

March 2018

Dear Member

The British Tourist Boards' Staff Pension and Life Assurance Scheme

This letter contains important information about your pension arrangement. Please read it carefully.

As you will be aware from recent communications issued to you by VisitBritain, the current Defined Benefit (DB) structure (the "DB Section") of the British Tourist Boards' Staff Pension and Life Assurance Scheme ("the BTB Scheme") is due to close to future accrual in April 2018 for all VisitBritain employees. From 1 April 2018 onwards you will be automatically enrolled into a new Defined Contribution (DC) arrangement (henceforth called "the DC Section") within the BTB Scheme.

The purpose of this letter is to provide you with information about the DC Section and what happens next. You need to:

- Read this letter; and
- Decide if you want to amend your default contribution and investment option.

The new DC arrangement

After careful consideration by the Trustees, Legal and General (L&G) were selected to provide the DC Section with investment management, administration and member support services. L&G is one of the UK's largest providers of pension schemes and has an excellent track record.

The current Trustees will continue to provide Trustee oversight of both the DB and DC Sections of the BTB Scheme. The Trustees will endeavour to ensure that the BTB Scheme is run properly, investment options are suitable and that your retirement benefits remain secure.

Your selected retirement age under the DB Section will continue to apply in the DC Section.

How does the DC Section work?

Each month until you leave VisitBritain's employment or choose to leave the DC Section, contributions will be deducted from your pre-tax salary and paid over to your pension account, which will be administered by L&G. VisitBritain will also pay into your pension account. The exact contribution amount that will be paid into your pension account will depend on the contribution rate that you select. Please see the 'Contribution structure' section below for more information.

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These contributions will be invested in funds designed to increase in value over the long term. The size of your pension account will depend, to a large extent, on how much you contribute but also on:

- When you start saving and the age at which you decide to retire;
- The charges taken from your pension account; and
- How your account is invested and the investment performance of your pension savings.

Contribution structure

Both you and VisitBritain will contribute into the DC Section and the total amount that is paid into your individual pension account each month will depend on the contribution rate that you select. The payment level is expressed as a percentage of pensionable pay, which is defined as basic salary paid to you by VisitBritain.

The contribution structure that will apply under the DC Section is set out below:

	From 1 April 2018 to 31 March 2023	From 1 April 2023 to 31 March 2024	From 1 April 2024 to 31 March 2025	From 1 April 2025 to 31 March 2026	From 1 April 2026 onwards
Core employer contribution	6%				
Additional employer contribution	5%	3%	2%	1%	0%
Employee contribution	3% - 5%				
Matching employer contribution	3% - 5%				
Total contribution rate	17% - 21%	15% - 19%	14% - 18%	13% - 17%	12% - 16%

- The default contribution rate for the DC Section will be 5%. If you would like to contribute at a higher or lower rate than 5%, please specify this in the accompanying form.
- Please note, VisitBritain will match the Employee contribution up to 5%.

Investment options

The Trustees have created a Default Investment Option which will be used if you do not choose an alternative investment option.

The Default Investment Option initially invests 100% of your pension account to the L&G Future World Fund, which is a global equity fund. Over the last 15 years up to your nominated retirement date funds are gradually switched to less risky funds, as set out below:

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- When you are 15 years from retirement, investments are switched progressively until you are 100% invested in the L&G Multi Asset Fund at 10 years from retirement. The L&G Multi Asset Fund invests in a diversified range of assets.
- While you are between 10 years and 5 years from retirement the fund allocation will remain static in the L&G Multi Asset Fund.
- Over the last 5 years until your retirement date, further de-risking will occur until 60% of your retirement pot is invested in the L&G Retirement income Multi Asset Fund, which is a low volatility fund, and 40% invested in the L&G Cash Fund.

If you decide that you would like to choose your own investments, you can do so by selecting funds from the self-select fund range as set out in the table below. Further information about all of the funds listed in the table below can be found in the Appendix.

Fund name	Total Expense Ratio (%)
L&G Future World Fund (used within Default Investment Option)	0.43
L&G UK Equity Index Fund	0.29
L&G World ex-UK Equity Index Fund	0.31
L&G Multi-Asset Fund (used within Default Investment Option)	0.32
L&G Retirement Income Multi Asset Fund (used within Default Investment Option)	0.49
L&G Cash Fund (used within Default Investment Option)	0.29
L&G Property Fund	1.32
L&G Ethical Global Equity Index	0.49
L&G Pre-Retirement Fund	0.31

If you are in the Default Investment Option, you may not combine this with any of the funds from the self-select fund range.

If you are unsure about making investment decisions we recommend you speak to an independent financial adviser. You may be charged for this advice.

Charges and expenses

To cover the cost of running your pension account and managing your investments, some charges apply. The Total Expense Ratios (TERs) as set out in the table above are made up of an Annual Management Charge (AMC) of 0.19%, to cover the administration and member support services provided by L&G, and a Fund Management Charge (FMC), which will vary according to the fund selected.

Please note, these charges may vary from time to time. However, the Trustees will work with L&G to ensure that any charges are reasonable and represent value for money.

How will payments be made into the DC Section?

Payments will be made through an arrangement between you and VisitBritain, called salary sacrifice. You give up part of your salary and in exchange VisitBritain pays that amount into the DC Section. Under current law, you and VisitBritain do not pay National Insurance contributions on the amount of salary you sacrifice in this way. You also do not pay tax on the amount given up. This could, however, change in the future and depends on your

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personal circumstances. The salary sacrifice payment is treated, and referred to, as an employer payment.

Benefits payable on death

On your death, pensions may be payable to your spouse and children in respect of your benefits in the DB Section of the BTB Scheme. A lump sum may also be payable to recipients selected by the Trustees.

In addition the value of your pension account that you have built up in the DC Section will be used by the Trustees to provide additional pensions for your spouse or dependants or lump sums. The decision as to the benefits to be paid using the value of your pension account will be for the Trustees and they are not bound to follow your wishes. Please make sure that they Trustees are aware of your wishes.

Please make sure that any nominations you wish the Trustees to into account are up to date.

Next steps

Please complete the form accompanying this letter and return it to Tony Murphy (Tony.Murphy@visitbritain.org) by Wednesday 28 March.

If we do not receive a response from you by 28 March, you will automatically be invested in the Default Investment Option and you will be automatically enrolled at a rate of 5% employee contribution.

If you require any further information, please contact Catherine Palarca (catherine.palarca@lawdeb.com) at The Law Debenture Pension Trust Corporation p.l.c.

Yours sincerely



David Kidd

The Law Debenture Pension Trust Corporation p.l.c.
Chairman of the Trustees

Appendix – Investment funds

L&G Future World Fund (used within Default Investment Option)

The fund is a global equity fund that invests systematically in a globally diversified portfolio of quoted company shares; the index is designed to favour investment in companies which exhibit characteristics that have historically led to higher returns or lower risk than the market as a whole, and companies which are less carbon-intensive or earn green revenues.

L&G UK Equity Index Fund

This is a passive UK equity fund, which aims to track the performance of the FTSE All-Share Index (including re-invested income) to within +/- 0.25% each year for two years out of three.

L&G World ex-UK Equity Index Fund

This is a passive global equity fund, which aims to track the performance of the FTSE World (excluding UK) Index (including reinvested income) to within +/- 0.50% each year for two years out of three.

L&G Multi-Asset Fund (used within Default Investment Option)

The fund aims to provide long-term investment growth through exposure to a diversified range of asset classes. The diversified nature of the fund means that the fund is expected to have less exposure than an equity-only fund to adverse equity market conditions. However, the fund may perform less strongly than an equity-only fund in benign or positive market conditions.

L&G Retirement Income Multi Asset Fund (used within Default Investment Option)

This is a low volatility fund. The investment objective of the fund is to provide long-term investment growth up to and during retirement, and to facilitate the drawdown of retirement income. The fund invests globally in a range of different asset classes. The fund invests in both index tracking and actively managed funds.

L&G Cash Fund (used within Default Investment Option)

The fund aims to provide capital protection with growth at short term interest rates. The fund invests in the short term money markets such as bank deposits and Treasury Bills. The fund does not invest in any asset types where the capital value can fall, such as fixed interest securities. The value of the fund's assets would only fall if a deposit holder or the UK Government were unable to meet their obligations. If the interest earned by the fund's assets is insufficient to cover the fund management charge and any additional fund expenses, the unit price will fall.

L&G Property Fund

The fund aims to provide the best return from a portfolio of first class freehold and leasehold interests in commercial and industrial property. This includes industrial warehouse buildings, shopping units and office blocks. It is also permitted to invest up to 15% in other external property funds in order to take advantage of investment opportunities in niche or specialist sections.

L&G Ethical Global Equity Index

This is a socially and environmentally responsible fund. The fund aim to track the performance of the FTSE4Good Global Equity Index (including reinvested income) to within +/- 0.5% each year for two years out of three.

L&G Pre-Retirement Fund

The fund provides diversified exposure to assets that reflect the broad characteristics of investments underlying a typical traditional level annuity product. The fund invests in government bonds, corporate bonds and currencies.