



Global Employee Benefit Plan Newsletter – July 2014

As a member of the Global Employee Benefit Plan (GEBP) you will, from time to time, receive a Newsletter keeping you up to date on changes and developments with the investment funds, and on important and relevant issues that might be of interest or helpful to you.

In this Newsletter, we wanted to provide you with details on the following topics of interest:

1. Recent changes to the US Section fund range;
2. A look at recent fund performance;
3. Reduction in charges on the BlackRock fund range;
4. How to access your GEBP accounts and review performance of the funds;
5. New developments at Zurich and RBC cees;
6. Brief overview of the process for members moving from/to the US;
7. Update for members invested in cash / money market funds;
8. Your options at retirement;
9. Points of contact.

1. Recent changes to the US Section fund range

There were two changes to the US section fund range over the year 2013:

i) Introduction of new Bond fund

As discussed in the May 2013 Newsletter, the T Rowe Price Bond Fund was added to the fund range to replace the PIMCO Long Duration Fund, which had been closed to new contributions. The new T Rowe Price Bond fund became available on 3 March 2014 for new contributions in the “Bond” asset class. This fund is actively managed by T Rowe Price and is called the New Income Fund.

Any existing holdings prior to the May 2012 payroll will be retained within the PIMCO Long Duration Fund unless you decide to switch your holdings into alternative choices.

Since May 2012 (when the PIMCO Long Duration Fund closed to new money) contributions to the PIMCO Long Duration Fund have been invested instead into the HSBC Money Market USD Cash Fund, pending the introduction of the new bond fund.

If you are a member of the US Section, you can now choose to switch any assets you currently hold in the PIMCO Long Duration Fund and/or HSBC Money Market USD Cash Fund into other investment fund options of your choice, including the T Rowe Price New Income Fund. Investment switches can be made via the RBC cees website, www.rbcces.com.

ii) Merger of Vanguard funds

During the past year, Vanguard has been making changes to its funds to simplify its overall fund line-up. In October 2013, Vanguard announced the merger of five of its funds with funds of similar objectives and strategies. On April 4th, Vanguard completed the merger of the Vanguard Developed

Markets Index into the Vanguard Tax Managed International Funds. Underlying funds of both portfolios were essentially the same as they both were managed to track the FTSE Developed Ex-North America Index. These funds provide the same exposure at the same costs after the merger with the surviving fund being renamed the Vanguard Developed Markets Index Fund.

Members are not required to take any action in respect of this change.

2. A look at recent fund performance

The following section provides an overview of investment markets in 2013, including the performance of the GEBP fund range.

Market Overview

During 2013, equities enjoyed their best calendar year since the financial crisis. Higher yielding credit spreads declined significantly, while negative returns from government bonds were of a magnitude not seen since the mid-90s.

The picture in the US is one of cyclical strength, with business and consumer confidence relatively strong, decent employment growth and buoyant consumption. The Federal Reserve has taken its first tightening step by reducing its monthly asset purchases from \$85 billion to \$75 billion.

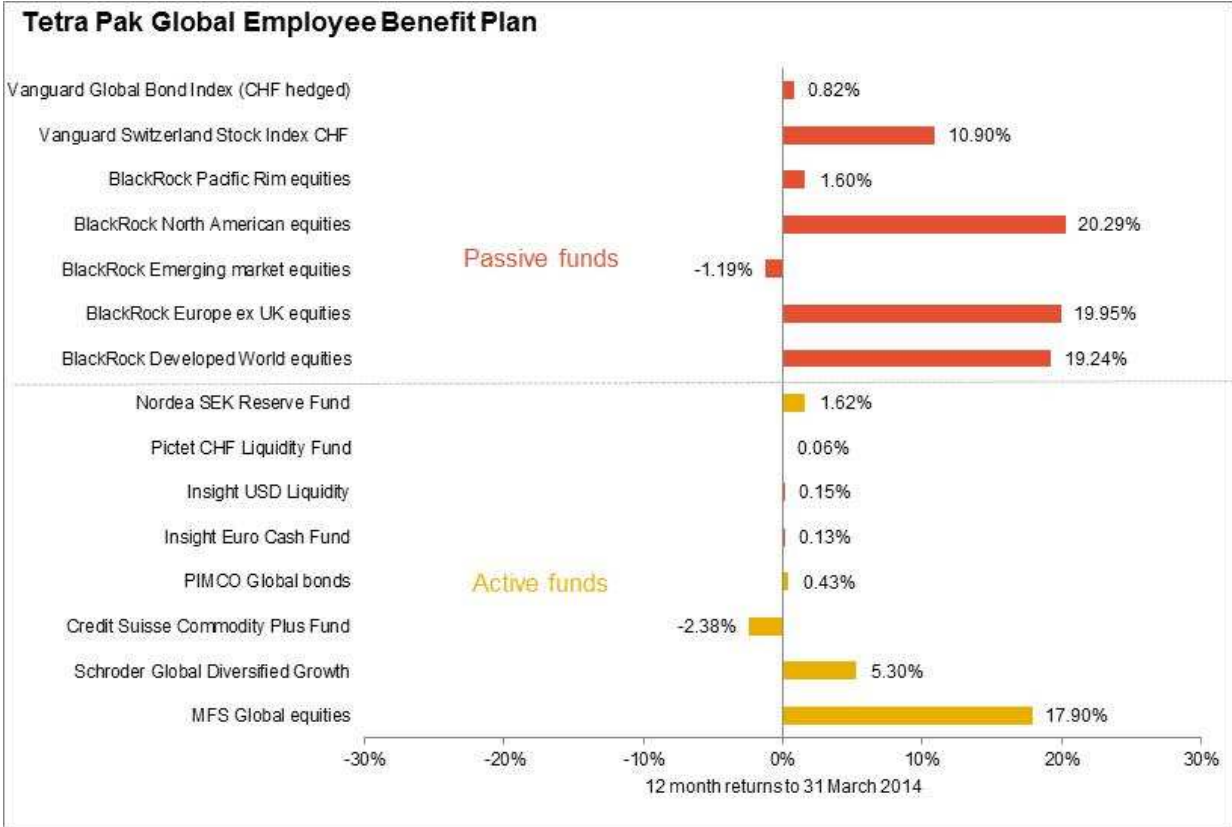
The Eurozone has been relatively calm since 2012, except for a brief period in Cyprus. Conditions in peripheral economies have improved somewhat, with growth rates rising and Italy and Spain forecast to emerge from recession next year. Germany is becoming increasingly isolated economically. In particular, France bears greater resemblance to the periphery in its economic anatomy than to Germany.

The positive economic environment in 2013 has continued into the first part of 2014. Global asset markets have in general provided modest positive returns during the first quarter of 2014. This has been delivered with continued low levels of volatility, meaning that global investors have enjoyed reasonable returns considering the volatility levels.

The situation in Ukraine has not had a major impact on financial markets, other than to those directly affected. The most affected were European equity markets. Concerns about energy supplies and their links to financial markets are the main cause for concern.

There was a surprise move by the European Central Banks in November 2013 to cut interest rates to a record low of 0.25%, reflecting an outlook of low inflation and economic weakness in the Eurozone. Interest rates in the UK and US have remained low over the year.

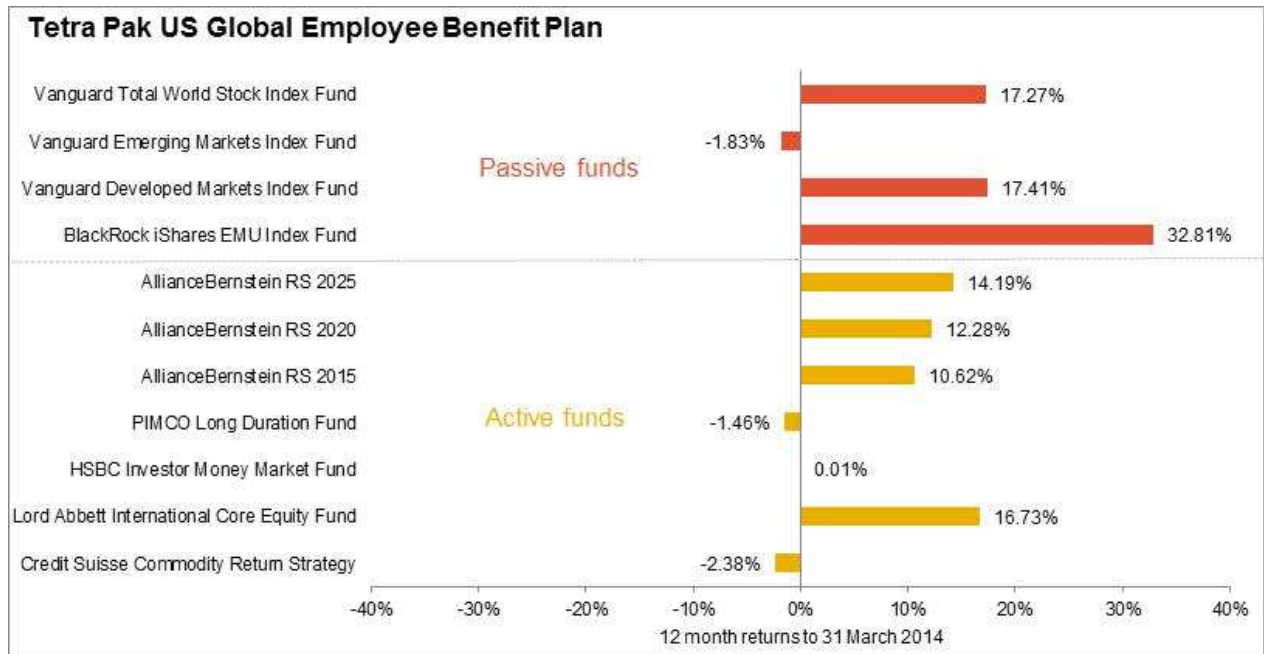
**Investment Performance for the year ending 31 March 2014
Rest of World (ROW) and Swiss Sections**



The above chart shows absolute performance for the funds over the year, split into passive funds (where the manager tracks the benchmark) and active funds (where the manager aims to outperform the benchmark):

- Returns on the cash funds were broadly flat, reflecting the very low short-term interest rates in markets.
- Most of the equity funds had strong positive absolute performance, with the exception of Emerging Markets. The BlackRock fund performance was -1.19%. Emerging Markets had a poor 2013 and continued to lag developed markets in the first quarter of 2014.
- Credit Suisse underperformed its benchmark (DJ-UBS Commodity Index) by 0.3%, with an absolute performance of -2.38% (in US dollar terms).
- The Diversified Growth Fund, managed by Schroders, returned 5.3% (in Euro terms). Given the performance in equity markets and bond markets, this performance is broadly in line with what should be expected from this type of fund which is diversified across many asset classes; over the long-term, this fund aims to produce returns in line with equity markets with less volatility.

**Investment Performance for the year ending 31 March 2014
US Section**



The above chart shows absolute performance for the funds over the year, split into passive funds (where the manager tracks the benchmark) and active funds (where the manager aims to outperform the benchmark).

The US Section has seen strong performance from the passive equity funds which tracked their benchmarks. Overall, there were strong absolute returns from the active AllianceBernstein and Lord Abbett funds but most of the active managers underperformed their respective benchmarks as follows:

- PIMCO Long Duration fund underperformed by 0.6%
- Lord Abbett was behind the benchmark by 0.8%
- Credit Suisse underperformed its benchmark (DJ-UBS Commodity Index) by 0.3%

During this period, the AllianceBernstein 2015 fund performed in line with its benchmark but the AllianceBernstein 2020 and 2025 outperformed their benchmarks by 0.2% and 0.4%, respectively.

3. Reduction in charges on the BlackRock fund range

Zurich has recently confirmed that they have been able to negotiate a reduction in the Annual Management Charges (AMC) of a number of BlackRock funds that are offered in the ROW and Swiss sections of the GEBP. If you are investing in these BlackRock funds, this reduction is already being applied to your savings and means that lower fees are being taken from your Retirement Account, so that more savings will be available to you when you ultimately withdraw your benefits from the GEBP.

The BlackRock funds affected and the previous and new investment AMC are outlined in the following table:

| Fund code | Fund name | Previous net AMC | New net AMC |
|------------------|-------------------------------------|-------------------------|--------------------|
| FCEUR | BlackRock Euro ex UK Index | 0.08% | 0.07% |
| K7USD | BlackRock Pacific Rim Index | 0.08% | 0.07% |
| NOUSD | BlackRock North American Index | 0.08% | 0.07% |
| 7JUSD | BlackRock Developed World Index USD | 0.08% | 0.07% |

4. How to access your GEBP accounts and review performance of the funds

ROW and Swiss Sections – through the Zurich Administration platform

You can access your Retirement Account through “ZIO” 24 hours a day / 7 days a week by going on-line and entering the following address: <https://www.online.zurichinternationalsolutions.com>

To review the investment performance of individual GEBP funds contained on the regularly updated Fund Factsheets, you will need to:

1. Log on to ZIO, using your Username, Password and Memorable Number
2. Access the Fund Centre from the Tools menu

US Section – through the RBC cees Administration platform

You can access your Retirement Account 24 hours a day, 7 days a week by going on-line and entering the following address: www.rbccees.com

Select ‘Employee benefits’ from the RBC ‘Sign In’ box, found in the top left of the screen. This will take you to the login screen. To review the investment performance of individual funds:

1. Log on to the website, using your Login ID and Password
2. Access ‘Investment Information’ from the left hand menu and click on the ‘GEBP US Investment Range’ link to see Fund Factsheets. Alternatively, this information is available for the funds you hold on your ‘Plan Summary’ page

5. New developments at Zurich and RBC cees

Zurich and RBC cees have both recently launched a number of useful member decision-making tools. These may well be helpful in the choices that you make in relation to the GEBP. Highlights are set out below:

Retirement Planner tool

ROW and Swiss Section Members

This pension projection tool allows you to obtain an indication of the future value of your Retirement Account. You can project your current holdings and future contributions into a future lump sum amount based on a range of assumptions around investment growth, inflation and other variables.

US Section Members

This pension projection tool allows you to obtain an indication of the future value of your Retirement Account. Based on your current age, salary, contribution and retirement date, you can project your estimated savings at retirement date into a future lump sum amount based on a range of assumptions around investment growth, inflation and other variables. Should you need any further information, a guide called 'Projected Benefits Guide' is available on www.rbccees.com.

It should be noted that these tools are merely providing a projection or indication of future values and are not making any guarantees around future fund values, as the amount you receive from the GEBP depends on the contributions made on your behalf and the actual performance of the funds in which you invest.

Attitude to Risk Assessment tool (Available to all members)

The assessment tool asks you questions aimed to establish what kind of investor you are through a range from cautious, balanced to adventurous. The tool will then guide you to an available range of investment funds that might be most suitable for your identified investor type. It is important to note that the tool will not be providing investment advice, but tries to match investment funds to your risk appetite based on the risk profile of these funds and having considered the answers you give to the questions.

Individual Rate of Return calculator (ROW and Swiss Section members only)

This tool provides you with a means to identify the actual investment returns that you have achieved from your investment choices. It can do this for the overall holdings as well as for each individual investment fund over various periods.

6. Brief overview of the process for members moving from/to the US

As you may be aware, the Global Employee Benefit Plan (GEBP) has three sections, the Swiss section, the US section and the ROW (Rest of World) section. The US and Swiss sections were created separately from the ROW section for tax and other reasons. From time to time there is a need to transfer members between sections, eg when assignments require location changes and these movements mean members transfer between the sections, eg from ROW section to the US and from the US to the ROW.

When a need to transfer a member between sections arises, we will notify the GEBP Trustee and the two plan administrators of the forthcoming transfer. The member will then be notified by the relevant administrator (Zurich or RBC cees) of the pending transfer.

The transfer will also mean that the member's accumulated funds will automatically be transferred (with an effective date that will be confirmed by the administrator). The balance of the transfer will be placed in the default investment strategy of that section and instructions on how to switch investments and future contributions (if applicable) will be provided by the administrator of the receiving section.

7. Update for members invested in cash / money market funds

Members who have chosen to invest in cash / money market funds, who are several years from retirement, may wish to review their investment decisions given the recent low interest rate environment, and the low returns achieved on these funds. You may wish to consider taking financial advice before making any decisions on your future investment strategy.

8. Your options at retirement

As a member of the GEBP, you will be interested in the range of benefit options that are currently available for taking your accumulated savings at the point of retirement.

When you retire from employment, the following options are available:

- 1. You can receive the value of your GEBP Retirement Account as a lump sum;
- 2. You can have your fund value paid to you as a series of regular payments over a set period, such as 5 or 10 years;
- 3. You can transfer the full fund value to an offshore annuity provider and you will receive a lifetime pension (continuing to your spouse should you direct). It should be noted however that offshore annuities may be very difficult to obtain and need to be arranged by you individually.

You don't need to make any decisions until you reach retirement, however you should bear in mind the above options when planning for retirement and determining your investment strategy. You may also wish to consider taking financial advice to help identify the most appropriate option for you.

9. Points of contact

The administrators of the GEBP are your first point of contact with any queries. Contact information is as follows:

| ROW and Swiss Sections | US Section |
|--|---|
| Corporate HelpPoint team Zurich International Life 43-51 Athol Street, Douglas, Isle of Man, IM99 1EF United Kingdom | RBC cees Exchange Tower – 9th Floor 19 Canning Street Edinburgh, EH3 8EG United Kingdom |
| E-mail: corporate.pensions@zurich.com Tel: +44 1624 691013, Monday to Friday from 8am to 4pm GMT/BST | Email: benefitsteam5@rbc.com Tel: +44 131 222 3664, Monday to Friday from 8am to 6pm GMT/BST |

For internal queries, please contact carmelina.daviri@tetrapak.com.

It is hoped that you found the latest GEBP Newsletter helpful and informative.