



# FUNDING YOUR FUTURE

SUMMER 2023



## INSIDE

- Will you be able to live comfortably after work?
- Online toolkit for your financial wellbeing
- Keep the scammers away

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### If you have any questions at all about your pension,

such as obtaining figures or changing your personal details, please contact **Fidelity**, your pension provider, via:

- **helpline**  
0800 3 68 68 68
- **website**  
[www.fidelitypensions.co.uk](http://www.fidelitypensions.co.uk)  
for access to PlanViewer

## Here to help

Who	What	Where
Money and Pensions Service (MaPS)	Free and impartial money and pensions guidance, backed by government	<a href="http://www.maps.org.uk">www.maps.org.uk</a> 0800 138 7777
CAB (Citizens' Advice Bureau)	Independent and impartial advice on a wide range of subjects	<a href="http://www.citizensadvice.org.uk">www.citizensadvice.org.uk</a> local bureaux around the country
Pension Tracing Service	Help with finding a lost pension	<a href="http://www.findpensioncontacts.service.gov.uk">www.findpensioncontacts.service.gov.uk</a> 0800 731 0193
MoneyHelper	Find an independent financial adviser	<a href="http://www.moneyhelper.org.uk">www.moneyhelper.org.uk</a> 0800 011 3797
Gov.uk	Find out what benefits you may be entitled to	<a href="http://www.gov.uk/browse/benefits">www.gov.uk/browse/benefits</a> <a href="http://www.gov.uk/browse/working">www.gov.uk/browse/working</a>
Gov.uk	Check how much state pension you could get	<a href="http://www.gov.uk/check-state-pension">www.gov.uk/check-state-pension</a>
Pension Wise	Helps you understand the options for your pension pot	<a href="http://www.pensionwise.gov.uk">www.pensionwise.gov.uk</a> 0800 138 3944

**If you still need help, contact our pensions team at:**

- Bureau, 90 Fetter Lane, London EC4A 1EN
- The team's mailbox is [pensions@ab-inbev.com](mailto:pensions@ab-inbev.com)

# Out-performing other investment classes

*Equities consistently give good returns, which is why we're invested in them, to give you the best chance of a comfortable retirement.*



*David Coldwell (pictured left), Chairman of the Trustee Company.*

High global inflation, in the main triggered by Putin's war on Ukraine, led to higher interest rates, and shortages in materials and labour.

If you've been following your pension values over this year, you will have seen the effect of falling markets, writes

It could have been tempting to sell your investments and take shelter, but the vast majority of our members did not, and wisely so.

In the construction of the Lifetime Funds that form the basis of our default investments, we have chosen, with advice from our investment advisers, to hold mainly equities (shares).

Comparing this asset class with the alternatives of commodities, bonds and cash, it has outperformed throughout the past 200 years in all but three decades. →



*The war in Ukraine has led to high inflation across the globe; wisely, most of our members resisted the temptation to sell their investments.*





*Life after work can be a great pleasure, but not if you don't have enough money to live on.*

A comfortable income for a single person is assessed to be £37,000.

As a rule of thumb, to work out the size of private pension pot you need by the time you finish your working life, decide on what annual income level you're aiming for, deduct your state pension, then multiply the resulting figure by 25.

We know that not many people work for the same company all their working lives, so all we as pension trustees can do is our best to choose the right investments to help your savings grow, and to encourage you to make sufficient savings each year, starting that saving habit early.

Of course, the greatest disaster is to lose the lot in a pensions scam, and we also talk in this newsletter about the care you need to take to

what investment sum you need to have reached at each age, so you can test if you're on track.

The maximum state pension is now £10,600 a year, and even the minimum

**“A comfortable income for a single person is £37,000 above the state pension”**

income needed for a single person in retirement is £12,800 a year; for a couple it's £19,900.

Life after work can be a great pleasure, but if you're hard up in later life it can potentially be a worrying existence.

← And it has grown at double the rate of property since 2006.

The default fund most members have opted to be with is strongly invested in world equities, and history shows us that, although market reaction happens from time to time, they recover and continue to grow over time.

This is important to help you save a large-enough sum by the time you stop full-time work, to give you the greatest chance of a comfortable life in the following years.

This newsletter has as its main theme the importance of knowing

avoid being caught.

One hundred and eighty people in the UK lost all their money to scams last year, despite the efforts to make this difficult, and the frequent warnings to savers.

Please follow the advice on page 13.

We know that many of our members want their investments to be climate-change friendly.

We have charged Fidelity with holding company boards to account for their environmental, social and governance actions, and we are confident that our climate metrics will improve steadily.

We are required by new law to produce and publish our climate-change work, and this will be available to members later on this summer.



*We'll be publishing our climate-change work and making it available to members later this year.*

We also offer members a sustainable investment choice for those who have a strong interest in the subject.

The trustee board works well with our

advisers and Fidelity to run the scheme well, and in the members' interests.

I'd like to thank them all for all they do, and especially Mark Winfield, our Pensions Manager.

### Income and expenses in 2022

#### Money coming in:

- £12.7m from members' contributions
- £0.48m from people transferring in

#### Money going out:

- £1.34m paid in members' benefits
- £5.7m transfers to other pension schemes

### We have . . .

At the end of 2022, we had 2,131 active members and 3,001 deferred members over the year.

Also, there were 748 deferred members in the SAB section.

# Will you be sitting pretty when you finish work?



*Latest calculations show that the spiraling costs of everyday living are set to have a big impact on our precious pension savings. What will your money buy you in retirement?*

**W**e are all experiencing huge hikes in the cost of living, but have you thought what these soaring prices might be doing to your retirement plans?

A report by the Pensions and Lifetime Savings Association (PLSA) shows that we all need to bump up our private pension pots by nearly 20 per cent to help us through our retirement years when we no longer have a regular salary coming in.

The PLSA's report looks at spending on everything from food and drink, household bills and transport, to holidays, clothing and gift-giving.

All have been affected by the underlying

and eye-watering 130-per-cent rise in the cost of domestic fuel.

The impact of these spiraling costs is falling most heavily on people in the lower income brackets, with around a third of their spending going on food and household energy.

The figures assume that people are mortgage or rent free. None takes account of the cost of needing social care.

The PLSA asked members of the public what they thought was needed for minimum, moderate and comfortable lifestyles, not just to survive but to have enough for the basics.

Here's what they found.

A single person needs at least the following annual pension income, including the maximum £10,600 from the state, to achieve these lifestyles:

**Minimum: £12,800 a year, with a private pension pot of £44,000**



- \* All your needs, with some left over
- \* DIY maintenance and decorating one room a year
- \* £54 a week on food (including eating out)
- \* No car
- \* One week and one weekend's holiday in the UK
- \* up to £580 for clothing and footwear
- \* £20 for each birthday present

**Moderate: £23,300 a year, with a private pension pot of £301,000**



- \* More financial security and flexibility
- \* Some help with decorating and maintenance
- \* £74 a week on food (including eating out)
- \* Three-year-old car replaced every 10 years
- \* Two weeks' holiday in Europe and one weekend in the UK
- \* up to £791 for clothing and footwear
- \* £34 for each birthday present

**Comfortable: £37,300 a year, with a private pension pot of £645,000**



- \* More financial freedom and some luxuries
- \* Replace kitchen and bathroom every 10-15 years
- \* £144 a week on food (including eating out)
- \* Two-year-old car replaced every five years
- \* Three weeks' holiday in Europe
- \* up to £1,500 for clothing and footwear
- \* £56 for each birthday present

Including the full state pension, a couple needs a combined annual income of £19,900 (up from £16,700 two years ago) for a minimum lifestyle; £34,000 (up from £30,600) for a moderate lifestyle; and £54,500 (up from £49,700) for a comfortable lifestyle.

# Who looks after your pension fund?

*An expert and tightly-regulated team of people works in the background to make sure that your ABI pension is the best it can be. Ian Williams introduces everyone involved.*

**Ian Williams**  
Key Account  
Manager



## In house, we have our trustees ...

**David Coldwell (chair)**  
former finance director for  
Whitbread/Interbrew

**Chris Williams**  
former strategic planning  
director for the UK

**Mike Cass**  
former director of finance

**Jim Calvert**  
former commercial  
director

**Chris Degg**  
former HR manager,  
supply operations

The **trustees** hold meetings at least once a quarter.

An **investment sub-committee**, chaired by Chris Williams, reviews investment performance and charges four times a year, and every three years reviews the plan's strategy and range of funds.

An **administration sub-committee**, chaired by Chris Degg, meets the external administration companies twice a year, to check the level of service they provide.

A **communications sub-committee**, chaired by Jim Calvert, aims to help everyone better understand their pension.

Other sub-committees – **funding, governance, accounts, death benefits, cyber** – meet from time to time.

## Externally, we have our advisers ...

**Fidelity** provides our plan's administration services. You should contact them directly if you have any questions about your pension benefits. All our investments are made via Fidelity, which also manages some of our funds. We use other fund managers, too.

**Mercer** gives us specific investment advice.

**Aegon** deals with our SAB pension section, administering benefits, making investments, and acting as manager for some of the funds. Other fund managers are also used.

**RSM** provides us with an annual audit of the total ABI plan, ensuring that all benefits have been paid correctly.

## And your Pension Council members are ...

**Graham Kantorowicz**  
**Bob Coleman**  
**Christine Glass**

**Ian Williams**  
**Paul Fowler**  
**Paul Brennan**

**Marina Warren**  
**Shaun Lillis**  
**Dave Gibson**

## Book your one-to-one advice session

BBG has its own in-house pensions team.

If you're a **current BBG employee**, you can discuss your pension with them at their

monthly pensions clinic, held on the first Friday of every month.

Book your one-to-one appointment by contacting them at [pensions@ab-inbev.com](mailto:pensions@ab-inbev.com)

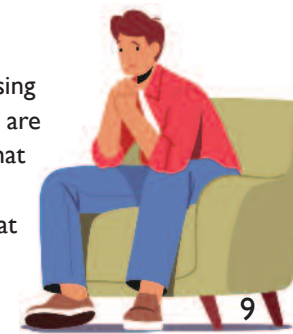
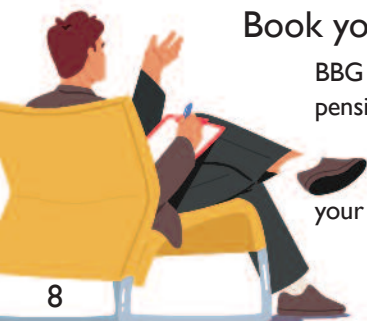
## Speak to us!

"The world of pensions is dominated by people like us who think we know what you want," says Pensions Manager Mark Winfield. "We have been known to be wrong!"

"Is there anything you'd like to see

more/less of? Are we missing something important? Or are we including something that doesn't help you?"

You can contact Mark at [pensions@ab-inbev.com](mailto:pensions@ab-inbev.com)





# Keep calm and carry on saving

*Economic turmoil across the globe is being felt by us all. Fidelity, our pension provider, offers guidance about why you should keep saving for your future.*

**M**any people have seen their pension savings dip in response to global events.

It might be tempting to react quickly and switch your investments, or even withdraw your money altogether, but evidence suggests that may not be the best course of action.

Markets can recover, and sudden dips are a normal part of long-term investing; as in all investments, their value can go down as well as up.

Opting out of your pension plan, or even temporarily pausing your pension contributions, can make a big difference to how much you'll save for retirement.

Once you've stopped making contributions, it's easy to become reliant on that extra money – which means that it can be hard

## Reasons to keep contributing

As well as the amount you pay into your pension account, you also benefit from:

- tax relief and National Insurance savings on your contributions; your savings are boosted by money that would otherwise go to the tax man.
- free life cover and free income protection.
- contributions from the company; ABI matches the amount you pay in, up to 8% of your salary (assuming you pay in at least 4%)

Saving regularly, even if it's small amounts, gives you the best chance of growing your pension.

to start again.

So take your time and weigh the short-term benefits of stopping against the long-term benefits of carrying on.

Please also remember that you get tax and National Insurance relief on your own contribution.

This means that, for

every £9 invested, it costs you only £2.04 (if you're contributing at 3% of your salary).

If you increase your contribution to 4% of your salary, every £12 invested costs you only £2.72.

In addition, as a member of the pension plan, you will be covered (**at no cost**

*Don't rush into a decision to leave the ABI pension plan, or it could seriously damage your future income and your family's wellbeing.*

to you) for:

- A tax-free lump sum of eight times your salary should you die while employed by AB InBev
- If you're unable to work through illness or injury, then your salary may still be paid at 50% for up to five years.

If you choose to opt out of the plan, you will give up the **employer contribution, free life cover and free income protection.**

If you wanted to rejoin at later date, you may be required to provide medical evidence to get the full benefits of the life cover and income protection.

This decision must not be taken lightly as you would be giving up "free salary" in the form of pension contributions from the company and possibly exposing your family to financial hardship in the event of your death or disability.

You should also note that the tax and NI savings are made available on your



contributions; if you decide to opt out of the plan, your contributions will cease and you will get this extra bit as salary.

However, as salary, it will

then be subject to tax and NI deductions, which means that the amount you think you could save may not end up in your pocket after all.

## Ask for help if you're struggling

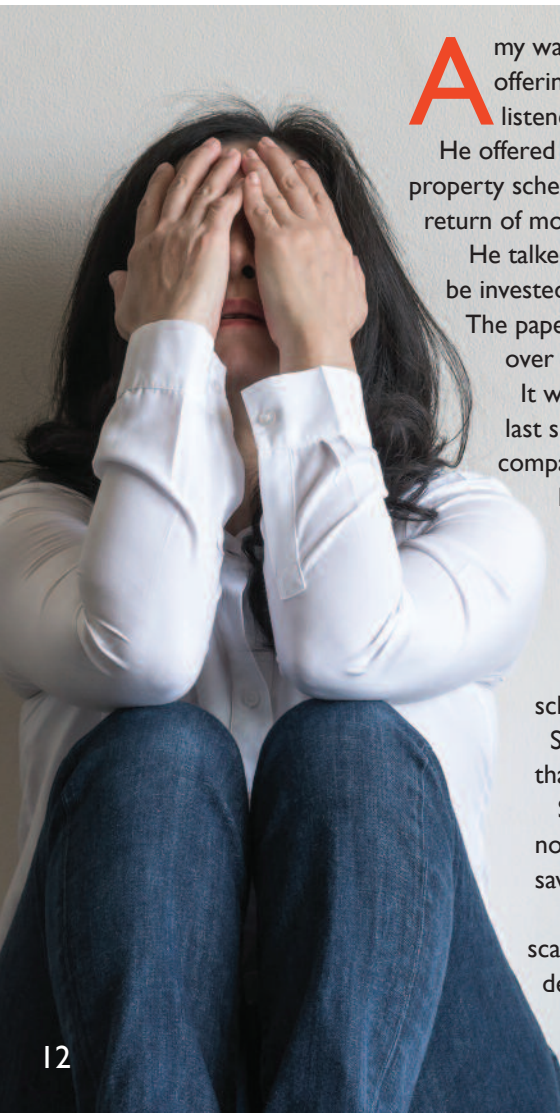
If you're struggling with your finances, ask for help to stop your problems getting worse.

MoneyHelper is the government's free and impartial guidance service.

It offers access to support about your finances – including both debt and savings – as well as your retirement planning through the PensionWise service. All are available from [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

# Keep scammers away with our advice

*Pension scams are costing careful savers many millions of pounds a year, with the true figure probably much higher because victims are too embarrassed to admit they've been duped.*



**A**my was surprised to get a phone call from someone offering to boost her pension pot, but the more she listened to the man, the more impressed she was.

He offered to invest her pension savings in an overseas property scheme that he said would bring her an annual return of more than 10 per cent.

He talked about the funds in which her money would be invested, and carried out a pension review.

The paperwork arrived very swiftly, and Amy signed over her pension pot of almost £100,000.

It was the last she saw of her money, and the last she heard from the caller and his investment company, with its apparently watertight credentials.

Because she withdrew such a large sum, she is now being pursued by the Inland Revenue, who say she owes many thousands of pounds in tax.

"I've always been careful," a shaken Amy said afterwards. "This sounded like a good scheme. I feel humiliated, depressed and angry".

She has nothing left for her retirement, other than the basic state pension.

Such stories are far from rare, because people now have much easier access to their pension savings.

It means that millions of pounds are lost to scammers each year, with victims facing demands for payment of huge sums in tax.



## Red alert!



Here's how to tell that you're at risk of being scammed



Someone calls you or contacts you on social media, out of the blue, offering to review your pension. They then suggest that you transfer your pension savings into a fund that they name, claiming that you'll get a healthy return of at least eight per cent.



The caller says they can help you release your pension pot early – before the age of 55 – and claims that this can be done without the need for you to pay tax. This is not correct, and you will be pursued by HMRC for tax at the rate of 55 per cent of the money you have withdrawn.



The company that the caller says he or she represents is not registered with the Financial Conduct Authority (FCA). Without such registration, you have no hope of getting back a penny of your money.

## What to do if you fall victim

Contact the Financial Conduct Authority (FCA) to see if the company you've been dealing with is registered with them. If it is, you can ask the Financial Ombudsman Service to investigate and decide if you can be compensated.

If the company has gone out of business, you can turn to the Financial Services Compensation Scheme.

Ignore anyone who contacts you with the offer of getting your money back, for a fee. Scammers are known to target their victims a second time.

If you are thinking of making any big decisions about your pension savings, take advice from a regulated independent financial adviser (fees will apply) or free guidance from the Pension Wise service (see page 2).

In a recent court case, His Honour Judge Perrins said the impact on victims was utterly devastating.

"I have read personal statements, and they each tell a similar story.

"People had worked hard and saved, but had been robbed of their financial security. I heard about depression, anxiety, divorce and suicide attempts.

"Each is a story of a life that has been ruined."



# Are your pension savings match fit?

*Your goal is a pension pot that's at the top of its game, giving you a comfortable lifestyle when you finish work and no longer have a regular salary.*

*Here's how to get into training!*

## View from the stands:

*"I would encourage all employees, especially the younger ones, to use Fidelity's PlanViewer.*

*"It gives very clear guidelines so you can find the information you need.*

*"And the layout has great signposts to all areas of the website, from the easy-to-read front-page dashboard, to the simple drop-down options."*

**Dave Gibson**  
Pensions Council member

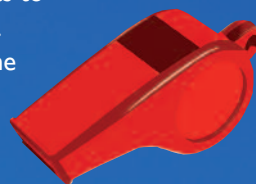
## The ref advises:

The more you put in, the longer it has to grow and the larger your pot should be.

If you increase your contributions, the company may increase theirs, too.

The Pensions Team can give guidance (but not advice). See page 2 for contact details.

And don't forget to download the Fidelity app (see back page).



## If you're under 30, your goal is . . .

. . . total pension savings at least equal to your annual salary.

So if you're earning £25,000 a year, your pension pot should have a minimum of £25,000 in it.



## If you're aged between 30 and 40, your goal is . . .

. . . total pension savings at least equal to twice your annual salary. So if you're earning £35,000 a year, your pension pot should have £70,000 in it.



## If you're aged between 40 and 45, your goal is . . .

. . . total pension savings of at least four times your annual salary. So if you're earning £40,000 a year, your pension pot should have £160,000 in it.



## If you're aged 55 and over, your goal is . . .

. . . total pension savings of at least six times your annual salary by the time you're 60. Aim to have seven times your annual income saved in your pension pot by the time you are 68.



# Sum up your future with Fidelity's online toolkit



Fidelity has a host of tools and calculators to help you with financial wellness and retirement planning.



## How much do you need to save for your retirement?

Discover Fidelity's guidelines and the rules-of-thumb tools.



## Should you pay more into your pension?

Use the Power of Small Amounts calculator to see how a small change today could make a difference to your pension pot tomorrow.



## Will you meet your savings goals?

Answer five simple questions on the Fidelity MyPlan tool to see if your savings are on track to meet your retirement goals.



## Is your financial picture everything it could be?

Get your personal money check-up and see guidance and tools to help you plan ahead.

To find these, and more, just go to <https://retirement.fidelity.co.uk/tools-calculators/>

## Manage your pension when it suits you

Managing your pension account online couldn't be easier, using Fidelity's PlanViewer.

And the PlanViewer app lets you check and manage your pension at any time.

Apple and Google's biometric security means you benefit from secure log-in that protects your data and ensures your personal information is never compromised.

# Market carnage marks wild time for investors



Last year was a challenging one for investors, writes Chris Williams (pictured), Chairman of the Investment Sub-Committee.

Nearly all asset classes fell substantially, led by major falls in bonds, as interest rates increased.

In the UK, the bank rate was raised eight times, from 0.25% to 3.25%.

At the time of writing (April 2023), it is 4.0%.

Commentators wrote of carnage in the bond market, and there were startling movements in bond prices.

For example, at the start of 2022, the Over 15-year Gilt Edged Fund (a fund comprising all 15-year gilts in

issue) was yielding 1.07%. By the end of the year, it was yielding 3.91%, and its price had fallen by around 47%.

## Background

Last year saw the end of the era of cheap money, continued supply shortages post Covid, and material increases in energy prices, all leading to the re-emergence of inflation.

War continues in Ukraine which, along with deteriorating US-China relations, contributed to heightened geopolitical risk.

Central banks raised interest rates to bear down on inflation.

Equities suffered as liquidity dried up, and commentators talked about a coming recession.

Growth stocks, particularly in technology, suffered sharp falls, which in part explains the downbeat performance of the US market.

Despite major falls in equity markets, the worldwide increase in interest rate was the key feature of 2022.

World equity markets fell by 16% over the year, with particular weakness in the first half.

In the US, the S&P 500 fell over 20% in the →

Table 1 Major world equity markets

2022 return	Local currency return %	Sterling return %
FTSE All World	-16	-7
FTSE USA	-21	-9
FTSE Asia Pacific ex Japan	-8	-1
FTSE Japan	-5	-2
FTSE Europe (excl UK)	-12	-8
UK FTSE All Share	0.3	0.3
Over 5-year indexed gilt	-38	-38

Table 2 ABI Growth Fund

Funds	% allocation	Return, year to end 2022
Blackrock World, ex UK	36	-10
Blackrock 30/70 hedged	28	-11
Blackrock UK Equity Index	16	0
ABI Pre-Retirement Fund	20	-7
<b>ABI Growth Fund</b>	100	<b>-8</b>

← first six months – its worst performance since 1970.

The UK, with its unfashionable weighting towards mining and energy companies, performed relatively well.

### ABI Growth Fund

At December 2022, there was around £108m invested in the Defined Contribution Scheme, of which around £88m (around 82%) was invested in the AB InBev Growth Fund.

This fund is a composite of three Blackrock equity index-tracking funds and a Legal and General Pre-Retirement Fund.

In the mix we have chosen, the assets allocation is around 83% in growth (equities, split 80% global

equities, and around 20% in UK equities) with the balance of 17% in more defensive assets in the ABI Pre-Retirement Fund.

The table above shows the performance of each of its component funds.

Unfortunately, the ABI Growth Fund returned -8%.

### Self-select funds

A quick scan down the self-select table on the next page tells the story of 2022.

Simply holding cash preserved capital; the UK equity market did well relative to all other markets, which were much of a muchness, with returns of around -10%; and bonds were dire, the longest bonds falling by the largest amounts.

A survey has looked at 2022 performances of the

growth phase default funds of 16 of the UK's largest master trusts (very large DC schemes).

Returns ranged from -3.9% to -12.8%.

The ABI Growth Fund's performance would have put it at fourth in the ranking.

One must be careful with these comparisons, though, as the returns will reflect the underlying asset allocation, and the degree of risk taken by each scheme.

What is clear is that 2022 was not a pleasant investment year.

### AVC funds

At December 2022, there was around £2.075m in the AVC funds, of which around £1.217m or 59% was invested in the ABI Growth Fund.

Table 3 Self-select funds, performance gross of fees

Fund	1 year % return	Funds £m
Cash Blackrock Cash Fund	1.4	13.0
Fil BLK UK Equity Index	0.0	1.3
Fil L&G Future World Fund	-6.8	0.1
ABI Pre-Retirement Fund	-7.3	0.7
BLK European Equity	-7.3	0.3
ABI Diversified Growth LGIM	-9.0	0.8
ABI Fil LGIM North America Index	-9.3	1.3
BLK Emerging Market	-9.5	1.3
ABI Fil South East Asia Pension Fund	-10.7	0.6
Fil Corporate Bond	-16.7	0.1
Fil Pension Annuity	-25.1	0.5
BLK Over 5-year Index Linked Gilt	-37.9	0.1

FIL = Fidelity BLK = Blackrock LGIM = Legal & General



## It's up to you to check your funds

We say this every year but, please, please, PLEASE, review your forecast pension.

Research suggests that a minority of you diligently research and review your DC pension savings.

If that is you, keep up the good work. Please encourage your friends and associates to do likewise.

However, the same research also highlights that the majority of you, particularly when young, don't bother with your DC pension savings, taking an interest only when changing employer or when nearing retirement.

The closure of final salary pension schemes deliberately transferred the entire pension-saving risk from employers to employees.

Generally, the income you will have

when you retire will be a direct function of what you save during your working life.

Remember that saving into a DC pension fund has three big plus points:

- Up to certain limits, **your employer matches your contribution**
- Up to certain lifetime limits, **your contributions receive tax relief**
- Your fund will accumulate **tax-free income**.

Please take an interest, using all the tools on Plan Viewer, and review your forecast income in retirement.

If you need to save more, and are able to do so, make it happen.

If you can't find the funds now, put it high on your list for your regular review.



# Help our teams to help you



**Y**ou're obviously keen to know about changes that affect your pension – they could have a marked effect on your income when you finish work.

Our pensions team and Fidelity are equally keen to keep you informed, but they can't do it promptly if they haven't got your *personal* email address (ie not your work one).

Go to Fidelity's PlanViewer to add your personal email address.

If you want to continue to receive more limited correspondence by post, make sure your home address details are correct.

Our pensions team also needs you to keep updated your expression-of-wish form, which guides trustees when they allocate your pension pot after you've died.

"People tend to think about this only near retirement age, but as we know, accidents can happen tragically early, and the trustees want to pass on your money to the people you would want to receive it," said Mark Winfield, Pensions Manager.

Check your details via the pensions team at [pensions@ab-inbev.com](mailto:pensions@ab-inbev.com)

## Fancy a challenge?

Would you like to challenge yourself in a very different world from your day job, and help other people into the bargain?

If so, you could consider joining the trustee board of our

pension scheme.

Full training is given, with the opportunity to learn about everything from investments to communications.

It would help you make important decisions about your own investments, and to help other people.

Active plan members can find out more at [www.abinbevukpensionplans.com/](http://www.abinbevukpensionplans.com/) Fidelity – click on the link "Become a trustee" at the foot of the page.

**PS** Don't forget to log in regularly to the Fidelity pension app. It contains a huge range of advice, news, tools and planners to help you save and plan for the retirement that's best for you individually.

You can download the free app from Google Play or Apple's App Store.

