

HEALTH WEALTH CAREER

DC FLEXIBILITIES & CHOICE

MOMENTUM
CONFERENCE 2015

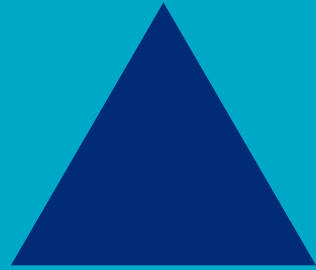
December 2015

Paul Enderby

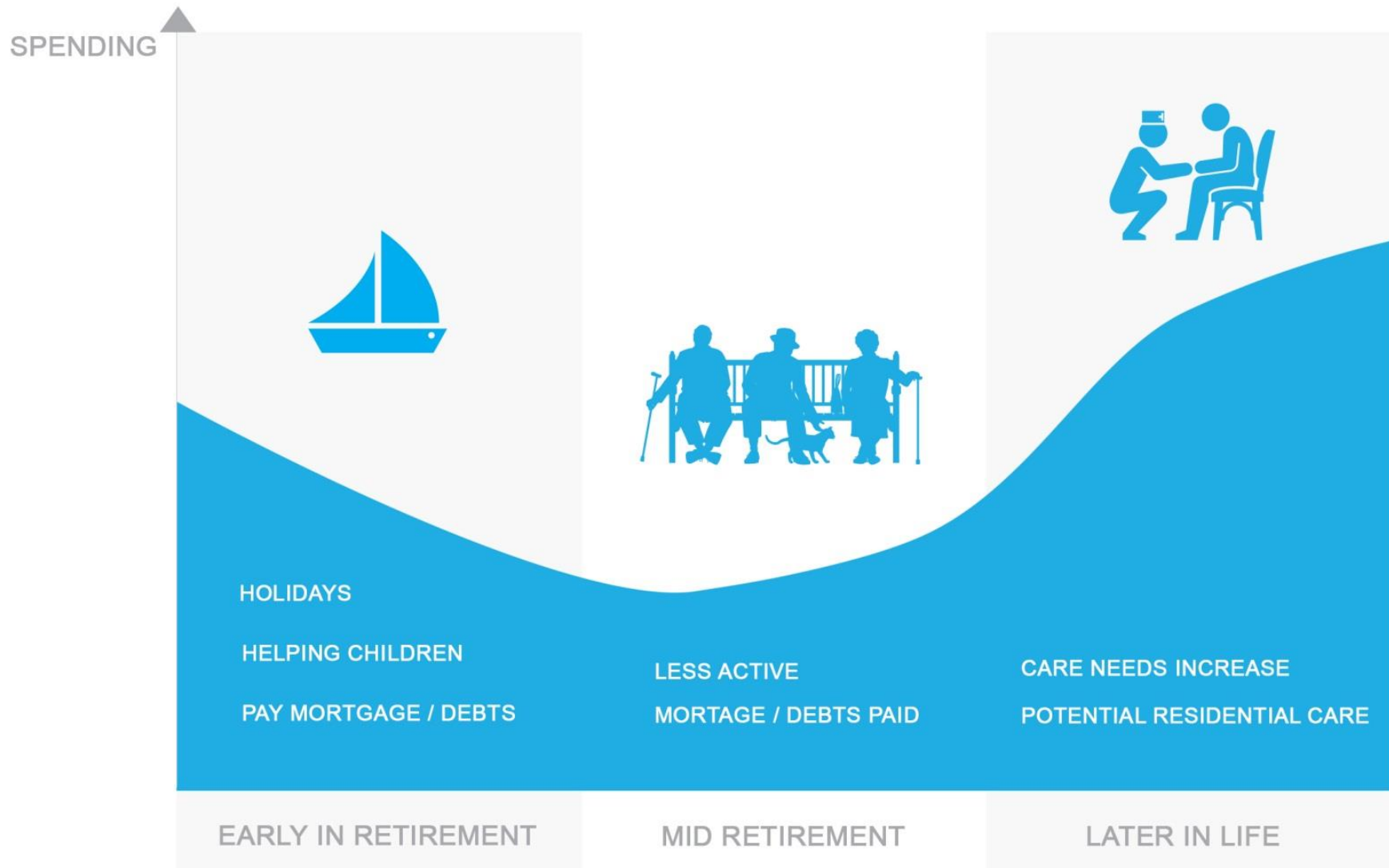
Principal: DC & Savings Team

Woking

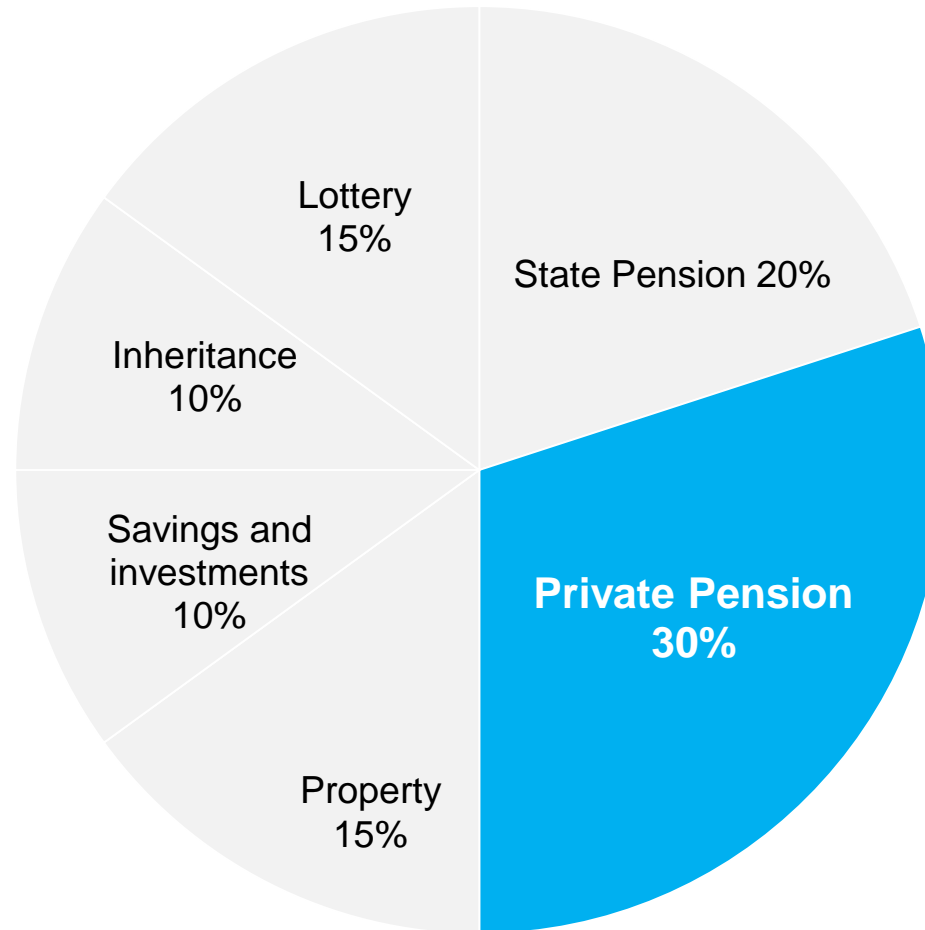
WHERE ARE WE GOING?



WHAT MIGHT SPENDING LOOK LIKE IN RETIREMENT?



WHERE WILL THE MONEY COME FROM?



WHAT DO MEMBERS WANT AT RETIREMENT?

Which of these worry you about retirement?

Inflation

Having enough for the essentials

Cost of medical treatment

Outliving my retirement savings

Having enough for extras

How can your employer's plan best support you?

Reduce fees for advice

Help me plan for retirement

Offer a financial planning service

Offer a simple financial advice

Offer a guaranteed income for the rest of my life

Source: Investment Trends. Nov 2014 Retirement Income Report.

Q: Which of the following worry you with regards to your retirement? (Multiple responses permitted) Over 40 Australian population.

Q: How can your super fund best support you with your super/retirement? Among those who have not yet retired & with super.

ARE EMPLOYEES THINKING ONLY ABOUT SAVING FOR RETIREMENT?

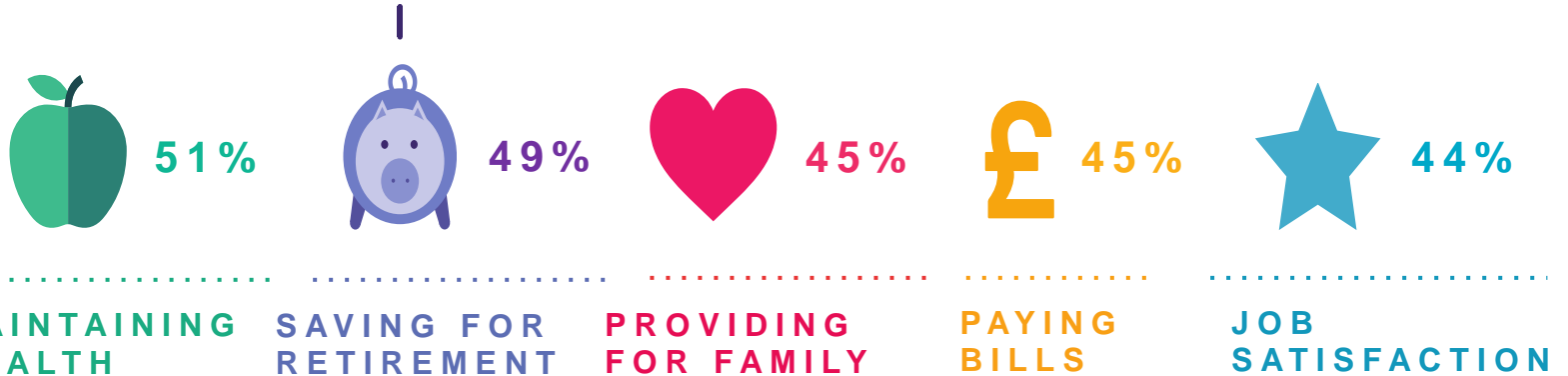


WE ASKED EMPLOYEES WHAT THEY WORRIED
ABOUT AND WHAT IMPACT IT HAS ON THEM

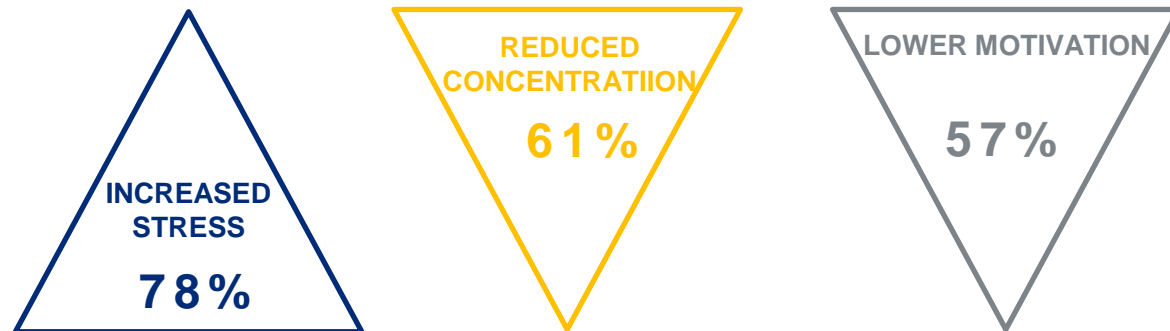
MERCER consumer SURVEY
Of 1510 consumers in UK & ROI in June 2015

TOP EMPLOYEE “NOISE”

KEY CONCERNS



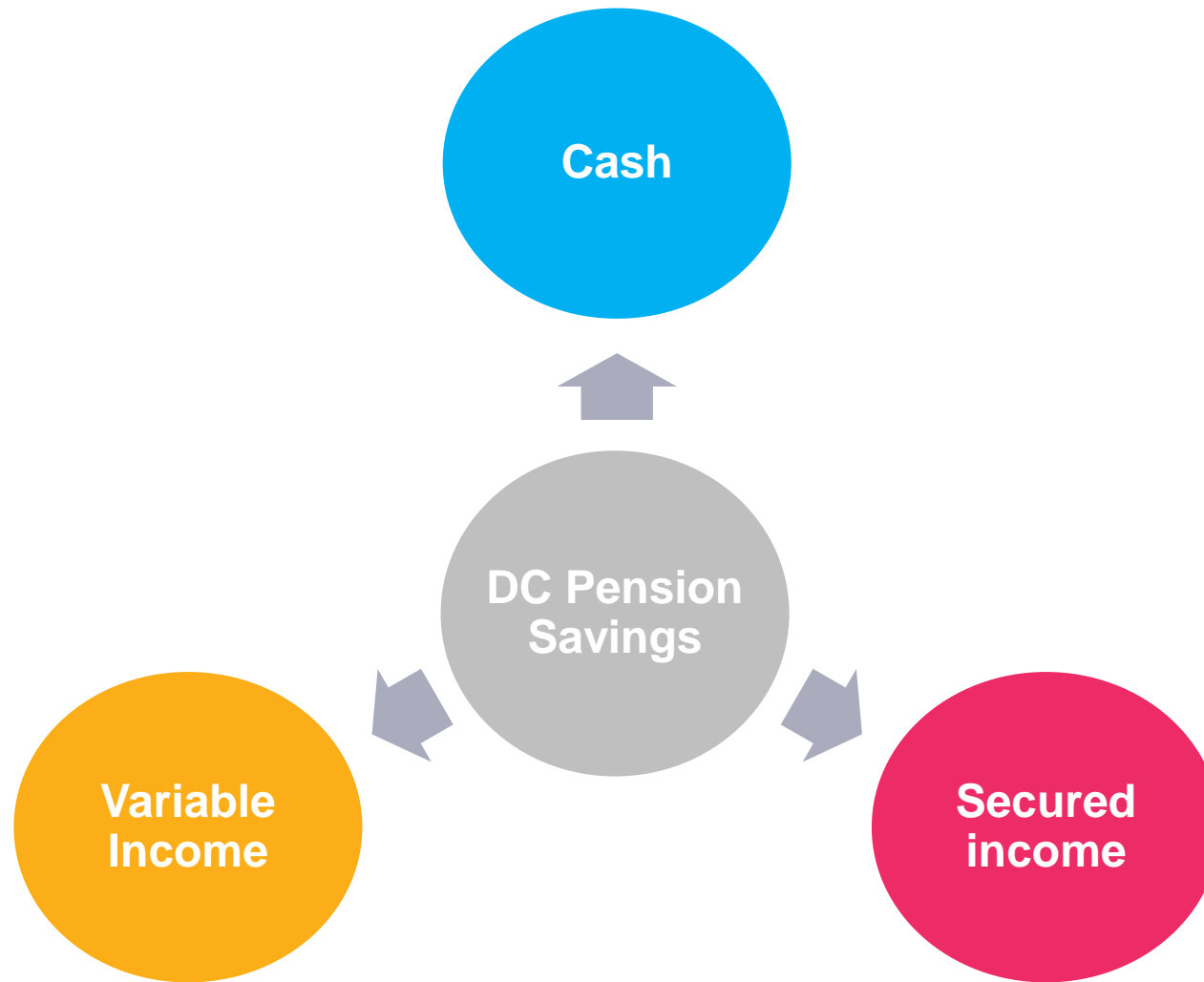
IMPACT OF CONCERNS ON WORK PERFORMANCE



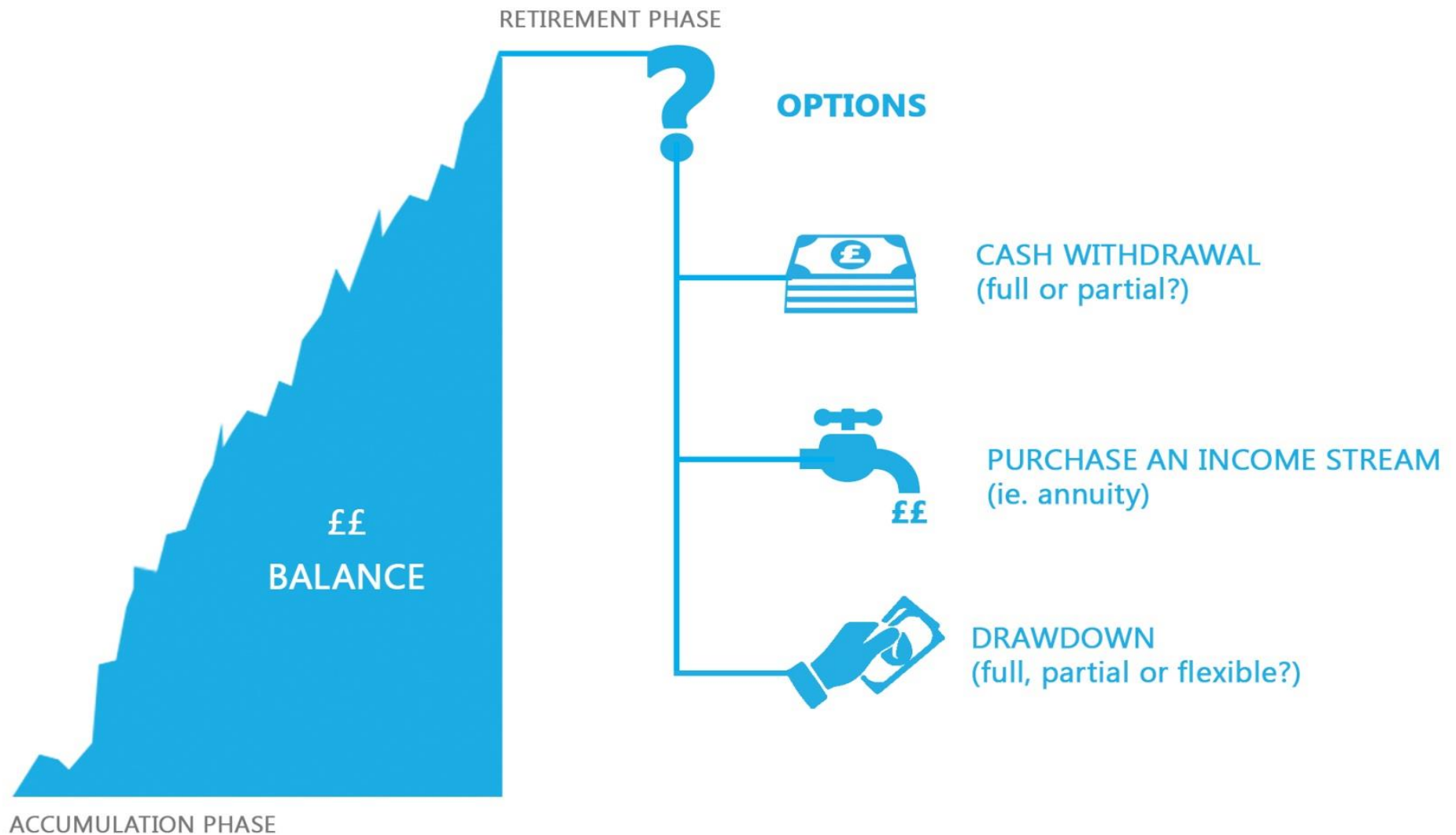
% OF THOSE SURVEYED WHO ARE CONCERNED OR VERY CONCERNED ABOUT ONE OF THESE ISSUES

97%

MEMBERS' NEW CHOICES SINCE APRIL 2015

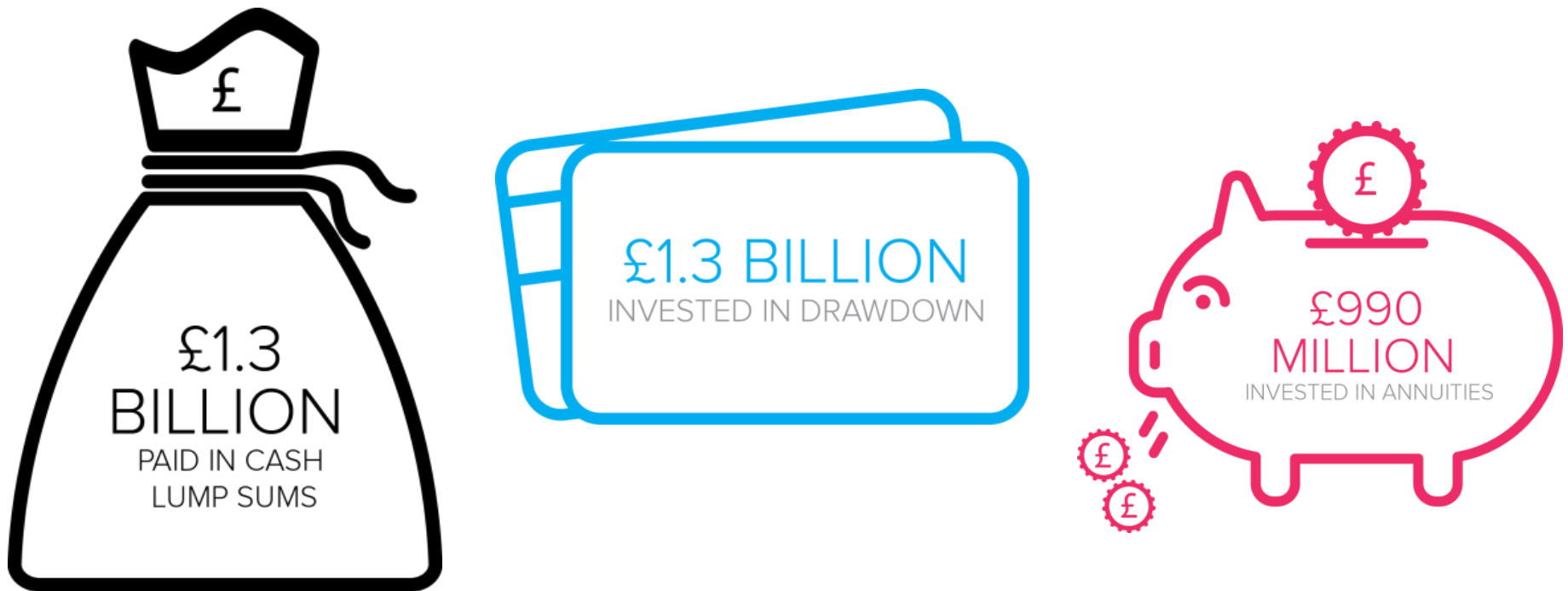


THE MEMBER JOURNEY NOW



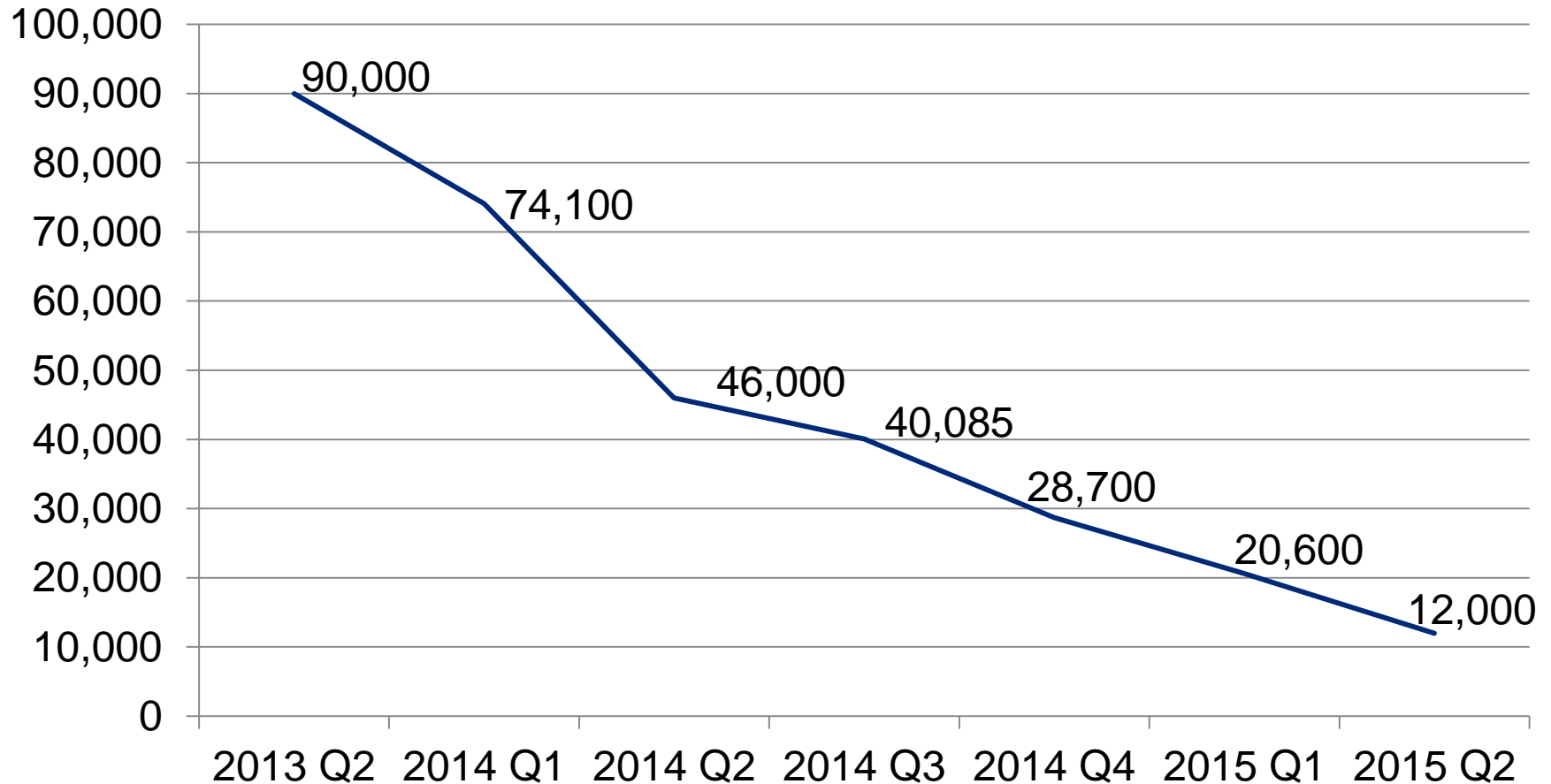
WHAT ARE MEMBERS DOING ALREADY?

How pension scheme members used their savings at retirement over the first 3 months since April 2015:

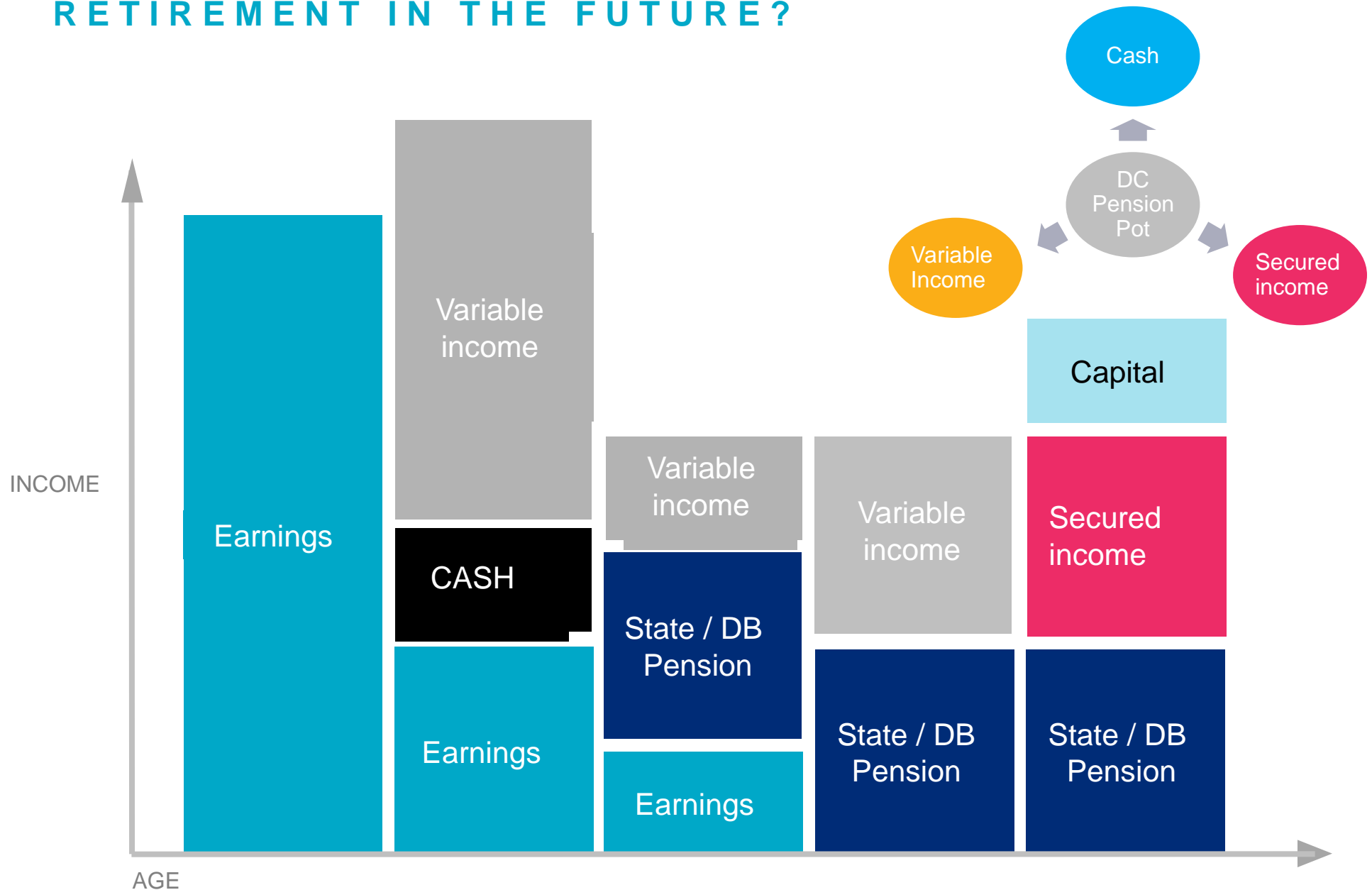


THE DEATH OF ANNUITIES?

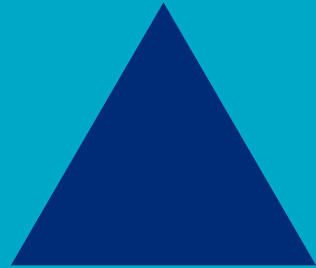
ANNUITIES SOLD BY ABI MEMBERS



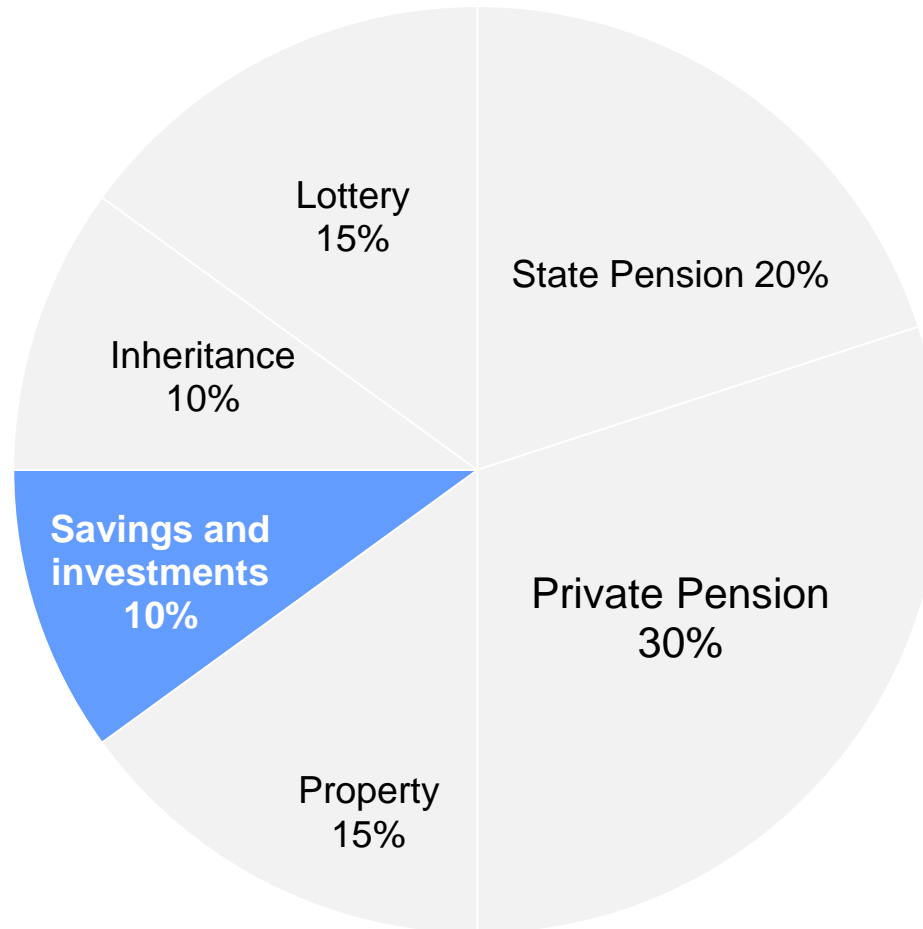
RETIREMENT IN THE FUTURE?



WHAT ARE EMPLOYERS DOING?



WHERE WILL THE MONEY COME FROM?



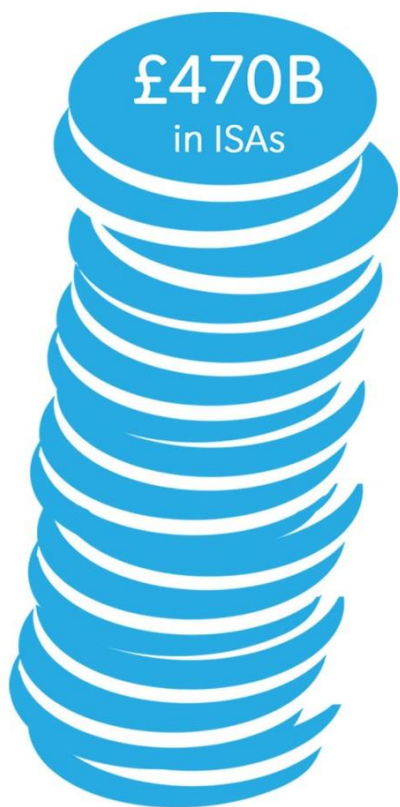


£20.6k



£18.5k

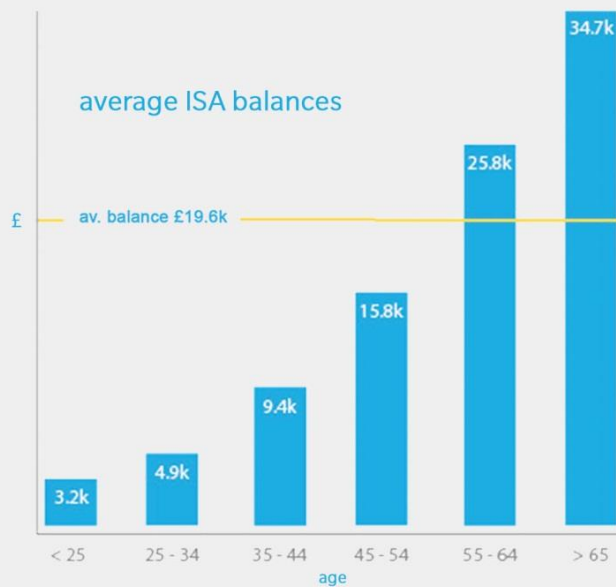
ISAs HELD
average balance



3 IN 5 ISAs are ACTIVE

ACTIVE 13.8M

TOTAL 22.7M



LARGEST GROUP OF
CONTRIBUTORS EARN
£10K - £20K PA

72%
EARN UNDER £30K

PARTICIPATION RATES

HIGHEST

SOUTH WEST
ENGLAND

51.7%

SOUTH EAST
ENGLAND

49.6%

LOWEST

LONDON

38.9%

NORTHERN
IRELAND

31.9%

WHAT WE'VE FOUND SO FAR

WHAT OUR
PEOPLE
NEED



**CAN WORKPLACE SAVINGS HELP US HELP
OUR PEOPLE?**

**Employees
capped by LTA,
wanting a tax
efficient savings
vehicle**

**Provide benefits
attractive to
wider
generations**

**Differentiate
from
competitors**

OUTCOMES AT RETIREMENT

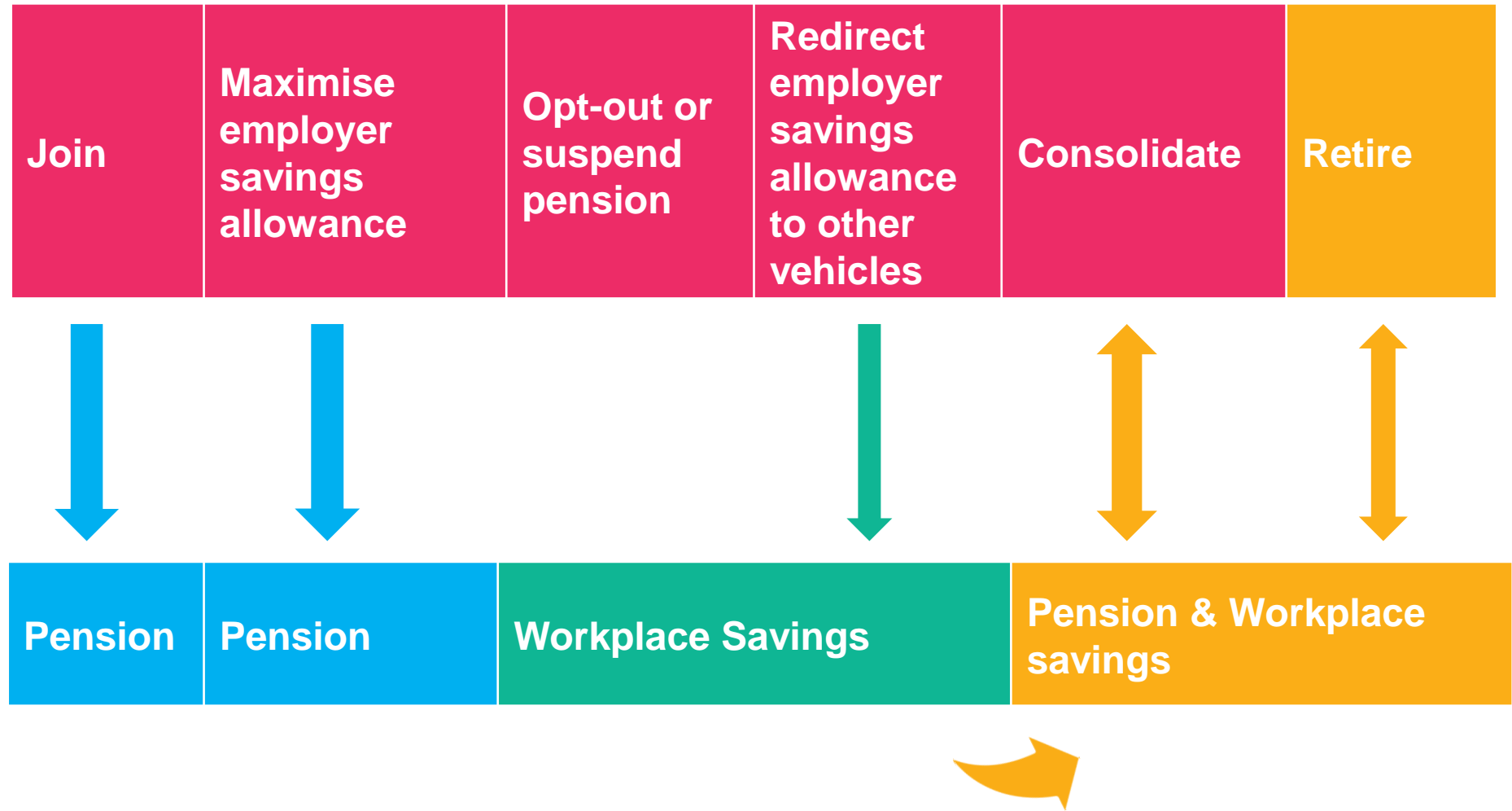
For most members:

- Pension will provide their main source of income in retirement;
- A simple pattern: **join, save, invest, retire**;
- Good communication must help members obtain their desired retirement income;
- Investment decision-making must be made simple

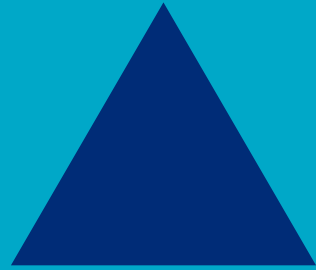
For middle to higher income employees:

- It will be different:
 - **Join pension,**
 - **Maximise employer contributions,**
 - **Leave pension,**
 - **Redirect employer contribution,**
 - **Maximise tax relief,**
 - **Consolidate,**
 - **Retire**

A NEW SAVINGS & BENEFITS PATTERN



SUPPORTING MEMBERS
KEEP IT SIMPLE!



COMMUNICATE WELL

TARGET THE MESSAGE – KEEP IT SIMPLE!



**Younger to
middle aged
members**



**Savings
phase**

Save More!



**5 to 10
years before
retirement**



**Pre-retirement
Phase**

**Are you invested in
the right place?**



**At
retirement**



**At
retirement**

**Here's how you can
use your savings**



After retirement



**Post retirement
phase**

**Your spending will
change**

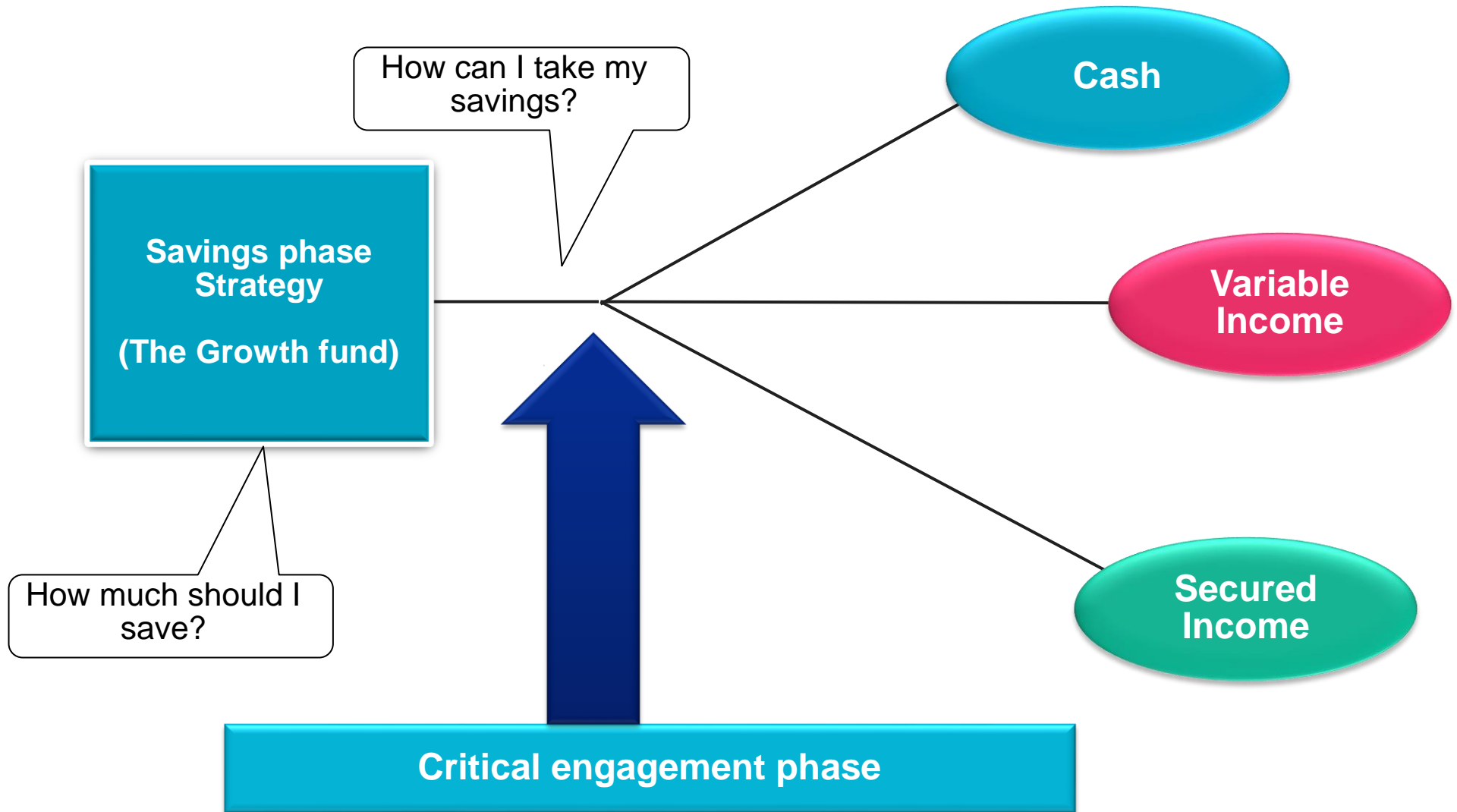
MAKE INVESTING SIMPLE....THIS....

"What funds can I invest in?"

Your financial adviser will help you select the fund(s) most appropriate to your needs, depending on the level of risk you're willing to take. The fund fact sheet and guide explains more about how each fund has different aims and levels of risk, available via our website, www.aviva.co.uk/funds/pension-funds.html.

Investment Fund	Investment Fund	Investment Fund	Fund Series	Risk / Return Rating	Additional Yearly Charge	Fund Manager Expense Charge	Total Additional Yearly Charge
Cash/Money Market	Mixed Asset	High Yield Bonds					
Aviva Deposit	Aviva Newton Balanced	Aviva AEGON High Yield Bond	56	3	0.50%	0.10%	0.60%
Mixed Asset	Aviva Newton Managed	Aviva AEGON Strategic Bond	56	3	0.65%	0.10%	0.75%
Aviva 7IM AAP Adventurous	Aviva Newton Phoenix Multi-Asset	Aviva Artemis High Income	56	3	0.50%	0.10%	0.60%
Aviva 7IM AAP Balanced Fund	Aviva Bathone Global Opportunities	Aviva Artemis Strategic Bond	56	3	0.40%	0.10%	0.50%
Aviva 7IM AAP Moderately Adventurous	Aviva Schroder Managed Balanced	Aviva Higher Income Plus	56	3	0.20%	0.05%	0.25%
Aviva 7IM AAP Moderately Cautious	Aviva Sustainable Future Managed	Aviva High Yield Bond	56	3	0.25%	0.05%	0.30%
Aviva Aberdeen Multi-Asset (ex Property)	Aviva S&W TACTICA Balanced Portfolio	Aviva Invesco Perpetual Monthly Income Plus	56	3	0.50%	0.20%	0.70%
Aviva AXA Framlington Managed Balanced	Aviva S&W TACTICA Cautious Portfolio	Aviva Investec Monthly High Income	56	3	0.40%	0.10%	0.50%
Aviva Baillie Gifford Managed	Aviva S&W TACTICA Growth Portfolio	Aviva JPM Global High Yield Bond	56	4	0.40%	0.15%	0.55%
Aviva Balanced Fund of Funds	Aviva With-Profit 1	Aviva Managed High Income	52 & 56	3	0.00%	0.05%	0.05%
Aviva Balanced Managed	UK Gilts	Aviva M&G Optimal Income	56	3	0.65%	0.15%	0.80%
Aviva Balanced Manager of Managers	Aviva Allianz PIMCO Gilt Yield	Aviva Henderson Extra Monthly Income Bond	56	4	0.50%	0.25%	0.75%
Aviva Baring Multi-Asset	Aviva BlackRock Aquila Over 15 Years Gilt	Aviva Henderson Fixed Interest Monthly Income	56	3	0.50%	0.25%	0.75%
Aviva BlackRock Balanced Growth Portfolio	Aviva Gilt	Aviva Henderson High Yield Monthly Income	56	3	0.40%	0.25%	0.65%
Aviva Cautious Fund of Funds	Aviva Index-Linked Gilt	Aviva Schroder Strategic Bond	56	3	0.70%	0.20%	0.90%
Aviva Cautious Managed	Aviva M&G Gilt & Fixed Interest	Aviva Strategic Bond	56	3	0.25%	0.05%	0.30%
Aviva Cautious Manager of Managers	Aviva Retirement Protection	Global Equities					
Aviva Cazenove Multi-Manager Diversity	Aviva Schroder Gilt & Fixed Interest	Aviva Artemis Global Growth	56	5	0.65%	0.15%	0.80%
Aviva Defensive Managed	Corporate Bonds	Aviva Baillie Gifford 60:40 Worldwide Equity	56	4	0.45%	0.00%	0.45%
Aviva Gartmore Cautious Managed	Aviva AEGON Ethical Corporate Bond	Aviva BlackRock Aquila 50:50 Global Equity Index Tracker	56	4	0.45%	0.00%	0.45%
Aviva GLG Balanced Managed	Aviva AEGON Investment Grade Bond	Aviva BlackRock Aquila 60:40 Global Equity Index Tracker	56	4	0.00%	0.00%	0.00%
Aviva GLG Stockmarket Managed	Aviva AEGON Sterling Corporate Bond	Aviva BlackRock Aquila 70:30 Global Equity Index Tracker	56	4	0.00%	0.00%	0.00%
Aviva Growth Fund of Funds	Aviva BlackRock Aquila Corporate Bond In	Aviva BlackRock Aquila Overseas Equity Consensus Index Tracker	56	5	0.00%	0.00%	0.00%
Aviva Growth Manager of Managers	Aviva BlackRock Corporate Bond	Aviva F&C Stewardship International	56	5	0.70%	0.05%	0.75%
Aviva Income Manager of Managers	Aviva Corporate Bond	Aviva Fidelity Wealthbuilder	56	4	0.90%	0.25%	1.15%
Aviva INVECO Managed Pension	Aviva Fidelity MoneyBuilder Income	Aviva Fidelity Worldwide Special Situations	52	4	0.90%	0.00%	0.90%
Aviva Invesco Perpetual Distribution	Aviva Invesco Perpetual Corporate Bond	Aviva Global Equity	52 & 56	4	0.00%	0.00%	0.00%
Aviva Investec Cautious Managed	Aviva M&G Corporate Bond	Aviva HSBC Amanah Global Pensions	56	4	0.30%	0.00%	0.30%
Aviva Jupiter High Income	Aviva M&G Strategic Corporate Bond	Aviva INSENCY Outly	56	5	0.65%	0.05%	0.70%
Aviva Jupiter Merlin Balanced Portfolio	Aviva Henderson Sterling Bond	Aviva International Index Tracking	52	4	0.00%	0.00%	0.00%
Aviva Jupiter Merlin Growth Portfolio	Aviva Old Mutual Corporate Bond	Aviva INVECO Global Equity Pension	52	4	0.25%	0.00%	0.25%
Aviva Jupiter Merlin Income Portfolio	Aviva Sustainable Future Corporate Bond	Aviva INVECO International Equity Pension	52	4	0.25%	0.00%	0.25%
Aviva Neptune Balanced	Global Bonds	Aviva Investec Global Free Enterprise	56	5	0.65%	0.15%	0.80%
Aviva Henderson Managed Distribution	Aviva Global Bond	Aviva Jupiter Ecology	56	4	0.80%	0.20%	1.00%
	Aviva Newton International Bond	Aviva Jupiter Merlin Worldwide Portfolio	56	4	1.50%	0.15%	1.65%
	Aviva Investec Emerging Market Local Cur	Aviva Martin Currie Global Alpha	56	5	0.75%	0.30%	1.05%
	Aviva Legg Mason Global Multi Strategy B	Aviva M&G Global Basics	56	5	0.65%	0.15%	0.80%
		Aviva M&G Global Leaders	56	5	0.65%	0.15%	0.80%
		Aviva M&G Managed Growth	56	5	0.65%	0.20%	0.85%

OR THIS....



MAKE
TOMORROW,
TODAY

