Welcome to the 2013 edition of pensions TALK

Inside…
• Make your contributions work harder
• Investment performance
• Pension news

This year has been a busy year for the Plan.

In February and March, a number of changes were made to the Plan’s range of investment options. These included changes to the three Lifecycle strategies to provide you with a clearer choice in comparing the risk and return profile of each of the three strategies. We also introduced three new fund options, offering a wider choice of asset types for those of you who self-select your investment options.

2013 also sees many employers in the UK automatically enrolling their employees into qualifying pension plans, and paying at least a minimum amount of contributions. Before 1 September, employees chose whether or not to join the Plan. Since 1 September, all Walt Disney UK-based employees have been automatically enrolled into this Plan, which currently provides much higher Company contributions than the new minimum requirements.

Over the year to 30 September global equities returned just over 20% but bonds and money markets provided much lower returns over the same period. Since 31 December 2011, the total value of invested funds in the Plan increased from £84.9 million to £123.1 million as at 30 September 2013.

We include a summary of how each of the Plan’s investment options has performed over a 1, 3 and 5 year period up until 30 September 2013. We also show the proportion of total assets held within each fund. Quarterly updates on performance can be found on the Plan’s website at www.disneypensions.co.uk. We also include the usual round-up of recent legislative changes that might interest you.

I hope that this issue of pensions TALK is helpful and informative. If you have any suggestions or feedback please contact Ray O’Sullivan in Human Resources who would be happy to hear from you (see the back page for contact details).

Stuart Warrener
Chairman of the Trustees
The Walt Disney Retirement Savings Plan
Make your contributions work harder

Pensions can be difficult to think about – are they too complicated? Are you too busy to think that far ahead? Three simple steps can help you ‘Save For Tomorrow’.

**STEP 1:** Set your pension saving target

Your pension at retirement depends on both the value of your Pension Account and the cost of pensions when you retire. Although the Trustees monitor the funds available to members, it’s up to you to ensure you are getting the best returns for your Pension Account whilst being comfortable with the level of risk you are taking.

You should consider:

- **What risk means for you** – what’s your attitude to risk and control? Have a look at the Investment Profiler available on [www.disneypensions.co.uk](http://www.disneypensions.co.uk) to help you decide what sort of investor you are.

- **Different types of investment** – familiarise yourself with your investment options and the different types of investments which best suit your investment style.

If you’d prefer not to adopt your own investment strategy, you can choose one of the three new Lifecycle strategies, where your Pension Account is automatically invested in a pre-determined strategy on your behalf.

Details of the investment funds and Lifecycle strategies can be found in the Investment Guide on [www.disneypensions.co.uk](http://www.disneypensions.co.uk)

- **Are you on target?** – where you are on your journey to your pension saving target is likely to influence your investment choice. If you are ahead on your journey, you may wish to take less investment risk; if you are behind, you may decide to take more risk in search of higher returns.

**Make your choices** – once you’ve reviewed your investments, log on to [www.disneypensions.co.uk](http://www.disneypensions.co.uk) to make changes or update your personal details.

**Regularly review your investment choices** – your pension is likely to be your main source of retirement income, so keep an eye on how your savings are doing. Having recently received your annual benefit statement, now is a good time to do this.

There are several tools available at [www.disneypensions.co.uk](http://www.disneypensions.co.uk) to help you plan for your retirement, including a retirement budget planner to help you plan the income you would like in retirement. There is also a pensions tool which illustrates the impact of making changes to your retirement plan (be it altering your contribution rate, planned retirement age, or amount you would like to receive once you retire).

If you are unsure what to do, you may find it useful to speak to a financial advisor who will be able to offer you specific financial advice. Please see page 3 for details of how to find a financial advisor in your local area.
Investment performance

The table below shows the performance of the Plan’s investment funds to 30 September 2013 together with the asset value.

<table>
<thead>
<tr>
<th>Fund name</th>
<th>1 year (%)</th>
<th>3 years (% a year)</th>
<th>5 years (% a year)</th>
<th>% of Plan’s assets as at 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core options</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Diversified Growth Fund</td>
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<td></td>
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<td>Target</td>
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<tr>
<td>Global Equity Index Tracker Fund</td>
<td>21.1</td>
<td>11.0</td>
<td>10.8</td>
<td>27</td>
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<td>21.6</td>
<td>11.2</td>
<td>10.8</td>
<td></td>
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<tr>
<td>Active Global Equity Fund</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benchmark</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-retirement Fund (Level Pension)</td>
<td>-2.2</td>
<td>6.3</td>
<td>8.9</td>
<td>4</td>
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<tr>
<td>Benchmark</td>
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<tr>
<td>Pre-retirement Fund (Inflation-Linked Pension)</td>
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<td>8.3</td>
<td>7.5</td>
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<td>6.6</td>
<td>8.3</td>
<td>7.6</td>
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<td>Money Market Fund</td>
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<td>0.3</td>
<td>2</td>
<td></td>
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<tr>
<td>Benchmark</td>
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<td>0.4</td>
<td></td>
<td></td>
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<tr>
<td><strong>Additional options</strong></td>
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<td>Active UK Equity Fund</td>
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<td>8.4</td>
<td>11.3</td>
<td>3</td>
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<tr>
<td>Benchmark</td>
<td>18.9</td>
<td>10.1</td>
<td>10.7</td>
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<tr>
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<td>9.9</td>
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<td>10.1</td>
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<td>Overseas Equity Index Tracker Fund</td>
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<td>Active Emerging Markets Equity Fund</td>
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<td></td>
<td></td>
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<td>Active Property Fund</td>
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<td></td>
<td></td>
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<td>Benchmark</td>
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<td>4.6</td>
<td>1.4</td>
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</table>

The funds highlighted in green are the new funds added to the fund range with effect from 1 April 2013. Further performance information can be found at www.disneypensions.co.uk

The performance figures above are for the current underlying fund. All performance figures are shown net of charges.

The Plan website

At www.disneypensions.co.uk you can:
- View your Pension Account online;
- Make changes to your personal details and investments; and
- View pension documents, such as the Investment Guide, Plan booklet and Investment Profiler.

Your Annual Benefit Statement

You will receive this in September each year and it includes updates on:
- The value of your Pension Account;
- How your Pension Account is invested; and
- How the funds are performing.
Pensions news

Pension tax thresholds lowered
The Government has announced plans to reduce the level of pension savings that benefit from tax relief from 6 April 2014.

Annual Allowance
The maximum pension contributions you can pay each year (to any pension arrangement) is 100% of your earnings but there is a limit on the level of contributions that benefit from tax relief. This is the Annual Allowance (AA).

The AA for the current tax year is set at £50,000 but is set to decrease to £40,000 from 6 April 2014. The AA is calculated over the Pension Input Period, which for the Plan is from 6 April to 5 April.

Lifetime Allowance
The Lifetime Allowance (LTA) is the limit on pension savings you can build up over a lifetime without paying extra tax. It is £1.5 million for 2013/14 and includes all your registered pension savings, including any personal pensions you may have.

The LTA is set to reduce to £1.25 million from 6 April 2014, although HMRC is currently consulting on protection for individuals whose benefits exceed £1.5 million at 6 April 2014.

NB: If you are a high earner or have large pension savings from a previous pension scheme and think you may be affected by either the Government’s Annual Allowance or Lifetime Allowance, you should speak to a financial advisor to avoid unexpected tax bills. For help choosing a financial advisor visit www.moneyadviceservice.org.uk/en/categories/financial-help-and-advice

State pension update

Changes to State pension age (SPA)
The Government is planning changes to the SPA, which will delay the age at which individuals can claim their State pensions. This is because we are generally living longer which means pensions need to be paid for longer.

Remember, these changes don’t affect when your benefits from the Plan will be paid, but you will find it helpful to take them into account when making or reviewing your retirement plans.

You can find out your State pension age at www.gov.uk/calculate-state-pension

New flat-rate State pension
The Queen’s speech in May confirmed the introduction of a new flat-rate State pension. Currently, the State pension is made up of a flat-rate pension (the basic State pension) of £110 a week for a single person, and a top-up pension (the State second pension) which is earnings-related. From April 2016, this two-tier system will be replaced by a new flat-rate pension of £144 a week for a single person.

People who have 35 years of National Insurance contributions will be able to claim the full £144 (which is expected to rise to £155 by 2016). Husbands, wives and civil partners will no longer be able to claim a ‘married person’s allowance’. This new Universal State pension will sweep away much of the complexity of the existing State pension system and is not intended to cost any more than the existing system.

Any questions?
If you would like more information about your Pension Account or need to update your details, please contact our administrator, Capita.

Helpline: 01227 773914
Website: www.disneypensions.co.uk
Email: disney@capita.co.uk
Write to: Capita
Radio House, Thanet Way
Whitstable CT5 3QP

Feedback
If you have a query which Capita is unable to help you with, or you would like to give us feedback on pensions TALK, please contact Ray O’Sullivan in the Human Resources Department on 020 8222 1650 or by emailing ray.osullivan@disney.com

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