

Combined Nuclear Pension Plan

Global Tariffs 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

- Global equity markets around the world have reacted negatively to tariffs introduced by the US Government.
- Pensions are long-term investments. Although short-term events can affect the fund's value temporarily, their impact on the overall long-term performance is typically limited.
- 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, in which case you will have chosen the areas to invest) have been moved out of the riskier stock market to bonds or cash, which are generally considered to be of lower risk.
- If you are due to take your benefits in the coming months, you should always consider taking professional financial advice.

Recent Market Volatility

You will no doubt be aware of the increased uncertainty in Global Equity markets following the introduction of tariffs by the US Government.

The 'Liberation Day' tariffs announced by the US were larger, and appear to be more permanent, than the market had anticipated; tariffs range from 10% to 50% on the countries with which the US trades, alongside a 25% tariff on all auto imports. These take the effective tariff rates to levels not seen in over 100 years.

Markets had anticipated the risk of falling stock prices would limit US policy, which was not the case.

It's not yet clear what the economic impacts will be of tariffs:

- The practical challenges of implementing the tariffs quickly might lead to them being scaled back.
- Governments might respond with increased spending or tax cuts to support their economies.
- There could be a push for deregulation to support growth, such as the UK considering changes to its electric vehicle regulations in response to US auto tariffs.

It is therefore too early to assess the market response to the tariff announcements.

The CNPP Trustee has drawn together the information below to help you understand the possible impact of the recent market volatility. You may also wish to refer to Aegon's response to the current market conditions (please click on the link below)

[Customer market comment](#)

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 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 taking benefits.

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 its 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 taking benefits?

If you are closer to taking benefits 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.

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. The Trustee cannot 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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