

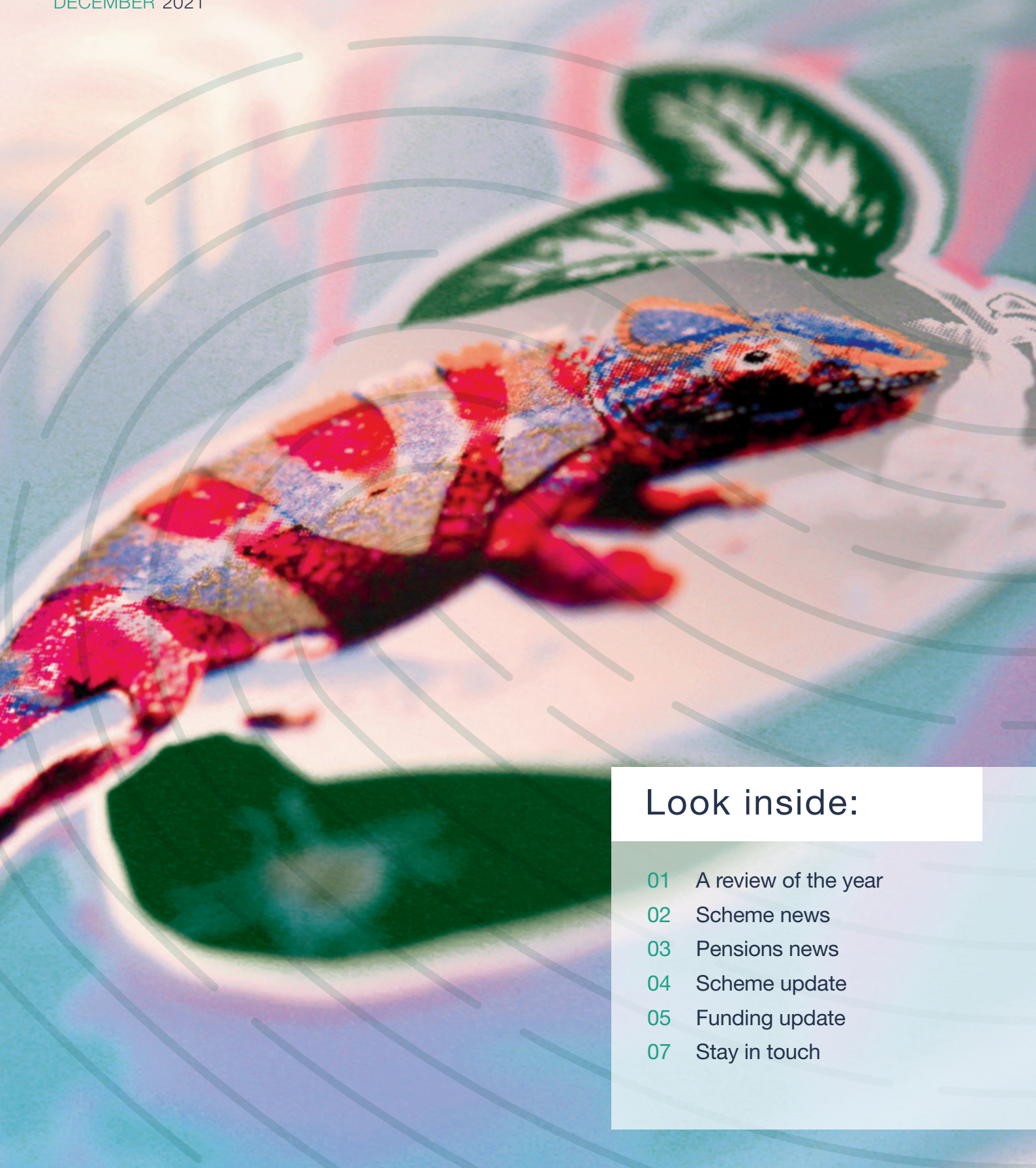


DeLaRue

THOMAS

PENSION SCHEME
DECEMBER 2021

The pension magazine for Defined Benefit (DB) Scheme members



Look inside:

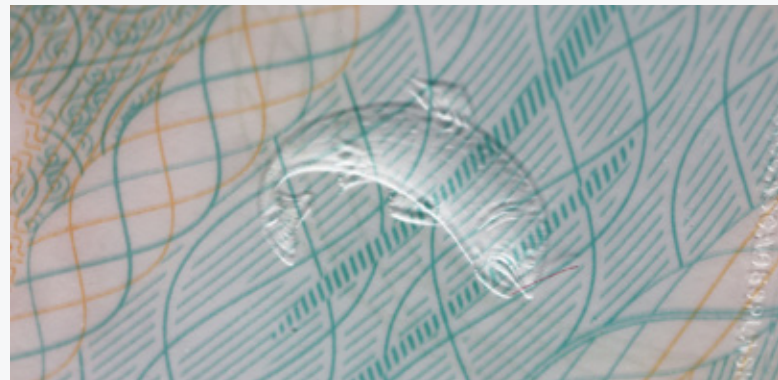
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A review of the year

Welcome to THOMAS, a refreshed update of our old regular Pension Focus newsletter, dedicated to members of the De La Rue Pension Scheme (the Scheme). It's a great way for us to keep you in the know with the Scheme's management, developments, and other pensions-focused news.

The Trustee Board is now back up to full strength with the appointment of two company appointed professional trustees, Julia Yates from 2020 Trustees Ltd and Geoff Mckenzie from Ross Trustees. Julia has over 17 years of advisory experience and looks to work collaboratively with the trustees and their advisers. Geoff is a seasoned pensions professional and looks to bring this knowledge to what will be his first trustee role.



The Scheme Valuation

As detailed in the last update, the Trustee is fully committed to increasing the overall funding level of the Scheme's finances. I'm pleased to announce that the funding level has increased from 88% to 90% from the last valuation. You can find out more about the funding level and how the Trustee aims to reduce the deficit on page 5.

Investment update

The Scheme's investment strategy has helped the funding position in a period where there's still market uncertainty. This is due to a strategy which focuses on a lower risk profile with a greater level of protection against market movements. Get a full picture of the investment performance on page 4.

Connecting with your pension

Due to the current climate, it's more important than ever that your personal details are up to date. On page 2, we outline the quickest and safest way to do this, while giving you a reminder of some of the other great tools available online to help you manage your pension.

Also in this issue, we'd like to draw your attention to changes which will affect members who hold Money Purchase benefits within the Scheme, you can find out more on page 2.

We hope you enjoy this issue. Remember, we'd love to hear your feedback, so get in touch using the contact details on the back page.





Scheme news

Your pension, online

Managing your pension online is easy and secure with the Scheme website, providing you with all the tools and information you might need about your retirement savings. Visit the website now at www.delaruepensions.co.uk

Once online you can:



Check and update your personal details



Obtain a transfer or retirement quote



Update your Nominated Beneficiary



Access information about the Scheme

Prism – your new Scheme website

We're always looking at ways to improve your experience within the Scheme and we're delighted to announce we're launching an improved website, Prism, which will be provided by our Scheme administrator Hymans Robertson. We'll be writing to you shortly with more information before it launches in 2022.

Is your personal information up to date?

Making sure all your personal information is up to date enables us to provide you with accurate information about your pension and helps us to pay your benefits on time.

As mentioned in the 'Your pension, online' article, your Scheme website is the safest and most secure place to provide this information. From time to time we'll look to provide you with material about the Scheme via email, so if you'd like to receive this, please also provide us with your personal email address.

If you'd like to update your personal details, get in touch with our Scheme administrator, Hymans Robertson. You can reach them using the information provided on the back page.

Scheme update – Money Purchase Section

During the year De La Rue and the Trustee reviewed how Money Purchase benefits are provided to staff and, as a result, it was decided to move the De La Rue Defined Contribution Plan to the LifeSight Master Trust. We were keen to provide members access to not only competitively priced investment funds but access to many financial planning and welfare tools. LifeSight provide the tools and services that we are not able to provide. As part of this move, the decision was taken to also move members of the Money Purchase Section of the Scheme and the Extra Pension Accounts for members of the Retirement Plan Section to LifeSight.

AVC funds are not affected by this and these will continue to be provided from the Scheme.





Pensions news



MoneyHelper – free pensions guidance

The Money Advice Service, the Pensions Advisory Service and Pension Wise have joined forces to create MoneyHelper.

Open to everyone, you can find information on clearing debt, making the most of your income, tips for building up your pensions savings and lots about your options at retirement. You can get free guidance on money matters over the phone, online and face-to-face.

Visit MoneyHelper and explore all it has to offer at www.moneyhelper.org.uk

Not only can you access information about pensions, you can also help improve your overall financial wellbeing in areas such as:

- Benefits – Universal Credit, housing or if you're a carer;
- Family and care – long-term care, death and bereavement or becoming a parent;
- Everyday money – insurance, banking, budgeting or credit;
- And much more...

Origen – free retirement advice

Don't forget, the Scheme gives you access to free financial guidance at retirement with Origen. Origen specialise in providing advice to members of final salary schemes like ours. They will support you in making the right choices when you reach retirement. Origen undertake detailed research based on your personal circumstances and provide solutions to help you maximise and protect your retirement income.

You can find out more, and get in touch with Origen, by visiting their website at www.origenfs.co.uk

Four tips to protect your financial self

During the COVID-19 pandemic, there have been reports of a 400% increase in scams as a result of coronavirus-related fraud.

We've put together four top tips to help you protect your overall financial wellbeing:

- 1. Ignore strange phone calls** – if you receive a call from anywhere asking to confirm any personal bank information, HANG UP! To double check if it was real, it's worth calling your bank directly using a trusted telephone number from their website. DON'T use the phone number they provide you with.
- 2. Review your credit report** – check for any unusual activity. ClearScore is a free and trusted website and has recently installed a 'Protect' function that checks if your passwords have been copied on the dark web. Other credit report websites such as Experian and Credit Karma are also available.
- 3. Phishing scams** – emails and texts with bad spelling, grammar and an urgent tone should be a cause for concern. Don't click on any of the links included. Just delete the message if it looks suspicious.
- 4. Review your passwords** – if you use the same one for multiple accounts, it's worth changing it. There are a number of resources available through your phone or PC which safely and securely store your passwords as well as autogenerates them.

Remember, if an offer sounds too good to be true, it probably is!

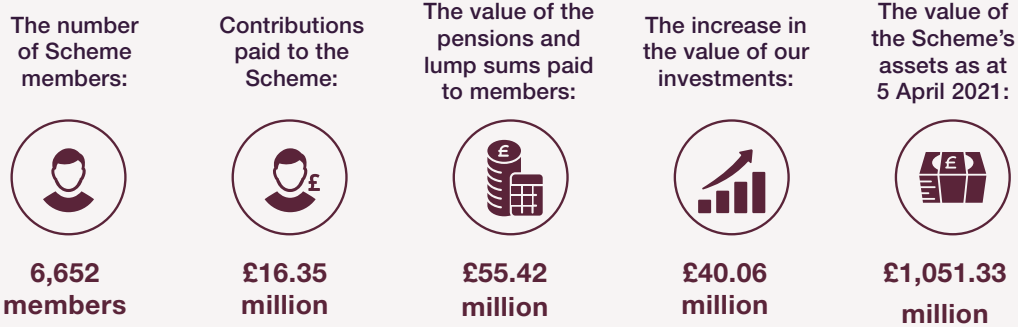


Scheme update

Key figures from the 2021 accounts

The key figures as at 5 April 2021 are highlighted below. This is so you can get a good idea of how the Scheme membership and contributions are moving throughout the year. You can see a full version of the report by visiting www.delaruepensions.co.uk or by contacting the Scheme administrator using the contact details on the back page.

Summary



Scheme investment performance

The table below shows how the Scheme investments have performed overall against the benchmark, one and three years, ending 31 March 2021.

	Over 1 year (% p.a.)		Over 3 years (% p.a.)		Actual allocation (%)
	Fund	Benchmark	Fund	Benchmark	
Legal & General – Global Equities	44.4	44.6	12.4	12.5	10.0
Legal & General – UK Equities	26.8	26.7	3.2	3.2	2.3
Insight – Secured Finance*	11.0	3.5	N/A	N/A	13.5
Baillie Gifford – Diversified Growth	17.6	3.6	2.4	4.1	5.3
Insight – Buy and Maintain	9.4	9.4	4.4	4.4	1.1
Insight – LDI	(21.6)	(21.6)	(0.3)	(0.3)	25.1
Insight – Liquid ABS ¹	3.2	0.5	N/A	N/A	7.4
Insight – Global ABS ¹	8.2	2.1	N/A	N/A	2.4
Insight – Liquidity Plus ¹	1.1	0.1	N/A	N/A	9.8
Partners Group Multi-Asset Credit 2016 (III) ²	4.4	5.0	4.5	5.0	2.4
Partners Group Multi-Asset Credit 2019 (V) ^{1,2}	6.1	5.0	N/A	N/A	5.0
Alcentra – Global Multi-Asset Credit ¹	26.1	4.7	N/A	N/A	4.7
TOTAL	0.9	(0.9)	3.3	3.1	100

Summary: Over the one year despite the falling of our LDI assets, the outperformance of our equity and credit assets meant that overall the returns were positive over the last year, despite the effects of the pandemic.

¹ This fund has been in the Scheme investment strategy for under three years so there is currently no three year performance.
² This fund does not have a formal performance benchmark. This fund has a performance target of cash + 4% - 6% p.a. (net of fees). Benchmark return is expressed as the average of the annual performance target which is 5%.



Funding update

Every three years, the Scheme Actuary carries out a financial review of the Scheme. This is known as a valuation, and we use Hymans Robertson to do this. The valuation is important because it gives us a picture of where the finances of the Scheme are today, as well as a projection of what things might look like in the future.

The latest valuation

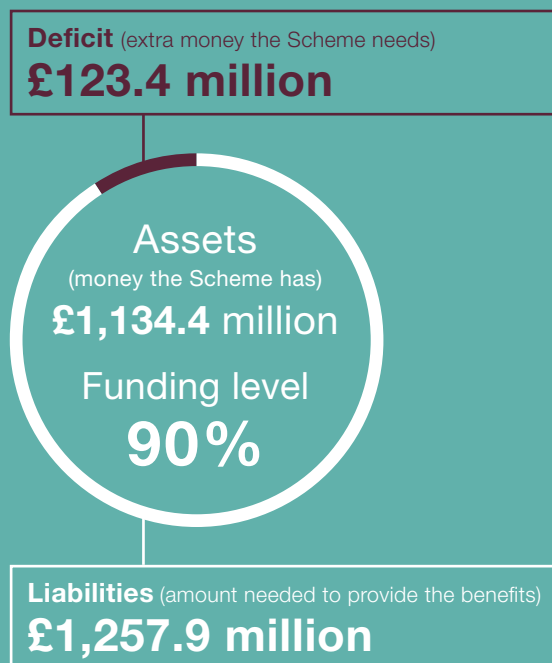
The 5 April 2021 valuation was brought forward to 31 December 2019 in the members' best interests to ensure a suitable funding package was agreed and to help support the Company secure its future...

The Trustee worked closely with the professional advisors and agreed terms with the Company for a schedule of contributions and a recovery plan which we are pleased to confirm has already contributed to decreasing deficit.

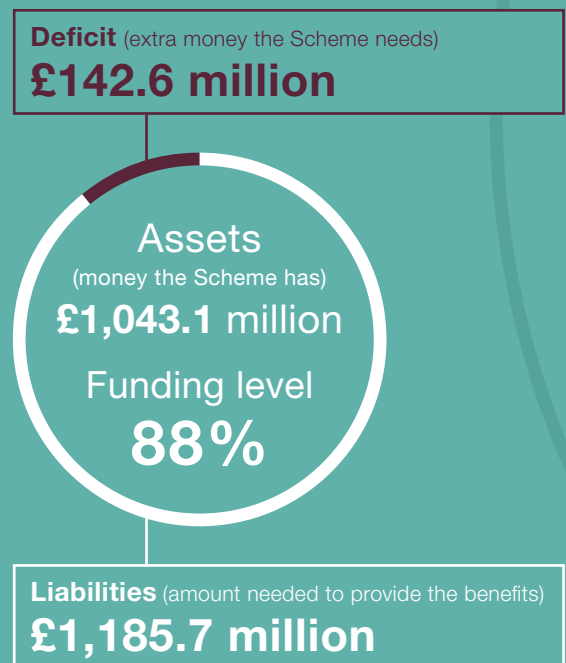
An update of the funding position

The Actuary has provided an update to show the Scheme's funding position as at 31 December 2020.

31 December 2020



31 December 2019



Since the December 2020 update, the funding level has continued to stay steady. Looking forward, the Trustee, with the support of the company, are reviewing their investment strategy with the aim of providing greater security for member benefits, particularly in retirement. We will keep you updated with any developments.

What is De La Rue doing about the deficit?

The funding deficit is addressed by payments of £15m per annum, under the recovery plan, payable from 1 April 2020 until 31 March 2023 and then payments of £24.5m per annum from 1 April 2023 until 31 March 2029.

How we aim to keep your pension secure

The Trustee aims to have enough money in the Scheme to pay pensions and other benefits to members. With the Company's continued support of the Scheme and the investments delivering the expected returns, your benefits will be paid in full when they become due.

The Actuary works out how much money the Scheme would need if the Company could no longer support it, the Scheme was wound up and the Trustee secured members' benefits by buying an insurance policy.

Securing benefits in this way is expensive because the insurance company pays members' benefits in full in exchange for a one-off payment.

Now for the legal bits

If there was not enough money in the Scheme to buy out all of the benefits with an insurance policy, the Company would have to make up the shortfall. For cases where a company goes out of business and doesn't have the money to pay the benefits promised, the Government has set up the Pension Protection Fund (PPF) which can pay compensation to members. You can find out more about the PPF on its website: www.ppf.co.uk

Important: There are no plans to wind the scheme up but we are required to tell you about the PPF. It's been a difficult year, with some uncertainty, but we want to reassure you that the latest funding check showed the Scheme at present has more than sufficient assets to ensure that if De La Rue was to stop supporting the Scheme, benefits over the PPF level would be secured for you, though this is unlikely to be the full level of promised benefits.

Legally, we have to confirm that the Company has not taken any surplus payments out of the Scheme in the last 12 months. We can also confirm that The Pensions Regulator has not intervened to change the way that benefits build up, the way valuations are calculated, or the way the funding shortfall is met.



Stay in touch

If you have any questions about your benefits or the Scheme, or need to update your contact details, or request a new nomination form, you can contact the Scheme administrators, Hymans Robertson:

Email: delaruepension@hymans.co.uk

Phone: **0141 566 7642**

Write: **De La Rue Pension Scheme
Hymans Robertson LLP
20 Waterloo Street
Glasgow
G2 6DB**

You can also contact the Group Pensions Department if you'd like to see copies of Scheme documents, such as:

- The annual report and accounts;
- The statements of investment or funding principles; or
- The most recent report from the Scheme Actuary.

Email: pensions@uk.delarue.com

Phone: **01256 605003**

Write: **Group Pensions Department
De La Rue House
Jays Close
Basingstoke
RG22 4BS**

Where to get more help

Here are some additional places you can go to for more general pensions information.

UK Government

www.gov.uk/browse/working/workplace-personal-pensions

You can find information about retirement planning and tax, as well as general public services on this website. You can also find out what State Benefits might be available to you when you retire.

Origen

www.origenfs.co.uk

The Trustee and the Company have appointed Origen, a financial adviser to support you in making the right choices when you reach retirement. When you receive a retirement quote from the Scheme, you'll also find Origen's contact details.

Citizens Advice

www.citizensadvice.org.uk/debt-and-money/pensions/

A national charity and network of local charities who offer confidential advice online, over the phone and in person, for free. They give you the knowledge and confidence to help you find your way forward.