

FIDELITY'S STAKEHOLDER PENSION PLAN

Low-cost, transparent and flexible pension plans



DEFINED CONTRIBUTIONS

Fidelity is a leading provider of corporate defined contribution (DC) services – in the UK alone more than 350 pension plans currently trust us with £4 billion worth of assets. As part of Fidelity's ongoing commitment to the DC market, we have put together an integrated Stakeholder package that provides a convenient, easy-to-run and reliable solution for clients favouring the Stakeholder approach for their staff pension arrangements.

Our Stakeholder pension plans provide a number of key benefits:

- Two default lifestyle options – cover both active and passive strategies
- Wide range of funds available – including Fidelity funds and a range of industry leading third party funds
- Added value services such as dedicated client support, streamlined enrolment and a full range of communication options
- Members benefit from an extensive range of support material

FOR PROFESSIONAL INVESTORS ONLY



WHAT IS A STAKEHOLDER PLAN?

All employers with five or more eligible employees are required to provide pension provision, and in most cases, a stakeholder scheme is the preferred option. The scheme is set up by you, the employer, and each employee has their own individual account. The key differentiator of a stakeholder scheme is that it is a low charging vehicle. Fidelity's charges will be no more than 1% of the value of each employee's plan.

CLIENT SERVICES

Our experience of dealing with a wide variety of companies in different situations enables us to lift the burden of administration from you. We can manage all aspects of your plan in-house. This means we can carefully control the delivery of all the elements that lead to the smooth running of your plan.

ADMINISTRATION

We offer an automated and efficient administration system capable of fully supporting the requirements of Stakeholder plans. Key features include:

- Maintenance of member records
- Daily valuation and processing
- Automated processing of new joiners, contributions, investment instructions and withdrawals
- Provision of regular account statements
- Easy access to information for plan sponsors and members
- Online switching and retirement modelling facilities
- Provision of illustrations and projections

ONLINE AND OFFLINE ENROLMENT

Our streamlined enrolment process ensures your administration burden is minimal and employees can join the plan quickly and easily. Employees complete a simple form, with other information being populated from client files. Details of the whole process can be agreed on an individual basis.

In case completing a form is a barrier to an employee wanting to join a plan, we have developed an intuitive, internet based enrolment facility. Through the internet we offer a shortened application process, including the use of pre-populated data.

ROBUST INVESTMENT ADMINISTRATION FRAMEWORK

The funds offered are supported by a well-established investment administration structure:

- Daily dealing is offered on all funds
- Our unified dealing platform means members only need to give one set of instructions to deal in Fidelity's funds and non-Fidelity funds
- Switches are managed to ensure members' money is moved between funds quickly and efficiently, reducing 'out-of-market' time
- We leverage the expertise of FundsNetwork, one of the UK's leading online fund supermarkets

DEDICATED IMPLEMENTATION MANAGER

Setting up a new plan or changing pension provider can be a daunting proposition, so a dedicated implementation manager will work with you to ensure the smooth set-up of a plan. The implementation manager will meet with you and your consultant to establish your service requirements, highlight any potential issues and prepare an implementation plan that meets your timeframe.

DEDICATED RELATIONSHIP DIRECTOR

A dedicated Relationship Director is appointed for each plan who will provide comprehensive reporting services. Our Relationship Directors have on average over 10 years' pension industry experience. You will benefit from:

- Regular meetings
- Monthly and Quarterly Transaction and Valuation reports
- Quarterly Investment Reviews
- Regular Administration Reports
- Regular *DC Communicator* newsletter

ACCESS TO PLANVIEWER

PlanViewer, Fidelity's DC website, offers a comprehensive range of functionality allowing you 24-hour access to all aspects of your DC plan. You can access daily updated information about your plan, monitor member activity, enrol new members, generate reports for audit purposes and request specialist reports not available via the web interface.

INVESTMENT OPTIONS

Investment choice is one of the most important features of any DC plan. In our experience, the most successful plans offer choices that cover employees' time horizons, investment styles, and views on risk. At the same time, they must be simple enough to communicate and enable employees to invest according to their needs.

DEFAULT LIFESTYLE OPTIONS

In line with the government's requirement that a Stakeholder plan must offer a Lifestyle option as its default investment, Fidelity offers an active option comprising our own funds, or an externally managed passive option.

- Members' accounts are reviewed and rebalanced if a member moves into a new phase of the Lifestyle matrix
- The Lifestyle programme can be applied to a member's chosen retirement age
- Members will automatically be notified as they approach a new phase of the Lifestyle matrix

Tailored options available:

- The employer can choose a default option of their own
- Up to three Lifestyle matrices can be chosen for each plan
- Although the standard period used is 7 years, other periods are available on request

STAKEHOLDER CHARGES

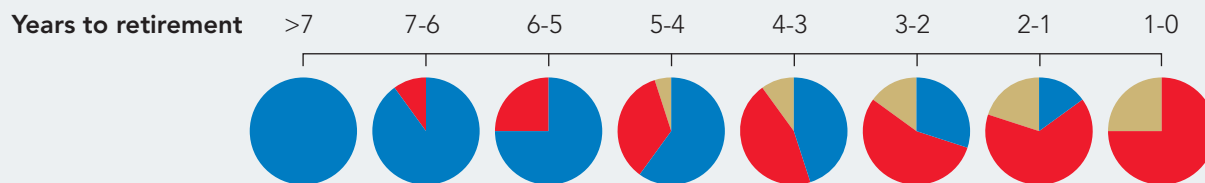
Specific charges are determined on a case-by-case basis and will depend on the client and the funds selected. Fidelity's charges will not exceed 1% of the value of each member's funds.

WIDE RANGE OF FUNDS

Through our DC Fund Platform, we offer a wide range of funds, managed by Fidelity as well as a number of external providers, from which you can create your own investment menu to suit you and your employees. For a list of funds available, see our DC Stakeholder Funds sheet.

	ACTIVE	PASSIVE
Equities	Fidelity Global Equity (60/40) Fund	BGI Long Term (60/40) Fund
Bonds	Fidelity Pension Annuity Fund	BGI Over 15 Years UK Gilt Fund
Cash	Fidelity Cash Fund	BGI Cash Fund

The pie charts below show the switching points for our default Lifestyle options



Years to retirement	>7	7-6	6-5	5-4	4-3	3-2	2-1	1-0
Equities %	100	90	75	60	45	30	15	0
Bonds %	0	10	25	35	45	55	65	75
Cash %	0	0	0	5	10	15	20	25

EMPLOYEE COMMUNICATIONS

When you set up a DC plan, you put your employees in the 'driving seat' as they look ahead to retirement. If you provide them with clear and accessible communications, it will aid their understanding and help them make the most of their opportunity. We enable you to offer your employees education for a lifetime, with programmes that guide them from the enrolment stage right through to retirement.

PRINTED MATERIALS

- **Plan booklet:** bespoke booklet tailored to you including plan information and incorporating your company logo.
- **Plan information and enrolment forms.**
- **Fund factsheets:** available for each fund, including details on the fund manager, investment style, risk profile and charges.
- **Topical factsheets:** a full range including 'Advantages of investing regularly', 'Tax relief on pensions' and 'What type of investor are you?'.
- **Posters and flyers:** to use in your offices to raise awareness and encourage saving for retirement.
- **Retirement Matters newsletter:** covering pension industry news and educational pieces.
- **Performance statements:** detailing information relating to the range of funds available to members.
- **Benefit statements:** produced annually and available online, summarising the total pension benefits relating to the member.

FACE-TO-FACE AND ONLINE PRESENTATIONS

- These form a key part of the communication and education programme. Presentations are co-ordinated and led by one of our communication specialists.
- We provide 'train the trainer' workshops, with supporting presentational slides and notes, allowing HR teams to deliver the pensions message throughout the organisation.
- A range of Technology Enhanced Learning tools are also available online including live webcasts, recorded presentations and pension tutorials.

PENSIONS SERVICE CENTRE

We have a dedicated member telephone helpline that can provide plan information to members as well as the ability to switch investments over the phone.

PLANVIEWER

PlanViewer offers members a comprehensive range of functionality to enable them 24-hour access to their pension. Members can switch funds online, update personal details and generate a benefit statement, between any two dates, incorporating their personal rate of investment return. PlanViewer also provides access to the following retirement tools:

- **What type of investor are you?:** Helps members establish their preferred investment style - cautious, balanced, growth or aggressive.
- **MyPlan:** An intuitive tool that helps members establish whether their retirement planning is on track and, if not, what they can do about it.
- **Retirement Planner:** This tool takes a more detailed look at a member's potential retirement outgoings and projected income in order to highlight any shortfall.

If you would like further information about Fidelity's Stakeholder or any other DC service, please contact Julian Webb on 020 7961 4421 or email him at julian.webb@fil.com

