



# JAGUAR LAND ROVER DEFINED CONTRIBUTION FUND

WINTER NEWSLETTER 2018

START



## WELCOME FROM THE HR DIRECTOR

I'd like to wish you all a Happy New Year. Undoubtedly 2018 will bring both opportunities and challenges, and I look forward to meeting these together.

There is a lot to update you on in this newsletter so please make note of the important information enclosed.

In particular the DC Management Committee would like to update you on:

- Changes to investment arrangements, including the default strategy which most members invest in – see [pages 3-7](#); and
- The migration to a new administration and investment platform with Zurich – see [page 8](#).

We are pleased to let you know that we will shortly be updating our investment arrangements and moving to a new platform for the JLR DC Fund. In this newsletter we will provide you with a summary of the changes. More detailed information will be sent to you directly by Zurich, our pensions provider. The change in platform involves a move to a new pensions saving contract with Zurich and will affect all current members and new UK employees. Any existing funds will be moved automatically. What's more, we have been able to negotiate reductions in cost for you – see [page 5](#).

As a reminder, please see our previous newsletters at [jaguarlandroverpensions.com/newsletter](http://jaguarlandroverpensions.com/newsletter) for information on a wide range of pensions issues. For example, last year we highlighted the company contribution rates available and how to access these.

When it comes to your pension, a small increase in the amount you pay can go a long way and could get you a bigger employer contribution if you are currently paying less than 6%.

We hope you find this newsletter helpful. If you have queries or suggestions for future newsletters, please don't hesitate to get in touch with us, using the contact details shown on the [back page](#).

### AND FINALLY...

In our summer 2017 newsletter we mentioned that we had a vacancy for the management representative on the DC Management Committee (DCMC). We are happy to announce that this has now been filled and we would like to welcome fund member Jason Fitzpatrick to the Committee.

**Ian Harnett**  
Executive Director,  
Human Resources and Global Purchasing

## INVESTMENT CHANGES

Following a review, the DC Management Committee has agreed a number of changes to the investment arrangements available (in particular our default investment strategy).

These changes are aimed at improving member outcomes and experience from the JLR DC Fund.

The changes are being introduced during April and May 2018 and are being co-ordinated with the move to the new Zurich platform.

As a result of these changes, and further negotiations with Zurich, we have achieved further reductions in costs for members investing in the default fund and indeed many of the other funds available, whilst maintaining a similar balance of risk and expected returns.

### WHAT IS THE DEFAULT STRATEGY?

If you have not made a specific investment choice within the JLR DC Fund, your savings will be in the default investment strategy. This is a 'lifestyle' strategy. This means that until you are five years away from your Selected Retirement Age (SRA), your money is invested in a growth fund. Whilst this fund is expected to be less volatile than a fund made up only of equities it will still be volatile but should provide a reasonable level of growth over the long term.

Once you are within five years of your SRA, your savings are gradually switched into lower risk funds. This is intended to help protect your money against unexpected falls in fund prices and is known as *lifestyling*.

### IS THE DEFAULT STRATEGY RIGHT FOR ME?

The default strategy may be right for you if you are happy with the risk and return objectives of this fund or if you do not feel comfortable managing your own investments. However, it does not take your individual circumstances into account, so it is important to review this option regularly to make sure the default is still right for you.

If you want, you can choose your own funds (known as 'self select'). You can change your investments using the Zurich web portal.





## CHANGES TO THE DEFAULT GROWTH FUND

The growth fund in the default strategy is the JLR Mixed Asset – Equity 50-80% Fund. It is a blend of various other funds managed by different investment managers.

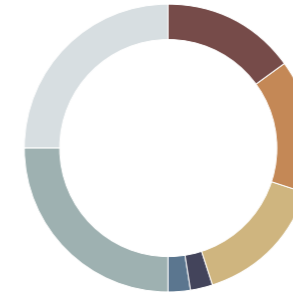
From April 2018, this fund will be updated with the aim of reducing risk without reducing longer-term returns. The JLR Mixed Asset – Equity 50-80% Fund is intended to deliver higher levels of growth over the long-term but with higher levels of risk by investing predominantly in shares. The risk will be offset by a broader mix of asset types, a greater mix of managers and also by reducing the over concentration on UK shares in favour of increased holdings in global shares. This is known as diversification, and is expected to reduce investment risk.

**The current and future asset mix for this fund are set out in the pie charts opposite.**

Similar changes will also be made to the JLR Mixed Asset – Equity 25%-50% Fund, the JLR Mixed Asset – Equity 80%-100% Fund and the JLR Diversified Fund.

### Current asset mix on current platform

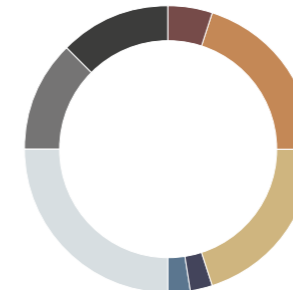
The annual fund charges are currently 0.67% per annum.



- 15% Aquila UK Equity Index ZP
- 15% L&G World ex UK Developed Equity Index – GBP Currency Hedged ZP
- 15% L&G World ex UK Developed Equity Index ZP
- 2.5% Stewart Investors Global Emerging Markets Leaders ZP
- 2.5% Aquila Emerging Markets Equity Index ZP
- 25% Standard Life Global Absolute Return Strategies ZP
- 25% Baillie Gifford Diversified Growth ZP

### Future asset mix on new platform

The annual fund charge is expected to be 0.59% per annum.



- 5% Aquila UK Equity Index ZP
- 20% L&G World ex UK Developed Equity Index – GBP Currency Hedged ZP
- 20% L&G World ex UK Developed Equity Index ZP
- 2.5% Stewart Investors Global Emerging Markets Leaders ZP
- 2.5% Aquila Emerging Markets Equity Index ZP
- 25% Baillie Gifford Diversified Growth ZP
- 12.5% Nordea Stable Return Fund
- 12.5% Insight Broad Opportunities Fund

## OUR DEFAULT INVESTMENT STRATEGY

The default investment strategy currently switches members' savings to the JLR Bond Fund and JLR Money Market Fund over the five years prior to a member's SRA. This is known as 'lifestyling'.

This strategy currently assumes that you will withdraw a tax-free cash lump sum and purchase a regular income at retirement. However, members are increasingly withdrawing benefits gradually from their savings when they retire, which is known as 'drawdown'.

As a result, for members beginning lifestyling after April 2018, the default arrangement will switch members' savings to the JLR Target Drawdown Fund and the JLR Money Market Fund as they approach their selected retirement age.

The JLR Target Drawdown Fund is designed for members who wish to keep their pension savings invested after retirement and withdraw amounts periodically.

Please note, if you are already within five years of your SRA, your account will continue to switch as it is at the moment following the investment changes, i.e. it will not be impacted by the introduction of the new default.

Members who wish to switch wholly to cash as they approach SRA, or buy a pension at their SRA, may select a different lifestyle strategy as appropriate.

Full details of the funds available will be provided by Zurich.

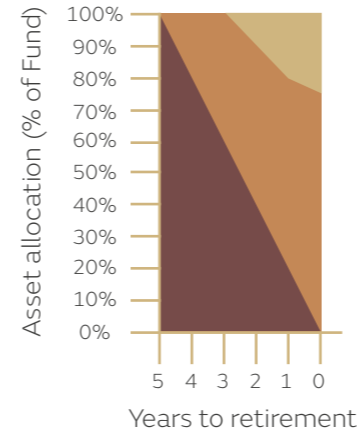
### YOUR SELECTED RETIREMENT AGE (SRA)

This is the age at which we think you are planning to take your benefits and will be 65 unless you have amended it.

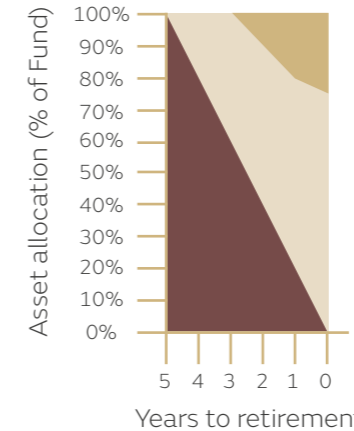
Lifestyling is driven by your SRA. If your SRA is earlier or later than the age you are planning to retire, your investments could start switching at the wrong time. This could mean either that you are missing out on potential growth, or that your investments are less protected than you might want as you approach retirement.

You can change your SRA at any time by logging in to the Zurich web portal. New log in details will be provided in April, otherwise contact Zurich if you do not have your log in details.

**Current default fund lifestyle strategy**



**New default fund lifestyle strategy from April 2018**



- JLR Mixed Asset – Equity 50-80% Fund
- JLR Bond Fund
- JLR Money Market Fund
- JLR Target Drawdown Fund

### OTHER CHANGES

Two new core investment funds will also be made available to members:

**JLR Equity Fund:** This will give members access to global equity markets and will include a blend of active and passive equity funds but with no protection from the volatility associated with investing in equities (shares).

**JLR Target Drawdown Fund:** This is the fund that is being used in the new default arrangement as you approach your SRA. It is aimed at members who seek to withdraw benefits flexibly when they retire, so balances risk with the need for continued growth.



## NEW ADMINISTRATION AND INVESTMENT PLATFORM FOR THE JLR DC FUND

During April 2018 Zurich, our DC pensions provider, will be moving the JLR DC Fund to a new administration and investment platform.

As a result, you will be re-enrolled into a new policy in the JLR DC Fund on the new platform. As this is a new policy, you will receive a further Welcome Pack from Zurich in April, including details of your new savings policy, together with online login information.

Pension contributions from 1 April will go into your new policy, and will be allocated to the default investment strategy unless you choose a different option after the platform move. This applies for all members regardless of how your contributions are currently allocated.

The funds that you have already saved will be automatically moved to your new policy in May 2018 as follows:

Fund on current platform	New fund on new platform
Default investment strategy (more than 5 years from SRA)	New default investment strategy
Default investment strategy (less than 5 years from SRA)	New default growth fund, but lifestyling will continue to the same funds as currently
Self select fund (and an identical fund exists on the new Zurich platform)	Same fund as at present
Self select fund (and there is not an identical fund on the new Zurich platform)	New default investment strategy



The move to the new platform provides some exciting improvements for members of the JLR DC Fund. As well as reduced charges, the new platform offers features that are not currently available, including:

- Easy-to-use member portal with improved modelling and attitude to risk tools;
- The ability to invest contributions over more than one lifestyle strategy at any one time;
- The ability to mix contributions across lifestyle and self-select investment funds at the same time; and
- Integrated Flexible Drawdown.

We hope you will enjoy the improvements and we will continue to add more functionality in the future.

## PENSION NEWS

### PENSION SCAMS

Members of the House of Commons Work and Pensions Committee have called for an outright ban on pension cold-calling. They have said that if the Government takes action now, this could be in place as early as the summer; otherwise, the ban may not happen until 2020. MPs believe that while a ban on cold-calling would not stop all pension scams, it would be an 'important preventative measure'.

## At least £42m has been lost to pension scammers since 2014, according to the City of London Police.

If you are thinking about transferring your pension into a different scheme, you may want to consult a financial advisor. Scammers might try to target you by cold-calling, texting or emailing you. Their offer might sound too good to be true, but it's best to ignore any unsolicited contact about transferring or accessing your pension. Remember, you can't access your pension before you are 55 without incurring a large tax charge. If you're offered this, it's likely to be a scam.



You can find out more about pension scams at [www.thepensionsregulator.gov.uk/pension-scams.aspx](http://www.thepensionsregulator.gov.uk/pension-scams.aspx)

## PENSIONS NEWS

### STATE PENSION AGE

In our last newsletter, we told you that the State Pension age (SPA) was changing. As a reminder, the SPA for women will increase to 65 by November 2018 and then to 66 between December 2018 and October 2020. For men, it will increase from 65 to 66 between December 2018 and October 2020.



You can find out when you will reach State Pension age at [www.gov.uk/state-pension-age](http://www.gov.uk/state-pension-age)

## REMINDERS

### NOMINATION OF BENEFICIARIES

Did you know that as a member of the Fund, your dependants are eligible to receive benefits in the event of your death? As well as your spouse, civil partner or dependants being eligible to receive a pension of 25% of your basic salary in the event of your death, you can also nominate a person (or persons) to receive a lump sum of 3 ½ times your basic salary (ignoring any reduction as a result of participating in Pensions Salary Sacrifice (PSS)).



If you would like to make or update a nomination, please complete an Insured Death Benefits Nomination Form. You can find this on the pensions website: [jaguarlandroverpensions.com/scheme-booklets](http://jaguarlandroverpensions.com/scheme-booklets)

### AUTUMN BUDGET

The Autumn Budget 2017 didn't announce any substantial changes to pensions. However, the Chancellor did confirm an increase of 3% to the weekly State Pension would take place in April 2018 for anyone receiving the basic State Pension.

### GENERAL DATA PROTECTION REGULATION (GDPR)

The GDPR comes into force in May 2018 and will replace the current Data Protection Act. The GDPR is an EU regulation and is intended to help protect your data. It will also impose more severe penalties when your data is not adequately protected. It's designed to bring existing data protection laws in line with modern technology.





## CONTACT DETAILS

If you need more information about your JLR DC Fund, or want to download any of the forms, you will find detailed information on our pensions website at [jaguarlandroverpensions.com](http://jaguarlandroverpensions.com)

Alternatively you can contact Zurich, the JLR DC Fund administrators:

 **By emailing:**  
[supportcentredc@uk.zurich.com](mailto:supportcentredc@uk.zurich.com)

 **By calling:**  
0800 030 4428 or +44 1242 666 880

 **By writing to:**  
Zurich Corporate Saving Support Centre,  
PO Box 135, Cheltenham,  
Gloucestershire  
GL52 8ZP

When contacting Zurich, please provide your National Insurance number, date of birth and policy number, if available.

 **Via the website:**  
[zurich.co.uk/save/jaguarlandrover](http://zurich.co.uk/save/jaguarlandrover)

## GO PAPERLESS

In future, we'd like to send communications to you by email. If you would like to receive non-personal information online, you can use your Zurich log in to request this and make sure your details are up to date. If you can't find your log in details, please contact Zurich and they will reset your password.

### DON'T FORGET!



We like to keep you updated on your JLR DC Fund pension, so remember to let Zurich know if your personal details change.

