A guide to the Fujitsu Comparable Pension investments

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How is my money invested?

Choose from two different ways to invest your pension savings

Our two different investment options let you get involved in investing for retirement as much or as little as you'd like. And you don't have to stick with your first choice; you can change at any time. Remember, it's important to review your investments regularly to check whether they're on track to meet your retirement needs.

The investment programme offered under the hands-off option aims to get your money ready for you to use by moving it into different investment funds the closer you get to retirement. To find out more about your options at retirement: such as taking your money as drawdown; cash; or an annuity, visit **gov.uk/personal-pensions-your-rights/how-you-can-take-pension**.

Investment programmes are designed to finish at your selected retirement date. This may be a date you've set, or one set by your employer. **If you decide to change your retirement date at any point in the future, it's important that you let us know, so we can adjust your investments in line with this change.** You can do this online or by giving us a call.

1 Hands-off	If you don't want to decide where your money is invested, we can manage it for you. We'll invest your money using the **AVC Lifestyle Option.** programme, chosen to suit most members. **In the pensions industry, this is known as the 'default' option. You may also see it referred to as the default in some of our communications.**
2 Hands-on	You could choose the individual funds you'd like to invest your money in instead. This means you'll need to keep an eye on your investments yourself to make sure they'll give you what you need.

We invest the money in your pension pot to give it a chance to grow

The hands-off option

Unless you tell us you'd like to invest your money in a different way, we'll invest it in the AVC Lifestyle Option. Lifetime investment programme which has been designed specifically for this pension.

Who it's for

The Trustee(s) have chosen this programme as suitable for most members. The programme aims to grow your money while retirement is a long way off, then to get it ready for you to take it as a cash lump sum at retirement.

How it works

more than 10 years to go

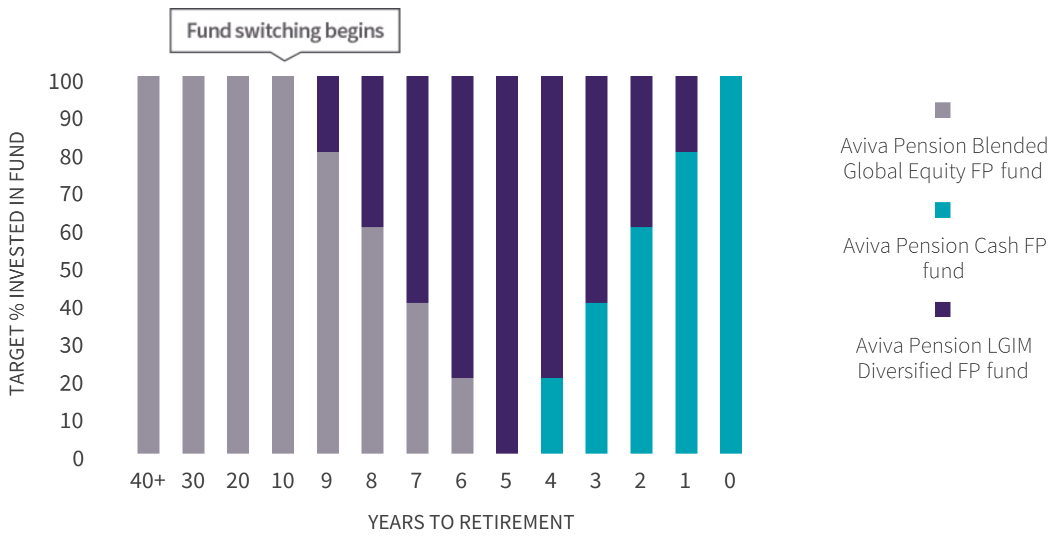
If you're more than 10 years from your selected retirement date, we invest your money in the **Aviva Pension Blended Global Equity FP** fund which aims to grow your pension pot over time.

10 years to go

From 10 years to your selected retirement date, the programme gradually moves your money into different funds, which aim to prepare you for taking your pension pot as a cash lump sum at retirement.

The graph below shows how we move your money over the life of your pension.
Fund switching begins at 10 years before retirement.

AVC LIFESTYLE OPTION. LIFETIME INVESTMENT PROGRAMME



Hands-off funds

Below we show the funds used in the Hands-off option. Here you'll see each fund's risk rating and its risk code letters which show you the specific risks that apply. You can find out about our risk ratings and risk codes on **pages 13** to **16**. Total expense ratio (TER) and annual management charge (AMC) are explained in more detail on **page 10**.

For more information about each of the funds available to you, we recommend you look at the fund factsheets, which you can access via your online account or directly by clicking on each fund name if you're viewing this document online.

			TER	
RISK RATING	FUND NAMES & RISK CODES	FUND TYPE	TOTAL AMC	ADDITIONAL EXPENSES
6	Aviva Pension Blended Global Equity FP Risk code: A, B, C, F, J	Passive	0.42%	0.02%
4	Aviva Pension LGIM Diversified FP Risk code: A, B, C, D, E, H, J	Active	0.55%	0.01%
1	Aviva Pension Cash FP Risk code: A, E, G	Active	0.43%	0.00%

Investment programmes

Things to consider

What you should weigh up about investment programmes

- Investment programmes move your money into different funds as you get closer to retirement, to prepare you for taking your pension benefits. This means you won't have to personally choose and change investment funds yourself.

- You can leave or join an investment programme at any time.

- An investment programme moves your money automatically on set dates, regardless of how markets are performing and what's happening in the economy at the time. As a result, these movements may not occur at times that would give you the best return on your investment.

- An investment programme works based on your investment programme retirement date (IPRD). **If you decide to take your retirement benefits from your pension pot earlier or later, it's essential that you let us know so that we can adjust your investments to reflect this change.** Failure to do this could result in the mix of investments being inappropriate when you come to access your money, which means there is a greater risk that your pension pot could fall in value if it remains invested. You can change your IPRD by contacting us using the details on **page 19**.

- If you're invested in a Lifetime investment programme and you decide to move your investment programme retirement date (IPRD) to a later date, your investments will automatically adjust to reflect the new date.

- There is no guarantee that an investment programme will prove beneficial to your pension pot. Even with lower risk investment funds, your pension pot can fall in value.

- If you intend to change the way you take your retirement benefits, or how you invest your money, we recommend you speak to a regulated financial adviser to go over your investment choices.

The hands-on approach

Who it's for

If you'd like to make your own investment choices for your pension, this is the most suitable option for you.

We offer a range of funds covering different asset classes, sectors and geographical areas. You can choose funds according to your personal circumstances and goals.

Some people choose to invest their pension savings in a way that matches their personal values and concerns, so the Trustee(s) offer some funds which focus on responsible investment practices. These funds invest in companies that conduct their business in a sustainable way, aiming to benefit society as well as those who invest in them.

How it works

After looking at the range of funds available to you, you pick the funds that best match your financial goals. Each fund carries its own level of risk, so you can choose where to invest your money according to your own personal circumstances.

With the hands-on option, there's no programme in place to monitor your investments or move your money as you approach retirement. That means you'll have to make sure you keep an eye on your pension to see how your funds are performing.

You can change your funds at any time to suit your own needs and whatever stage you're at in your life.

If you'd like to know more about the funds available to you, see the 'Know your funds' chapter, starting on **page 11**.

If **your online account** is set up, you can see the funds available by logging in online at **aviva.co.uk/myworkplace**, or you can contact us using the details on **page 19**.

The charges you pay

Annual management charge

To cover the costs of running your pension and investing your money, you pay three main charges:

1. a scheme annual management charge, or scheme AMC
2. a fund annual management charge, or fund AMC
3. an additional expenses charge

These make up your total AMC.

Together, these charges make up the total expense ratio (TER). The table below explains how they work.

	TOTAL AMC		
	TER		
CHARGE	SCHEME AMC	FUND AMC	ADDITIONAL EXPENSES
WHO IT GOES TO	Us (Aviva)	Your fund managers	
WHAT IT COVERS	This covers the cost of running your pension, including keeping in touch with you about your pension pot.	These charges cover the cost of managing the funds you're investing in, including monitoring and changing how your money's invested.	These charges cover the additional costs of running the fund, such as audit and administration fees.
HOW MUCH IT COSTS	0.43% of your pension pot's value. So for every £100 in your pension pot, we will take 43p in charges each year.	These vary from fund to fund depending on how they're managed and what they invest in. Please see your online account for details of each fund's charges.	
HOW IT'S TAKEN	We take this charge monthly by deducting money from your pension.	These charges are usually built into the price of your funds. They're taken automatically when you buy units and don't appear on your pension.	

Know your funds

What this part of the guide covers

The investment world has plenty of jargon and technical terms. You'll find what some of the most commonly-used terms mean in simple language on the following pages.

We hope that the information broadens your knowledge about the investment options available to you. However, you should speak to a financial adviser if you feel uncertain about whether a particular fund is suitable for you.

How funds are built and managed

Funds invest in the four main asset classes:

1 Money market investments

This is where organisations borrow and lend money for a short period of time. These investments typically include certificates of deposit, floating rate notes and treasury bills. Although less risky than other asset classes, these investments can also fall in value. Their value can also be reduced over time by fund charges, product charges and inflation.

2 Fixed interest

Fixed interest assets are essentially bonds or loans issued by governments (government bonds) and companies (corporate bonds) to raise financing. They pay the holder a regular interest and then the full value of the bond, or capital, when it matures.

3 Property

This usually means commercial property, such as offices and retail, leisure and industrial developments. As well as the potential increase in their value, property investments can also produce rental income. Property can be subject to heavy falls and sharp increases in value. It can also take more time to buy and sell property than investments in other asset classes.

4 Shares

Shares are also known as equities. They're bought and sold on stock markets and their value can go down as well as up depending on the fortunes of the company and stock markets in general. Companies may also pay a share of profits to shareholders, known as dividends. While there is more opportunity for potential gains with shares than some asset classes, there is also greater risk that they will fall in value.

There are two main types of fund management:

Passive	Passive funds are also called 'index funds' because they aim to copy the performance of specific stock market indexes. For example, the fund manager of a UK equity index fund will aim to replicate – rather than outperform – the FTSE® All-Share® Index. These types of funds are also known as tracker funds.
Active	As the name suggests, the fund manager actively buys and sells assets with the aim of meeting a specified performance objective; usually to achieve higher returns than the fund's benchmark. Actively managed funds usually have higher charges than passive funds due to the extra costs of running them.

Responsible investment

Some fund managers integrate environmental, social and governance (ESG) factors into their investment decisions. ESG investing is based on the belief that these three issues are critical to a company's future financial performance and can help deliver better returns over the longer term.

Ethical investing uses ethical principles as a guideline. This often means excluding certain types of companies and sectors from a fund, such as weapons manufacturers, tobacco producers, or companies involved in animal testing. Ethical screens are applied irrespective of financial performance.

ESG and ethical funds can help you to invest responsibly for retirement. You can find out more at: **aviva.co.uk/retirement/workplace-pension/pension-power**.

Risk ratings

Investing means risk

Investing money always means there is a level of risk. Even if you leave cash under a mattress, the risk is that its value can be eroded over time by rising prices. However, the more risk you take, the more potential there is for reward, but it also means more potential for loss.

Risk means different things to different people, but for many it means the risk to their original investment. Fund values will move up and down with investment markets, but to varying degrees. That's why we have risk ratings: to give you a good idea of the risk you're taking when you choose your funds.

Here's how we measure them

We give each of our funds a risk rating, ranging from 1 (lowest volatility) to 7 (highest volatility).

These ratings reflect the potential for a fund to go up and down in value. We calculate our risk ratings using historical performance data and information from each fund's investment manager(s). We review our risk ratings each year, so they may change over time.

Risk and return are linked. This means funds with a rating of 1 are less likely to lose money, but your money might not grow very much. Funds with a rating of 7 have a much higher risk of losing money, but the potential for your money to grow over the long term is higher, too.

These investment risk ratings are based on our interpretation of investment risk and are only meant as a guide.

RISK RATING	VOLATILITY	DESCRIPTION
7	**HIGHEST**	Funds typically investing in the highest risk sectors, such as specific themes or shares of companies in emerging markets. These funds offer the highest potential for long-term returns, but also experience the largest day-to-day price movements compared to other funds. They therefore present the highest risk that the value of your investment could fall.
6	**HIGH**	Funds typically investing in high-risk sectors, such as shares of companies in developed overseas markets. These funds offer high potential for long–term returns, but also experience large day-to-day price movements, and so present a significant risk that the value of your investment could fall.
5	**MEDIUM TO HIGH**	Funds typically investing in shares of companies in the UK or a mix of other major stock markets. These funds offer the potential for good returns over the long term, but fund prices will move up and down and so present a high risk that the value of your investment could fall.
4	**MEDIUM**	Funds typically investing in a mix of assets with the potential for better long-term returns than lower risk funds. Compared to lower risk funds there is a greater risk that the value of your investment could fall.
3	**LOW TO MEDIUM**	Funds typically investing in assets like corporate bonds or a mix of assets where the day-to-day prices go up or down less than shares. There is still a risk that the value of your investment could fall.
2	**LOW**	Funds typically investing in assets like the highest quality corporate bonds, which normally offer better long-term returns than savings accounts. There is still a risk that the value of your investment could fall.
1	**LOWEST**	Funds typically investing in the lower risk sectors – like the money market – which usually aim to provide returns similar to those available from deposit and savings accounts. These funds offer the lowest potential for long-term returns, but also experience the smallest day-to-day price movements compared to other funds. They present the lowest risk to your investment, although there is still a risk it could fall in value.

Fund risk codes

Here’s how our risk codes work

There are different risks associated with investing in funds. To help you understand what these are, we assign risk warning codes (letters A to J) to each fund. You’ll see these letters underneath the fund names. Each type of risk is explained clearly below. Please note that there’s no direct link between the number of risk codes and the risk ratings.

RISK CODE	RISK CODE DESCRIPTION
A	**Investment is not guaranteed:** The value of an investment is not guaranteed and can go down as well as up. You could get back less than you have paid in. **Specialist funds:** Some funds invest only in a specific or limited range of sectors and this will be set out in the fund’s aim. These funds may carry more risk than funds that can invest across a broader range or a variety of sectors. **Suspend trading:** Fund managers often have the ability, in certain circumstances, to suspend trading in their funds for as long as necessary. When this occurs, we will need to delay the ‘cashing in’ or switching of units in the relevant fund. You may not be able to access your money during this period. **Derivatives:** Derivatives are financial contracts whose value is based on the prices of other assets. Most funds can invest in derivatives for the purpose of managing the fund more efficiently or reducing risk. Some funds also use derivatives to increase potential returns, known as ‘speculation’. For those funds we apply an additional risk warning (see Risk F).
B	**Foreign Exchange Risk:** When funds invest in overseas assets the value will go up and down in line with movements in exchange rates as well as the changes in value of the fund’s holdings.
C	**Emerging Markets:** Where a fund invests in emerging markets, its value is likely to move up and down by large amounts and more frequently than one that invests in developed markets. These markets may not be as strictly regulated and securities may be harder to buy and sell than those in more developed markets. These markets may also be politically unstable which can result in the fund carrying more risk.
D	**Smaller Companies:** Where a fund invests in the shares of smaller companies, its value is likely to move up and down by large amounts and more frequently than one that invests in larger company shares. The shares can also be more difficult to buy and sell, so smaller companies funds can carry more risk.

RISK CODE	RISK CODE DESCRIPTION
E	**Fixed Interest:** Where a fund invests in fixed interest securities, such as company, government, index-linked or convertible bonds, changes in interest rates or inflation can contribute to the value of the investment going up or down. For example, if interest rates rise, the value is likely to fall.
F	**Derivatives:** Derivatives are financial contracts whose value is based on the prices of other assets. The fund invests in derivatives as part of its investment strategy, over and above their use for managing the fund more efficiently. Under certain circumstances, derivatives can result in large movements in the value of the fund and increase the risk profile, compared to a fund that only invests in, for example, equities. The fund may also be exposed to the risk that the company issuing the derivative may not honour their obligations, which could lead to losses.
G	**Cash/Money Market Funds:** These are different to cash deposit accounts and their value can fall. Also, in a low interest rate environment the product or fund charges may be greater than the return, so you could get back less than you have paid in.
H	**Property Funds:** The fund invests substantially in property funds, property shares or direct property. You should bear in mind that: • Properties are not always readily saleable and this can lead to times in which clients are unable to 'cash in' or switch part or all of their holding and you may not be able to access your money during this time • Property valuations are made by independent valuers, but are ultimately subjective and a matter of judgement • Property transaction costs are high due to legal costs, valuations and stamp duty, which will affect the fund's return.
I	**High Yield Bonds:** The fund invests in high yield (non- investment grade) bonds. Non-investment grade bonds carry a higher risk that the issuer may not be able to pay interest or return capital. In addition, economic conditions and interest rate movements will have a greater effect on their price. There may be times when these bonds are not easy to buy and sell. In exceptional circumstances, we may need to delay the 'cashing in' or switching of units in the fund and you may not be able to access your money during this period.
J	**Reinsured Funds:** Where a fund invests in an underlying fund operated by another insurance company through a reinsurance agreement, if the other insurance company were to become insolvent, you could lose some or all of the value of your investment in this fund.

Keep track of your pension

How often should I check my pension?

We will send you an update every year to make sure you know how things are going with your pension. But you don't have to wait for that – you can keep an eye on your pension whenever you want through your online account.

It's up to you how often you check your pension, but we recommend you get into the habit of checking it regularly. After all, the money in your pension pot is as much yours as the money in your bank account, even if you can't touch it at the moment.

You could add a regular pension health check to your usual financial routine. For example, if you check your bank account once a month on payday, you could make it a habit to see how your pension is doing at the same time. You might also want to check on your pension pot when something significant happens in your life, like getting married, having children or getting divorced.

How do I check my pension?

It's quick and easy to check your pension online. You can log on through a computer, a tablet or on your phone.

Visit **aviva.co.uk/myworkplace** and log into **your online account**.

In order to register, you'll need some details to hand – you can find these in your welcome documents.

Where can I get help if I’m not sure what to do?

Building a pension pot is a story with a beginning, middle and end. Along the journey, you’re bound to have questions. Here’s how you can find the answers.

1 Look us up or check with the Government

There’s a huge amount of information about pensions on our website right here: **aviva.co.uk/retirement**

For pension tax information, such as allowances and limits, you’ll find most of what you need to know at **gov.uk/tax-on-your-private-pension**

2 Get free and impartial guidance

MoneyHelper is an independent service, set up by the Government to help people make the most of their money. They offer free and impartial guidance on managing your money and pensions.

We recommend you speak to MoneyHelper before making any decisions about your pension options.

Visit **moneyhelper.org.uk** or

call **0800 011 3797**

3 Speak to a regulated financial adviser

For advice tailored to your personal circumstances, the best person to speak to is a regulated financial adviser. They will assess your financial situation and offer you advice on the best course of action for you. A regulated financial adviser will charge you for their services. You may wish to speak to your employer to check if there is an advice service available to you.

If you’d like to find your own financial adviser, you can look for one in your local area at **unbiased.co.uk.**

Get in touch

The Trustee(s) will normally be your first point of contact. If you need to get in touch with us, here are the contact details.

Online **aviva.co.uk/myworkplace**

Email **NGPcustomerservices@aviva.com**

Call **0800 068 1431** between 8:30am and 6:00pm, Monday to Friday.

We may record your call to improve service. Calls may be charged and will vary, so please check with your phone company.

Write to **Aviva, PO Box 1550, Salisbury SP1 2TW**

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