

Sidel GEBP Investment Committee Newsletter

May 2013

In this regular Newsletter for members of the Global Employee Benefit Plan (GEBP), we will aim to provide information on the following recent and relevant issues:

- Investment market conditions and outlook
- The GEBP governance structure
- Changes to the Lifestyles in GEBP ROW & Swiss
- Replacement of Goldman Sachs Signum Fund
- New CHF investment choices
- Explanation of diversification and a focus on the Schroders Global Diversified Growth Fund
- PIMCO Global Bond Fund replacement in the US section



Investment market conditions and outlook

May 2013

Global equity markets have performed strongly in the last 12 months. Accommodative monetary policy, through the use of quantitative easing by central banks in the US, European Union and Japan, in conjunction with improving economic data has continued to support equity prices year-to-date. Equity markets delivered positive returns over the first quarter of 2013 and are well above where they were at the end of March 2012: the FTSE World Index increased by 17.5% over the 12 month period, while the Emerging Market index lagged at 7.4%.

Steadily improving private-sector economic data in the US, especially after accounting for the economic

setbacks from tax increases and government spending cuts, suggests the US economy is on track for a cyclical expansion. Strong GDP growth has supported profits growth over the last few months and pushed US equities up by around 10% over the quarter, as measured by the S&P 500. Weak growth prospects across many countries in Europe continue to weigh on aggregate European company earnings and equity returns. Economic activity in Germany has moderately picked-up, although equity performance so far this year has been mediocre. Eurozone equities returned 2.3%, as measured by the MSCI EMU Index.



The GEBP governance structure

Tetra Pak® and Sidel recognise the critical importance of good governance of their pension arrangements and when the GEBP was created, Tetra Pak (with Sidel participating later) established a Management Committee that evolved into the current Investment Committee (IC) to assist in the maintenance of a clear corporate governance policy.

The IC of the GEBP is responsible for the regular monitoring and review of the GEBP including in the following areas:

- Performance against benchmarks for the:
 - Investment performance of the various funds offered to GEBP members
 - Administration standards of the joint GEBP Administrators
 - Communication effectiveness to you the members

- The operation, administration and management by the Providers in the GEBP arrangements;
- The investment fund range that should be available to members;
- To review the media, standard of content and the effectiveness of communication materials for the GEBP members.

Tetra Pak and Sidel will ensure that the GEBP pension arrangements continue to meet “best practice”. The role of the IC is to help Tetra Pak and Sidel achieve these objectives. It should be noted however that the IC has an advisory role only with the key decisions around the GEBP maintained by the sponsoring employers and the GEBP Trustees (Boal & Co).

Currently there are places available on the IC and any members interested in sitting on the IC should contact Dirk Miessen in the first instance.

Changes to the Lifestyles in GEBP ROW & Swiss

May 2013

Effective 20 May 2013, all three of the Lifestyle Portfolios (Conservative, Balanced and Aggressive) currently offered as investment choices in the GEBP ROW are changing, and the European Lifestyle portfolio in the GEBP Swiss will also be revised and there will be a new Swiss Lifestyle added to the GEBP Swiss section.

You should refer to the detailed Announcement sent recently on this.

The Announcement is accessible by logging in to ZIO (Zurich's online system) or for a copy of the Announcement please contact Chris Cain at Zurich (chris.cain@zurich.com).



Replacement of Goldman Sachs Signum Fund

The Goldman Sachs Signum Fund (the "Signum Fund") became 'Cash locked' towards the end of 2011, due to volatility in the financial markets. The holdings of the Signum Fund will be disinvested and the monies will be transferred to other funds and future contributions currently allocated to the Signum Fund will be allocated to alternative investment funds. Also the Signum Fund will be replaced in all the Lifestyles where it is a component. These changes will take place this month.

You should refer to the detailed Announcement sent recently on this.

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New CHF investment options

May 2013

In order to provide greater choice and to extend the range of asset classes available to members, in addition to reducing any potential currency risk for members likely to take their benefits in CHF, the IC and the GEBP Trustees approved some CHF denominated fund recommendations for the GEBP's Rest of World (ROW) and Swiss sections.

You should refer to the detailed Announcement sent recently on this.

The Announcement is accessible by logging in to ZIO (Zurich's online system) or for a copy of the Announcement please contact Chris Cain at Zurich (chris.cain@zurich.com).

Explanation of diversification and a focus on the Schroders Diversified Growth Fund

Benefits of diversification

The concept of diversification is quite simply about 'not putting all your eggs in one basket'. It reflects the number of different investments you hold. Generally speaking, the more types of assets you hold the less volatile your investment returns should be. This may also limit the investment returns you obtain.

Each of the GEBP funds offered is diversified but at varying levels. You could think of diversification as meaning investing in lots of different companies, countries or types of assets.

By investing across and within asset classes you can reduce investment risk and investment volatility. You can achieve this by:

- Diversifying your investments across a number of different asset classes such as equities, bonds, cash and property. This would reduce your exposure to a particular asset type and, hence, reduce your portfolio risk. This could be achieved in the same way by investing in, the Schroders Global Diversified Growth Fund, that is offered as an option to ZGEBP members in the ROW section.
- Diversifying within asset classes (taken care of by the investment managers) by investing:
 - across different companies and industries;
 - across different markets around the world, and
- Diversification between different investment managers who have the same focus, such as Global equities.

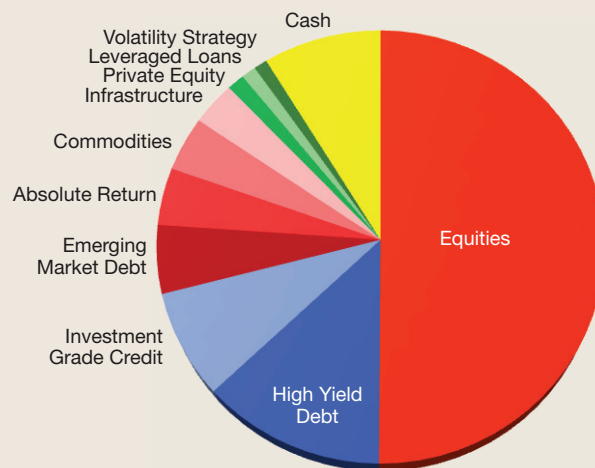


Schroders Global Diversified Growth Fund (DGF)

May 2013

The Schroders Global Diversified Growth Fund is offered as an investment option to GEBP ROW members through the Balanced and Conservative Lifestyles as well as a self-select fund option. The Fund's aim is to maximise long term total returns (the combination of capital growth and income) by investing mainly in a wide range of traditional global equities and debt securities, however true to its name, the DGF may also seek exposure in other asset classes including estate, private equity and commodities through investment in transferable securities, financial derivative instruments on financial indices and investment funds which invest in such asset classes. The current asset allocation demonstrates well how diversified the investments within the DGF are as at March 2013.

Schroders DGF Asset Allocation



Asset split (as at 31/03/2013)

Information on the investment performance of the DGF can be found on the Zurich On-line fund centre or by googling the DGF ISIN number LU0776410929.



PIMCO replacement in the GEBP US section

May 2013

Members of the GEBP US will have seen the June 2012 Announcement explaining that PIMCO had advised that they would no longer be offering the PIMCO Bond Fund to members of the US section of the GEBP for future contributions. This change was driven by developments around the PIMCO Bond Fund being available, on an on-going basis, to non-US investors, such as the GEBP's Isle of Man trust. The change applied with immediate effect but only impacted future contributions. Any existing holdings prior to the May payroll run have been retained within the PIMCO Bond Fund unless members subsequently switched those holdings into alternative choices.

Future contributions that were allocated to be invested in the PIMCO Bond Fund have since May been directed into the HSBC Money Market USD Cash

Fund and will continue to do so until the IC is able to find an equivalent replacement fund for the PIMCO Bond Fund. Identifying a suitable replacement has proved challenging as several fund managers advise of a similar issue with non-US investors. However, the IC is working closely with its Investment Advisor to identify and implement a suitable alternative bond fund shortly.

There will be a further communication regarding this issue very soon once the alternative has been confirmed by the IC.

We hope you enjoyed the latest GEBP Newsletter. Any questions should be directed to Dirk Miessen in the first instance.

For and on behalf of the IC of the Tetra Pak/Sidel GEBP

