

YOUR FUND

Winter 1999/2000



winter edition... winter edition...

Welcome to the 21st century

Welcome to the winter edition of 'Your Fund'. Although we are now at the dawn of a new century, it is very much business as usual at UKPD. We are, however, always looking to improve the service we provide to all fund members. To help with this we have recently undertaken a comprehensive survey asking for your views on our service, and will be conducting further regular surveys in the future to monitor our progress.

One major improvement will be the introduction of our Customer Charter, to be launched in April. This will show you the standard of service we are aiming to provide you with in future.

As you know, we are always looking to improve communication with all fund members, and to help us achieve this we would like to hear any views you have on this edition of 'Your Fund'. Please contact Hannah Clarke with any ideas or suggestions. Hannah can be contacted by email on Hannah.Clarke@unilever.com, or by post at UKPD, Unilever UKCR, Unilever House, PO Box 68, Blackfriars, London EC4P 4BQ.

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UNILEVER
SUPERANNUATION FUND

Improvements to the fund to go ahead



Michael Pomery

You may remember that at the beginning of November we wrote to you, explaining the role of the Scheme Actuary and announcing proposed benefit improvements and changes following the valuation. We advised you that the Scheme

Actuary, Michael Pomery, had presented the results of the valuation to the Trustees at their meeting on 7 October 1999, and reported that the fund currently had a surplus of £270 million. The company had suggested a package of benefit improvements and changes and, following discussion with the Trustees, this had been accepted in principle. The package, which is contingent on certain rule changes and

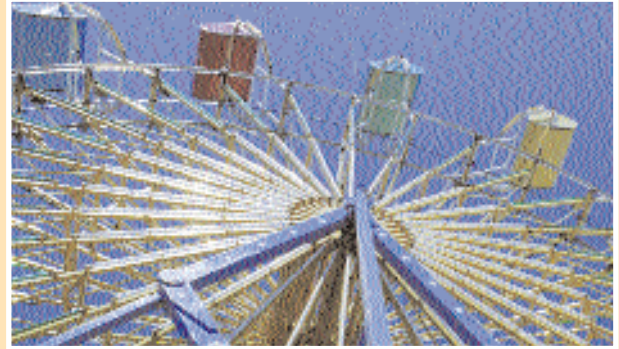
constitutional amendments being made, will result in the whole surplus being used to benefit all fund members as well as the company. This must not be seen as establishing a precedent for the use of any future surpluses.

At the December Trustee meeting it

was agreed that the necessary rule amendments and constitutional changes should take place. We will be writing to all members early in the New Year, once these changes have been legally "executed", to advise you of what happens next.

The major improvement that you, as active employees, will get from the surplus is an extension of the contribution "holiday" until September 2002, when the results of the next valuation are due. The company's current

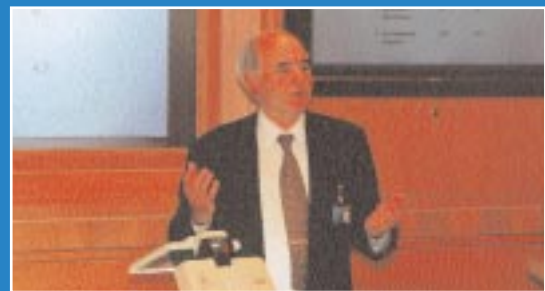
contribution holiday is also to be extended to this date. However the company contributions may have to resume earlier should the financial circumstances of the fund dictate. If this were to happen, the company would consider restarting the members' contributions at the same time.



Your family may also benefit from the extended eligibility rules for dependants' pensions and from the option, on retirement, to surrender some of your pension to boost that of your spouse. Some members will also be offered the chance to buy service credits but no part of the cost of this option is being met from the surplus.

Members who are pensioners or deferred pensioners at 1 April 2000 will also gain from the surplus. They will be entitled to the improvements to family benefits as mentioned above, but in particular they will benefit from the granting of a one-off 2.5% millennium increase.

Finally, the structure of the Trustee Board is also being modernised, and includes the possibility of a pensioner Trustee being elected by the membership.



Chris Lewin explaining the valuation and the changes to the department.

YOUR FUND

Integration Update – Chris Lewin reports



Chris Lewin

As reported in the media in November, BP Amoco is proposing to abolish the practice of integration with the State Scheme (sometimes referred to in the media as “Clawback”.)

I explained in the summer issue of “Your Fund” that the USF has

been designed to provide a reasonable level of total income at retirement, taking into account benefits from the state scheme. A degree of integration with

the state scheme is therefore an important part of the design of the USF.

BP Amoco has a considerable surplus in its scheme, which is perhaps why it has decided to take the step of ending integration. Although the USF has a surplus, it is by no means as large. As you know, the company and Trustees have agreed to use the surplus in other ways, including an extension of the contribution holiday (for more details of this and the other proposed changes, see page 2).

We will continue to monitor the situation closely, but Unilever currently believes that it is still appropriate for the USF to be integrated with the state scheme.

Computer system goes live; Year 2000

Kim Northwood reports

As reported in the last edition of “Your Fund” we have been busy installing a new computer system, called Profund.

We have taken the opportunity to computerise more of the benefit calculations, which should enable us to deal more efficiently with queries and requests for quotations.

With two weeks to go to the launch of the new system, the existing system was frozen to enable us to convert the data to Profund and also for us to receive training. As a final measure, we undertook a further programme of detailed checking and testing of the new system. I am pleased to report that, after a good deal of hard work on the part of the Project Team which, in the end, comprised virtually the whole of UK Pensions Department, the system went live on schedule on 23 November.

During this period we also finalised and rehearsed our plans for the Year 2000, as we believed that, in common with other businesses in Unilever, we needed to have

detailed contingency plans to enable us to continue to provide at least a skeleton service were we to be affected by the Millennium Bug. Although, in the end, nothing happened over the New Year period, except a lot of parties, these preparations were not wasted – we view ourselves as a business with critical functions to perform – not least the payment of pensions! We feel confident that, were we to be affected by some future disaster, we would be able to continue to offer basic services.



Kim Northwood

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Congratulations to the winners of the Young Environmentalist of the year competition 1999: Sophie Hasting – National Junior Winner and Unilever Junior Winner; Rosie Scannell – Unilever Senior Winner; and to the four runners up – Ashley Handley, Sophie Wilkins, Thomas Ford and Amy Smith.

