

UK financial market uncertainty and possible impact on pension savings

Information for members of the *Defined Contribution (DC) New Joiners Benefit Structure*, those making *Additional Voluntary Contributions* or *Shift Pay Pension Plan* contributions

Summary

- Pensions are long-term investments and short-term events do not usually have major impacts
- The CNPP Trustee regularly monitors the markets, and the asset manager will adjust its long-term investment decisions accordingly
- If you are closer to retirement most of your savings will (unless you self-select your investments) be moved out of the riskier stock market to bonds or cash, which have typically been lower risk
- However, there are never guarantees of return, even with traditionally lower-risk investments and recent events have shown this to be the case
- If you are due to retire, you should always consider taking professional financial advice

Recent Market Volatility

You may be aware of increased uncertainty in UK financial markets following the government's recent "mini-budget" and subsequent other financial decisions.

This has particularly affected government bonds, also known as gilts – in simple terms a 'loan' which is guaranteed to be paid back with interest during the period of the bond.

This uncertainty follows a period when both price inflation and interest rates globally have been increasing. As with all pensions, a DC Pension Plan is invested in financial markets and will have been affected by these events.

The CNPP Trustee have drawn together more information below to help you understand the possible impact of the recent market volatility.

What does this mean for pension savings?

It's worth remembering that for many members, pension savings are **longer-term investments**, so short-term events are expected to be offset by long-term portfolio growth.

For members invested in the Plan's default arrangements – LifePath Flexi or LifePath Capital – these funds have a diversified investment approach which aims to smooth out short term market fluctuations, especially for those who are further from retirement.

The CNPP Trustee understands that you may be concerned that your pension savings will have been affected by the market movements, especially for less experienced investors. The Trustee has processes in place to ensure our asset manager, BlackRock, is monitoring on a daily basis how market movements and trends are impacting the LifePath portfolios and will adjust its investment decisions accordingly.

What about members who are closer to retirement?

If you are closer to retirement and invested in either of the Plan's default Funds – LifePath Flexi or LifePath Capital – most of the pension savings will have already been moved out of the stock markets and into investments like bonds and cash. **Even investment types that are typically considered lower risk can experience ups and downs in value** if investment markets are experiencing volatility. And when interest rates are rising the capital value of these bonds do fall as they are funds that lend money in return for a rate of interest.

Members who are due to retire in the shorter term, should **consider taking professional financial advice** and a financial adviser can be found at: www.moneyhelper.co.uk. There are many points to consider, including whether delaying taking or drawing your benefits might be a better option.

Unfortunately, there are no guarantees and individuals will need to decide, based on their own circumstances, the best course of action. Neither the Trustees nor the Secretariat can provide advice to members.

Members can obtain information about where their pension savings are invested by using the online member portal (TargetPlan) or by contacting the Plan Administrator, Aegon by email or telephone:

- my.pension@aegon.co.uk
- 01733 353414

**Combined Nuclear Pension Plan Trustees Limited
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Pension scamming - BE AWARE that you could be targeted by pension scammers.

A pension scam could result in you losing all your pension savings: There may be new trends in fraud related to this period of market uncertainty. Scammers are known to be targeting members with pension pots of ALL sizes.

What should you do if someone contacts you about your pension savings?

- *Don't give out your personal information if contacted unexpectedly;*
- *Don't be rushed into anything, take time to think;*
- *Don't sign anything unless you fully understand what you're signing up to; and*
- *Don't let anyone into your house unless you're sure they're genuine*

- *Do research any firm that contacts you;*
- *Do check the FCA warning list on the Financial Services Register (<https://www.register.fca.org.uk>);*
- *Do get yourself regulated financial advice;*
- *Do take your time over financial decisions, and*
- *Do assess the tax implication of any decision you make.*

Please think carefully before you consider transferring your pension. You need to be very wary of potential scams. The following websites contain useful information which can help protect you protect yourself from pension scams

<https://www.fca.org.uk/scamsmart/how-avoid-pension-scams>

<https://www.thepensionsregulator.gov.uk/en/pension-scams>