

Lifestyling and Phased Switching Guide

For use with:

- Company Pension & Company Stakeholder
- Group Personal Pension
(schemes established from August 2000)
- Variable Money Purchase Plan &
Variable Group AVC Plan
- '98 Series Personal and Group Personal Pensions
- Defined Contribution Scheme Replacement

Lifestyling and Phased Switching

What's it all about?

As your circumstances change, so does your attitude to risk. Lifestyling offers an investment strategy at the start of your pension plan that means you could benefit from potentially higher returns during the earlier years. Then, as you get nearer to your retirement it reduces your exposure to risk, increasing the security of your pension investment, at this very important time of your life.

Phased Switching can be an alternative to Lifestyling. It offers a simple, yet effective approach to Fund Management, which increases the security of investment in the five years immediately before retirement.

You can take advantage of Lifestyling or Phased Switching at any stage of your pension plan (up to five years before you retire). If you choose either Lifestyling or Phased Switching it will apply to the whole of your plan including all future payments and transfers.

We do all the work for you

Aviva takes care of the whole process – so you don't have to. Once you've decided on the level of risk you are comfortable with (known as your risk tolerance level), you can sit back and let us do all the work. You needn't remember to set a date to move your investments – we'll do it all for you. And we will switch your investments on a monthly basis in line with the approach you have selected.

Choose the approach that's right for you

Aviva offers three different Lifestyling approaches depending on your risk tolerance level: Balanced, Opportunity and Selfstyle. These three Lifestyling approaches and the Phased Switching option are shown in more detail on the following pages.

At the end of this guide is a form which can be used if you want to give Aviva instructions to add or change Lifestyling or Phased Switching to your plan. Please note that the movement of contributions and/or funds will be automatic and will be regardless of market conditions at the time.

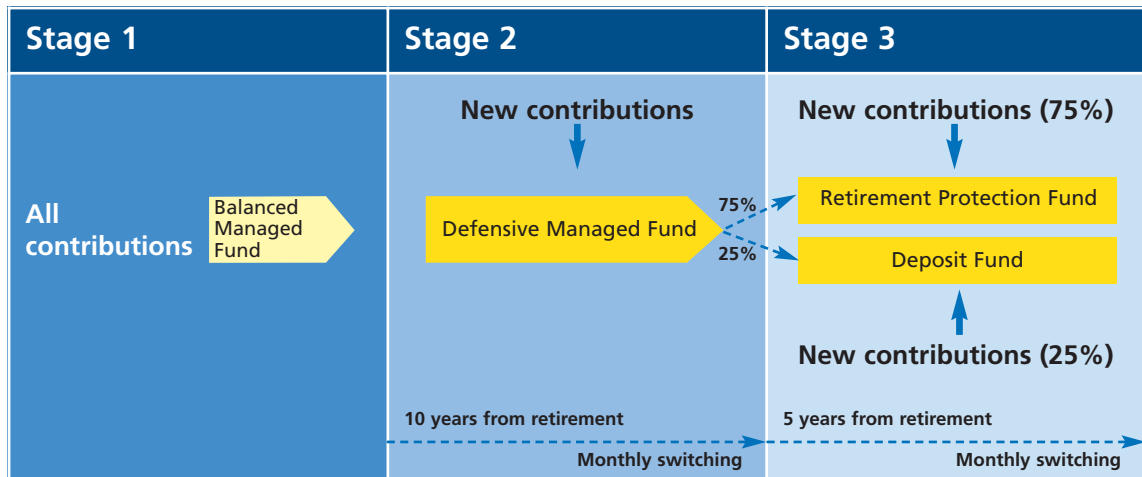
Balanced approach

If you're someone who is more conservative when it comes to investment risk, and don't want to play an active role in your pension fund investment, then a Balanced approach may be right for you. Below are the stages that the Balanced approach follows, depending on your time of life.

Stage 1 – From the start of your pension plan to ten years before your retirement date we will invest all contributions in the Balanced Managed Fund.

Stage 2 – From ten years to five years before your retirement date we will invest new contributions in the Defensive Managed Fund. Monthly switching of existing units into this fund takes place.

Stage 3 – From five years before your retirement date we will invest 75% of new contributions in the Retirement Protection Fund and 25% in the Deposit Fund. Monthly switching of existing units takes place so that a month before retirement date, 75% of the fund is invested in the Retirement Protection Fund and 25% in the Deposit Fund.



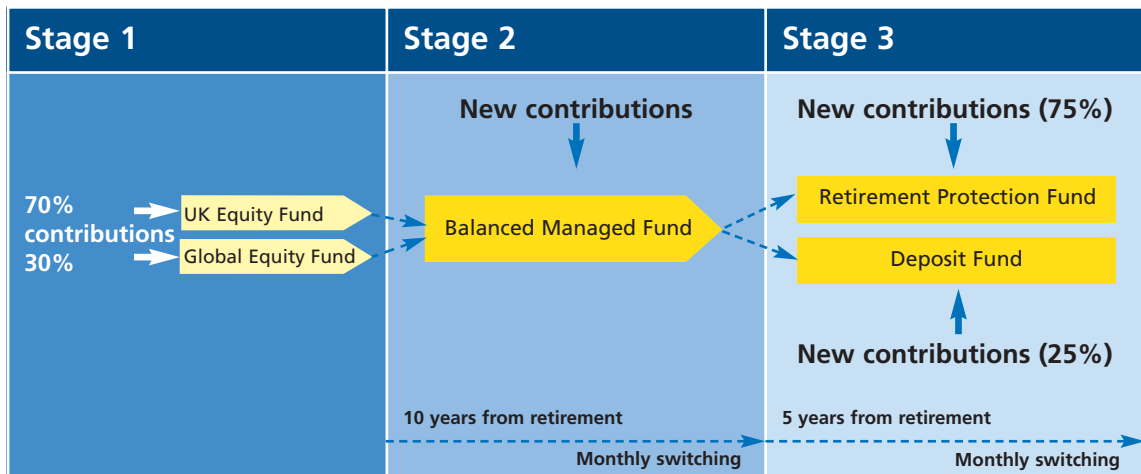
Opportunity approach

If you want to maximise the potential returns during the early years, then the Opportunity approach could be right for you. This approach has a higher risk than the Balanced approach, but offers the opportunity to enjoy the potential for higher returns on your pension investment. Like the Balanced approach, the Opportunity approach is also a good choice if you don't want to take an active role in your pension fund investment.

Stage 1 – From the start of your pension plan to ten years before your retirement date we will invest 70% of contributions in the UK Equity Fund and 30% in the Global Equity Fund.

Stage 2 – From ten years to five years before your retirement date we will invest all new contributions in the Balanced Managed Fund. Monthly switching of existing units into this fund takes place.

Stage 3 – From five years before your retirement date we will invest 75% of new contributions in the Retirement Protection Fund and 25% in the Deposit Fund. Monthly switching of existing units takes place, so that a month before retirement date 75% of the fund is invested in the Retirement Protection Fund and 25% in the Deposit Fund.



Selfstyle approach

Selfstyle offers you the opportunity to take an active role in your pension fund investment. Although it could offer a more risky option than Balanced and Opportunity, it offers a risk return ratio that's slightly higher. If you're financially aware and confident about managing your pension fund and making investment choices, then this could be the option for you.

Stage 1 – From the start of your pension plan to ten years before your retirement date we will invest contributions in up to two Aviva internal funds of your choice.

Stage 2 (optional) – From ten years before your retirement date to the final switching stage you can invest contributions in up to two new Aviva funds of your choice and switch existing units on a monthly basis into the new funds. Please note that the only funds available with the Selfstyle approach are internal Aviva funds that do not have an Additional Yearly Charge. Details of all funds available are contained in your Pension Fund Guide. Alternatively, investments can continue as before. However, you must decide on your choices when the Selfstyle approach is first selected.

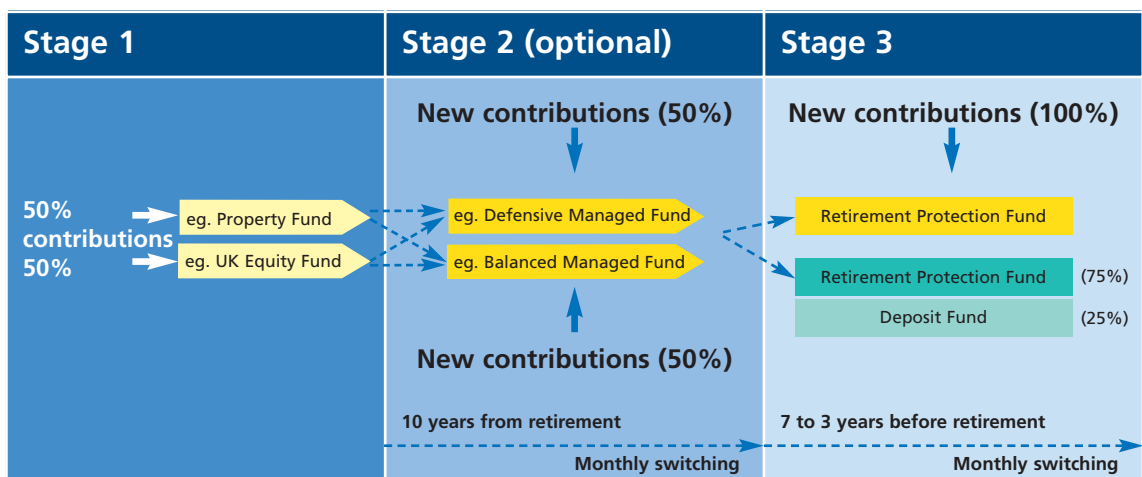
Stage 3 – Final switching stage can start between seven and three years before your retirement date. Again, this must be decided when the Selfstyle approach is first selected. There are two choices at this stage:

We will invest all new contributions in the Retirement Protection Fund and monthly switching of existing units into this fund takes place.

Or

We will invest 75% of new contributions in the Retirement Protection Fund and 25% in the Deposit Fund. Monthly switching of existing units takes place so that a month before retirement date 75% of the fund is invested in the Retirement Protection Fund and 25% in the Deposit Fund.

You can choose With Profits at Stage 1, Stage 2 or both, but we may apply a market value reduction if units are switched out of the fund. This includes when we move the money as part of Lifestyling or Phased Switching. If you take money out of the With Profit Fund and investment performance has been low, we may apply a Market Value Reduction. This means we will adjust the value of your investment in line with market performance i.e we may pay less than quoted value of the amount taken.



Phased Switching

Phased Switching is an alternative to Lifestyling. It offers a simple, yet effective approach to fund management, which increases the security of investment in the years immediately before retirement.

Five years before your retirement date, monthly switching of existing funds begins, either 100% into the Retirement Protection Fund or 75% into the Retirement Protection Fund and 25% into the Deposit Fund. New contributions are not automatically redirected to the new fund(s).

Phased switching can be chosen at the start of the plan or added at any time up to 5 years before your retirement date.

If you invest in With Profits, and choose Phased Switching, we may apply a market value reduction during the switching period.

The investment funds

Retirement Protection Fund

The Retirement Protection Fund plays a role in whichever approach suits you. It aims to track the performance of the Financial Times Actuaries Government over 15 year Gilt Index, before the deduction of management fees and allowances for taxes and other expenses. It invests in British Government fixed interest stocks, whose performance broadly matches the cost of buying a pension income.

This means that your fund will be less exposed to large fluctuations in the markets of more risky investment options.

Deposit fund

The Deposit Fund aims to provide a safer return in line with bank and building society interest rates. The fund has very little risk attached to it and protects capital values from falling. It invests in cash investments with first-class banks and major UK companies.

Details of all the investment funds available can be found in your fund guide.

Choose Aviva with confidence

We are confident we have a Lifestyling option to suit your needs now and in the future. Aviva is one of the world's top financial services companies, with 40 million customers in over 20 countries worldwide.

Please bear in mind that the size and strength of the company can decrease or increase over time.

With our wealth of financial expertise you can be sure you've made the right choice when investing for your future.

Instructions to add or change Lifestyling or Phased Switching



For use with the following plans established with Aviva:

- Company Pension, Company Stakeholder
- '98 Series Personal and Group Personal Pensions
- Group Personal Pension (schemes established from August 2000)
- Variable Money Purchase Plan and Variable Group AVC Plan
- Defined Contribution Scheme Replacement.

Please note the following points before completing this form.

1. This form should not be used if you want to remove Lifestyling or Phased Switching. Please ask for the Pension Fund Guide for your plan which includes a form to provide Aviva with instructions to change funds in which your existing and/or future payments are to be invested.
2. If Lifestyling or Phased Switching are chosen it applies to the whole plan including any future payments and transfers.
3. Lifestyling and Phased Switching cannot be chosen together.
4. Some funds have higher charges than others. Details of all charges are available on request.
5. The only funds available with the Selfstyle Lifestyling approach are internal Aviva funds that are not subject to an Additional Yearly Charge. Details of funds subject to an Additional Yearly Charge are available on request.
6. Lifestyling or Phased Switching cannot be added within 5 years of selected retirement date.
7. For Company Stakeholder pensions the maximum annual fund charge is 1%. This may restrict the choice of external fund links available to you. If you want to know if an external fund would take your annual charge over 1% please contact us on 01603 202500.

Please write in the boxes provided in black ink using block capitals

Please complete all the sections marked with ►

Please use a tick (✓) for any tick boxes

Unless you have been instructed otherwise, your completed form should be returned to Aviva, PO Box 520, Norwich NR3 1BH.

1 Scheme Details

► Name of Scheme	<input type="text"/>
	<input type="text"/>
► Employer's name	<input type="text"/>
	<input type="text"/>

2 Personal Details

► Title and forenames	<input type="text"/>
► Surname	<input type="text"/>
► Plan number	<input type="text"/>

3 Options

► Please choose one option from below, this will be applied upon receipt of your request

- | | | |
|---|--------------------------|----------------------------------|
| Add Lifestyling | <input type="checkbox"/> | <i>Please complete section 4</i> |
| Change Lifestyling | <input type="checkbox"/> | <i>Please complete section 4</i> |
| Change from Phased Switching to Lifestyling | <input type="checkbox"/> | <i>Please complete section 4</i> |
| Add Phased Switching | <input type="checkbox"/> | <i>Please complete section 5</i> |
| Change Phased Switching | <input type="checkbox"/> | <i>Please complete section 5</i> |
| Change from Lifestyling to Phased Switching | <input type="checkbox"/> | <i>Please complete section 5</i> |

4 Lifestyling

Please indicate which approach should now apply:

- Balanced
- Opportunity
- Selfstyle

Selfstyle approach – Stage 1

Please complete details of the funds (maximum of two) that you want us to initially invest your contributions in:

Fund name	Percentage

Selfstyle approach – Stage 2

Ten years before retirement you can change funds in which your existing and future payments are to be invested. Which funds do you wish to redirect your funds and future payments to? If this section is not completed, no fund switching or payments redirection will take place at this stage. A maximum of two funds can be chosen.

Fund name	Percentage

Selfstyle approach – Stage 3

How many years before your chosen retirement date do you wish final switching and redirection of payments to start?

years *this must be between 7 and 3 years.*

Please select which option you would like to apply to your funds at final switching.

- 100% to the Retirement Protection Fund
- 75% to the Retirement Protection Fund and 25% to the Deposit Fund

If the plan has any protected rights relating to contracting out of the State Earnings Related Pension Scheme/ State Second pension and you have different retirement dates for protected and non-protected benefits, the redirection of funds will start at different times.

5 Phased Switching

Please select which monthly switching option you would like applying to your funds 5 years before your retirement date.

- 100% to the Retirement Protection Fund
- 75% to the Retirement Protection Fund and 25% to the Deposit Fund

If the plan has any protected rights relating to contracting out of the State Earnings Related Pension Scheme/ State Second pension and you have different retirement dates for protected and non-protected benefits, the redirection of funds will start at different times. Please note that Phased Switching cannot be added within 5 years of selected retirement date. New contributions are also not automatically redirected to the new fund(s).

5 Declaration

The form must be signed by Trustees/Administrator (unless the scheme gives member investment choice).

For schemes where the member has investment choice, personal pensions and replacement policies, the form must be signed by the planholder.

Trustees'/Administrator's Declaration

1. I/We authorise Aviva to switch existing investment and/or invest future payments in accordance with this request. This application overrides any previous instructions regarding investment choice.
2. Subject to the policy conditions, I/we understand that Aviva will use reasonable efforts to carry out these instructions.

Signature 1

Date

Name (please print)

Signature 2

Date

Name (please print)

Planholder's Declaration

1. I authorise Aviva to switch my existing investment and/or invest my future payments in accordance with this request. This application overrides any previous instructions regarding investment choice.
2. Subject to the policy conditions, I understand that Aviva will use reasonable efforts to carry out my instructions.

Signature

Date

