



PENSION NEWS

Airbus Group UK Retirement Plan

Summary Report for the
year ended 5th April 2016

Issued December 2016



Chairman's Introduction

Welcome to the 2016 edition of Pension News for members of the Airbus Group UK Retirement Plan. The Pensions Regulator's new Code of Practice for Defined Contribution pensions has come into force this year. The Trustees have examined this Code and are confident that our current practice meets the general standards. However, under our continuous improvement practices, we are considering further enhancements such as:

- More support on how making active decisions about your Retirement Plan now (and on an ongoing basis) will affect what will be available to you at retirement
- Clear and practical guidance on how to make changes to your Retirement Plan (including amendments to the level of contributions and changing your investment strategy)

We are also looking at ways we can improve the flow of information to you via our website and the online access tool that Legal and General provide which are already available to you. If you have any questions please contact the Pensions Team at ukpensions@airbus.com

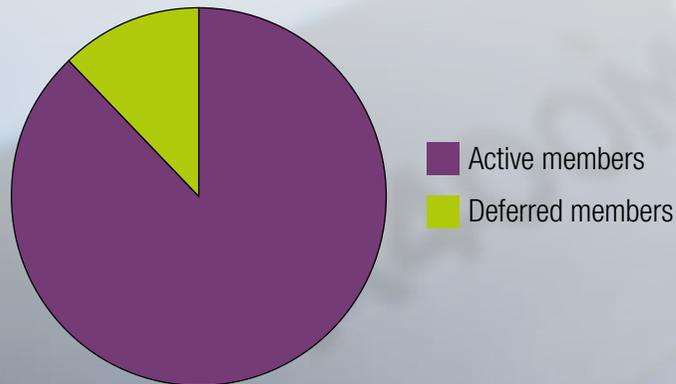
Bill Newman



Bill Newman, Chairman of Trustees

Plan membership

At the end of the Plan year, there were 952 active and 131 deferred members.



Auditor's report

The Plan's auditor Ernst and Young LLP, has given an unqualified audit opinion on the financial statements for year ending 5 April 2016, confirming that the financial statements give a true and fair view of the Plan's financial transactions during the year and the net assets at the year end.

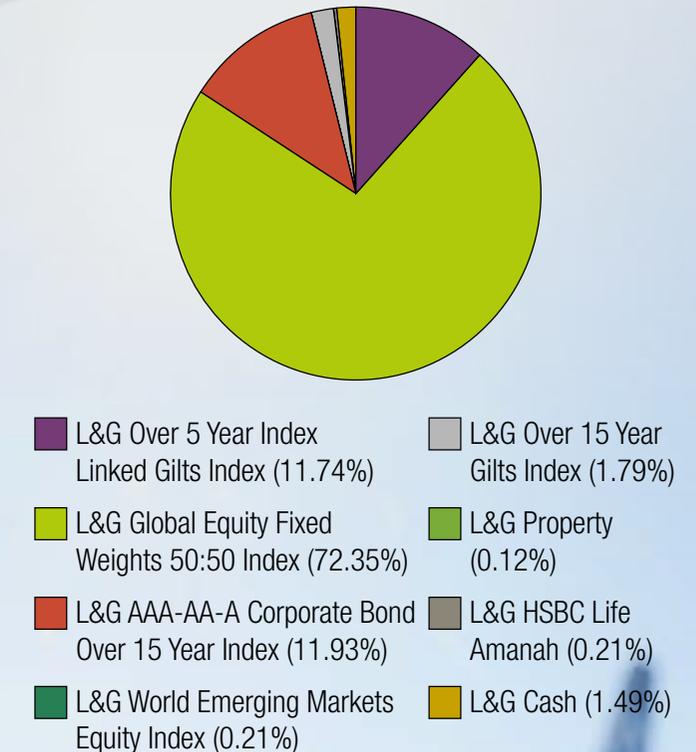
The auditor has also given an unqualified statement on the contributions, confirming that the contributions payable to the Plan for the year ended 5 April 2016 have been paid.

Annual Report

A copy of the formal Annual Report which includes the audited accounts and investment report is available on request from the Pensions Team by emailing ukpensions@airbus.com

Retirement Plan assets

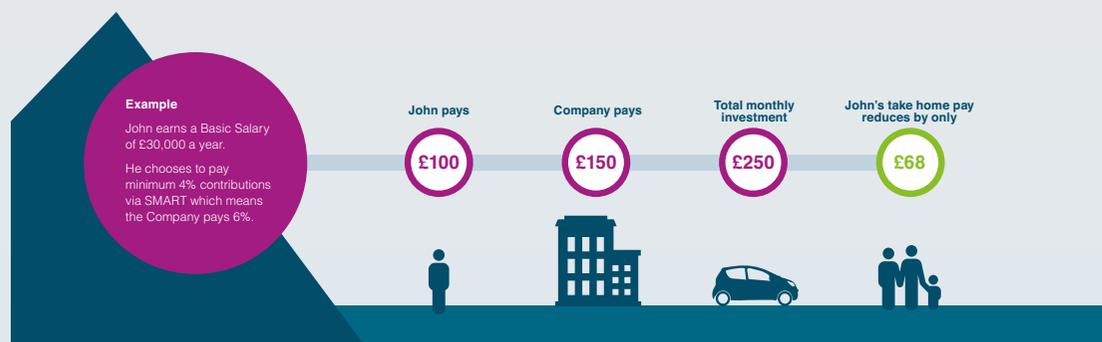
As at 5 April 2016 the Plan assets were invested as shown below, with 87.96% of members investing their Retirement Fund in the Core Lifestyle Profile:



Tax Efficient Contributions

Your contributions are deducted from your monthly pay before tax is calculated. This means that you pay less tax, or to put another way, the difference to your take home pay is less than the contribution that you pay (see example below).

We also use a SMART Pensions arrangement which means you pay less National Insurance



Performance of individual funds

The return on each of the Legal & General funds during the year is shown in the table below.

Performance Net of Fund Management Charges	1 year	3 year Annualised
Legal & General (PMC) Global Equity Fixed Weights 50:50 Index Fund 3	-4.02	5.91
Legal & General (PMC) AAA-AA-A Corporate Bond Over 15 Year Index Fund 3	-1.12	6.84
Legal & General (PMC) Over 5 Year Index Linked Gilts Index Fund 3	-0.04	5.42
Legal & General (PMC) Over 15 Year Gilts Index Fund 3	2.69	7.98
Legal & General Cash Fund 3	0.48	0.48
Legal & General Property Fund 3	9.64	11.26
Legal & General (PMC) World Emerging Markets Equity Index Fund 3	-9.98	-2.76
Legal & General (PMC) World (Ex-UK) Equity Index Fund 3	-1.13	8.71
Legal & General (PMC) UK Equity Index Fund 3	-4.20	3.90
Legal & General (PMC) Diversified Fund 3*	0.58	N/A
Legal & General HSBC Life Amanah Global Equity Index Fund 3	1.20	9.98

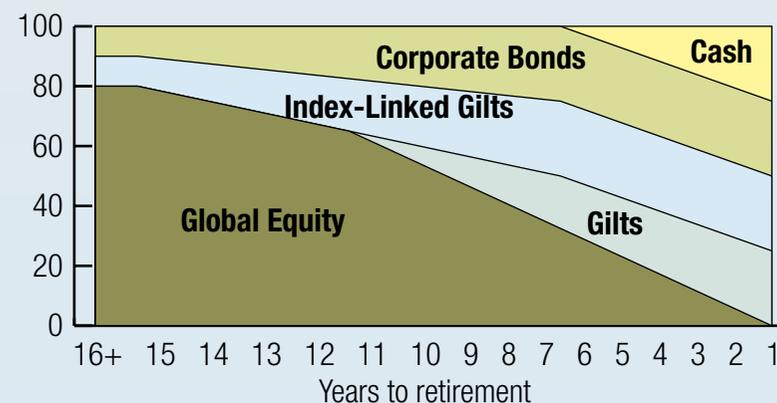
*This fund has not been in existence long enough to have 3 year performance figures. The 3 year figures relate to the L&G funds although member's investments were invested with Standard Life prior to May 2014.

Airbus Group Core Lifestyle Profile – the automatic fund choice

When members first enter the Retirement Plan, they are put into a default fund – the Core Lifestyle Profile. This is a fund that the Trustees had considered to be of appropriate risk for the majority of members.

Under the Core Lifestyle Profile your Retirement Fund will be invested 80 per cent in equities and 20 per cent in gilts/bonds while you are more than 15 years away from your Target Retirement Date. When you get to within fifteen years of retirement, your investment mix will be adjusted once a month so that immediately preceding your retirement your Retirement Fund will be invested 75% in gilt/bond funds and 25% in the cash fund (as shown in the graph). The aim of this is to provide stability in the value of your Retirement Fund as you approach retirement.

Asset mix for the Airbus Group Core Lifestyle Profile



Self Selection funds

There is a range of funds which you can choose from if you do not wish to remain in the default fund. Please visit your online L&G account to see the range of funds available to you along with fund fact sheets to help you make an informed decision.

Protection for You and Your Family

As part of your Plan membership, you are covered for life assurance. If you were to die while still employed by an Airbus Group company and paying into the Plan, your beneficiaries would receive:

- A lump sum of six times your basic salary, plus
- A lump sum equal to the value of your Retirement Fund

You can help the Trustee decide who will receive the benefits payable on your death by completing an Expression of Wish form.

[You can find a copy of this on our website.](#)

Even if your personal circumstances are straightforward, we recommend you let the Trustee know your wishes. For example, a married member with two children may wish the Trustee to pay 50% of the benefit to their partner and to split the remainder between the children. You should complete a replacement form if your circumstances change.

When there is no Expression of Wish form, the Trustee is then often required to make detailed enquiries into your personal circumstances which may cause distress to your beneficiaries.

Only a third of Plan members have completed an Expression of Wish form, so if you are part of the two thirds who haven't, please consider filling one in today.

Plan Website

www.airbusgroup.com/int/en/uk-pensions/uk-retirement-plan

Legal and General Website

Did you know that you can visit the Legal & General (L&G) website at any time to find out more about your Retirement Fund? Just go to www.landg.com/airbus

If you register for 'Manage your Account' you can:

- Monitor your Retirement Fund and follow the performance of your investments
- View and change where your Retirement Fund is invested
- View factsheets of all the available investment options
- Check what contributions have been paid into your Retirement Fund

The L&G site also has links to the members booklet and investment guide

You can also view a number of videos which can help you plan for retirement.



Are You Saving Enough?

Many people only pay the minimum default amount into their Retirement Plan. Plan holders have the option of paying three levels of contributions:

- Employee pays 4% and Employer pays 6% (this is the default option)
- Employee pays 5% and Employer pays 7%
- Employee pays 6% and Employer pays 8%

You can opt to switch to a different level each April (or anytime within the first three months of you joining the plan). In addition, you can also pay Additional Voluntary Contributions (AVCs) which do not attract any employer contributions but do still attract tax relief from the government. You can opt to do this at any point, either as a fixed amount from your salary or as a percentage of your salary. Please contact ukpensions@airbus.com for more information.

Pensions Consultative Committee Trustee and Advisers

The Pensions Consultative Committee (PCC), whose members are nominated and elected from the whole active and pensioner membership as appropriate, is responsible for selection of Member Nominated Directors (MNDs).

Name	Constituency	Status
Inaki Azpiazu-Pelaez	Filton	PCC Member
Steve Chafer	Leicester, Newcastle, Guildford	Trustee
Denise Chappell	Stevenage	PCC Member
Mick Sheahan	Stevenage	PCC Member
David Hobbs	Oxford	PCC Member
Tim Gilbert	Guildford	PCC Member
Bill Mullin	Broughton	PCC Member
Matthew Johnson	Broughton	PCC Member
Craig Musker	Newport	PCC Member
Guy Newham	Portsmouth	PCC Member
Steve Parker	Portsmouth	Trustee
Mario Schiavo	Filton	PCC Member
Phil Wadey	Corsham, Hawthorn, Oakhanger	Chairman of the PCC
Ian Westall	Pensioners	Trustee

Trustee	Airbus Group Pension Scheme Trustees Limited
Trustee Board of Directors	Bill Newman (Chairman) – Independent Steve Chafer – Member Nominated Director Keith Davies – Airbus Operations Marcus Wilhelm – Airbus Group Nigel Ede – Airbus Defence and Space Steve Parker – Member Nominated Director Ian Westall – Member Nominated Director
Principal Employer	Airbus Defence and Space Limited
Head of Pensions & Secretary to the Trustee	Clive Bugeja – Airbus Group Limited
Pensions Manager	Laura Millard – Airbus Group Limited
Scheme Actuary	Adam Boyes – Willis Towers Watson Limited
Administrator	Willis Towers Watson Limited
Auditors	Ernst & Young LLP
Banker	HSBC Bank
Investment Consultant	Lane Clark & Peacock LLP
AVC/Retirement Account Provider	Legal & General Assurance Society Limited
Solicitors and Legal Adviser	Sacker & Partners LLP

Retirement Plan contacts

Retirement Plan website:

www.landg.com/airbus

Retirement Plan email address:

ukpensions@airbus.com

The on-line administration site, Manage your Account, can be found at:

www.legalandgeneral.com/manageyouraccount

If you wish to contact the Trustee Board, or if you have queries about the management of the Retirement Plan or you require details of the dispute resolution procedure, please contact Laura Millard, Pensions Manager at:

Airbus Group Pension Scheme Trustees Limited
Gunnels Wood Road, Stevenage, SG1 2AS
Tel: 01438 773071
E-mail: laura.millard@airbus.com

The Department for Work and Pensions

Details or a personal quotation of your State pension can be obtained from

www.thepensionsservice.gov.uk or by phoning 0845 60 60 265.

Independent financial advice

The Airbus Group pensions team, the Trustee Directors, the PCC members and Legal & General are not authorised to give you financial or investment advice. To obtain impartial financial advice, members are advised to contact an Independent Financial Adviser (IFA).

You can find a list of the IFAs in your postal area by contacting IFA Promotion on 0117 971 1177 or visiting www.unbiased.co.uk



**If you have difficulty reading this document
you can obtain an audio copy by contacting
the Pensions Manager.**