

Thales UK Pension Scheme

Your Additional Voluntary Contribution (AVC) and Defined Contribution (DC) investment choices

Applicable only to former members of (a) the Thomson Retirement Benefits Scheme, (b) the Thomson Pension Plan, and (c) Racial scheme members whose AVCs with Legal & General were switched to this AVC/DC arrangement in 2013

Frequently Asked Questions

1. Where can I find more information about the range of investment funds?

Information is contained in the document, entitled “Your Additional Voluntary Contribution and Defined Contribution Investment Choices”: thales.xpmemberservices.com

Further information is available on a dedicated website set up by the investment platform provider, Scottish Widows: www.scottishwidows.co.uk/save/thales

2. Who are the underlying investment managers for each of the funds?

The 10 funds are all branded as Thales UK Pension Scheme funds. The Trustee can change the underlying fund managers at any time if, for example, concerns arise regarding the current fund manager or a new and more attractive alternative becomes available. As at 20 August 2019, the underlying fund managers of the 10 funds are as follows:

Thales UK Pension Scheme Fund	Current underlying fund manager
Global Equity	Legal & General Investment Management
UK Equity	Legal & General Investment Management
Socially Responsible	F&C Asset Management
Diversified Growth	Insight Investment
Global Multi-Asset (formerly known as Balanced)	Legal & General Investment Management
Corporate Bonds	M&G
Mixed Bonds	Legal & General Investment Management
Long Dated Gilts	Legal & General Investment Management
Index-Linked Gilts	Legal & General Investment Management
Money Market	BlackRock Asset Management

3. Are there any hidden costs in switching between funds?

Some of the funds may be subject to some small implicit routine operating costs on the day of transfer. There are always costs involved in selling and buying investments (such as stockbrokers' commissions, bid/offer spreads and stamp duty) which are borne by all the investors selling or buying units in a fund on that day. When the manager of the old fund calculates the value of your units being sold and the manager of the new fund calculates the price of the units bought by the transfer, they will allow for your fair share of the funds' operating costs, if any, on the day of transfer.

There is also a risk of a loss (or gain) while your savings are "out of the market" during the time it takes for the money to pass from fund to fund.

4. What are the charges for the funds?

The Funds' total expense ratios (taken from the funds' values before unit prices are calculated) as at 22 October 2018 are:

Thales UK Pension Scheme Fund	Total expense ratio (% p.a.) of the fund value
Global Equity	0.23
UK Equity	0.18
Socially Responsible	0.86
Diversified Growth	0.83
Global Multi-Asset (formerly known as Balanced)	0.47
Corporate Bonds	0.47
Mixed Bonds	0.38
Long Dated Gilts	0.21
Index-Linked Gilts	0.21
Money Market	0.22

5. How can I change my choice of investment funds or switch to the Lifestyle strategy?

If you wish to make a change, you should complete an Investment Switch form. This form can be downloaded from the Scheme website at <http://thales.xpmemberservices.com/member-info/member-forms> or alternatively can be supplied on request by the Scheme administrator, Equiniti: Thales Pensions Team, Equiniti, Sutherland House, Russell Way, Crawley, West Sussex RH10 1UH

Tel: 01293 603060

Email: thales@equiniti.com

The completed form needs to be signed and returned to Equiniti.

You can switch between any of the 10 funds and divide your AVC/DC savings between several of these funds if you prefer. You can also switch between the funds and the Lifestyle strategy.

6. How often will I be able to make a switch?

You will be able switch at any time. There is no restriction on the frequency of switching so, for example, you can switch more than once a year if you wish.

7. Can I pay extra contributions?

No. The Scheme does not permit new contributions.

8. Can I transfer my fund value to another pension arrangement?

Yes. You can transfer your AVC/DC funds to another pension arrangement at any time prior to taking your main Scheme pension.

9. Can I withdraw my AVC/DC funds from the Scheme and take a cash payment.

No. Your AVC/DC funds can only be taken on retirement at the same time as your main Scheme pension. Alternatively, you can transfer your AVC/DC funds to another pension arrangement at any time prior to taking your main Scheme pension.

10. How much pension will my AVC/DC fund value provide on retirement?

This depends upon the value of your fund when you retire. It also depends upon the pension conversion rates (“annuity rates”) available when you retire and the type of pension you take – for example, whether you buy a pension which allows for annual increases after retirement or not and also whether you make provision for a dependants’ pension following your death.

Your annual benefit statement includes an estimate of the pension you may receive based on certain assumptions, but you must remember that this is only an estimate and the actual pension can only be determined on factors at the time you retire.

11. Is a cash option available on retirement?

It may be possible to take some or all of your AVC/DC fund value as a cash option on retirement, but this depends upon the type of contributions paid and the rules of the particular scheme you were in prior to 2008. It also depends upon complex regulations limiting the combined total cash option on retirement from your AVC/DC fund and your pension from the main Scheme.

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