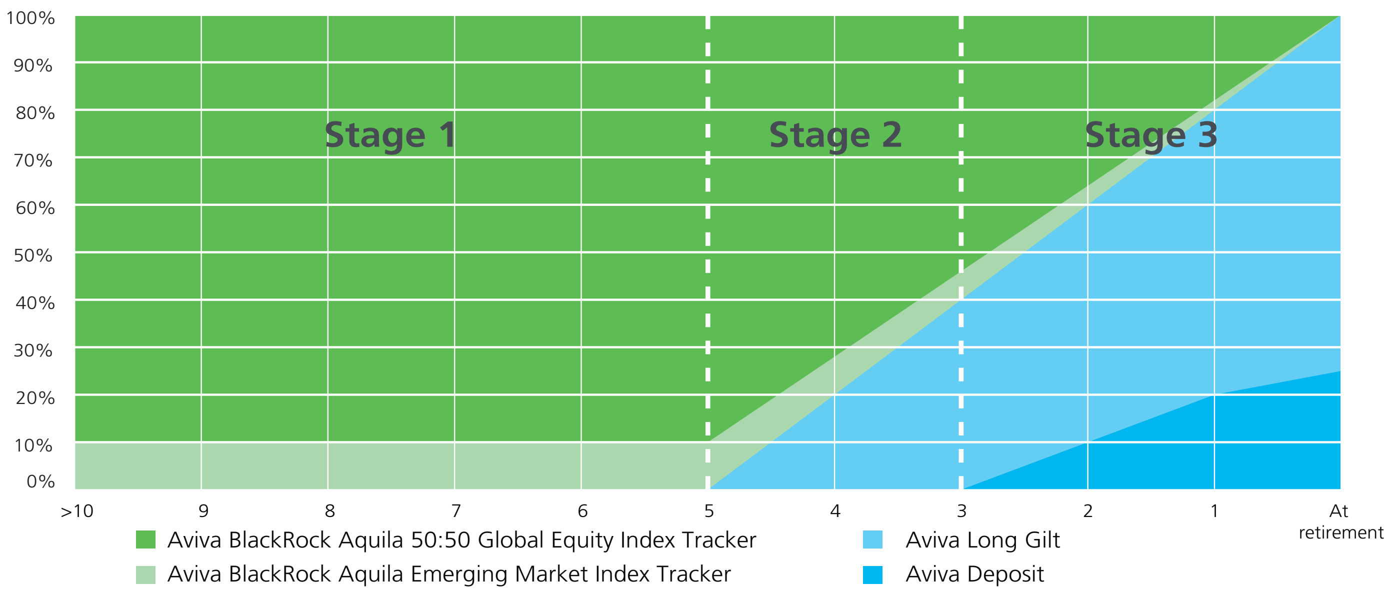
Between 3 years before your Target Retirement Age, and your chosen retirement age, we'll move all of your money out of the **Aviva BlackRock Aquila 50:50 Global Equity Index Tracker** and **Aviva BlackRock Aquila Emerging Markets Index Tracker** funds and some into the **Aviva Long Gilt** fund, and the rest into the **Aviva Deposit** fund.

By the time your reach your Target Retirement Age, your funds will be split like this:



The exact fund split at the start of your investment depends on how far you are from retirement when you join the pension scheme.

This diagram shows how we'll split your investment between funds in the years before your Target Retirement Age



Fund information

The table below gives more detail about each of the funds described above. We'll explain more about asset classes, risk ratings and the charges on pages 18-19:

Fund name	Description	Risk rating	Asset class	Total Additional Yearly Charge
Aviva BlackRock Aquila 50:50 Global Equity Index Tracker	The fund invests primarily in equities, both in the UK and overseas markets. The fund has approximately 50% invested in the shares of UK companies. The remaining 50% is invested in overseas companies split equally between the US, Europe ex-UK and the Far East. The fund aims to provide returns consistent with the markets in which it invests and provides broad exposure to countries around the world.	**4**	**Global Equities**	**0.00%**
Aviva BlackRock Aquila Emerging Markets Index Tracker	The fund objective is to achieve a return that is consistent with the return of the MSCI Global Emerging Markets Index.	**5**	**Emerging Market Equities**	**0.20%**
Aviva BlackRock Aquila Over 5 Years Index Linked Gilt Index Tracker	This fund invests in UK government index-linked securities (index-linked gilts) that have a maturity period of 5 years or longer. The fund aims to achieve a return consistent with the FTSE UK Gilts Index-Linked Over 5 Years Index, which is widely regarded as the benchmark for UK pension fund investment in the longer dated end of the UK index-linked gilt market.*	**2**	**UK Gilts**	**0.00%**
Aviva BlackRock Aquila Over 15 Years Corporate Bond Index Tracker	This fund invests in investment grade corporate bonds denominated in sterling. The fund aims to achieve a return consistent with the iBoxx £ Non-Gilts Over 15 Years Index. This index consists of bonds with a maturity period of 15 years or longer.	**2**	**Corporate Bonds**	**0.00%**
Aviva Deposit	The fund aims to protect capital by investing typically in deposit investments and similar assets with governments, first class banks and major companies. Although the fund aims to provide a lower risk return, the value can fall.	**1**	**Cash/ Money Market**	**0.00%**
Aviva Long Gilt	The fund aims to track the performance of the Financial Times Actuaries Government over 15 years Gilt Index before the deduction of management fees and allowances for taxes and other expenses.*	**3**	**UK Gilts**	**0.00%**
Aviva Standard Life Global Absolute Return Strategies (GARS)	To provide positive investment returns in all market conditions over the medium to long term. The fund looks to exploit market inefficiencies through active allocation to highly diversified market positions. The fund manager utilises a combination of traditional assets (such as equities and bonds) and investment strategies based on advanced derivative techniques resulting in a highly diversified portfolio. The fund can take long and short positions in markets, securities and groups of securities through derivative contracts.	**3**	**Specialist/ Other**	**0.85%**

*FTSE International Limited does not sponsor, endorse or promote these funds. All copyright in the index values and constituent lists vest in FTSE International Limited.

You can find out more about these funds by reading our Fund Factsheets, available at www.aviva.co.uk/mypension/alstom/

Will the funds in my lifestage investment approach change in the future?

Yes, it's possible that we may change the funds. When you choose a lifestage investment approach, you sign up for the approach, not individual funds.

We check all our funds constantly to see how they're performing. We also look at all our lifestage investment approaches to make sure that the funds are working together as they should. If we identify a fund that isn't performing as it should, we may choose to swap it for a fund that better meets the needs of your lifestage investment approach. We may also have to close, rename or make other changes to a fund because of events in the market.

However, we'll only swap the funds for ones of a similar kind. For example, if one of your funds invests mainly in UK equities, we will only swap it for another fund that invests in similar UK equities. We won't swap a high risk fund for a low risk fund or the other way round.

If we do change any of your funds, we'll write to tell you about it at least 30 days before we do anything. That way you should have plenty of time to look at what we're proposing, see how it will affect you and decide whether you want to continue investing in that particular lifestage investment approach.

What happens if…

…I want to change my Target Retirement Age?

If you choose to change your Target Retirement Age, we'll automatically rebalance your investments to make sure that you're invested in the correct funds and proportions for your new retirement age. Please note, the changes may not occur at a time that would offer you the best return on your investment. You should also bear in mind that fund values can go down as well as up and may be worth less than the amount paid in.

Example

You've invested in your company's lifestage investment approach and given us a retirement age. Two years before you're due to retire, you decide that you want to continue working for another three years. When you tell us this, we'll rebalance your investments back to the fund split outlined by the lifestage investment approach at five years from retirement. This may mean that we're moving some of your pension fund into funds that carry a higher risk than the funds you're invested in at two years from retirement.

…I don't take my money on my Target Retirement Age?

If you don't take your money from your pension fund on the date you originally told us you'd retire, we'll keep it in the same funds and proportions as it was on your retirement age. We won't assume that you want us to reinvest your money for growth. We'll continue to rebalance your investments to keep your money at those proportions.

…I want to move out of my lifestage investment approach?

You can move out of your lifestage investment approach at any time and choose your own funds for investment. You just need to tell us which fund or funds you want to invest in and we'll do the rest.

We'll withdraw your money from the funds in your lifestage investment approach and invest your money in your chosen funds instead. We'll invest any further money you pay into your pension plan into these funds too.

You can't invest in a lifestage investment approach and pick your own funds too. If you want to choose your own funds for investment, we'll stop investing in your lifestage investment approach and move the money to your chosen funds. You can move your money back into a lifestage investment approach later if you're still with Alstom.

We won't charge you for moving your investment, but it's possible that we won't be able to move it straightaway. This may be the case if you'd be able to use market information to your benefit or if we can't easily convert the fund you're invested in to cash (for example, if you're invested in a property fund).

…I leave Alstom?

You can still invest in your existing lifestage investment approach if you leave as long as you don't transfer your pension plan to another scheme. If you'd prefer to move out of the lifestage investment approach, let us know and we'll tell you what options you have. You should also bear in mind that you can't return to the lifestage investment approach if you leave it.

…I don't want to invest in a lifestage investment approach?

You can choose your own funds to invest in. As you're investing in an Aviva pension, you have our entire range of over 200 funds to choose from. However, picking from such a large number of funds can be quite daunting. To help you with your decision, Alstom has taken advice from a professional investment adviser and chosen a number of core funds that are included in this brochure.

…I want to make some changes?

In your pack is 'Aviva's online Pension Tracker' leaflet. This will tell you how to register to request changes on line. For more details and help you can visit www.aviva.co.uk/mypension/alstom/.

If you would prefer to talk to us or for any other queries you can contact the Alstom Helpdesk on 0800 2600386.

What are the Alstom core funds?

The core funds for the Alstom plan cover each of the asset classes and have different risk ratings and some have extra charges. We'll explain more about these on pages 18-19, but here are the core Alstom funds:

Fund name	Description	Risk rating	Asset class	Total Additional Yearly Charge
Aviva BlackRock Aquila 50:50 Global Equity Index Tracker	The fund invests primarily in equities, both in the UK and overseas markets. The fund has approximately 50% invested in the shares of UK companies. The remaining 50% is invested in overseas companies split equally between the US, Europe ex-UK and the Far East. The fund aims to provide returns consistent with the markets in which it invests and provides broad exposure to countries around the world.	**4**	**Global Equities**	**0.00%**
Aviva BlackRock Aquila Emerging Markets Index Tracker	The fund objective is to achieve a return that is consistent with the return of the MSCI Global Emerging Markets Index.	**5**	**Emerging Market Equities**	**0.20%**
Aviva BlackRock Aquila Over 5 Years Index Linked Gilt Index Tracker	This fund invests in UK government index-linked securities (index-linked gilts) that have a maturity period of 5 years or longer. The fund aims to achieve a return consistent with the FTSE UK Gilts Index-Linked Over 5 Years Index, which is widely regarded as the benchmark for UK pension fund investment in the longer dated end of the UK index-linked gilt market.*	**2**	**UK Gilts**	**0.00%**
Aviva BlackRock Aquila Over 15 Years Corporate Bond Index Tracker	This fund invests in investment grade corporate bonds denominated in sterling. The fund aims to achieve a return consistent with the iBoxx £ Non-Gilts Over 15 Years Index. This index consists of bonds with a maturity period of 15 years or longer.	**2**	**Corporate Bonds**	**0.00%**
Aviva BlackRock Aquila Over 15 Years Gilt Index Tracker	This fund invests in UK government fixed income securities (gilts) that have a maturity period of 15 years or longer. The fund aims to achieve a return consistent with the FTSE UK Gilts Over 15 Years Index, which is widely regarded as the benchmark for UK pension fund investment in the longer dated end of the UK gilt market.*	**3**	**UK Gilts**	**0.00%**
Aviva BlackRock Aquila Overseas Equity Consensus Index Tracker	This fund invests in the shares of overseas companies, (those of European, Japanese, other Far Eastern, and US markets) according to the weightings of the average UK pension fund. Within each of those markets, the fund aims to generate returns consistent with those of each country's primary share market.	**5**	**Global Equities**	**0.00%**

Fund name	Description	Risk rating	Asset class	Total Additional Yearly Charge
Aviva BlackRock Aquila UK Equity Index Tracker	This fund invests in the shares of UK companies and aims to achieve a return that is consistent with the return of the FTSE All-Share Index. This index is widely regarded as the benchmark for UK pension fund investment in shares of companies in the UK.*	**4**	**UK Equities**	**0.00%**
Aviva Deposit	The fund aims to protect capital by investing typically in deposit investments and similar assets with governments, first class banks and major companies. Although the fund aims to provide a lower risk return, the value can fall.	**1**	**Cash/ Money Market**	**0.00%**
Aviva Long Gilt	The fund aims to track the performance of the Financial Times Actuaries Government over 15 years Gilt Index before the deduction of management fees and allowances for taxes and other expenses.*	**3**	**UK Gilts**	**0.00%**
Aviva Mixed Investment (40-85% Shares)	To provide a good return through a combination of capital growth and investment income. It invests in a wide range of assets to spread and manage risk by using any other appropriate Aviva funds.	**3**	**Mixed Asset**	**0.00%**
Aviva Property	To provide a return from a mixture of rental income and capital growth. The fund will mainly invest in commercial property. A proportion of the fund may also invest in indirect property investments, including quoted property trusts and unregulated collective investment schemes, which may include gearing. Investments in these schemes can be up to a maximum, set currently at 20% of the fund value of which 10% may be geared.	**3**	**Property**	**0.00%**
Aviva Standard Life Global Absolute Return Strategies (GARS)	To provide positive investment returns in all market conditions over the medium to long term. The Fund looks to exploit market inefficiencies through active allocation to highly diversified market positions. The fund manager utilises a combination of traditional assets (such as equities and bonds) and investment strategies based on advanced derivative techniques resulting in a highly diversified portfolio. The fund can take long and short positions in markets, securities and groups of securities through derivative contracts.	**3**	**Specialst/ Other**	**0.85%**

* FTSE International Limited does not sponsor, endorse or promote these funds. All copyright in the index values and constituent lists vest in FTSE International Limited.

You can find out more about these funds by reading our Fund Factsheets. You can also find our complete range of funds in ‘A guide to investing in your company pension’. These documents are all available at www.aviva.co.uk/mypension/alstom/, or you can contact the Alstom Helpdesk on 0800 2600386.

Fund types and risk ratings

To make an informed decision about which funds to choose, you need to know more about the fund types and the risk ratings.

Fund types

Cash / Money market	These funds invest money in accounts with banks, building societies and other companies or in similar short-term investments which provide a low risk return. Although this is the least risky of the asset types, these funds can still fall in value and an investor runs the risk that their investment won't keep pace with inflation.
Mixed asset	Mixed asset funds invest in a range of asset types (for example, equities, bonds, property and cash) and some will adjust the amounts in each asset type regularly to try and improve investment returns. The diversification offered by these funds should mean that if one of the asset types reduces in value it doesn't always mean that all your money reduces in value because you have money in the other types of assets too.
Corporate bonds	Corporate bonds are issued by companies as a way for them to borrow money. The ability of companies to pay interest on bonds and repay the borrowed money can change over time and so this can affect the fund's value. A corporate bond fund will usually invest in a range of bonds which means you are spreading the risk in case one company can't pay back the money it owes.
UK gilts	Gilts are bonds issued by the UK Government as a way for them to borrow money, usually for a fixed term, in return for the payment of interest. As they are issued by the UK Government they are generally seen as lower risk investments than bonds issued by companies. As gilts can be bought and sold on the open market their value can rise and fall. Index-linked funds are a type of Gilt fund that are linked to the Retail Price Index.
High yield bonds	Most bonds issued by companies and governments are given ratings by independent ratings agencies which are designed to show the potential ability of the issuer to meet the interest payments and to repay the borrowed capital. Bonds which are rated outside of the most secure ratings are called high yield bonds. They will typically offer higher levels of potential returns as the investor is being asked to accept a higher level of risk.
Global bonds	Global bond funds are funds which invest in bonds issued by companies and governments from around the world.
Property	Some of our property funds mainly invest in direct commercial property, for example major shopping centres or business offices but they may also invest in indirect property investments, including quoted property trusts and unregulated collective investment schemes which may include gearing (borrowing). Geared assets carry a higher degree of risk as gearing can accentuate any increases or falls in the value of the underlying investments and they may be more volatile. A valuer's opinion often decides the value of property investments. If you invest in the property funds and want to cash in all or part of your investment in any of these funds there could be a delay in paying you. It may not be possible to sell property investments immediately. In this case, we may have to delay paying you for up to six months. Please remember that the value of property investments can go down as well as up and are not guaranteed.
Equities	Equities are shares in companies listed on stock exchanges around the world. As share prices can fluctuate widely with demand on a day-to-day basis, equities carry the highest risk of losing money but your money could grow a lot more over the long term compared to other types of investments. This means the value of a pension fund investing in shares can go up or down, sometimes quickly and by large amounts. Some funds invest only in certain countries, while others invest in companies from all over the world. Others only invest in certain types of company, such as technology companies.
Specialist/ other	This type of investment covers funds that do not fit into the other fund types described above. For example, they may invest in non-traditional assets such as infrastructure, commodities and hedge funds or may be free to invest in any asset type at any time. Each fund in this sector will invest differently, so you should check its fact sheet for details like its risk rating, investment aim and top 10 holdings.

Risk ratings and returns

We give each of our funds a risk rating, ranging from 1 (low) to 5 (high).

Risk is the possibility of losing your money and return is how much your money could grow. Risk and return are linked. This means that funds with a rating of 1 have a low risk of losing money, but your money might not grow very much. Funds with a rating of 5 have a higher risk of losing money, but the potential for your money to grow over the long term is higher too.

	Risk rating	Fund type
1	**Low**	Funds which usually aim to provide returns similar to those available from deposit and savings accounts, although there is still a risk that the value of your investment could fall.
2	**Medium to low**	Expected to provide better long-term returns than savings accounts. Typically invest in high quality corporate bonds or provide a form of guarantee or capital protection, although there is still a risk that the value of your investment could fall.
3	**Medium**	Typically do not offer guarantees but have potential for better long-term returns than lower risk funds, although there is a greater risk that the value of your investment could fall. Generally invest in a diversified mix of assets or in fixed income bonds issued by higher risk companies.
4	**Medium to high**	Funds that invest typically in shares of companies in the UK or other major stockmarkets. Fund prices may fluctuate significantly but offer the potential for good returns over the long term.
5	**High**	Funds that invest in the higher risk sectors, typically emerging markets or specific themes, offering the greatest potential for long-term returns but the highest price fluctuations and risk to capital.

We regularly review the ratings we give the funds, so they may change from time to time. You can find the current risk rating and other information about the funds on the latest version of the fund fact sheet at aviva.co.uk/funds/pension-funds.html. Just check which series of funds you're invested in on your policy document and click on your fund name.

Charges

We take an annual fund charge for looking after your pension plan. Some of the funds available have an additional yearly charge. The charges are taken as a percentage of the value of your pension fund. The charges may change in the future if the costs associated with managing the fund change. A fund manager expense charge (FMEC) may also apply for some funds, which covers the fund manager's expenses connected with buying, selling, valuing, owning and maintaining the assets. The price of units we display has already had the FMEC taken into account where applicable. FMECs may vary from year to year.

The total additional yearly charge column shows what the total extra yearly charge would be for you to invest in the funds, above what we already take as an annual fund charge. We've rounded the FMEC part of the charges shown here to the nearest 0.05%.

What next?

Make sure you read this booklet and all the rest of the literature you've received about your pension plan. It's important that you make the right choice for you and, to do this, you need to understand your options.

You may find it helpful to speak to a financial adviser. They will be able to assess your situation and offer you advice on the best course of action for you. You can find your own adviser at www.unbiased.co.uk.

We look forward to helping you prepare for a comfortable retirement.

Notes

Notes

Notes

2

Aviva Life Services UK Limited. Registered in England No 2403746. 2 Rougier Street, York, YO90 1UU.
Aviva Life Services UK Limited is authorised and regulated by the Financial Services Authority. FSA Registration No 145452.

aviva.co.uk

SP 66 043 05/2012