

Edition 1

October 2008

# INFORM

The newsletter for members of **FUTUREPLANNER**



FINMECCANICA

Welcome to the first edition of **INFORM**, the newsletter for members of FuturePlanner.

In this edition, we:

- update you on the expansion of FuturePlanner across the Finmeccanica group in the UK
- introduce the people who will be managing your pension scheme
- remind you of the opportunity to change your contribution rate as at 1 November
- provide an update on the annual report & accounts for FuturePlanner as at 5 April 2008
- provide you with information on the investment options available for FuturePlanner members

## FuturePlanner expands

**FuturePlanner was launched on 1 November 2007 with an initial membership of 70 members.** It now has 286 members with a total of £572,994 invested and we are expecting these numbers to grow rapidly following the expansion of FuturePlanner across the Finmeccanica group in the UK.

As part of this expansion, FuturePlanner has undergone a branding exercise and has a number of new communication tools in order to keep you up to date:

- FuturePlanner's website is now available to members at [www.futureplanner.co.uk](http://www.futureplanner.co.uk) and you will have received a letter containing details of how to access the website. Please ensure you keep your username and password in a safe place for future reference. The new website allows you to view all your personal details and investments. There is also a retirement planner which allows you to model your potential retirement benefits by inputting different retirement dates and contribution rates. This will help you decide whether you are saving enough for your retirement.
- We have issued a new member booklet which has been sent to you. The booklet contains a lot of information about the benefits that FuturePlanner offers and we hope you find it useful.
- If you were a member of FuturePlanner on 5 April 2008, you will have recently received your first annual benefit statement which provides information on the estimated pension you may receive from FuturePlanner.

### Expression of Wish form reminder

**FuturePlanner provides valuable death benefits for members.** Lump sum death benefits will be payable to your beneficiaries at the discretion of the Trustees. Paying benefits at the discretion of the Trustees generally enables payment to be made quickly and normally without liability to inheritance tax.

You can help the Trustees decide who to pay the lump sum benefits to by completing an Expression of Wish form and ensuring that you keep this up to date if your circumstances change. The Trustees are not legally bound by your wishes but will consider them when making their decision. This is particularly important if you wish to nominate a person you are not related to, for example an unmarried partner.

Expression of Wish forms can be obtained from our administrators, Aon Consulting Ltd (using the details on the back page of this newsletter) or downloaded from [www.futureplanner.co.uk](http://www.futureplanner.co.uk).



## Meet the Trustees...

**FuturePlanner currently has two Trustees, Martin Flavell and John Ponsonby**, who are responsible for looking after the assets of the pension scheme and making sure FuturePlanner is managed effectively. They are assisted by a pensions management team and a number of professional advisers.



**Martin Flavell** is Vice President, HR, Finmeccanica UK and is a Trustee of two other UK pension schemes within the Finmeccanica group. Martin is the chairman of the Trustees for FuturePlanner.



**John Ponsonby** OBE is Senior Vice President, Training, AgustaWestland and is a trustee of the charity *Help for Heroes*.

Martin and John are both company-nominated trustees. There is also currently a vacancy for a member-nominated trustee (MNT) to join the FuturePlanner board of Trustees and we will be re-running the MNT election process in the first quarter of next year. Further details will be issued in due course. It is expected that the number of Trustees will increase as FuturePlanner expands.

## Introducing the pensions management team

**FuturePlanner and other Finmeccanica schemes are managed by the pensions management team, based at AgustaWestland in Yeovil.** Pensions management provide support to the Trustees in ensuring FuturePlanner is managed effectively and is complying with all the regulatory requirements.



The pensions management team consists of six pensions professionals.

**Rachael Skuse**, pictured third from right, manages FuturePlanner. The other members of the team pictured are (from left) Sue Johnson, Sue Smith, Mike Nixon, Rachael Skuse, Helen Pass and Kate Webber.

## FuturePlanner administration team

**The day to day administration of FuturePlanner is carried out by Aon Consulting Ltd** from their Farnborough office. Amongst other things, Aon deal with member queries, provide retirement quotes, produce annual benefit statements and manage the FuturePlanner website.

Aon are experienced pensions administrators who also look after other pension arrangements within the Finmeccanica group. Aon is one of the largest insurance brokerages in the world employing 43,000 people worldwide. Aon Consulting is the Human Resources division of Aon and was awarded Global Pensions' "Pension Administrator of the Year Award" in 2006.

## Professional advisers

**The Trustees have also appointed a number of professional advisers** to assist with legal, accounting and investment issues.

Lawyers – **Burges Salmon LLP**

Investment Consultants – **Watson Wyatt Limited**

Investment Managers – **Legal & General Assurance (Pensions Management) Limited**

Insurers – **Legal & General Assurance Society Limited**

Auditors – **Ernst & Young LLP**

# 1 November 2008

## – opportunity to change your contribution rate

**Any contributions you make to FuturePlanner, up to 5% of your Pensionable Salary, are matched on a “two for one” basis by the company.** So for every £1 you put into FuturePlanner, the company will put in £2. We set out below information on when you are able to increase or reduce your contributions.

If you would like to change your matched contribution rate in time for 1 November 2008, please contact Aon (see contact details on the back cover) to obtain the necessary form or download the ‘Contribution Change form’ from [www.futureplanner.co.uk](http://www.futureplanner.co.uk).

**THIS FORM WILL NEED TO BE RETURNED TO AON BEFORE FRIDAY 31 OCTOBER 2008.**



### Changing contributions at other times during the year

#### Increasing your contributions

You are able to increase your contribution on one month's notice at any time. This increase will take effect as a voluntary contribution until the next 1 November and the increase will not be matched by your employer (up to the maximum 5%:10%) or subject to Smart until the next 1 November.

At each 1 November, if you have chosen to increase your contribution rate during the year, your increased contribution will then be matched by your employer (up to the maximum 5%:10%). It will also be subject to Smart if you have previously chosen to participate in Smart.

#### Reducing your contributions

You are able to reduce your ordinary 1%-5% contributions once a year at each 1 November, subject to you having been a member of FuturePlanner for at least 12 months. Please note, you are able to reduce your voluntary contributions (those in excess of 5% which are not matched by your employer) on one month's notice at any time.

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## Annual report & accounts

**The Trustees are finalising the first annual report & accounts for FuturePlanner.**

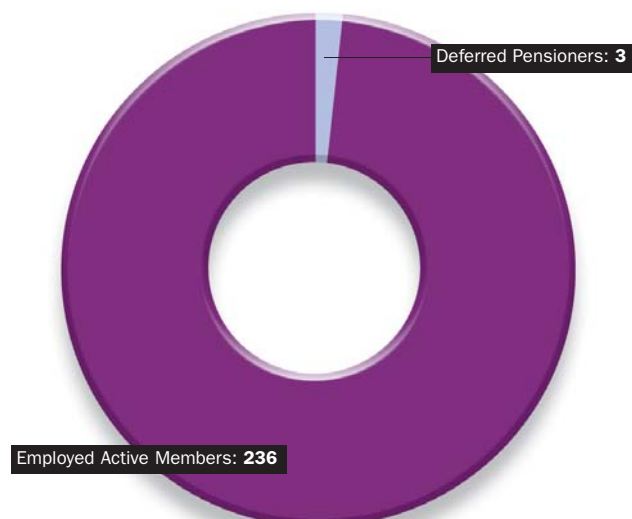
The accounts will be available on [www.futureplanner.co.uk](http://www.futureplanner.co.uk) in early November should you wish to review them. Initial figures show the assets of FuturePlanner at 5 April 2008 to be approximately £325,000.

### Membership numbers

FuturePlanner is a relatively new scheme, having been launched in November 2007, and the majority of our members are employees who are currently paying contributions and building up benefits.

The chart on the right shows membership numbers as at 5 April 2008.

Since 5 April 2008, the membership numbers have increased to 236 active members and 3 deferred members.



# Your FuturePlanner Retirement Account

## – choosing the right fund for you

To assist members with understanding the types of investment available, the Trustees have asked Origen to provide some investment information. Origen assisted with the provision of information about FuturePlanner to members when the Scheme was launched last year.

For some pension scheme members, being faced with a choice of investment funds into which they can invest may seem somewhat daunting, however the decisions and the thought processes involved are really no different to making any other sort of investment decision.

There are a number of issues that need to be considered and the main ones are generally –

- security of the investment.
- the timescale involved.
- the nature and volatility of the investment markets.
- what is expected of the investment, i.e. capital growth, income or a mixture of both.

All of these issues inter-relate and each individual will reach a different decision depending upon how they view the relevance of each. For these reasons, the following comments are only generic and should not be taken as “advice”.

Simplistically, those who are closer to retirement might be expected to take a more cautious view because of the volatility associated with more “exciting” investments. Similarly, those farthest away from retirement may take a more adventurous view, as they have more time to make up for any short term falls in the value of their fund.

This approach is reflected in the manner in which the “Lifestyle” option operates, gradually reducing exposure to

volatile equity markets over the last five years before retirement and replacing it with more exposure to UK Bonds and Cash, which provide more prospects for security.

For those who have the confidence to “go it alone” they may decide to spread their pension investment between the four passively invested funds and they can “Pick & Mix” according to their own views and their investment timescale.

For example, a higher risk investor might want maximum exposure to Global Equities with little or no exposure to the other markets. A medium risk investor may want exposure to Global Equities, Overseas Bonds and UK Bonds, with the emphasis on Equities and the remainder biased towards Overseas Bonds. By contrast, a lower risk investor might want to limit their investment to UK Bonds and Cash.

The “Pick & Mix” option provides for individual preferences but of course the investor needs to select the mix that suits their risk strategy and make their own decisions about when and how to adjust it.

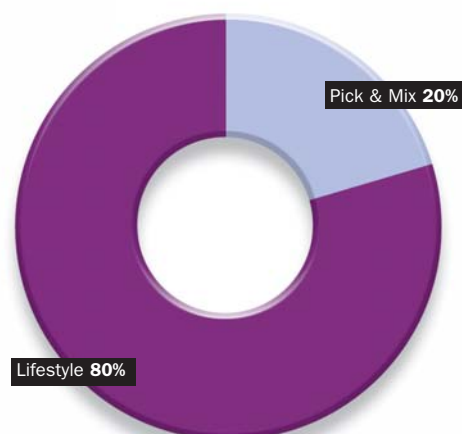
Investment funds carry varying degrees of risk and it is important that you understand these as the value of funds can go down as well as up. If you are unsure about making an investment decision it is strongly recommended that you seek financial advice before taking any action.

**Origen**

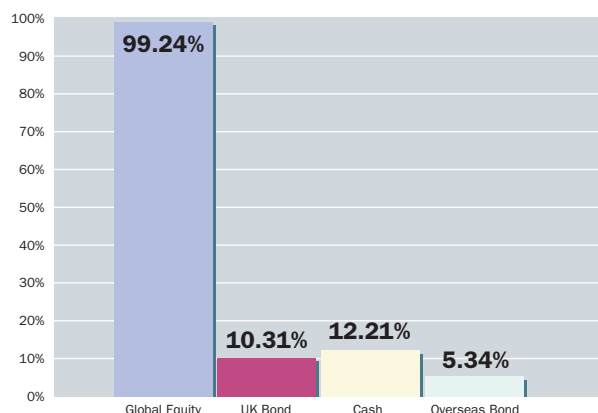
**Bob Perkins DipPFS**  
Technical Manager, Origen, August 2008

## Member investment decision summary

The chart below shows the member investment fund choices between Lifestyle and Pick & Mix at 1 September 2008. Except where members are within 5 years of retirement, the Lifestyle funds are invested in the Global Equity option.

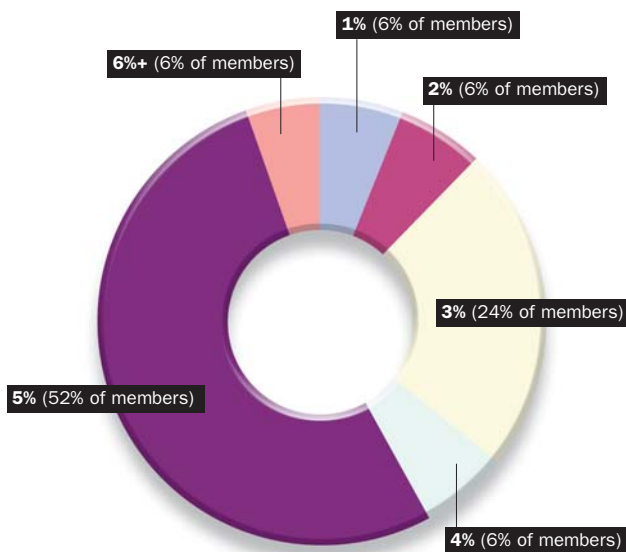


The chart below shows the percentage of members who have chosen to invest in each of the four fund choices at 1 September 2008. It shows that either through the Lifestyle option or through the Pick & Mix option, 99.24% of members have some or all of their Retirement Account invested in the Global Equity fund.



## Member contribution decision summary

The chart below shows the member contribution rate choices at 1 September 2008.



## Are you paying the correct contributions?

**Please remember to check your payslip each month** to make sure that you are paying the contribution rate you have selected.

If you are paying through salary sacrifice (Smart) you will see your reduced salary shown on the left hand side of your payslip. If you have chosen not to participate in Smart and are paying through salary deduction you will see the contributions on the right hand side of your payslip.

If you are concerned that your contributions may be incorrect, please speak to your payroll department or contact Aon on 01252 768500.

## Are you travelling overseas for work?

**We need to ensure that Legal & General**, the insurer which provides the death in service cover for FuturePlanner, is kept up to date with overseas travel information.

If you travel overseas with work, you will need to notify the pensions management team by emailing [susan.smith@agustawestland.com](mailto:susan.smith@agustawestland.com). She will need to know the dates you are travelling and which countries you will be visiting.

The insurer's usual practice is not to exclude cover because of overseas travel, but they wish to assess where employees are based and reserve the right to request details of employees in countries considered hazardous.

You can contact the **FUTUREPLANNER** administration team at Aon by:

Emailing: [futureplanner@aon.co.uk](mailto:futureplanner@aon.co.uk)

Telephoning: 01252 768500

Writing to: FuturePlanner, Aon Consulting, Briarcliff House, Kingsmead, Farnborough, Hampshire GU14 7TE