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15 September 2023

Dear Title Surname

Changes to your investments in the Roche Pension Fund

The Trustee is making some improvements to the investments we offer to those members of the Roche Pension Fund who have a defined contribution (DC) pension account. This includes:

- ▶ DC Section members
- ▶ Anyone who has ever paid additional voluntary contributions (AVCs)
- ▶ Anyone who has ever paid Bonus Choice contributions.

These changes aim to provide better retirement outcomes for members. The enclosed booklet explains the changes in more detail but we've also summarised them in this letter.

How does this affect you?

It affects you differently depending on whether your account is invested in one of the three automatic Lifestyle strategies, or whether you're a Self-select member who chooses your own investments.

Lifestyle: We're changing some of the underlying funds we use in the Lifestyle strategies. This will involve tweaking one of the funds we use in the growth phase to improve its potential long-term returns (by reducing the level of currency hedging); replacing our emerging markets equity fund with one that focuses more on environmental, social and governance (ESG) factors; and increasing diversification within the bond fund we use for some members approaching retirement, to provide greater protection for their savings.

Continued overleaf...

Self-select: If you're a Self-select investor who chooses your own investments, you may see some changes to your investments:

- ▶ We're reducing the level of currency hedging in the Roche World ESG Equity Tracker Fund from 100% to 50% hedged back to Sterling, to improve its potential long-term returns.
- ▶ We're replacing the BlackRock Emerging Markets Index Fund with the Legal & General Future World Emerging Markets Equity Index Fund; the new fund focuses more on environmental, social and governance (ESG) factors.
- ▶ We're adding the Roche World Bond Fund to the fund range. This is a new blended fund that includes a 50% allocation to an absolute return bond fund through an investment in the BNY Mellon Global Dynamic Bond Fund. The balance will remain invested in the existing BlackRock Corporate Bond All Stocks Index Fund (which will also remain available as a standalone Self-select investment option).

You may wish to reconsider your current investment choices in light of these new options.

What do you need to do?

If you're happy with your current investments and the changes being made, **you do not need to do anything**. Otherwise, you can change your investments online through PlanViewer at www.planviewer.co.uk.

Please note that from 28 November 2023 to 19 December 2023, no transactions can be made as the Fund will be in a 'blackout period'. Once dealing reopens on 20 December 2023, you can change your investments in the normal way through PlanViewer.

If you're a Self-select investor, the Trustee would also like to remind you of the importance of reviewing your investments regularly to make sure they remain appropriate for your needs.

Where can you get more information?

Please read the enclosed booklet first. If you still have any questions regarding your account, please log into PlanViewer.

If you need further help, please contact Fidelity by email at pensions.service@fil.com or telephone 0800 368 68 68 or +44 1737 838 585 from outside the UK (8.00am to 6.00pm from Monday to Friday).

Yours sincerely

Rachel Croft
Chair of the Trustee of the Roche Pension Fund



Your pension investments are changing

Please read this booklet carefully. **You do not need to take any action unless you want something different to happen to your investments in the Fund from what is described here.**

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If you want something different to happen to your Fund investments from what is set out in this booklet, please log into PlanViewer via the pensions website, www.rochepensionfund.co.uk, before 28 November 2023 to change your investments.



INTRODUCTION

The Trustee of the Roche Pension Fund regularly reviews the investments we make available to members, to check they remain appropriate.

We last made significant changes to the Fund's investments in 2020, when we looked at how to build sustainable investment into our fund choices and improve the quality of the investments, among other changes. Now, following another in-depth review and on the advice of our investment consultants, we've decided to make a few more changes, with a view to improving retirement outcomes for our members.

What's changing?

- ▶ We're updating or replacing some of the underlying funds we use in our automatic Lifestyle strategies.
- ▶ For our Self-select members, we're making some changes to the options available to you.

What's not changing?

- ▶ We're still offering the same three Lifestyle strategies, and we're not changing how or when we move your money from higher-risk to lower-risk investments if you invest in Lifestyle.
- ▶ The majority of Self-select options are staying the same.



YOUR CURRENT INVESTMENT OPTIONS

At the moment, you can invest your account in one of three Lifestyle strategies or a selection of 13 standalone funds (your 'Self-select' options).

Lifestyle strategies



Roche Flexible Retirement Lifestyle Strategy (drawdown)

This strategy assumes you'll want to take 25% of your account as tax-free cash at retirement and then transfer the rest into an appropriate 'drawdown' policy (outside of the Fund), where it remains invested. You can take money out of your drawdown policy as and when you need it.



Roche Lifestyle Strategy Targeting Cash

This strategy assumes you'll want to take all of your pension savings in the Fund as cash at retirement, with 25% paid tax free.



Roche Lifestyle Strategy Targeting Annuity

This strategy assumes you'll want to take 25% of your account as tax-free cash at retirement and use the rest to buy an annuity (a type of insurance product that provides you with a guaranteed income in exchange for a payment from your pension account).



What is my default investment?

The default investment strategy is how your account will be invested if you don't make an investment choice:

- ▶ **If you're a member of the DC Section** – the default investment is the Roche Flexible Retirement Lifestyle Strategy (drawdown). This also covers any additional voluntary contributions (AVCs) you've paid in as a member of the DC Section.
- ▶ **If you were a member of the DB Section** – if you paid AVCs while you were an active member of the DB Section, they're held in a separate account; the default for this account is the Roche Lifestyle Strategy Targeting Cash.
- ▶ **If you paid Bonus Choice contributions** – the default for your Bonus Choice account is the Roche Lifestyle Strategy Targeting Cash. This applies whether you're in the DC Section or the DB Section.



WHAT'S CHANGING FOR LIFESTYLE MEMBERS?

Changes in the growth phase

All three Lifestyle strategies will invest your savings in the same way until eight years before your target retirement age. This is known as the 'growth phase' and aims to grow your pension account as much as possible. Your pension account will begin to switch 20 years before your target retirement age, from investing solely in equities to including multi-asset investments, to continue growing your pension account while reducing risk.

Current funds	New or updated funds
Roche World ESG Equity Tracker Fund	<p>We're reducing the level of currency hedging in this fund (from 100% to 50% hedged back to Sterling), which should help to improve its potential long-term returns.</p> <p>Why?</p> <p>Currency hedging is a way of reducing the volatility of returns and protecting the Sterling value of investments against Sterling appreciation. Currency risk can be taken (unhedged) or removed (hedged). Currently, the Roche World ESG Equity Tracker Fund is 100% currency hedged.</p> <p>The benefits of hedging currency risk vary over time and it does not necessarily follow that a 100% hedge ratio reduces overall portfolio risk. There have been periods where being 100% hedged or 0% hedged has led to worse outcomes during periods of equity market weakness. Our advisers believe that currency hedging of developed market equities of 50% is likely to lead to improved member outcomes over the longer term.</p>
BlackRock Emerging Markets Index Fund	<p>We're replacing the BlackRock Emerging Markets Index Fund with an ESG-tilted version of this fund, the Legal & General Future World Emerging Markets Equity Index Fund.</p> <p>Why?</p> <p>This is in line with the Trustee's investment beliefs that the Lifestyle strategies should 'seek to reduce carbon exposure' (amongst other beliefs). The new fund targets risk & return characteristics similar to the fund being replaced.</p>


Current funds	New or updated funds
L&G Global Developed Small Cap Index Fund	No changes.
LGIM MSCI World Minimum Volatility Index Fund	No changes. Note that on 8 June 2023, the BlackRock Aquila Global Minimum Volatility Index (Hedged) Fund was replaced with the LGIM MSCI World Minimum Volatility Index Fund.
Roche Diversified Growth Fund	No changes.

Changes in the pre-retirement phase

From eight years until your target retirement age, the Lifestyle strategies then invest differently depending on how you are intending to take your pension account at retirement. Your pension account will start investing in lower-risk funds which aim to better protect the capital in your pension account from sudden falls in value as you reach your target retirement age.

In both the Roche Flexible Retirement Lifestyle Strategy and the Roche Lifestyle Strategy Targeting Cash, the pre-retirement phases include an investment in the BlackRock Corporate Bond All Stocks Index Fund, which the Trustee plans to change as set out here:

Current fund	New fund
BlackRock Corporate Bond All Stocks Index Fund	<p>We're replacing this fund with a blended bond fund, called the Roche World Bond Fund. It will introduce an absolute bond fund into the mix, through a 50% investment in the BNY Mellon Global Dynamic Bond Fund. The balance will remain invested in the BlackRock Corporate Bond All Stocks Index Fund.</p> <p>Why? The change aims to broaden the style and geographic spread of the bond investments to provide greater protection for your savings.</p>



The changes described in the first table also apply to the pre-retirement phases of each of the Lifestyle strategies until 'growth assets' are fully phased out in the Cash and Annuity lifestyles. For the Roche Flexible Retirement Lifestyle Strategy, 'growth assets' are held up to and at the point of retirement.



WHAT'S CHANGING FOR SELF-SELECT MEMBERS?

If you're a 'Self-select' member, the changes you need to note are:

- ▶ Any investments you have in the Roche World ESG Equity Tracker Fund will move to the updated version of this fund that has a 50% currency hedge back to Sterling, as described on page 6.
- ▶ We're replacing the BlackRock Emerging Markets Index Fund with an ESG-tilted version of this fund, the Legal & General Future World Emerging Markets Equity Index Fund (see page 6).

Any investments you have in these two funds will be automatically moved into the new funds unless you make a different selection through PlanViewer before 28 November 2023.

- ▶ We're adding the Roche World Bond Fund to the fund range. This is a new fund that has a 50/50 split between the BNY Mellon Global Dynamic Bond Fund and the existing BlackRock Corporate Bond All Stocks Index Fund. This will be available to invest in from 20 December 2023, bringing the total number of funds in the range to 14. You will still be able to invest in the existing BlackRock Corporate Bond All Stocks Index Fund (this will also remain available as a standalone Self-select investment option), and any investments you have in it won't be moved.



TRANSACTION COSTS

There are often costs incurred when transferring assets from one fund to another as this usually involves fund units being traded (i.e., sold and bought). These costs are sometimes referred to as 'dealing' or 'transaction' costs. These costs are often unavoidable and will be payable by the member; however, we'll carry out the transfer of assets in the most cost-effective way possible.

The impact on individual members will vary, depending on how their account is currently invested and how far away they are from their target retirement date (for members in the Lifestyle strategies).

The average member (invested in the Roche Flexible Retirement Lifestyle Strategy) might expect to pay between 0.04% and 0.21% of their total pot*, with those members who are closest to retirement paying towards the upper end of the range. However, the Trustee believes that the added benefits of making these changes outweighs the small one-off costs.

*based on estimated costs; please note actual costs may vary.



QUESTIONS & ANSWERS

What do I need to do?

If you're already in one of the existing Lifestyle strategies (see page 4), we'll automatically switch your account and future regular contributions into the relevant updated funds, depending on which Lifestyle you are invested in and based on your target retirement age. If you're happy with your current investments and the changes being made, you do not need to do anything.

If you want to choose a different Lifestyle strategy or choose your own investments, you can log into PlanViewer via the pensions website, **www.rochepensionfund.co.uk**, before **28 November 2023** and make your selection in the investment choices section.

This is also an ideal time to review your target retirement age, to ensure that your money remains invested appropriately as you approach retirement.

If you're a Self-select member, or you're thinking about switching from Lifestyle to Self-select, you can also make any changes online through PlanViewer.

What is the deadline for making investment changes?

You must update your investments via PlanViewer by **28 November 2023**, otherwise the changes will go ahead as described previously.

Please note: there will be a short blackout period from 28 November 2023 to 19 December 2023, during which time you won't be able to make changes to your investments.

Can I move from Lifestyle to Self-select or vice-versa?

You can change your investments in the normal way, either through PlanViewer or by contacting the Fund administrator, Fidelity, on 0800 368 68 68 or +44 1737 838 585 from outside the UK (8.00am to 6.00pm from Monday to Friday) or via email **pensions.service@fil.com**.

Last time you made investment changes, we weren't able to withdraw our pension savings or make any other changes for a two-week period. Will this happen again?

Yes, there will be a blackout period from 28 November 2023 to 19 December 2023, so you won't be able to make changes to your investments for a short period of time. Normal dealing will resume on 20 December 2023.

How do I find out how my account is invested now?

Your most recent benefit statement sets out how your account was invested as at 31 March 2023. For a more up-to-date record, you can view your personalised information online through PlanViewer.

How do I register for PlanViewer?

Please visit the pensions website, **www.rocchepensionfund.co.uk** and check out the PlanViewer registration guide, for step-by-step guidance through the registration process. If you have forgotten your username or password, please follow the links on the sign-in page to request a reminder.

When will the investment changes take place?

If it applies to you, your investments will switch to the new funds during the blackout period from 28 November 2023 to 19 December 2023.

What if I have questions?

Call Fidelity on 0800 368 68 68 or +44 1737 838 585 from outside the UK (8.00am to 6.00pm from Monday to Friday) or email **pensions.service@fil.com**.

If you need advice

Please note that noone connected with the Roche Pension Fund can provide financial advice, including what to do with your Fund investments.

MoneyHelper offers support and guidance for people looking to talk about money and pensions. You can access it at **www.moneyhelper.org.uk**.



Important notice

The content of this note does not constitute investment advice. The Trustee is unable to offer advice as to whether any funds are appropriate for you and if you are unsure on which funds to choose, recommends that you seek regulated financial advice. If you have any doubts about your investment decisions, or think it prudent to have a professional opinion on those decisions, you should speak to an independent financial adviser (IFA) who is regulated by the Financial Conduct Authority (FCA). You can find details of IFAs on the FCA's register. There is also a directory of advisers at MoneyHelper. While IFAs are authorised to give you advice on your investments, the Trustee cannot, by law, provide financial advice. The type of investments you may want to hold depends upon your personal circumstances. Past performance is not a guarantee of future performance and the value of investments, including funds, can go down as well as up.

