November 2017

Investing plan

UNILEVER UK PENSION FUND (the 'Fund')

UPDATE TO THE JULY 2014 GUIDE TO THE INVESTING PLAN

Please read this update to the Investing plan Guide (and the legal statements at the end) alongside the July 2014 Guide. It summarises the material changes that have occurred since the Guide was published.

The notes below refer to the original page numbers in the July 2014 Guide. The notes highlight where a complete section has been replaced, otherwise each note should be read with the rest of the information in the relevant section of the July 2014 Guide.

Page 4 – Special terms – Fixed-term voluntary contributions

Generally, you must commit to your fixed-term voluntary contributions for at least 12 months. The exception is if you need to reduce or stop them because of pension tax issues (Lifetime allowance or annual allowance), in which case you can reduce or stop them at any time. If you then decide to start paying fixed-term voluntary contributions again, you will be committed to paying them for 12 months.

This update also applies to "Paying into the Plan - Fixed-term voluntary contributions" on page 6 and other references to Fixed-term voluntary contributions.

Page 4 – Special terms – Career average plan higher level

The Career average plan higher level from 1 April 2017 is £60,500 for those who work full-time. Any change will take effect on 1 April each year.

Page 4 – Special terms – Matched contribution salary

The maximum salary level from 1 April 2017 is £55,000 for those who work full-time. It is reviewed each April.

Unilever

Page 8 – Paying into the plan - How much will contributions cost me?

From 6 April 2016, the Company and employees started to pay standard rate of National Insurance. The following information takes account of that change and replaces page 8 (except for the box in bottom right hand corner).

The real cost to you is lower than the contribution rate you choose because of the tax advantages that apply. Your tax and National Insurance savings on your extra voluntary contributions depend on whether you pay fixed-term voluntary contributions or variable voluntary contributions, and the rate of tax you pay.

These tables show how this applies to a contribution of £100 (based on the tax and National Insurance rates which apply for the 2017/18 tax year) and take account of Unilever's current discretionary practice of passing on some of its National Insurance saving into your account. The first two tables do not take account of any matching contributions from Unilever.

If you pay fixed-term voluntary contributions:

If you pay £100.....	Actual cost to you	Amount invested in your account
Basic tax (currently 20%)	£68.00	£113.80
Higher rate tax (currently 40%)	£58.00	£113.80
Additional rate tax (currently 45%)	£53.00	£113.80

If you pay variable voluntary contributions:

If you pay £100.....	Actual cost to you	Amount invested in your account
Basic tax (currently 20%)	£80.00	£100.00
Higher rate tax (currently 40%)	£60.00	£100.00
Additional rate tax (currently 45%)	£55.00	£100.00

If you pay matched contributions: this example (based on a basic rate tax payer) shows the cost to you of paying a fixed-term matched extra voluntary contribution of £50 to the Investing plan and what Unilever's contribution would be. The figures are based on the tax and national insurance rates which apply for the 2017/18 tax year and take account of Unilever's current discretionary practice of passing on some of its National Insurance saving into your account.

If you pay £50	Unilever matching contribution	Actual cost to you	Amount invested in your account
£50	£50	£34.00	£106.90

Page 8 – Paying into the plan - How much will contributions cost me?

Box in bottom right hand corner: The 6.5% contribution rate is 8.4% from April 2016. It remains the case that no part of the of the "8.4% contribution rate" is an extra voluntary contribution to the Investing plan.

Please refer to the update to the Career average plan Guide for further information regarding this change.

Page 10 – Investing – Investing aims – Building up the account

The third paragraph in the third column no longer applies - funds are no longer classified as "Core" range or "Plus" range.

Page 11 – Investing– Investing aims – Saving for an income

The Investing plan Income/Bond Fund has been replaced by the Bond Fund.

Please refer to the update "Pages 13 to 15 – Fund choices" below.

Pages 13 to 15 - Fund choices

This replaces the complete section "Fund choices" page 13 to 15. It describes the seven funds on offer through the Investing plan. The funds have been carefully chosen to try to keep investing fairly simple for members while seeking to cover the most likely investing aims and attitudes to risk.

You can spread the investment of your account across the funds in any proportion. Shown below are the fund choices which are all provided through Fidelity Investments Life Insurance Limited ("Fidelity"), the current investment provider for the Investing plan.

Cash Fund
This fund aims to give investment returns while protecting the amount you originally invested. The returns are expected to be broadly in line with the returns that bank, building society or similar accounts might achieve.

Bond Fund
This fund aims to provide some protection against changes to fixed annuity prices (the "price of a pension") as well as operating as a relatively low risk bond fund investing mostly in Government and corporate bonds or other investments with similar characteristics. The price of a pension is broadly linked to the value of bond funds – so, the value of the Bond Fund is expected to rise and fall broadly reflecting changes in the cost of buying a pension (but please see Working out the cost of an annuity on page 16).

Cautious Growth Fund
This fund is made up of a range of investments. It aims to achieve (but does not guarantee) higher returns over the longer terms (five years or more) than the Cash Fund – with a moderate chance of going down in value over the same period. A significant part of the fund is likely to be invested in asset classes that do not aim primarily for growth.

Real Return Fund
This fund aims to provide some protection against changes in Consumer Price Inflation over the longer term. However, returns could still vary from inflation in the in the short term. It currently does this by investing in bonds, which give an income directly linked to inflation, and property, which should provide a "real" return over the longer term (five years or more). It may have a different range of investments in future so long as they are expected to meet the overall aim.

Moderate Growth Fund
This fund is made up of a range of investments. It aims to achieve (but does not guarantee) higher returns over the longer term (five years or more) than the Cautious Growth Fund – with a higher chance of going down in value over the same period (compared to the Cautious Growth Fund). At least part of this fund is likely to be invested in asset classes that do not aim primarily for growth.

Global Equity Fund
This fund mainly invests, directly or indirectly, in a range of global equities (that is, shares in both UK and overseas companies), and aims to achieve returns similar to the average returns measured across worldwide stock markets.

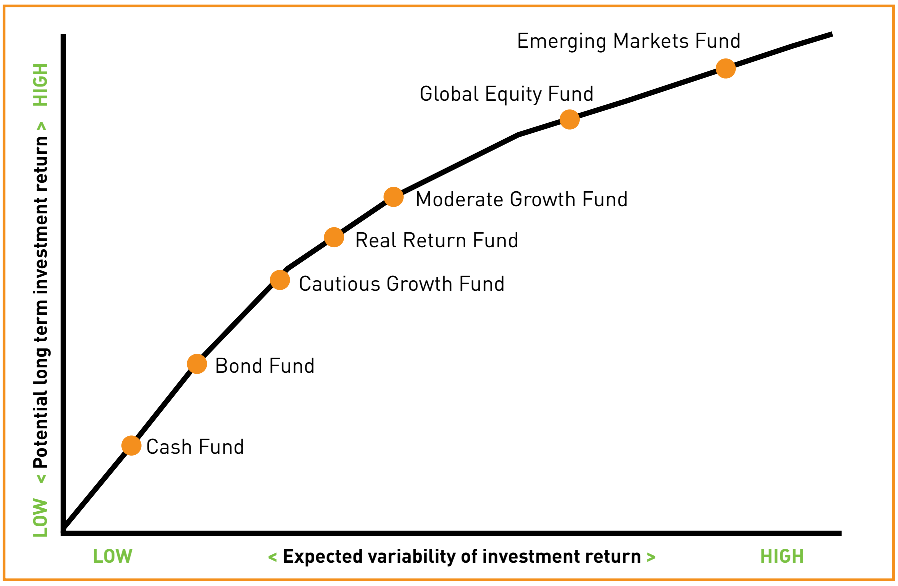
Emerging Markets Fund
This fund aims to achieve a return similar to that which could be achieved by a fund with investments in or related to emerging markets. Emerging markets are countries or regions, mostly in the developing world, which are growing quickly into major economies. As these regions can be volatile, investing in companies there can result in dramatic rises and falls in value. The fund invests, directly or indirectly, in shares but may include exposure to bonds in future.

How the funds are made up
Each fund invests in an "asset class" or a mix of different asset classes. Different asset classes carry individual risks and behave in particular ways, so the choice of asset classes and how they are combined gives each fund its own distinct profile. The asset classes invested in may change from time to time as decided by the Trustees, but will always be in line with the fund range descriptions.

Details of each fund (including which asset classes the fund currently invests in) are given in the fund fact sheets which you can find on PlanViewer, Fidelity's online investing service.

Investing styles can be "active" or "passive" – please refer to page 21 "More information about investing – The two investment styles". The funds are either passive or a mixture of active and passive.

In general, the higher the returns a fund aims for, the more risk it is likely to carry. This chart shows you how risk and return levels of the funds in our range compare:



Remember:
You may only want to consider the "higher risk" funds for your Investing plan account if you are building up sufficient benefits elsewhere, either in the Career average plan, or other arrangements outside Unilever.

You can diversify your own fund choices, and you are free to invest part of your account in higher risk funds while placing the rest in lower risk funds.

You should consider taking independent financial advice if you are uncertain about any decisions to do with investing or your retirement income.

See the "More information about investing" section on pages 20 and 21 for further information on asset classes and investment styles.

See the "Practical information" section on page 19 for more about investing your account.

The Trustees are responsible for keeping the funds under review and are able to replace the current Fidelity funds with other Fidelity funds and/or with funds managed by another investment provider.

It is your responsibility to check PlanViewer from time to time and keep track of how the funds are doing. Although the Trustees will try to tell you about any changes to how the funds are made up and any changes to the automatic switching option, they cannot guarantee to do so – which means, they cannot accept any liability for you being unaware of any changes.

The default option
If you have an Investing plan account but make no explicit decision about investing it, it will go into a "default option", which includes automatic switching (see below).

At November 2017, the default option is:

- Initially, the whole account is invested in the Moderate Growth Fund;
- Ten years from your selected retirement date, the account will start to switch to the Cautious Growth Fund;
- Four years before your selected retirement date, the account will start to switch to the Cash Fund.

If you have not chosen a selected retirement date, the switch will start at age 55, on the assumption that you will retire at age 65.

It is important that you consider whether the default option is suitable for you, so please consider your investment choice carefully.

Automatic switching - points to consider
Automatic switching strategies cater for the likelihood that as you approach retirement, you are likely to be more inclined to reduce investment risk. They aim to move the money in your Investing plan account to funds that have a lower investment risk profile and are expected to be impacted less by market conditions. This means that they should have less chance of going down in value in the short term in the years before your retirement.

Which automatic switching option you choose may depend on how you want to receive your Investing plan benefits at retirement:

Cash in your account (the "Moderate/Cautious growth to cash fund switching facility"): you may wish to receive some or all of your Investing plan account when you retire – with Unilever's consent and within HMRC limits – as a single cash payment from the Investing plan.

A guaranteed income, from an annuity policy (the "Moderate/Cautious growth to bond fund switching facility"): you may wish to use some or all of your Investing plan account to buy an annuity at retirement. You will pay tax on the annuity income.

Income drawdown (the "Moderate/Cautious growth to Cautious growth and cash fund switching facility": this refers to the arrangement where you continue to invest your pension savings but receive some cash or income directly from those savings on a regular or flexible basis. Income drawdown is not available directly from your Investing plan account. If you want to use drawdown, you will need to transfer out to another registered pension arrangement (for example, a personal pension) which offers the option.

Advantage and disadvantages of automatic switching
The advantages and disadvantages of automatic switching will depend on your circumstances. It may or may not be suitable for your needs. These are some of the advantages and disadvantages (not a comprehensive list) for you to consider. You may need to take independent financial advice.

Advantages:
- If you think that moving into funds that have a lower risk investment profile and more closely match how you intend to take your retirement benefits is right for you, then automatic switching will carry out the process for you. There is nothing more for you to do unless you want to take a more active investment approach yourself.
- Without automatic switching you would need to make the changes you think are appropriate to your investment choices as you approach retirement age.
- There are no additional charges for automatic switching. The standard annual management charges apply for the funds used in the automatic switching strategy.

Disadvantages:

- By moving out of the growth funds you could potentially miss out on capital growth over the long-term. The cash funds may grow at a rate that is lower than inflation.
- Investment decisions are taken away from you. If you want a more hands on approach to planning for your retirement, an automatic switching strategy is probably not for you. The strategy is automated and not based on, or reactive to, market conditions.

Automatic switching options

You can choose one of the three automatic switching options. You can also choose to turn off automatic switching if you would prefer to stay in a growth fund for longer.

The switch will happen gradually over the ten years before you retire – so you need to tell us your selected retirement date so the switch starts at the right time. You can change your selected retirement date once switching has started if you want to – the switch will either speed up or slow down accordingly.

To choose an automatic switching option, the whole of your account must be allocated to the switching option. You cannot, for example, choose to have 50% of your funds in one of the fund ranges and the other 50% in an automatic switch option. If you are within 10 years of your selected retirement date when you first have an Investing plan account or when you first choose an automatic switching option, your account will be allocated to the relevant funds in line with how long is left until your selected retirement date.

Cash

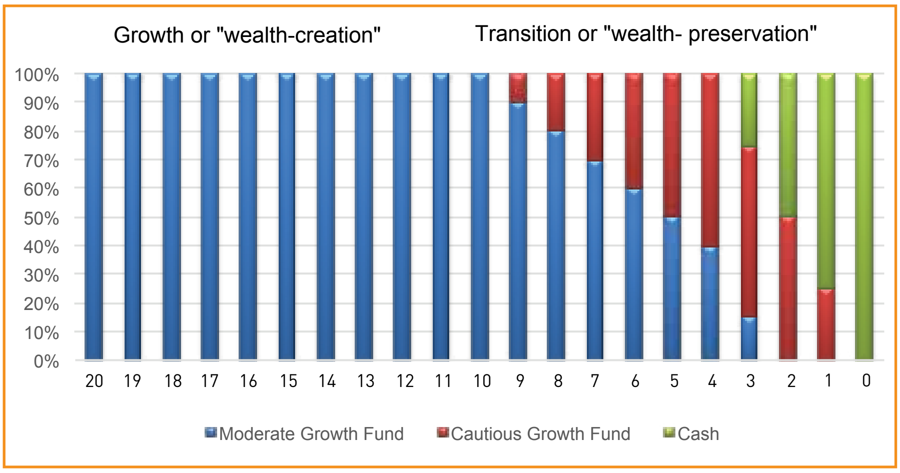
Under current HMRC and Fund rules, if the value of your Investing plan account is less than 25% of your overall Unilever benefits (which is often the case), then – with Unilever's consent – you can currently take it all as a tax-free cash sum at retirement. If you transfer out your account, the new arrangement may allow you to take the whole of the transferred amount as cash – although you may pay some tax on it.

If you are planning to take all of your account as cash at retirement, you may choose to switch into the Cash Fund before you start to draw your benefits.

How it works...

If you are invested in the Cautious Growth Fund and automatically switching into the Cash Fund, you will remain invested in the Cautious Growth Fund until four years before you plan to retire. At that point, your account will automatically start to switch to the Cash Fund. At the end of the switching period, you will be 100% invested in the Cash Fund.

If you are invested in the Moderate Growth Fund and automatically switching into the Cash Fund, your account will automatically switch to the Cautious Growth Fund ten years ahead of your selected retirement date. Four years before you plan to retire, your account will start to switch into the Cash Fund. At the end of the switching period, you will be 100% invested in the Cash Fund. The chart below shows how this will work if you invest in the Moderate Growth Fund and select the Cash switching option:



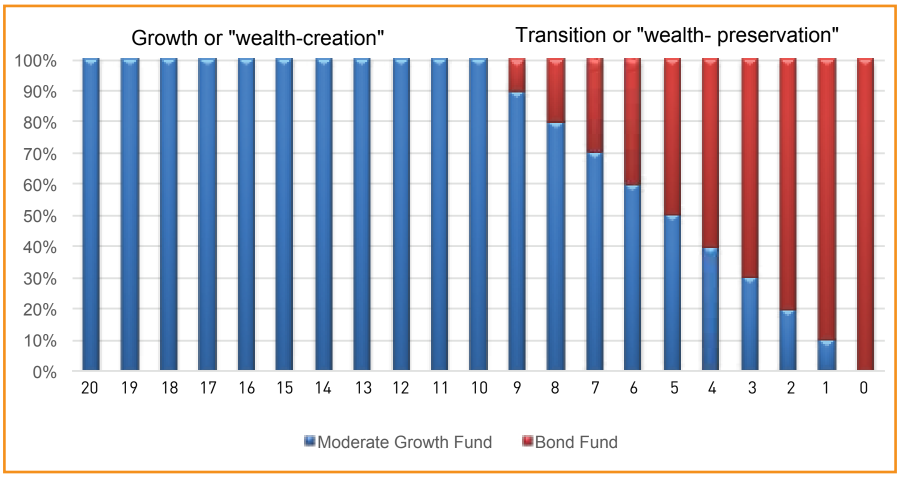
Please note that the Cash switching option is the default for automatic switching in the default Investing plan option, that is if you reach the 10 year mark before you plan to retire without choosing a different investment option or choosing a different automatic switching option, your account will automatically start to switch in line with the above chart.

Annuity
You can still decide at retirement to use some or all of your account towards buying an annuity. An annuity is an income paid for with an upfront cash sum – in other words, you would be buying extra pension. You can choose various types of annuity, for example, a pension just for yourself or one that continues paying an income to a partner after death; or a pension that increases each year or one that is a fixed amount.

If you are planning to do this, you may choose to switch into the Bond Fund before you start to draw your benefits (the Bond Fund tracks changes in annuity prices - that is the cost of buying your pension - closely and tries to invest in bonds that reflect these changes).

How it works...
Ten years ahead of your selected retirement date, your account will start moving evenly from the Moderate Growth Fund or the Cautious Growth Fund (whichever you are invested in) to the Bond Fund. At the end of the switching period, you will be 100% invested in the Bond Fund.

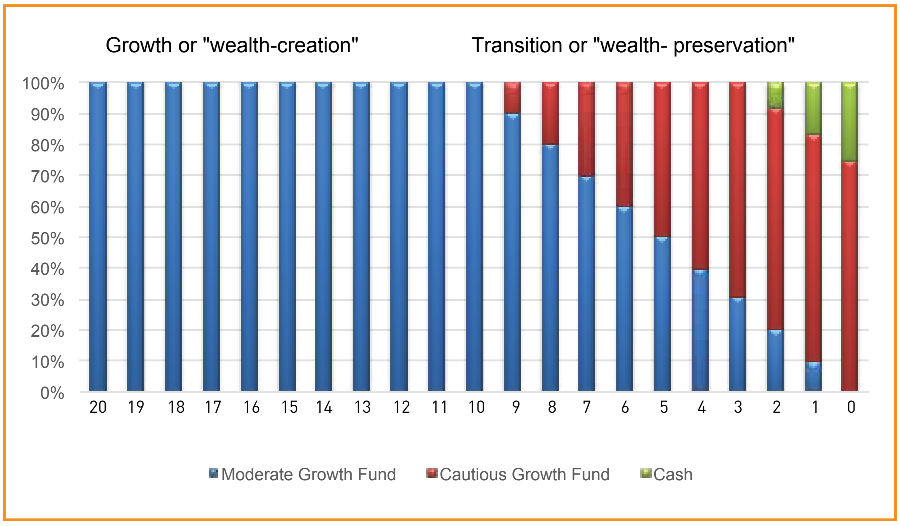
The chart below shows how this will work if you invest in the Moderate Growth Fund and select the Annuity switching option.



Drawdown
Drawdown allows you to receive income and cash amounts directly from your pension savings, while still investing the rest. It is flexible because you choose how much you want to receive and when – and even once you start drawing down, you can still change your mind and take cash or buy an annuity with the amount you have left. (Remember, drawdown is not available directly from your Investing plan account, so you will need to transfer your account out if you want to use it.)

How it works...
If you are invested in the Cautious Growth Fund, three years before you plan to retire, your account will automatically start to switch into the Cash Fund. At the end of the switching period, you will be 75% invested in the Cautious Growth Fund and 25% invested in the Cash Fund.

If you are invested in the Moderate Growth Fund, your account will automatically start to switch evenly to the Cautious Growth Fund ten years ahead of your selected retirement date. Three years before you plan to retire, your account will start to switch into the Cash Fund. At the end of the switching period, you will be 75% invested in the Cautious Growth Fund and 25% invested in the Cash Fund. The chart below shows how this will work if you invest in the Moderate Growth Fund and select the Drawdown switching option.



Charges
Taking part in the Investing plan means that you will have to pay some of the provider's charges. Each fund carries a "total charge", which includes a management charge plus some additional administration costs. The charges vary depending on the type of fund, for example, active funds typically carry higher charges than passive funds (see page 21 of the guide), because they rely to a far greater extent on the skills of the fund manager.

The charge for each fund is a particular percentage of the amount of your account invested in that fund. So, for example, if the total charge for a fund was 0.5% a year, it would mean that over the year, 0.5% of the amount you have invested in that fund (or £5 in every £1,000) would be payable in fees. You do not pay the charge out of your contributions; instead the charge is reflected in the daily quoted price of the fund – it is not taken directly from your Investing plan account or your contributions. Performance figures for the funds take account of all charges.

Each fund has a different charge. Refer to the fund fact sheets or PlanViewer for details of the charges applied to each fund.

There are no initial fund charges, and there are no charges for changing the way your Investing plan account is invested. But please remember that if you move money between funds or switch from one investment option to another, you may be out of market for a short time. If the market moves in that time, you could miss out on these movements. However, Fidelity tries to reduce this "out of market" risk by typically processing the switch within one or two days at the most. Unilever currently pays some of the administration costs of running the plan but may not do so in the future and may pass some or all of the costs onto members.

Page 16 – Taking benefits – Transferring your account

This replaces the complete section "Transferring your account" on page 16.
With Unilever's agreement, you can transfer your Investing plan account (without your Career average and/or Final salary plan pension) to another registered pension arrangement at any time before any benefits from your Investing plan account have been put into payment - even while you are still in pensionable service.

Transferring your account may give you access to a wider range of options for your account than those described above, for example, flexi-access drawdown, where you can take income from your account while keeping the rest of the account invested.

If you are thinking of transferring your account as part of your retirement plans, then you should start to investigate the options well in advance of your planned retirement date (12 months is recommended) and you should consider taking independent financial advice.

Page 17 – Leaving the plan

If you defer your pension - replace the third paragraph with:

You can transfer your Investing plan account into another registered pension arrangement without your Career average and/or Final salary plan pension at any time before any benefits from your Investing plan account have been put into payment. If you are thinking of transferring your account as part of your retirement plans, then you should start to investigate the options well in advance of your planned retirement date (12 months is recommended) and you should consider taking independent financial advice.

On request, in some circumstances the Trustees and the Company may permit you to transfer part of your Investing plan account. This is also subject to the relevant provider's agreement.

If you transfer your pension - replace this paragraph with:

If you transfer your Career average plan pension benefits (and Final salary plan benefits if applicable), you can choose whether or not to transfer your Investing plan account at the same time. If you do not transfer it at the same time, your account will be deferred – see previous section "If you defer your pension". Please refer to your Career average plan guide for further important information on transfers.

Legal notes:

The aim of this update (and the Guide dated July 2014) is to outline the benefits available from the Investing plan and, where appropriate, to refer to the Career average and Final salary plans sections of the Fund. Neither this update nor the Guide give any rights to a particular level of contributions or benefits. It does not describe your benefits in as much detail as the legal document governing the Fund – its "trust deed and rules". In the event of any differences between the trust deed and rules from time to time in force and this update (or the Guide), the trust deed and rules will apply.

Unilever and the Trustees reserve the right to change the Fund in accordance with its governing documents and any overriding legislation, and Unilever reserves the right to end your employer's participation in the Fund.

Anything in this update or the Guide dated July 2014 about legal or tax is based on Unilever's understanding of these issues at the date of printing. Any changes in the law or the practice of HM Revenue & Customs may affect this information.

Neither Unilever nor the Trustees can provide you with investment advice. You should consider whether you require independent financial advice.

Where this update (or the Guide) refers to Unilever or the Trustees giving consent to a benefit or option, they do not mean that Unilever or the Trustees will necessarily give its consent as a general rule. Unilever or the Trustees have the right to give consent in some cases and not others.

In the same way, Unilever and the Trustees can discontinue or change in future any discretionary practice it currently applies.

Please read the legal notes set out in the Guide dated July 2014, which continue to apply.

SB5849 UPDATE