

Heinz UK Pension Plan

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 Prepared for: The Trustees
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What has been the impact on my pension from the coronavirus pandemic?

Introduction

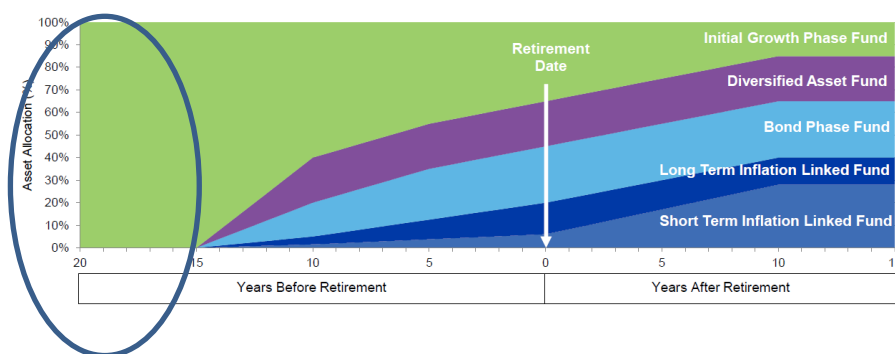
When you received your annual benefit statement recently you may have been wondering what impact the coronavirus pandemic has had on your pension? What has happened to investment markets in 2020? Should I make any changes to the funds I am invested in?

Market Commentary

As the Covid-19 outbreak turned into a global pandemic in the first few months of the year, its impact on investment markets was severe. In particular, global equities (used in the Aon Managed Retirement Pathway Funds when you are far from retirement), suffered the worst quarter since the 2008 Global Financial Crisis. There was a much less severe impact on the fixed income market (bonds) which are used in the Aon Managed Retirement Pathway Funds as you start to approach retirement. Markets rebounded significantly in the 2nd quarter. However, rising fears of a second wave has caused further market volatility at the beginning of Q4.

How does this impact you?

You will have just recently received your annual benefit statement. In order to understand the impact this had on your fund at the time and what this means now we will look at how your assets are invested if you are in the default lifestyle strategy which the trustees make available to members who do not wish to pick their own investment option.



Members Far from Retirement

For members who are **more than 15 years from retirement** and invest in the default lifestyle strategy option (Aon Managed Retirement Pathway Fund):

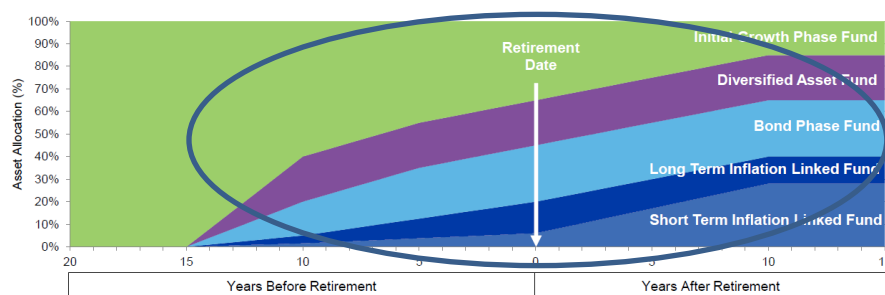
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The sharp fall in global equities (shares in companies) in the first quarter had a significant impact on your retirement savings. The benefit statement that you will have received is based on investment performance when markets were falling. However, global equities rebounded in Q1 with the bulk of the losses seen earlier in the year having recovered. Markets have become more volatile recently as the fear of a second wave has become more prevalent. It's important to remember that this is at a point in time and you are not due to take your benefits for many years.

For example, members more than 15 years from retirement would have experienced the below performance over Q1 and Q2 2020.

	Q1 2020	Q2 2020
Members more than 15 years from retirement	-17.4%	15.6%

It is important to bear in mind the long-term nature of pension savings and the number of years over which your investments can recover losses made in the short term and continue to grow in future years.



Members Closer to Retirement

For members who are **less than 15 years from retirement** and invest in the default investment option (Aon Managed Retirement Pathway Fund):

Assets will start and continue to be switched out of equities and invested across a range of assets which are intended to protect the fund you have already built up from sharp falls before retirement. These funds are normally bonds, gilts (government bonds) and cash. This means that falls in equity markets had less of an impact the closer to retirement you are as less of your money is invested in equities at that point. For example, members around 7 years to retirement would have experienced the below performance over Q1 and Q2.

	Q1 2020	Q2 2020
Members around 7 years from retirement	-10.2%	11.1%

The Trustees are comfortable that the investment objectives of the Aon Managed Retirement Pathway Funds have been achieved in the event of a market downturn. The de-risking of assets as members approach retirement has worked well, as the fall in global investment markets has had much less of an impact on older members.

Pension Scams

Important note: There is a heightened risk that scammers and unscrupulous financial advisers will try to take advantage of the current COVID-19 (coronavirus) situation by targeting pension scheme members.

If you are in any doubt about what action, if any, to take, you should seek independent financial advice. The Trustees cannot provide financial advice or guidance to members and none of the information in this announcement constitutes financial advice or guidance. The Financial Conduct Authority website provides information in relation to finding a financial adviser at <https://www.fca.org.uk/consumers/finding-adviser>.

If you need further details about your investment options, or if you have any queries regarding your investments, you should contact The Heinz UK Pension Plan administrators using the contact details below:

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