

Fund Focus

Your Unilever pension newsletter

From the Chair of Trustees

Welcome to the latest issue of our Fund newsletter. Pension funds now exist in an environment of constant change – and the year since our last edition of 'Fund Focus' has been no exception.



Unsurprisingly, the economic climate has remained a firm fixture in the media. Against that background, the Pensions Regulator has increased its expectations of how pension schemes should be managed in line with 'best practice'. And the arrival of the new coalition Government has brought with it further changes to pension law – including likely amendments to reforms the previous Government introduced only last year.

It is a key part of our remit as Trustees to keep pace with these developments in the wider pensions world and stay aware at all times of the effect they may have on our Fund and its members.

In the wake of the 'credit crunch' and the economic downturn that followed, the markets were calmer over the year to 31 March 2010 and generally showed positive returns. Shares have performed well over the period, helping defined benefit schemes like ours recover some of their lost assets. Indeed, the Fund's net assets increased by £1.2 billion to £5.4 billion over the year to 31 March 2010.

Nonetheless, many pension scheme shortfalls have continued to grow, due to scheme liabilities going up faster than the assets. This is mainly because of rises in life expectancy (meaning pensions are paid for longer – and cost more as a result), and in the expected long-term rate of inflation. Inside, we update you on the formal valuation of the Fund, which is currently in progress. The valuation will also include, for the first time, an independent review of Unilever's covenant (in short, its ability to support the Fund financially). Our confidence in this covenant has a significant effect on how we plan our funding approach. We work continually to strengthen our relationship and develop our understanding of Unilever as a business, and it is our ongoing belief that Unilever has a strong

commitment and ability to support the Fund into the future.

Over the page, we describe our activities during the past year, focusing on our new mission statement, and some governance changes – to our structure as a Trustee board, and to our investment approach. We have also added a new section this year highlighting some of the key facts and figures from our annual report and accounts, including a closer look at the Fund's investment performance.

On the subject of the annual report – we have revamped this document for this year. As well as the usual financial information, it includes a new summary section upfront, as well as more details about the work the board have carried out over the year. You can have a look at the new report by downloading it from the Fund website (www.uukpf.co.uk) – or writing to the Fund Secretary for a copy (see page 5 for contact details).

I hope you find the issue interesting and enjoyable. I would like to finish by saying thank you to our pension staff, who have worked so hard and provided us with so much support over the year.

Liz Airey



Unilever

Trustee update

“Our mission is to ensure that the Fund operates in a well managed, fully compliant and risk-controlled manner so that all our beneficiaries can have confidence that we are acting in their best interests and their benefits will be paid as and when they should be.”

Changes to the board

As part of our governance review, we looked at the structure of the Trustee board itself. To sharpen our focus, we have reduced the size of the board from 13 Trustees to 11. At the same time, we are keen to ensure that our Trustee board reflects the views and interests of different types of members (recognising that each Trustee is responsible for safeguarding the interests of the membership overall). We now have two trustees elected from among the pensioner members – and we have decided to replace one of the active member-nominated Trustees with a deferred member at the next suitable opportunity. We are currently working out the procedure for the selection, which we expect to take place next year.

The term of office for the two current pensioner member nominated Trustees comes to an end on 30 April 2011. As a result, we will hold elections to appoint their successors during the first quarter of 2011.

These changes mean the board will be made up of:

- 1 independent chair of Trustees – Liz Airey;
- 5 Trustees appointed by the Company – James Barnes, Pamela Dickson, Richie Furlong, Roger Reed and Mike Samuel;
- 2 active member-nominated Trustees – Roger Bevan and David Saunders;
- 2 pensioner member-nominated Trustees – Richard Clark and David Jones; and
- 1 deferred member-nominated Trustee – to be appointed in 2011.

Until the new Trustee is appointed, the membership of the three Trustee Committees is subject to change (short-term arrangements are in place until at least the end of the year). However, we have established a longer-term plan for the make-up of the Committees, as follows:

- Governance and Funding: Liz Airey (Chair), Richard Clark, Pamela Dickson, David Saunders.
- Operations and Benefits: James Barnes (Chair), Roger Bevan, Roger Reed – along with the new Trustee, when appointed.
- Investment: Mike Samuel (Chair), David Jones, Richie Furlong – along with two members not on the board, Wendy Mayall (Chief Investment Officer) and Catherine Claydon (an independent investment expert).

Steve Cutting, Jimmy McGovern and George Maddock have all stepped down from the board since our last issue. We would like to thank them for their hard work and commitment to the Fund, and welcome Roger Reed, our most recent arrival, who joined the board on 1 June 2010. Roger was appointed to the board by the Company. He has had a long career with Unilever in the supply chain function then latterly in a senior HR role, supporting a number of different business areas.

This is our new mission statement. We have written it so that everyone with an interest in the Fund – Unilever and you, the members – are clear about what we, as Trustees, are trying to achieve. Part of our work this year has been to develop approaches to support this statement in all of our areas of responsibility: funding, investment, governance, communications and administration. We update you on some of these approaches here.

Investment approach

We have carried out a great deal of work on our investment approach during the year. We have looked at new areas of investment, and this has resulted in a number of refinements to the investment strategy. As a result, there have been significant developments in two main areas: to the Fund's investment advisers, and changes to the Fund's investment strategy.

Changes to investment advisers

We have introduced new expertise with the appointment of Deloitte Total Reward and Benefits Ltd as an additional strategic adviser in September 2009. The Trustee Board appointed an independent investment expert, Catherine Claydon, as an additional member of the Investment Committee from 1st April 2010. Catherine has had an extensive career in investment banking, and will bring significant investment experience to the Committee.

Changes to investment strategy

The key change to the Fund's investment strategy over the year has been the introduction of a 'liability driven investment' strategy, known as 'LDI'.

Keeping a defined benefit pension scheme well funded revolves around building up enough assets to cover the scheme's liabilities (see our piece about the valuation for more about this).

In the past, pension schemes have often focused primarily on growing assets by seeking high investment returns, with the view that, over the long term, these will grow faster than the liabilities.

A 'liability driven investment approach' attempts to make a direct link between the changes in the value of the assets and the scheme's liabilities. The approach uses the scheme's liabilities as a starting point – the investment strategy would aim to match part or all of a scheme's investments so that their value moves in line with the change in the value in the liabilities. Typical Liability Driven Investment strategies involve 'hedging', in whole or in part, the fund's exposure to changes in interest rates and inflation – which are two of the main risks that impact pension schemes' liabilities.

Change to strategic asset allocation

The Fund's strategic asset allocation is approved by the Trustee Board. At the end of 2009 the Trustee Board decided to make some changes to the strategy which it believes are more appropriate for the future. The allocation to cash was removed, that to private equity reduced, and that to bonds increased.

We are always careful to ensure that the Fund's assets are adequately diversified. This means that the investments are spread across different asset classes, across different regions, and are managed by a number of different investment managers. Then if one asset, region or investment manager performs poorly, it will only affect part of the Fund's overall investments.

Changes to investment management structure

We have reviewed the investment management structure during the year and have made a number of changes. In terms of the global equity managers, we terminated our contracts with AllianceBernstein, Goldman Sachs and Newton, and appointed Cantillon Capital Management, Investec Asset Management, Lazard Asset Management, River & Mercantile Asset Management and Schroder Investment Management. The JP Morgan mandate was also restructured.

In terms of the bond structure, we made changes to the investment guidelines on the M&G and Goldman Sachs mandate, and we appointed BlackRock Advisers to manage an index-linked gilts portfolio.

Other structural changes

The Fund is participating in a Company initiative which is seeking to centralise all the Unilever investment resource worldwide into a central unit, to be called The Uninvest Company. This aims to give all funds access to specialist resources, with improvements in efficiency. At the time of going to press, the project is still ongoing – we will bring you up to date in next year's 'Fund Focus'.

Valuation in progress

The latest formal valuation of the Fund is now under way, using information about the Fund taken at 31 March 2010. A valuation is a thorough healthcheck of a pension scheme's finances and is used to agree the funding arrangements. Normally, they are carried out every three years – although it is now also a requirement for trustee boards to obtain interim updates in the years between valuations.

We work with the Company and the actuary to decide what the funding target should be – this is normally based on the best estimate of the value of the Fund's liabilities, plus a safety margin.

When we work out the funding target, we use assumptions about future events, and take into account our investment strategy and the expected covenant from the Company. 'Covenant' means a company's ability and willingness to support its pension scheme financially – we believe Unilever has a strong covenant. However, we are mindful that covenants do change, so we keep the covenant under review. As noted in last year's 'Fund Focus', we have appointed a pension consultancy firm called Penfida to help us with the covenant evaluation. The actuary – an expert adviser who (among other things) specialises in forecasting how pension fund finances are likely to behave into the future – then assesses how the Fund's assets compare with its funding target.

The assumptions used range from the likely increases to member life expectancies, to possible future rates of inflation and salary increases – all of which could affect the value of the assets and liabilities. The volume and complexity of the calculations involved, together with reaching a decision about some of the assumptions used, mean that a valuation takes a long time to carry out –

under current rules, we have 15 months from the valuation date to complete it.

At the end of the process, the final results will show how much of the funding target is made up by the value of the Fund's assets. This percentage is the 'funding level'. If it is less than 100%, there is a shortfall – a funding level above 100% would mean the Fund had a surplus.

As the valuation is still in progress, there is no summary funding statement included in 'Fund Focus' this year. Our legal deadline for finalising the results is 30 June 2011 (15 months from the valuation date 31 March 2010), and we are then required to issue a summary funding statement with the results within a reasonable period after that date. Of course, we hope that the results will be available before then, and we intend to send out a summary funding statement as soon as we can. This statement will show the funding position at 31 March 2010.

Payments to the Company

As Trustees, we currently have the authority to make payments to the Company. These are mostly for the everyday running of the Fund, for example, the Company employs about 20 people who provide services to help us with the Fund, and we pay the Company for these services.

Current pension law allows scheme trustees up to 5 April 2011 to pass a resolution to keep their authority to make payments of this sort. If they do not do this, the authority will fall away from that date.

Because we will need to make payments like this in future, we will be passing the relevant resolution that will allow us to keep this right.

This is called a 'Section 251' resolution, because it is passed under Section 251 (3) of the Pensions Act 2004, and will take effect from 1 April 2011.

Some special terms

Actuary

An expert who specialises in assessing how future developments affect pension fund finances. So, in the course of a valuation, the actuary will estimate how the scheme's assets and liabilities may build up – then if there is a shortfall, recommend the level of contributions needed to make it up.

Assets

The amount of money held by a pension scheme – broadly speaking, its investments, and the capital growth and income it receives on those investments and contributions from the employer and members.

Funding target

The level of funding the scheme trustees and employer aim for. The legal term for the funding target is 'technical provisions'.

Liabilities

The current estimate of the money needed to pay members' benefits and running costs now and in the future. They are based on the benefits members have built up to date, and certain assumptions about future events (for example, life expectancy of members).

Finding out more

Please contact Unilever Peoplelink if you have a question about your plan or individual benefits, or your personal details change.

Phone: 0800 028 4390

E-mail: peoplelinkuk@accenture.com

Fund information

The Fund's official documents include:

- the formal Fund annual report and accounts (containing full details of the Fund's financial development over the year);
- the latest report on the plans' funding (we base the information in the summary funding statement on this report from the actuary);
- the recovery plan (which sets out the steps the Trustees and the Company have agreed to make up the deficit identified in the latest valuation);
- the statement of funding principles (which explains the arrangements that are in place to make sure the Fund has sufficient assets to cover its technical provisions);
- the schedule of contributions (which shows how much money members and the Company are paying into the Fund);
- the statement of investment principles (where the Trustees outline their approach for investing the Fund's assets); and
- the trust deed and rules, the document governing how the Fund is run.

If you would like copies of any of these documents, please contact:

The Fund Secretary, Unilever UK Pensions, Unilever House, Springfield Drive, Leatherhead, KT22 7GR.

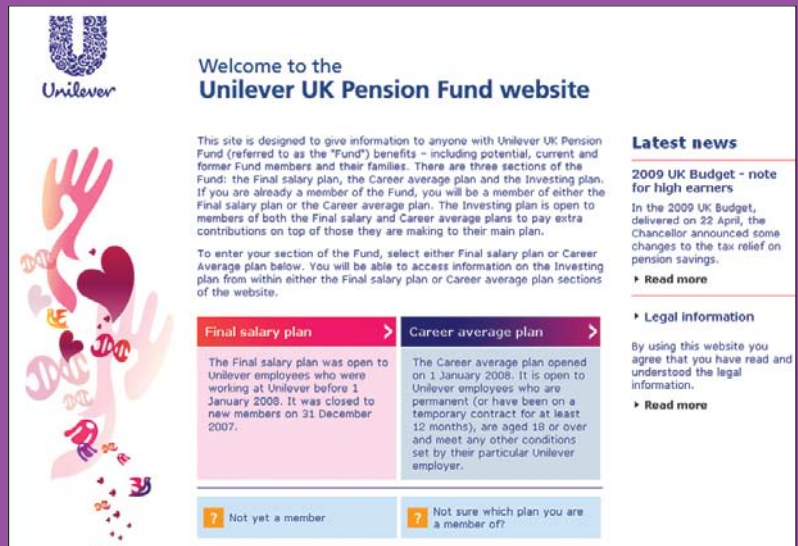
And don't forget to check the website – details are below.

Help at hand

The plan website: www.uukpf.co.uk

There is a wealth of information on the website on the Final salary, Career average and Investing plans, as well as all the forms and other documents you may need to download. We will post news on the site from time to time, so please take time to visit it every now and then.

Please use the on-line feedback form to let us know what you think.



Welcome to the Unilever UK Pension Fund website

This site is designed to give information to anyone with Unilever UK Pension Fund (referred to as the "Fund") benefits – including potential, current and former Fund members and their families. There are three sections of the Fund: the Final salary plan, the Career average plan and the Investing plan. If you are already a member of the Fund, you will be a member of either the Final salary plan or the Career average plan. The Investing plan is open to members of both the Final salary and Career average plans to pay extra contributions on top of those they are making to their main plan.

To enter your section of the Fund, select either Final salary plan or Career Average plan below. You will be able to access information on the Investing plan from within either the Final salary plan or Career average plan sections of the website.

| | |
|--|--|
| Final salary plan | Career average plan |
| The Final salary plan was open to Unilever employees who were working at Unilever before 1 January 2006. It was closed to new members on 31 December 2007. | The Career average plan opened on 1 January 2006. It is open to Unilever employees who are permanent (or have been on a temporary contract for at least 12 months), are aged 18 or over and meet any other conditions set by their particular Unilever employer. |

Latest news

2009 UK Budget - note for high earners

In the 2009 UK Budget, delivered on 22 April, the Chancellor announced some changes to the tax relief on pension savings.

Legal information

By using this website you agree that you have read and understood the legal information.

Send us your thoughts

Do you have any feedback to give us on 'Fund Focus'? Any particular likes or dislikes – or anything you would like to see covered that we do not include already?

If you have any comments, please send them to the Communications Manager at the Leatherhead address above.

Pensions in the news

Emergency Budget measures

Chancellor George Osborne delivered the new coalition Government's 'Emergency' Budget on 22 June 2010. Much of the content dealing with pensions revolved around possible changes to the new pension tax regime for high earners, introduced by the previous Government. We cover this below.

The Government intends to review many of the measures announced in the Emergency Budget later in the year. As a result, this item can only reflect our current understanding of what the new rules are likely to be – they may change in due course.

State Pension Age: The previous Government set a timetable for raising the State Pension Age to 68 over a sliding scale (reaching 66 by 2026, 67 by 2036 and 68 by 2046). Under the new regime, State Pension Ages are expected to increase earlier – the latest information is that State Pension Age will start to go up to 66 'no earlier' than 2016 for men and 2020 for women.

Measuring inflation: The Government has historically used the Retail Prices Index – or 'RPI' – to measure the rate of inflation for working out increases to State benefits. In the Budget on 22 June 2010, the Chancellor made some announcements about changes to the way pensions, and some State benefits, are increased.

There are two key potential outcomes from the announcement:

1) Increases to basic State pension

Starting in April 2011, the Government plans to increase the basic State pension each year by the highest of:

- the average increase in UK wages over the year;
- the rate of inflation, measured by the Consumer Prices Index or 'CPI'; and
- 2.5%.

(For April 2011 only, the increase will not be lower than the RPI.)

2) Possible change to private sector pension schemes.

The Government made a further announcement on 8 July proposing a change to the minimum pension increase required by law for occupational pension schemes from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI).

Both the RPI and CPI give a guide to the rising cost of living by measuring price increases over time to a particular array of goods. That said, there are some key differences – for

example, RPI covers the housing market, while CPI does not. Overall, CPI is expected to increase at a slightly slower rate in future than RPI.

No further guidance has come to light since the 8 July announcement and as such, we do not know how our Fund will be affected and cannot take any decisions about it. When more information becomes available, Unilever and/or the Trustees will review the situation. In the meantime, a leaflet summarising the Government proposal is available to download from the website.

Pension tax changes from 2011

In last year's issue, we mentioned the measures announced in the 2009 Budget affecting tax on pensions for high earners. The current Government is now reviewing these changes.

Here are some key points, based on what we know so far:

The new rules put in place immediately following the 2009 Budget still apply.

These rules were designed to limit the tax advantages available to high earners straight away – and so discourage them from paying large amounts into their pension savings before the full restrictions took effect in April 2011.

You may be affected if you have an income of £130,000 a year or more. Please note that 'income' does not mean just your Unilever salary – it is the total income (and value of some benefits) you may be receiving as part of your overall package, or from other sources.

The Government is working on some new proposals.

The new Government still intends to raise revenue by limiting pension tax relief, but it is planning to find an alternative to the changes originally lined up for April 2011 by the previous Government.

As things stand, the Government has said it will carry out an industry-wide consultation about these changes. Our understanding is that whatever approach it adopts will still primarily affect those with higher incomes.

Unilever is keeping the 2011 changes under review. If you think you may be affected, you can also download our 'Pensions tax information for high earners' leaflet from the Fund website.

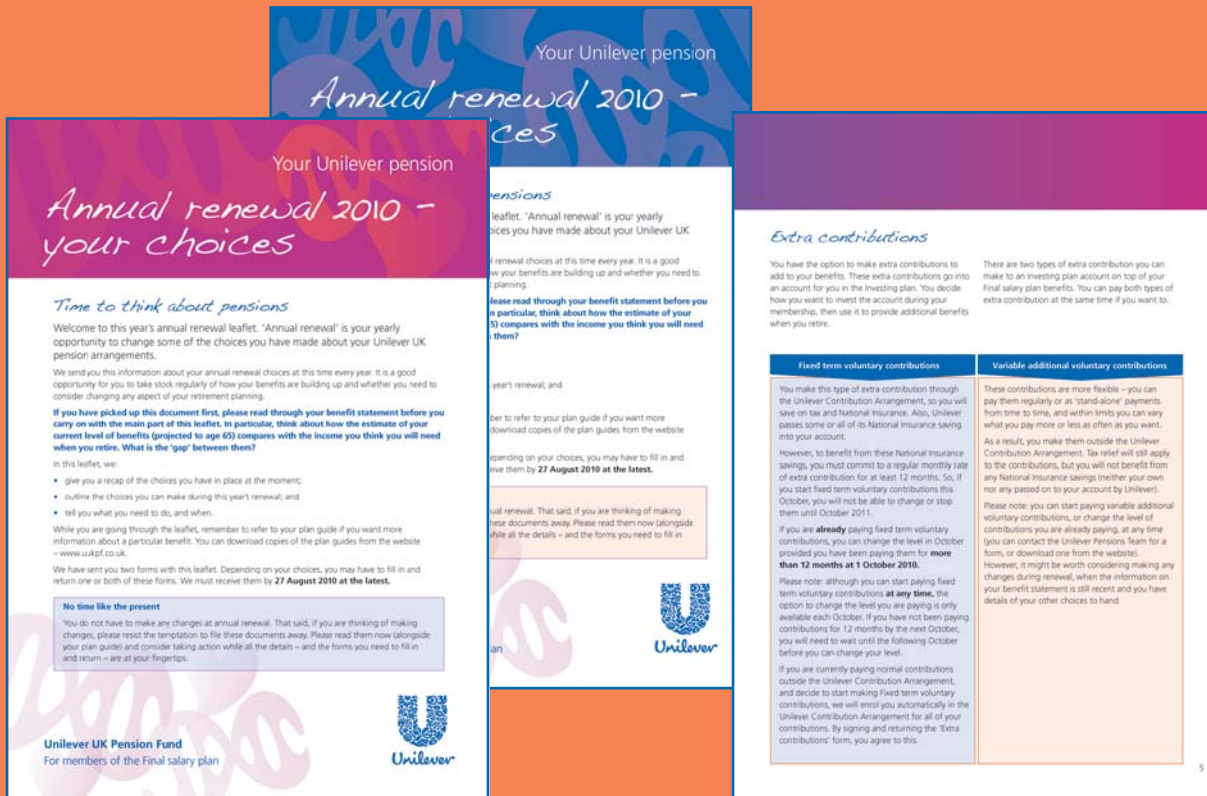
You can also find more details on the Emergency Budget announcement on the HM Revenue and Customs website, at: <http://www.hmrc.gov.uk/budget2010/index.htm>.

Don't forget...

- The new minimum age you can retire and draw your benefits is 55 (it went up from 50 on 6 April 2010).
- The number of qualifying years you need to receive your basic State pension has been reduced to 30 for all men and women still below their State Pension Age. (A 'qualifying year' is any year you pay your National Insurance contributions in full – or you are treated as having done so.)

Focus on ... adding to your benefits

Over the summer, we sent you a choices leaflet explaining your options in the Fund, including the ability to make extra contributions. If you take part in the Investing plan, the extra contributions go into an account in your name. You decide how to invest the contributions, and you also have a number of options about the benefits you use the account for when you retire.



As a reminder, there are two types of extra contribution:

- **Fixed-term voluntary contributions:** like your main plan contributions, these are made through the Unilever Contribution Arrangement, so you benefit from tax and National Insurance savings. However, you must commit to the level of contributions you choose for at least 12 months.
- **Variable additional voluntary contributions:** these are made outside the Unilever Contribution Arrangement. So, you still benefit from tax relief (but it applies only to income tax, not National Insurance). These contributions are more flexible – you can pay them regularly or as separate 'stand alone' payments, and start or stop them when you want.

Whichever type of contribution you choose, the Investing plan gives you flexibility and control over how you invest your account. The range of funds on offer is designed to address the various saving needs members may have during the course of their careers. Because your priorities and

attitude to risk may change over time, it is important that you review your investment options regularly to make sure that your investment choices are still right for you.

If you have an Investing plan account but make no decision about investing it, it goes into a 'default' option. To start with, the whole of your account will be invested in the Moderate Growth Fund, until ten years before your retirement date, when it will start to switch automatically into the Cash Fund. Please remember however to look at this default option closely as it may not be the most suitable choice for you.

The Investing plan guide contains information about each of the funds available and the return – and level of risk – you might expect from it. It covers some useful 'investment basics' to help you make an informed choice about your own fund options. If you are in any doubt about what to do with your investments, you should seek independent financial advice.

Welcome to PlanViewer

My snapshot as of 16 Sep 2010

| | |
|---|---------------|
| Total plan value (at 16 Sep 2010) | £7,202.42 |
| Change in investments (since 16 Sep 2009) | £550.13 |
| Personal Rate of Return | 11.14% |

myPlan
Are you on track for the retirement you want? Try our interactive tool. [Launch tool](#)

Online Statements
You can create your own statement. [FIND OUT MORE](#)

My current fund allocation as of 16 Sep 2010

| Fund | % | Balance |
|---|----------|------------------|
| Unilever Investing plan Moderate Growth | 100.00% | £7,202.42 |
| Totals | 1 | £7,202.42 |

International market data
UK US Asia Europe
FTSE 100 5-min/1hr = 5,450
FTSE 100 6,516.27 -0.87
FTSE ALL SHARE 2,650.47 -0.75
FTSE 200 10,464.40 +22.28

My toolkit
Find all the tools you need for your retirement planning and access our investment and pension guides or our retirement planning tools.

My messages & profile
My plan messages
Update postal address
Update email
Personal information
Change reporting currency
Language for factsheets
Link my accounts

Check my pension plan
There are many options for reviewing your pension plan on PlanViewer. For example, you can look at transaction history, view and print your customised statements and find information on what to do when you approach retirement.

Unilever UK Pension Fund
Final salary plan

Active member | Deferred member | Pensioner member

Downloadable documents

Newsletters

- Fund Focus Autumn 2009
- Fund Focus Winter 2008
- Your Fund Spring 2006
- Your Fund Winter 2005/2006

Forms

- Investing plan application form
- Standard Life AVC switch form
- Zurich AVC switch form
- Change of address
- Change of marital status
- Nomination form for lump sum death benefit
- Pensions on divorce form
- Retirement quotation request
- Transfer in information request
- Dependant pension request

[Go to Investing plan](#)

Remember to visit Fidelity's online investing service, PlanViewer, regularly. Here you can:

- view an up to date balance of your Investing plan account;
- find more details about the five funds available to you, in the fund fact sheets;
- see how your Investing plan account is invested;
- make changes to your fund choices if you want to; and
- check transactions on your Investing plan account.

If you are not already taking part in the Investing plan and are interested in doing so, you can find a joining form on the Plan website. Go to the home page (www.uukpf.co.uk), click on Final salary plan or Career average plan, then click on 'Downloadable documents' in the Active member column.

When you fill in the form, please remember to read our descriptions of the two types of extra contribution carefully – if you choose fixed-term voluntary contributions, you commit to keeping them up for at least 12 months.

Find more details in the Investing plan guide – if you do not have a copy, go the Plan website to find out more, or download or print off a new one.

Finally, please remember to keep track of any other additional voluntary contribution (AVC) arrangements you may have had in place before the Investing plan opened. You receive a statement each year from the relevant provider telling you how much you have built up in your AVC account. It is equally important to review the funds your AVCs are invested in on a regular basis. If you have any questions about your AVCs, or think you may want to change your fund choices, please contact Unilever Peoplelink in the first instance, who will point you in the right direction.

Change to Company National Insurance contributions

From April 2011 there is a planned increase in the employer contracted out National Insurance rate – from 9.1% to 10.1%. If this goes ahead in April, this will:

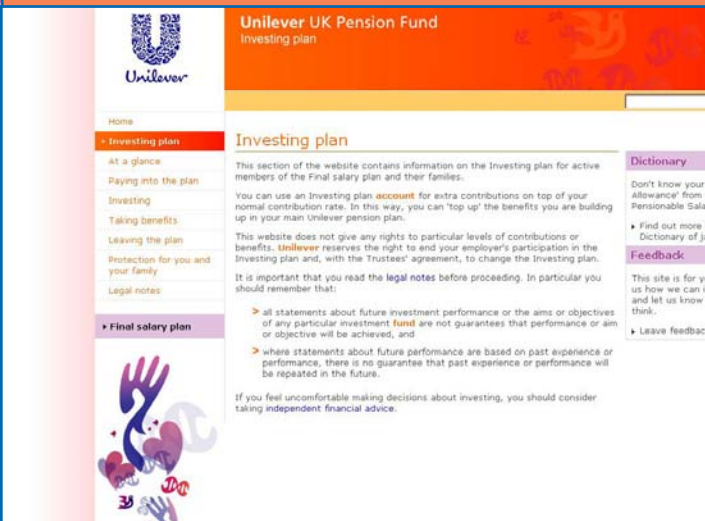
- Increase the amount of National Insurance saving the Company make back to you if you make Fixed term voluntary contributions

If you pay Fixed term voluntary contributions, you do so through the Unilever Contribution Arrangement. This means you benefit from tax and National Insurance savings, and Unilever also benefits from NI savings. Currently, Unilever passes on some or all of its NI saving – which means an extra 9.1% of what you pay – into your Fixed term voluntary contribution accounts. So, from April 2011, the planned increase in the employer contracted out NI rate means that this will increase to 10.1%.

- Affect the '12.5% contribution' choice for Career average plan members

Career average plan members earning above a certain level of pensionable earnings in the plan have a choice on how to receive Unilever's 12.5% contributions on earnings above that level. They can either receive the full 12.5% as a contribution to the Investing plan, or take cash with their salary less a deduction to take account of the employer's National Insurance – which brings the percentage down to 11.46% (for those who convert all of the 12.5% contribution to cash). The National Insurance change means this will reduce to 11.35% from April 2011. Note that members also pay tax and National Insurance on this amount when they receive it with their pay.

(Corresponding changes will be made to the contribution rate if members take part of the 12.5% contribution as a pension contribution and part as cash. The 12.5% Investing plan contribution choice will not be affected.)



Investing plan news – fund name changes

The Trustee board has decided to change the name of the Investing plan's High growth fund to the 'Aggressive growth fund' – the Plan website and PlanViewer are being updated to reflect this change.

This follows advice we received from Fidelity earlier in the year, that the fund name would have to change. Fidelity is regulated by the Financial Services Authority ('FSA'). The FSA's new 'Treating Customers Fairly' initiative would lead it to reject a fund name that implied guaranteed achievement of high growth, given the recent economic climate.

In addition, the Trustees decide the underlying make-up of the five Investing plan funds. A number of the underlying funds are managed by BGI. Following BlackRock's purchase of BGI in December 2009, the names of all the BGI funds in the Fidelity range have changed to show BlackRock. For example, the 'BGI Historic Priced UK Equity Index Fund' (which forms part of the Cautious, Moderate and Aggressive (High) growth funds) is now the 'Blackrock Historic Priced UK Equity Fund'. This is a change in fund names only and there are no other changes to the funds. The investment objectives, benchmarks and risk profiles of the Investing plan funds remain unchanged.

Please note: in all cases – the Aggressive growth fund and the BlackRock funds – the funds themselves are the same as before – the fund objectives, benchmarks, make up and risk profile remain unchanged. These are changes to name only. Refer to the individual fund fact sheets for more details on the funds themselves.

Facts and figures

This is a new feature for 'Fund Focus', which brings together some of the headline information about Fund developments over the year to 31 March 2010.

A look at the accounts

This table shows the Fund's income and outgoings over the year to 31 March 2010. This is sometimes called a pension scheme's 'cashflow'. The balance is then affected by whether the value of the Fund's investments increases or decreases. As you will be aware, the uncertain economic climate has made investment conditions difficult – in the year to 31 March 2009, the Fund's investments went down in value, but rallied somewhat over the following year, as shown on the right. So, in other words, the Fund has been able to 'make up' some of the assets lost during the downturn.

Please remember that this table only shows the Fund's assets. To get an overall picture of the Fund's financial health, the assets must be compared with the liabilities. This is what happens during a valuation (you can read more about this on page 4). We will update you on the results of the 2010 valuation (currently underway) in the next summary funding statement.

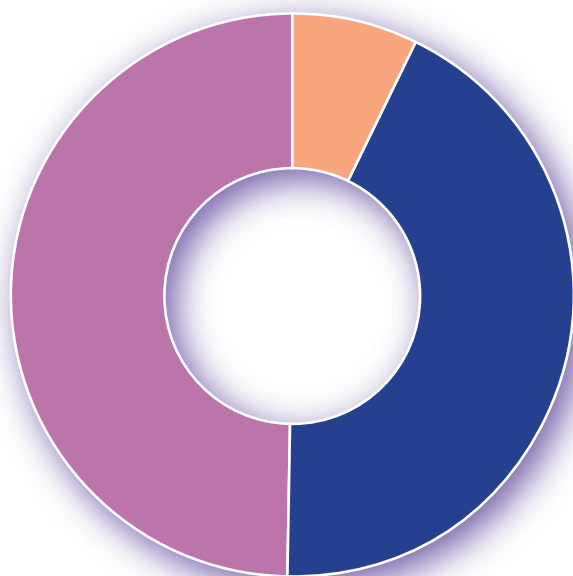
The Fund's full accounts have been audited by PricewaterhouseCoopers LLP.

| | |
|--|-------------------------|
| Fund value at 1 April 2009 | £4,281.7 million |
| Income | £296.2 million |
| <ul style="list-style-type: none"> Contributions paid in by Unilever and Fund members Transfers in from other schemes Income from investments | |
| Outgoings | £310.7 million |
| <ul style="list-style-type: none"> Benefits payable to members (pensions and lump sums) Payments to leavers Fees and expenses (advisers, administration, fund managers) | |
| Increase in market value of Fund investments | £1,226.6 million |
| Fund value at 31 March 2010 | £5,493.8 million |

Membership profile

At 31 March 2010, the Fund had a total membership of 88,927. This chart shows the different types of member making up that figure:

| | |
|---|---------------|
| Active members (currently building up plan benefits) | |
| Final salary plan | 5,403 |
| Final salary Unilever Protection Benefit plan (UPB)* | 36 |
| Career average plan | 1,012 |
| Deferred members (no longer contributing but with benefits left in the plan to draw at a later date) | |
| Final salary plan | 38,398 |
| Final salary Unilever Protection Benefit plan * | 6 |
| Career average plan | 17 |
| Pensioners and dependants of members who have died (receiving plan benefits) | 44,055 |
| Total | 88,927 |

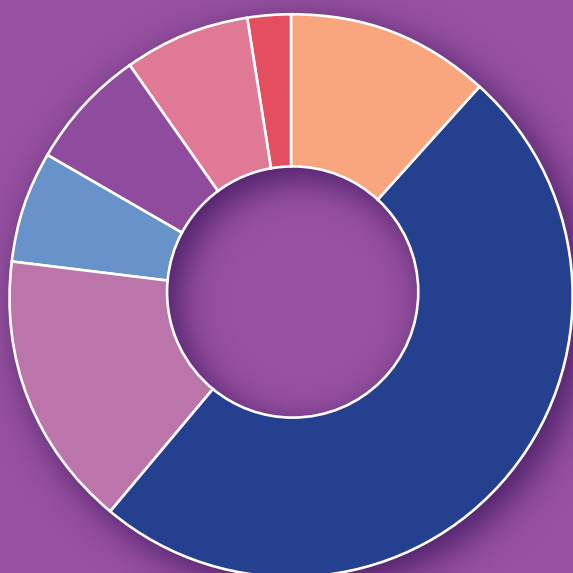


* UPB members are members who stopped building up benefits in the Final Salary plan as they reached the 'Lifetime Allowance' for tax-efficient pension savings.

All the information on the 'Facts and figures' pages is taken from the formal Fund Annual Report and Accounts, which includes full details about the Fund accounts, membership changes, and investment performance. If you would like a copy you can download it from the website (go to the 'Downloadable documents' section), or write to the Fund Secretary at the Leatherhead address (on page 5) to request one.

Investment summary

These charts give you an at-a-glance view of the Fund's investments at 31 March 2010. Immediately below, you can see how the assets are invested, followed by a table showing how the Fund's investments have performed. You can read more about our investment approach on page 3.



Asset spread

| | |
|--------------------------------|-------|
| UK shares | 11.9% |
| Global shares (outside the UK) | 49.3% |
| Bonds and gilts | 15.8% |
| Private equity | 6.6% |
| Hedge funds | 6.7% |
| UK property | 7.3% |
| Cash and other | 2.4% |

Performance over the year to 31 March 2010

The Fund's overall return for the year was 32.4%. The table shows a summary of actual returns by asset class over the year:

| | Fund return |
|-------------|-------------|
| Shares | 47.9% |
| Bonds | 16.3% |
| Hedge funds | 9.8% |
| Property | 14.1% |

The Fund's private equity investment has increased by 15.5% since its date of inception.

Useful information

In our 'Finding out more' section on page 5, we feature the Fund website, where you can find information and documents you may need to do with the Unilever plans. While you are online, you may want to visit some of the websites we tell you about on this page, which all offer help and guidance about general pensions and financial matters.

Directgov – information about State benefits

www.direct.gov.uk

Directgov is the Government website which draws together all the information available about public services and State benefits into one place. As a result, it replaces the old 'Pension Service' website.

When you first visit Directgov, you'll see the middle section of the homepage has the heading 'Straight to...' You will see that one of the links goes to the 'Pensions and retirement planning' section. Here you will find a section explaining State pensions, along with a wealth of information to help support your financial planning.

The Tracing Service – which may be able to help you find a scheme you have lost touch with since leaving it – has also moved into this section of Directgov from its old home at the Pension Service site.

Money Made Clear – impartial help with your financial planning

www.moneymadeclear.org.uk

Money Made Clear began life as a consumer website run by the Financial Services Authority (FSA). However, the FSA have now set up an independent, specialist organisation called the Consumer Financial Education Body (CFEB) – its remit is to help people gain a better understanding of finance, so they can better manage their own money.

The CFEB have taken over the running of Money Made Clear – which now has a new web address (see above). The website's aims remain the same – to give you impartial facts and guidelines on all aspects of your financial planning.

The link to 'Pensions & retirement' is on the menu that runs along the top of the homepage. In a similar format to other sections of the site, it then includes step-by-step guidance documents, information on products (so it considers personal and stakeholder pensions alongside your work and State benefits) and interactive tools – such as a pensions calculator – to help you see how your financial decisions affect your savings and income.

Money Made Clear also includes a separate 'Savings & investment' section as well as the area focusing on pensions and retirement.

'Unbiased' – how and where to get financial advice

www.unbiased.co.uk

Please remember that no-one involved in running the plans can give you individual financial advice. Please consider taking advice if you need help with any financial decision.

This website is the home of IFA Promotion, the organisation that helps put people in touch with an independent financial adviser. It has a 'find-an-adviser' service which will locate qualified advisers within the user's area.

However, the website has been recently overhauled to act as a portal for finding a much wider range of professional and financial advisers (including mortgage, legal and accountancy experts).

So, if you are looking for independent financial advice, just make sure you click on the 'Find an IFA' box when you first arrive at the site – this will take you straight to the search facility.

You can also take questions or problems to **The Pensions Advisory Service (TPAS)**, which runs a query helpline **0845 6012923** and mailbox **enquiries@pensionsadvisoryservice.org.uk**.

This document confers no rights to benefits. Rights to benefits are conferred solely on the terms and subject to the conditions of the Unilever UK Trust Deed and Rules as from time to time in force.

This document also contains references to the Trustees. These are the Directors of the Unilever UK Pension Fund Trustees Limited.

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

The Audit Commission: anti-fraud initiative

Along with many other pension schemes, we are taking part in an anti-fraud initiative with the Audit Commission. This means that we may share information provided to us so that it can be compared with information provided by other bodies to help prevent and detect fraud.

For more details, see the website or write to the Fund Secretary at the Leatherhead address.