

KAS Bank UK Retirement Benefits Scheme

Pensions Newsletter - March 2021

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A note from the Chair of the Trustees

The Trustees are pleased to provide you with the latest edition of their Pensions Newsletter which has been written specifically for members of the KAS Bank UK Retirement Benefits Scheme ('the Scheme'). The Scheme's Principal Employer is CACEIS Bank SA ('the Company').

This Newsletter aims to update you on the finances of the Scheme together with recent developments in respect of the Scheme and the wider pensions industry. In addition to the Newsletter, you will continue to receive the Annual Summary Funding Statement which sets out the funding position of the Scheme in more detail.

The main area of activity in 2020 was the completion of the merger between KAS BANK and CACEIS. A consequence of the merger was the cessation of future accrual under the Scheme with effect from 31 December 2020. All active members at that point were enrolled into CACEIS Bank's pension arrangement, the CACEIS Plan. Details of the CACEIS Plan were provided to active members by CACEIS in October 2020. I would like to assure all members that the Scheme continues to operate as before, albeit

without any active members and new contributions. The Trustees remain committed to ensuring that the Scheme gives you the best possible outcome at retirement.

Another important issue that the Trustees dealt with during 2020 was the requirement to produce and publish our first Implementation Statement. The Implementation Statement demonstrates the Trustees activity during the previous Scheme year in areas such as the consideration of Environmental, Social and Governance (ESG) issues and how we engage with the Scheme's investment managers. A copy of the Implementation Statement can be found online at www.kasukpensionscheme.co.uk and in the Trustee Annual Report & Financial Statements for the year ended 5 April 2020 (available upon request from the Scheme's administrators).

Please let us know what you found interesting and what you did not, so that we can work to make future editions as engaging and informative as we can.

Claire Linane
Chair of the Trustees

If you have any questions that are not answered in this Newsletter then please contact Quantum Advisory, the Scheme Administrator, using the contact details on page five.

What's new?

New Scheme advisers and administrators

Following a comprehensive review of the Scheme advisers and administrator, the Trustees decided to replace Broadstone with Quantum Advisory, an independent firm of pension administrators, consultants and actuaries, to support them in their duties with effect from 1 April 2020.



Benefit Options

This is a reminder for members to register for Benefit Options, the online portal which provides you with secure access to your member account and details regarding your benefits. Benefit Options can be accessed by entering the link below into your preferred internet browser such as Microsoft Edge, Firefox or Google Chrome:

<https://www.benefitoptions.co.uk>

You can also find the website by searching for Benefit Options in an online search engine. If you need to request your login details, please contact the Scheme Administrator, Quantum Advisory (see contact details on page five).



The Trustee Board

The Trustees are responsible for ensuring the Scheme is run in accordance with the Scheme's Trust Deed and Rules and relevant legislation and the Trustees have appointed a number of professional advisors to assist them in this regard.

The current Trustees of the Scheme are:

- Claire Linane (Chair of Trustees)
- Pat Sharman

The Trustees meet periodically to discuss the financial position and the overall governance of the Scheme. A copy of the latest Trustee Report and Accounts is available upon request.

If you have any queries, the Trustees would recommend that you send them to the Scheme's administrators, Quantum Advisory, whose contact details are provided below.



Administration of the Scheme

Administration, consultancy and actuarial services to the Scheme are delegated by the Trustees to specialist third party advisors. Following a review of the Scheme's advisors in 2019, the Trustees appointed Quantum Advisory, to support them in their duties with effect from 1 April 2020.

Please contact Quantum Advisory at any time regarding the Scheme should you have any queries on your benefits. Their details are:

Quantum Advisory, St Mary's Court, The Broadway, Amersham, Bucks, HP7 0UT

Email: kasbank@quantumadvisory.co.uk

Telephone: 01494 927 904

Quantum Advisory's physical offices are currently closed; however, all their staff are working remotely from home and they are open for business as usual. Postal correspondence (inbound and outbound) is still being received and issued, however, it is taking a little longer than usual, and you are recommended to send any questions or requests through Benefit Options (www.benefitoptions.co.uk) or the Scheme's email address kasbank@quantumadvisory.co.uk

Scheme Benefits



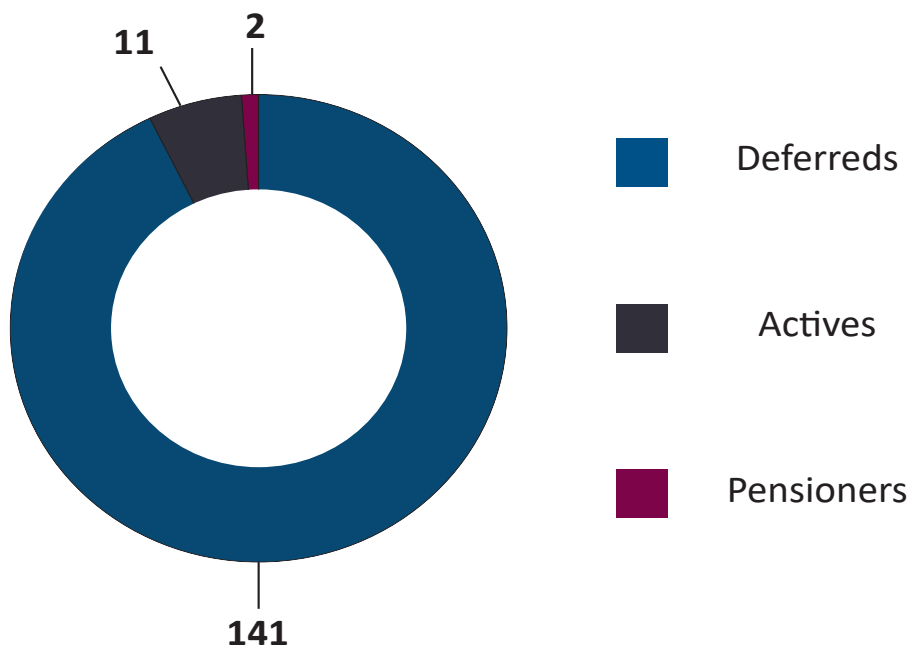
The main features of the Scheme are:

- The Scheme is a defined contribution pension scheme providing members with a pension linked to the amount of contributions paid and the investment return on those contributions, i.e. via an individual member pensions account.
- The Scheme has a small historic Defined Benefit underpin which guarantees a minimum level of benefits, albeit this offers no financial value in most cases.
- The Scheme provides a tax-free cash sum at retirement if members elect to take part of their pensions account as cash (up to 25% is allowed as tax-free cash).
- The Scheme provides a cash sum for dependants if members die before retirement whilst employed by the Company.
- Members of the Scheme may be able to transfer into the Scheme any previous pension benefits they have built up. Any transfers-in will first need to be cleared by the Scheme Trustees.
- The Trustees receive regular updates on the funding position of the Scheme and communicate these separately to members via the Annual Summary Funding Statement. A Summary Funding Statement as at April 2021 accompanies this Newsletter.

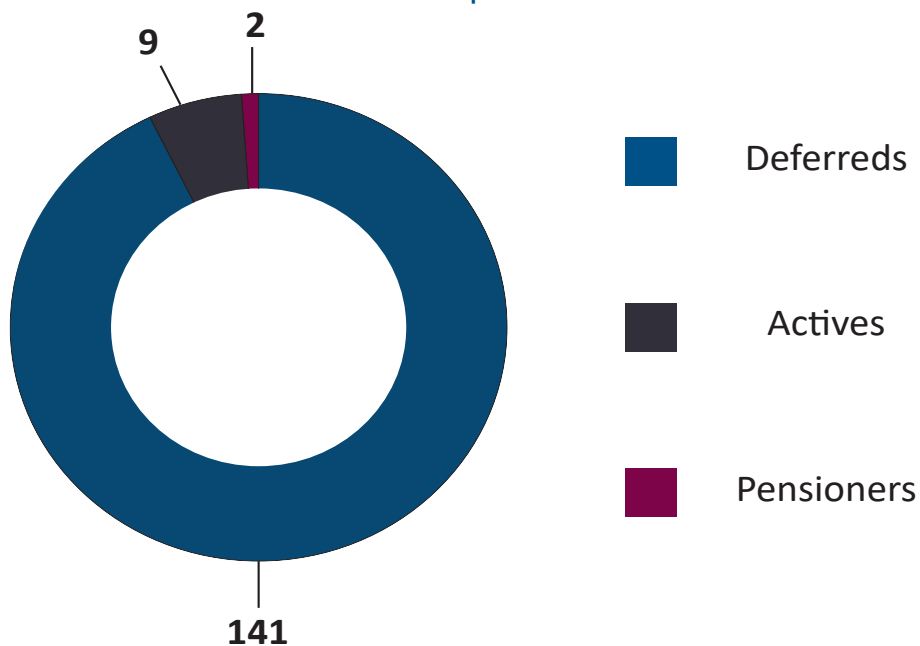
Scheme Membership

Please find below a snapshot of the Scheme's membership profile as at the Scheme year end of 5 April 2020:

5 April 2020



5 April 2019



Financial Update

The assets of the Scheme are held under Trust and are allocated to individual member pension accounts, which consist of employer contributions (plus any voluntary employee contributions) together with any investment return on those contributions.

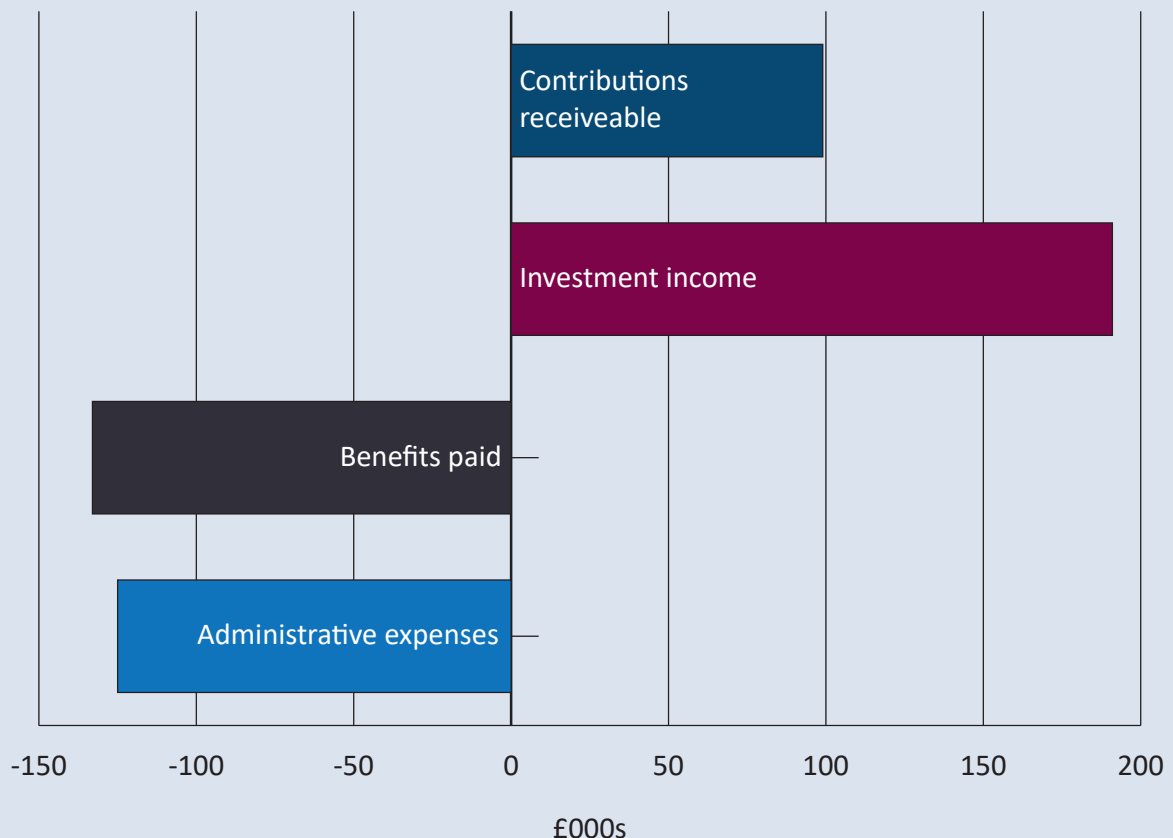
Additional assets are held to cover any future costs of the Defined Benefit underpin, the cost of which is met solely by the Company.

Contributions made by the Company and members, together with the investment return on Scheme assets all form part of

the income of the Scheme. Payments to members, e.g. in the form of lump sums on retirement, transfer values to other approved pension schemes, pensions secured via annuities etc. all form part of the expenditure of the Scheme.

The latest formal actuarial valuation as at 5 April 2018 was completed in June 2019. The chart below summarises the income and expenditure to and from the Scheme over the year to 5 April 2020 and the investment growth of the Scheme's assets.

Income and Expenditure

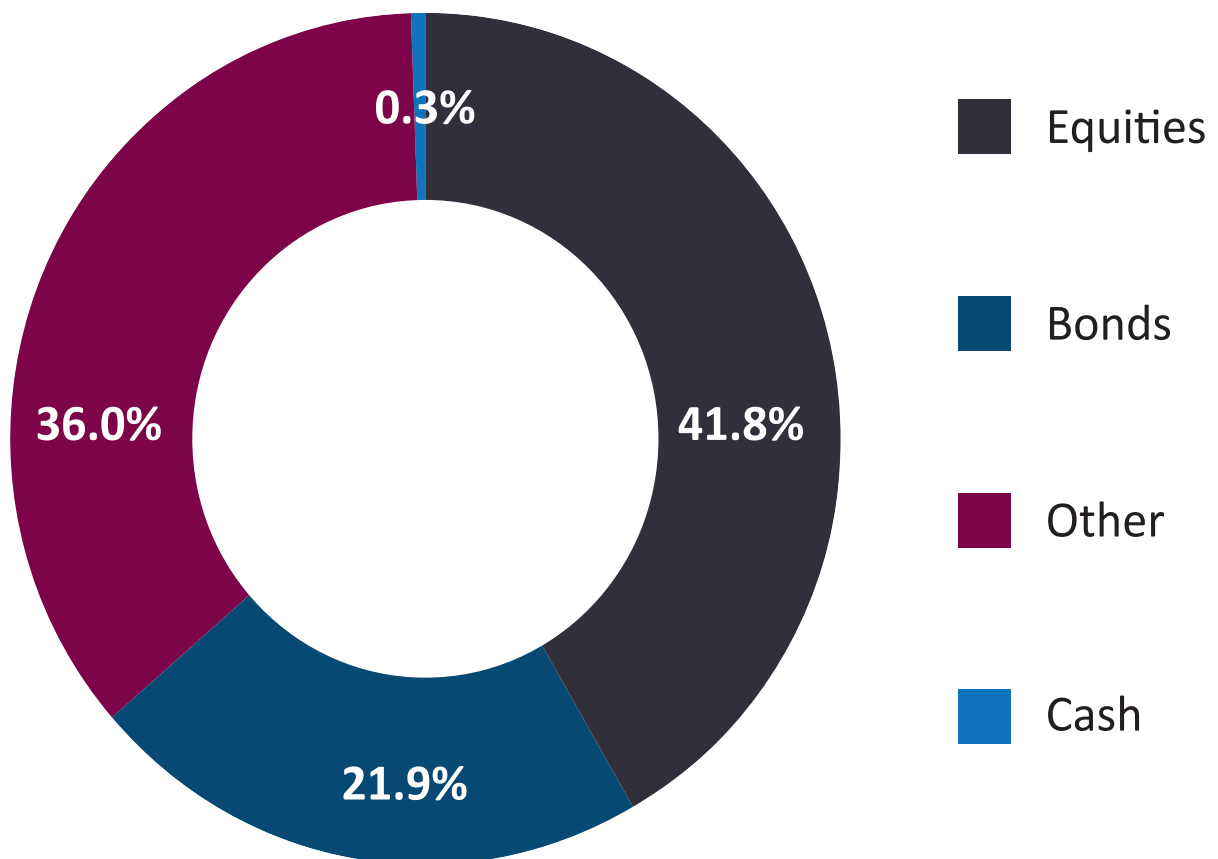


Investment funds and performance

The Scheme's investments are managed by Newton Investment Management.

The broad mix of assets held by the Scheme as at 5 April 2020 is shown below. The total value of Scheme assets under management at this date was £8.02 million.

We would like to remind members that the total assets are divided into individual member pension accounts based on the contributions received and overall investment returns. Each year you will receive a statement informing you of the value of your individual Scheme pension account.





The majority of the Scheme's assets (c.90%) are held in the BNY Mellon Multi-Asset Global Balanced Fund, the objective of which is to maximise long term returns by investing predominantly in a diversified, global portfolio of equities and bonds.

Long term performance of the BNY Mellon Multi-Asset Global Balanced Fund remains strong, returning over 7% per annum since the Scheme inception with the strategy over 20 years ago.

The average annual investment returns on the BNY Mellon Multi-Asset Global Balanced Fund when looking across the more recent past to 31 December 2020 are as shown below.

The returns are largely in line with the Fund's longer-term performance.

The Trustees of the Scheme regularly review the investment options available to members to make sure that they remain appropriate.

BNY Mellon Multi-Asset Global Balanced Fund - Investment Returns



As a member of the Scheme, it is extremely important to appreciate that your pension is linked to the value of the investments in which your pension contributions are invested. When financial markets perform well the assets in your Pension Account will increase. However, financial markets can perform badly, meaning the assets in your Pension Account will decrease and you need to be mindful of this fact.

As pensions are a long-term investment, it is the returns achieved over the longer term that are important and over the five years to December 2020 the fund has achieved an average return of 9.3% pa. However, past performance is not necessarily a guide to future returns, and you should be mindful of this when making investment decisions concerning your retirement income.

Pension News



Changes to the Annual Allowance

The Annual Allowance (AA) is the limit placed upon the total amount of contributions that can be paid into a defined contribution pension scheme in a tax year, for tax relief purposes. The current AA is £40,000 and applies across all registered pension arrangements that you belong to and includes employer as well as employee contributions.

A new tapered AA was introduced from 6 April 2020, when individuals who have income for a tax year of greater than

£240,000 will have their AA for that year restricted. The AA will reduce by £1 for every £2 of income above £240,000, so that the AA is reduced to a minimum level of £4,000 when their income reaches £312,000.

Any pension contributions which exceed the AA will be liable for a tax charge at your marginal rate. **Please note that pension contributions to the Scheme ceased from 31 December 2020.**

Changes to the Lifetime Allowance

The Lifetime Allowance is a limit on the amount of pension benefit that can be paid from your pension arrangements without triggering an extra tax charge. The LTA is £1,073,000 and it will remain unchanged until at least April 2026.

Although this is unlikely to affect most members, it is worth noting the LTA is assessed against all personal pensions and other DC pots and also includes lump sum death benefits paid to dependants, therefore the LTA charge can be triggered when least expected.

As a reminder, individuals who flexibly access pension benefits from a money purchase arrangement are also subject to a Money Purchase Annual Allowance (MPAA) and this limits the contributions you can make to money purchase pension arrangements. The current MPAA is £4,000 p.a.

The Trustees recommend you seek independent financial advice if you think there is any prospect of you hitting the LTA or MPAA.



Pension Scams

Sadly, pension scam activity has increased during the COVID-19 pandemic. The following tips can help you avoid falling victim to a pension scam:

- ➔ Be very wary of unsolicited emails, text or telephone calls advising you to transfer your benefits out of the Scheme. Scammers often claim to be from a reputable organisation e.g. Pension Wise;
- ➔ Never be rushed into making a decision. Pension scammers will often present 'time-limited offers' or offer to send a courier to your home to collect signed documents;
- ➔ Make sure that your financial adviser is authorised and regulated by the Financial Conduct Authority. You can check this by visiting www.fca.org.uk/register;
- ➔ Check the FCA's list of known pension scams at www.fca.org.uk/scamsmart to see if the deal you are being offered is a known pension scam;
- ➔ If it sounds too good to be true, then it probably is. A common ploy used by scammers is to quote very attractive guaranteed investment return;
- ➔ Pension scams often include 'investment deals' such as unregulated investments or overseas investment opportunities.







Learn how to protect yourself from pension scams by visiting www.fca.org.uk/scamsmart/how-avoid-pension-scams. If you think you have been scammed or are being targeted by a pension scam, you should contact Quantum Advisory (see contact details on page five) and Action Fraud on 0300 123 2040.

Retirement Living Standards

The Pensions and Lifetime Savings Association (PLSA) aims to help everyone achieve a better income at retirement, bringing together the industry and other parties to raise standards, share best practice and support members. The Retirement Living Standards are aimed at reducing the ambiguity that currently surrounds retirement planning. The PLSA has developed these standards to help savers think in a practical way about the kind of lifestyle they might lead in retirement. The Retirement Living Standards show you what life in retirement looks like at three different levels, and what a range of common goods and services would cost for each level.

For many people their private and state pensions (full state pension is currently £9,110 per year for the 2020/21 tax year), and other savings could go a long way towards these costs. You may need to add other costs depending on your circumstances, such as mortgage, rent, social care costs and any tax on pension income. Please see below for a useful table to explore what life in retirement could look like for each of the Standards for a couple.

If you would like to find out more information about the Retirement Living Standards, please use the following link: <https://www.retirementlivingstandards.org.uk/>.

	MINIMUM	MODERATE	COMFORTABLE
COUPLE	£15,700 a year	£29,100 a year	£47,500 a year
WHAT STANDARD OF LIVING COULD YOU HAVE?	Covers all your needs, with some left over for fun	More financial security and flexibility	More financial freedom and some luxuries
 HOUSE	DIY maintenance and decorating one room a year.	Some help with maintenance and decorating each year.	Replace kitchen and bathroom every 10/15 years.
 FOOD & DRINK	A £67 weekly food shop.	A £74 weekly food shop.	A £91 weekly food shop.
 TRANSPORT	No car.	3-year old car replaced every 10 years.	Two cars, each replaced every five years.
 HOLIDAYS & LEISURE	A week and a long weekend in the UK every year.	2 weeks in Europe and a long weekend in the UK every year.	3 weeks in Europe every year.
 CLOTHING & PERSONAL	£460 per person for clothing and footwear each year.	£750 per person for clothing and footwear each year.	Up to £1,500 per person for clothing and footwear each year.
 HELPING OTHERS	£10 for each birthday present.	£30 for each birthday present.	£50 for each birthday present.

Keep in touch

It is important to let the Trustees and Quantum Advisory know of changes to your personal circumstances, such as a change of address. You should also make sure that your Expression of Wish Form is up to date as this tells the Trustees know who you would like to receive any benefits that become available should you die before you retire. Whilst the Trustees are not legally bound to follow your wishes, they will take them into account.

An Expression of Wish Form can be requested from Quantum Advisory (see contact details on page five) or downloaded from Benefit Options (see page four for details on how to access your account).

Professional advisors

The Trustees are responsible for ensuring the Scheme is run in accordance with the Trust Deed and Rules and any appropriate pensions legislation. The Trustees appoint a number of professional advisors to help ensure the Scheme is run in an effective and compliant fashion and review the performance of their advisers on a periodic basis.

Scheme Actuary and Administrator
Quantum Advisory

Legal Adviser
Stephenson Harwood LLP

Independent Auditor
Cooper Parry

Investment Manager
Newton Fund Managers Limited

Keeping your personal data safe

The Trustees take the security and privacy of your personal data very seriously. Any personal data collected is for the sole purpose of administering your membership within the KAS Bank UK Retirement Benefit Scheme. We process your data under the “legitimate interest” lawful basis and only share it with relevant organisations such as the Scheme administrators, Quantum Advisory. You have several rights with regards to the processing of your personal data, enshrined in the Data Protection Act 2018. Full information on the types of data we collect, why we process it, who we share it with, your rights and how to enact them can be found within our privacy notice available online here www.kasukpensionscheme.co.uk. Hard copies of the Privacy Notice are available from Quantum Advisory on request.

Useful contacts



The Pension Tracing Service

This may be able to help you if you have one or more company or personal pensions but do not know who to contact.

Tel: 0800 731 0193 or go online www.gov.uk/find-pension-contact-details

The Money and Pensions Service

This is a collective body sponsored by the Department for Work and Pensions with a joint commitment to ensuring members have guidance and access to information required to make effective financial decisions.

Tel: 01159 659570 or go online www.moneyandpensionservice.org.uk

The Pensions Ombudsman

The Ombudsman's department mainly deals with complaints that concern the management of occupational, stakeholder and personal pensions.

Tel: 020 7630 2200 or go online www.pensions-ombudsman.org.uk

