

*******Important Information*******

Network Rail Defined Contribution Pension Scheme ('the Scheme') - NRDC Property Fund ('the Fund')
July 2016

This is to inform you of a change affecting the Fund, which is an investment option offered by the Trustee of the Scheme.

What has happened?

The change arises as a result of the Fund experiencing an increasing number of investors wanting to withdraw from the property market. As a result, the investment managers have introduced changes to manage the orderly withdrawal of funds. The effect of the change is that until further notice, there will be a restriction on disinvestments imposed with immediate effect until further notice. This situation is not unique to the Scheme's property investment managers.

This affects the speed at which existing holdings in the Fund can be withdrawn (if required), until the restrictions are removed.

Why has this happened?

At the present time, property funds are experiencing more people wanting to sell their investments than buy them. In order to raise money to return cash to investors, the investment managers would have to undertake a programme of property sales, which can take a number of months to complete. So that investors (such as pension schemes) are not disadvantaged by the investment managers selling properties at low prices in order to raise cash quickly, the investment managers want to take time to build up adequate cash holdings to prevent the need to sell properties.

What should I do?

If you are investing for the long term and wish to have exposure to property (this is the only such fund offered in the Scheme), recent developments may not be an issue. However you may wish to consider carefully whether you want to invest in the NRDC Property Fund.

Important Information

The Trustee of the Scheme is not authorised by the Financial Conduct Authority ('FCA') for the provision of investment advice but trustees of pension schemes are exempt from the general prohibition in certain circumstances. Hence the Trustee can advise you of the options set out above, with the proviso that you may wish to give further personal consideration to whether you want to change where your future or existing NRDC Property Fund holdings are invested, and there may be cost implications too.

You may wish to consider obtaining your own independent financial advice from a person authorised and regulated by the FCA for the provision of investment advice. To find out more about getting independent financial advice, you can visit the FCA website at www.the-fca.org.uk/consumers/finding-adviser

Please note that the Trustee, Network Rail Pensions, Capita (the Scheme administrator), and the Scheme's independent Investment Advisors are not in a position to offer individual financial advice to members.

Information about each NRDC fund is available through the NR Pension website www.myNRpension.co.uk on the dedicated NRDC page, by following the link to the investment funds microsite provided by Old Mutual Wealth: <https://iip.oldmutualwealth.co.uk/NetworkRail/index.asp>

Change of investment choices

Please use this form to tell the Trustee if you want to:

- change where future normal and company contributions are invested, including Additional Voluntary Contributions (AVCs) if applicable; or
- change where your contributions have been invested to date (your accumulated Personal Retirement Account, including any transfers-in), including AVCs if applicable; or
- change **one** of your existing investment options only (including AVCs if applicable).

Please note: contributions are used to buy units in investment funds made available by the Trustee. Information about each of the investment options (including fees and performance) is available from the fund fact sheets which can be found at www.myNRpension.co.uk

If you need any help in completing this form please contact Capita on 0345 8500 280 or the Network Rail Pensions Team on 01908 781010.

Please use BLOCK CAPITAL letters.

1. Your personal details

Full name:

National Insurance number:

Contact telephone number:

Email Address:

(if you prefer us to contact you by email)

2. Your investment choices - future contributions

Complete this section if you want to change where future contributions (including AVCs, if applicable) are invested. You can choose NRDC Managed Lifestyle **or**, you can choose any combination of funds from the Pick 'n' Mix funds.

NRDC Managed Lifestyle		
If you choose NRDC Managed Lifestyle for normal scheme contributions we will also invest your AVCs in the same way.	Tick here for Lifestyle <input type="checkbox"/>	Target retirement age for NRDC Managed Lifestyle fund if not 65 <input type="text"/>

OR

Please use the table below to tell us which investment fund choices you want your future contributions to be paid into and, by percentage (%), how your contributions should be split across the funds you have chosen.

For example: If you want all of your normal contributions to be invested in one fund, please write 100 in the normal contributions column beside your chosen fund name. If you would like to split your normal contributions equally across four funds, please write 25 in the normal contributions column beside each of your chosen funds. Your choices must add up to 100%.

Pick 'n' Mix funds	Normal scheme contributions	Additional Voluntary Contributions (AVCs)
NRDC Higher Risk	%	%
NRDC Balanced Risk	%	%
NRDC Lower Growth	%	%
NRDC Emerging Markets Equity	%	%
NRDC Global Equity	%	%
NRDC Property	%	%
NRDC Aggregate Bonds (passive)	%	%
NRDC UK Index Linked Gilts	%	%
NRDC Cash	%	%
Total	100%	100%

If you want to change where your existing investments (including AVCs, if applicable) are invested please complete Section 3.

3. Your investment choices - existing Personal Retirement Account Investments

Complete this section if you want to change where contributions (including AVCs and transfers-in, if applicable) have been invested up to now.

You can choose NRDC Managed Lifestyle or, you can choose any combination of funds from the Pick 'n' Mix funds.

NRDC Managed Lifestyle		
If you choose NRDC Managed Lifestyle for normal scheme contributions we will also invest your AVCs in the same way.	Tick here for Lifestyle <input type="checkbox"/>	Target retirement age for NRDC Managed Lifestyle fund if not 65 <input style="width: 100px;" type="text"/>

OR

If you are not in NRDC Managed Lifestyle, you can either:

- move all of your existing investments to other fund choices; or
- move your existing investments from **one** specific fund choice and allocate this to other available fund choices. To do this please put a tick in the appropriate box to tell us which fund you want to move your holdings away from.

Please use the table below to tell us how you want to reallocate your existing investments and, by percentage (%), how your contributions should be split across the funds you have chosen.

For example: If you want all of your normal contributions to be invested in one fund, please write 100 in the normal contributions column beside your chosen fund name. If you would like to split your normal contributions equally across four funds, please write 25 in the normal contributions column beside each of your chosen funds. Your choices must add up to 100 %.

Pick 'n' Mix funds	I only want you to move my holdings away from this fund (please only tick one box below)	Normal scheme contributions	Additional Voluntary Contributions (AVCs)
NRDC Higher Risk		%	%
NRDC Balanced Risk		%	%
NRDC Lower Growth		%	%
NRDC Emerging Markets Equity		%	%
NRDC Global Equity		%	%
NRDC Property		%	%
NRDC Aggregate Bonds (passive)		%	%
NRDC UK Index Linked Gilts		%	%
NRDC Cash		%	%
Total		100%	100%

If you want to change where future contributions (including AVCs, if applicable) are invested please complete Section 2.

4. Declaration

1. I authorise the Trustee to make the investment option changes in section 2 and 3 of this form (as applicable).
2. I understand that any changes to my investment choices shown in this form will be made within 21 days of Capita receiving this form fully completed.

Your signature:

Date: / /

Please send this form to: **Capita, NRDC, 2 Cutlers Gate, Sheeld, S4 7TL.**