



Combined Nuclear Pension Plan

Welcome from the Chairman

Welcome to our new-look 2021 newsletter for members of the Defined Contribution (DC) New Joiners Structure of the Combined Nuclear Pension Plan (CNPP). I hope you like this newsletter and find it interesting. If you're a member of the Defined Benefit (DB) Structure of the Plan, you'll receive a separate DB newsletter. Both are available at cnpp.org.uk

Navigating the consequences of Covid-19

These last 18 months have been extraordinary for all of us, and the uncertain times have been long and drawn out. As well as the impact on individuals, the Covid-19 pandemic has affected the DC Structure of the CNPP in two ways. Its economic consequences have affected funds' performance (see page 4 for details) and we've changed how we organise our operations (see page 3).

Despite the difficulties, CNPP operations have continued uninterrupted. I'd like to thank the Plan Administrators for maintaining a high level of service to the Plan's members throughout the year. I'm also grateful to you, our members, for your patience while the transition to home working took place in 2020.

We're always focused on running the CNPP well and efficiently

The Trustee's main priority hasn't changed and continues to be ensuring the continued and efficient running of the CNPP. We apply the high level of governance required of us as an authorised Master Trust, complying with the supervisory requirements set by the Pension Regulator (TPR). This includes rigorously monitoring the business plan objectives, and making sure that the Plan is managed, administered and governed to a high standard.

If you want to know more about your DC benefits, please contact your Plan Administrator. You'll find their details on page 8.

You can also find a copy of the Trustee's Annual Report at cnpp.org.uk together with the annual Chairman's Statement covering the Trustee's stewardship of all the Plan's DC arrangements during the year.



Allan Whalley
Chairman of the CNPP Trustees

Meet your Trustee board

What your Trustee Board does

Your Trustee Board makes sure the CNPP is run properly and that member benefits are secure.

There are three types of Trustee on the Board:

- Independent Trustees, who do not have any direct personal interest in the CNPP, either through the employers or as members
- Member Nominated Trustees, who are elected by the members of the CNPP
- Employer Nominated Trustees, who are nominated by the NDA from its senior managers or Board members.

Since our last newsletter, there's been one change to the Trustee Board. Frank Rainford has stepped down as a Trustee, and we're pleased to welcome Jeremy Gilmour in his place.

Independent Trustees



Allan Whalley
Chairman



Ingrid Kirby
from Capital Cranfield
Trustees Limited



Mike Roberts
from PAN Trustees
UK LLP

Member Nominated Trustees



Philip Greene
Employed by
Springfields Fuels
Limited



Pip Hatt
Employed by
Magnox Limited



Claire Toole
Employed by
Sellafield Limited

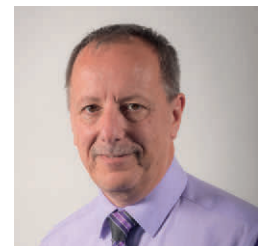
Employer Nominated Trustees



Mike Calloway
Head of Programme:
Non-NDA Liabilities
Assurance at NDA



Jeremy Gilmour
Head of Public
Affairs at NDA



Andrew Oldham
Head of Financial
Operations at NDA

Making sure your pension plan runs smoothly during Covid-19

Covid-19 has affected our Plan Administrators at EQ, Aegon and Barnett Waddingham just like everyone else.

The teams have largely been working from home, and our technology and processes have successfully supported this move. Thanks to everyone's hard work and dedication in this difficult environment, we've continued to meet the key tasks related to running the CNPP.

We hope you don't have any problems or concerns about payments or contributions, but if you do please contact Aegon, your Plan Administrator. You'll find their details on page 8 of this newsletter.

Tell us who should get your pension

We all want to provide for our loved ones, so it's good to know that your benefits could pay them a lump sum when you die.

You can nominate who you'd like to benefit from your pension by filling in an Expression of Wish form and sending it to your Plan Administrator. Go to cnpp.org.uk to download this form. Alternatively, you can ask your Plan Administrator or Employer Representative for one.

People move house and things in our lives change. So, even if you've already filled in an Expression of Wish, it's important to keep it up to date. Please check yours regularly and let your Plan Administrator know if something needs updating.

How your pension plan works

As a member of the New Joiners DC Structure of the CNPP, you have your own investment account into which you and your employer contribute.

The Trustee has made a range of investment funds available to you. You can decide how much you wish to contribute and how to invest your money in those funds to suit your needs when you retire. Go to the document library at cnpp.org.uk to find a guide to your investment fund options.

Planning for when you retire

Each year you receive an annual benefit statement. This gives you an estimate of how much you might have when you retire, assuming contributions continue to be paid into your investment account at their current rate.

The actual value of your investment account will depend upon a number of things including the:

- amount of contributions that are paid
- time at which you retire
- returns on your investments, including which funds you chose to invest in and how they perform.

The value of your investment account may also go down or up, depending upon the performance of your funds.

You can use your annual benefit statement to compare the value of your investment account with your savings goals for when you retire. Based on what you find, you can decide whether your current investment choices are right for you. When deciding, it's important that you consider:

- how much investment return you're looking for
- the amount of risk you're prepared to take
- the time you have left before you retire in which to invest.

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The investment options you choose can make a difference to your retirement savings

Over the long-term, equities are expected to deliver a higher level of return over bonds and cash. But there have been times when returns on equities have been lower than both bonds and cash. While cash offers more security, it has historically provided only modest rates of return, especially against inflation. This means it's important to think carefully about whether you have the right mix of investments for your needs.

It's a good idea to speak to an independent financial adviser about whether you're on track for the retirement you'd like and the choices that are open to you. Go to unbiased.co.uk to find one.

How to find information on how the funds are performing

The Plan's DC benefits are provided by Aegon, except for some With Profits funds, which are held with Prudential. Go to the documents library at cnpp.org.uk to see the investment guides about the funds that are available to you. You can also see quarterly fund factsheets giving information on the performance of individual funds.

The table at the top of the next column gives performance to 31 March 2021 of the main default funds available to members with a retirement date in around 5 and 10 years' time. However, these may not be the funds you are invested in.

The value of investments can go down as well as up. And past performance is not a guide to future investment returns.

Fund performance

This table shows the net performance of each fund over various periods to the end of the month.

Fund	Fund Performance % as at 31 March 2021		
	3 months	1 year* (annualised)	5 years (annualised)
BlackRock LifePath Flexi, Capital and Retirement (performance relevant to younger members who are around 40 years from retirement)	5.9%	46.0%	11.5%
BlackRock LifePath Flexi, Capital and Retirement (performance relevant to members who are around 20 years from retirement)	4.1%	37.5%	10.4%
BlackRock LifePath Flexi (performance relevant to members who are approaching retirement)	-0.6%	16.5%	6.9%
BlackRock Lifepath Capital (performance relevant to members who are approaching retirement)	0.0%	0.5%	2.8%
BlackRock LifePath Retirement (performance relevant for members who are approaching retirement)	-5.8%	-0.9%	4.6%

Notes

*Following the sharp market fall from the initial phase of the Covid-19 crisis in Q1 2020, markets continue to recover. This led to elevated performance figures for 1-year performance.

Charges

Default Investment Options

The default arrangement for the DC New Joiners Structure is the BlackRock DC LifePath Flexi Funds.

The Replacement Cash Fund became an additional default option during the Plan year because of issues arising from the Covid-19 pandemic. The Replacement Cash Fund was used to invest members' CNPP Property Fund contributions because trading in the CNPP Property Fund had been suspended in March 2020. The CNPP Property Fund currently remains suspended. All Replacement Cash Fund contributions were moved to the default BlackRock DC LifePath Flexi Funds in December 2020 and the Replacement Cash Fund was closed.

This table shows the charges to members, expressed as a Total Expenses Ratio, that applied to the default arrangements from 1 April 2020 to 31 March 2021.

Fund	Total Expense Ratio (TER) (%)
BlackRock DC LifePath Flexi Funds	0.26
Replacement Cash Fund (from 27 March 2020 to November 2020)	0.23

Self-select Investment Options

This table shows the charges to members, expressed as a Total Expenses Ratio, that applied to the self-select investment options from 1 April 2020 to 31 March 2021.

Fund	Total Expense Ratio (TER) (%)
CNPP Global Equity	0.19
CNPP UK Equity	0.19
CNPP Global Equity ex UK	0.19
CNPP Emerging Markets	0.34
CNPP Sharia	0.48
CNPP Property (currently suspended to new contributions)	0.77
CNPP Multi Asset	0.58
CNPP Corporate Bond	0.20
CNPP Index Linked Gilt	0.19
CNPP Pre Retirement	0.30
BlackRock Cash	0.23
BlackRock LifePath Retirement Funds	0.26

Notes

The Total Expense Ratio, also known as a fund's Total Charge, is the sum of a fund's Annual Management Charge and other operating costs and expenses. It excludes transaction costs on the fund's underlying assets.

Is my pension being invested responsibly?

Responsible – and sustainable – investing is being talked about more and more, especially in the light of ongoing climate change. One of the terms used to describe this way of investing is 'ESG'.

What is ESG?

ESG stands for Environmental, Social and Governance factors. These headings are used to refer to areas of risk that could affect the long-term value of investments, even though they don't typically appear in a company's reports and accounts. Responsible investing involves incorporating ESG factors into the risk assessment when making investment decisions.

What does this mean for DC pensions savings with CNPP?

The Trustee Board recognises that ESG risk factors, including climate risk, can have a financially material impact on members' DC savings as they are invested in the market. So the Trustee takes these risks into consideration when looking into the investment options in CNPP.

The Trustee chose the LifePath Target Date Fund range managed by BlackRock as the default investment strategy for CNPP members. This means that BlackRock is the asset manager for the investments and has been given the responsibility to manage the day-to-day investment of members' DC savings.

How BlackRock incorporates ESG factors

BlackRock is responsible for:

- setting the mix of assets in which members' savings will be invested
- the funds used to achieve this mix of assets.

ESG updates to the BlackRock LifePath strategy

BlackRock's LifePath UK team continues to research ways of further incorporating ESG risk management into the LifePath Target Date Funds in order to deliver better outcomes for members. It has also made the following enhancements to reflect the Trustee's commitment to delivering sustainable long-term returns on behalf of members.

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- From September 2020, BlackRock changed the asset allocation within the Target Date Funds to improve the representation of global equity markets. Initially, this was achieved by reducing the exposure to UK equities, replacing them with a global alternative (ACS World ESG (Optimised) Equity Tracker fund).
- By the end of Q1 2021, the remaining global equity exposure was invested into an additional ACS World (Screened) Index Fund. This brought the total allocation to funds with explicit ESG risk management to over 50% of the total portfolio for younger members. As a result of the way LifePath portfolios work, members who are close to retirement will hold fewer investments with explicit ESG risk management, as they have a lower exposure to equities than investors whose retirement is still some way off. This is because LifePath portfolios automatically reduce exposure to riskier assets such as equities as members approach their target retirement date, and ESG integration is currently most often seen in equity strategies.
- The ESG-optimised and screened funds have a greater allocation towards companies that show positive ESG characteristics based on scoring by the MSCI rating agency. They also minimise the carbon exposure of investments by tilting away from high emitters.
- Members will benefit from a more robust ESG-focused strategy and reduced carbon emissions intensity. However, these won't affect their Target Date Funds' investment objectives and benchmarks. And they won't mean members have to pay additional charges.

How much will I need when I stop working?

The Pensions and Lifetime Savings Association has created a set of Retirement Living Standards, designed to help people picture the lifestyle they want when they retire. The standards are based on three levels of income – minimum, moderate and comfortable. Go to retirementlivingstandards.org.uk to see them.

Helping you plan for what you need

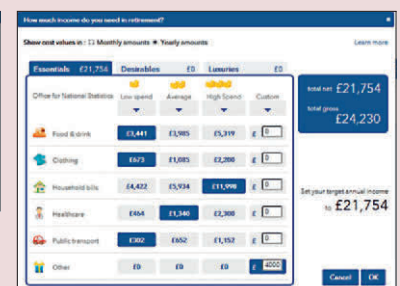
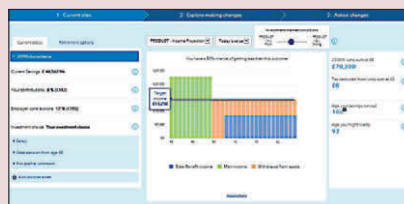
The CNPP helps you save towards your retirement, with both you and your employer making contributions. You can monitor your account any time you want by logging into TargetPlan – Aegon's secure member website. TargetPlan includes myTarget, a retirement planning tool to help you understand what income you might be on track for in retirement.

myTarget lets you:

- find out what income you might get, based on your CNPP account
- see what happens if you take your money in different ways
- add details of any other pensions you have to give you a more complete picture of what you'll have when you retire
- work out what you might spend in retirement
- create your own target income to compare with the Retirement Living Standards
- see how changing your contributions, retirement age or investment choices can make a difference to your income when you retire.

Activate your TargetPlan account

If you haven't used TargetPlan, it only takes a few minutes to get started. All you need is your account number and national insurance number. Go to aegon.co.uk/targetplan and click on 'activate'.



Get guidance from MoneyHelper

Pension Wise is a government service from MoneyHelper that offers free and impartial guidance about your defined contribution pension options. An appointment with Pension Wise is free and will help you understand what your overall financial situation will be when you retire. Their specialists will talk you through your options to help you make the right decision. You'll also find out about the other

factors you need to consider when deciding on those options. Go to moneyhelper.org.uk/en/pensions-and-retirement/pension-wise to find out more or to book an appointment.

The pension specialists at Pension Wise won't be able to give you advice based on your individual circumstances. For that, you'll need to talk to an independent financial adviser. Go to unbiased.co.uk to find one.

Don't let scammers get your pension

Pension scams are on the rise, and anyone can be a victim of one.

How to spot a pension scam

Scammers often contact people out of the blue by phone, email or text. This is illegal, and is a likely sign of a scam. They also advertise online and can have websites that look official or government-backed.

Other common signs of pension scams:

- using phrases like 'free pension review', 'pension liberation' and 'guaranteed returns'
- promising that they can get better returns on pension savings
- offering to help to release cash from a pension before the age of 55, with no mention of the HMRC tax bill that may result
- high-pressure sales tactics. These include time-limited offers to get the best deal and using couriers to send documents, who wait until they're signed

- unusual high-risk investments, which tend to be overseas, unregulated, with no consumer protections. These might include overseas property, renewable energy bonds and forestry
- complicated investment structures
- long-term investments. These often mean people who transfer don't realise something's wrong for several years.

If you receive a message about your pension that you think may be suspicious, you can report it to the National Cyber Security Centre at ncsc.gov.uk/information/report-suspicious-emails. Reporting messages may help stop someone else losing their pension.

What to do if you're thinking of transferring money from your pension

Speak to an independent financial adviser who's authorised by the Financial Conduct Authority before making a transfer. Visit unbiased.co.uk to find one. If you still want to go ahead, our Plan Administrators will carry out

checks on behalf of the Trustee. However, scammers are getting increasingly sophisticated, so this doesn't mean they'll be able to spot every scam.

For more advice, visit thepensionsregulator.gov.uk to read their booklet, 'How to spot a scam'.

Find out more about your pension plan at cnpp.org.uk

Go to cnpp.org.uk to find answers to some frequently asked questions around the DC Structure. This is also the place to find the Trustee's Annual Report, which includes the DC investment report, annual Chairman's Statement covering the Trustee's stewardship of the Plan's DC arrangements and details of costs and charges.

Annual Allowance and Lifetime Allowance

By law, there's a limit on the contributions that can be paid into your pension schemes each year without triggering a tax charge. This is known as the Annual Allowance (AA). There's also a limit on the amount you can build up in all your pensions over your lifetime without a tax charge. This is known as the Lifetime Allowance (LTA).

How much is the Annual Allowance?

The current AA is £40,000 if you haven't started to draw a pension. If you are drawing a pension, for most people the limit is £4,000.

The current AA is calculated differently between the Defined Benefit and Defined Contribution Structures of the CNPP. You can find more details on your annual benefit statement.

If you're liable for a tax charge you may ask the Plan to pay the part of the charge that's to do with your CNPP benefits by taking it from your benefits. If you have any doubts about your tax position, please talk to an independent financial adviser.

How much is the Lifetime Allowance?

The current LTA is £1,073,100, and will stay at this level until April 2026. If your pension savings are above the current LTA, you'll be taxed at 55% on the amount above that figure. You can find out what percentage of your LTA you've used up as a member of the CNPP on your annual benefit statement. But remember, other pensions may count towards your LTA as well.

Visit [hmrc.gov.uk](https://www.hmrc.gov.uk) to find out more. Or you may wish to talk to an independent financial adviser. Go to [unbiased.co.uk](https://www.unbiased.co.uk) to find one.



Keeping your data safe

As the Trustee of the Plan, we hold certain information about you, which is required to administer the Plan and pay your benefits. The Trustee, as data controller for the Plan, is required to provide you with information about the personal data we hold about you, how we use it, and the safeguards that are in place to protect it.

The Trustee issued its privacy notice in 2019 to provide you with further details on how it complies with General Data Protection Regulations. Go to cnpp.org.uk to see a copy of this document.



How to get in touch and give feedback

If you have any questions about your pension, your benefits, or need to make any changes to the information we hold for you, get in touch with your Plan Administrator, Aegon, using the details below. You can also give them feedback on this newsletter or any other aspect of the Plan.

Phone: 01733 353 414

Email: my.pension@aegon.co.uk

Post: Aegon Workplace Investing
Sunderland
SR43 4DH