

# Investment Options – Overview of Changes

## Why have there been changes?

A review has been performed by the Trustee of the O2 Pension Plan ('the Plan') of the Investment Managers ('Managers') and the range of investment funds ('funds') available to Section 1 Members and those paying AVCs.

The changes mean that Members and prospective Members now have more choice available to them and, we believe, a range of funds that offer better value and more diversity.

The review was carried out by the Trustee with advice from KPMG, the Trustee's professional investment adviser. They decided on the following changes to the investment arrangements -

- To no longer offer UBS Global Asset Management ('UBS') as a choice of Manager following continued poor performance.
- To increase the number of Lifestyle arrangements from one to three and change the underlying funds to provide greater choice for those who want to have some control over how their pension is invested, but who do not feel confident enough to Selfstyle.
- To increase the choice of funds available to Selfstyle members by appointing Gartmore Investment Limited ('Gartmore') and BlackRock Pensions Limited ('BlackRock'). Also, to take advantage of discounted fees from these Managers, who also manage other assets for the Plan.
- Change the Legal & General Over 15 years Gilts Index Fund to the Pre-retirement Fund to give access to a fund that is felt to have a better match to annuities.

## What does this mean for me?

You will have the opportunity between 15 May 2009 and 28 May 2009 to review the new funds on offer and change your investment choices either through Flexible Benefits on Your Total Reward, which can be accessed through [www.o2rewards.com](http://www.o2rewards.com) or by completing the 'Switching Investments' form (this is only relevant for certain categories of members so if you were not sent a letter that instructed you to complete a form please make your changes via Flexible Benefits).

Review the investment pages on this website and find out more about the new choices available and how to make your selection.

## **What if I don't want to change?**

This will depend on your current selection.

### **Default Lifestyle**

If your current selection is the Default Lifestyle option then if you take no action you will still remain in Default Lifestyle, but this will now be known as Balanced Lifestyle.

However, the underlying Managers and funds for this option will change, so you should visit the investment pages to find out more about the new underlying funds and to investigate the other options available.

### **Selfstyle**

If you are a Selfstyle member and do not wish to change to any of the new funds on offer then you will be able to stay in your current selection unless you are invested in UBS or invested in the Legal & General Over 15 Year Gilts Index Fund in which case you will be changed as follows:

- UBS UK Equity Fund will move to BlackRock UK Focus Fund
- UBS World ex UK Fund will move to the Gartmore Global Focus Fund
- Legal & General Over 15 Year Gilts Fund will move to the Legal & General Pre-Retirement Fund

## **How do I make the right choice?**

The investment pages on this website include details about all the new Managers and funds on offer. There are pages dedicated to the default Balanced Lifestyle Option, the two new Lifestyle options known as Lower Risk/Return and Higher Risk/Return and the new Managers available as part of the Selfstyle option.

We have also designed some new interactive tools to help you. They can be found by clicking on the interactive tools link at the top of the website or on calculators. The contributions and AVC calculators have been updated and there is a new tool to illustrate the possible impact of your investment choices on the potential value of your retirement account.

You should also remember that any changes you make to your investment choice as part of this exercise will change where your entire retirement account is currently invested and, if you are an active member, where your future contributions will be invested.

Please note that contributions deducted at the end of May will not be invested until July, when all the investment changes have been effected.

## **Where can I go for help?**

If you are not sure of which option is best for you then we recommend that you speak to an Independent Financial Adviser. If you do not have one already you can obtain a list of financial advisers in your area via [www.unbiased.co.uk](http://www.unbiased.co.uk) or by telephoning 0800 085 3250.

For help with logging into Flexible Benefits on Your Total Reward please contact Talk2hr on 0800 731 2638 or use the forgotten password function on the page.