

Millennium & Copthorne Pension Plan

Your Plan Newsletter

Welcome

...to this year's edition of your newsletter from the Trustee of the Millennium & Copthorne Pension Plan (the "Plan").

The aim of this newsletter is to keep you updated on important information on the Plan's finances, and about topical pensions and retirement planning news in general.

The Trustee continues to closely monitor the affects of the conflicts in both the Ukraine and Gaza, including how it may affect the Plan, economy, and financial markets. They'll take action if needed and consult regularly with advisers on your behalf.

Please remember saving for your pension is a long-term investment and you should avoid making short-term decisions. If you are considering changing your benefit options, you are strongly advised to seek independent financial advice.

As usual we have included the Plan's financials, detailing the value of both the Defined Benefit (DB) and Defined Contribution (DC) sections. You can find these and the Plan's investment performance on pages 4 to 8.

In other news, it was announced in June 2023 that Aptia, a dedicated pension and benefits administration provider, will acquire Mercer's UK

pension administration business. The agreement includes the pension administration services Mercer currently provides for trustees and members, as well as the people and systems that support the administration of your pension.

The sale took place in early 2024. We don't anticipate any immediate changes to how you access information about your pension and no action is required at this time. If there are any relevant changes in the future, these will be communicated to you.

The cost of living crisis could result in more people being taken in by fake promises from pension scammers – please stay alert to pension fraud! We've included an article on page 3 on how to avoid online fraud.

We hope you find this newsletter interesting and informative. We welcome any feedback, or suggestions for topics to include in future editions. If you have any comments, please direct these through the Plan administrator, see contact details on page 12.

The Trustees of the Millennium & Copthorne Pension Plan

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Your Pension Team

The Plan's Trustee

The role of a Trustee is an extremely important one. The Trustee is responsible for the smooth running of the Plan including;

- acting in the best interests of all members of the Plan and their beneficiaries;
- ensuring that the Plan is well managed with proper records being maintained;
- ensuring that the Plan's assets are invested prudently;
- ensuring that the Plan is run in accordance with the Trust Deed and Rules and complies with relevant pensions legislation.

The Directors of the Trustee (the "Trustee Directors") are supported by their appointed advisers who are experts in the pensions industry, who they oversee by monitoring and reviewing what they do.

Your current Trustee Directors are:

Member nominated	Company appointed
David Cook Ruraigh Whitehead	Val Simpson – Chair (Independent / Professional Trustee)

Their Advisers

To help the Trustee run the Plan smoothly, we work closely with our advisers and the Plan administrator. See page 12 for details on how to get in touch with the administrator.

Plan Actuary – Jen Knowles FIA (Mercer Limited)

Administrators – Mercer Limited (Changing over to Aptia effective January 2024)

Consultants – Mercer Limited

Auditors – Grant Thornton UK LLP

Solicitors – Pinsent Masons LLP

Bankers – The Royal Bank of Scotland plc

Investment Managers – See page 5 for DC and page 7 for DB investment managers.

MEMBER NOMINATED TRUSTEE DIRECTORS (MNDS) – WE NEED YOU!

Are you an active or pensioner member of the Plan and interested in becoming a Member Nominated Trustee Director? We would love to hear from you!

As a Director of the Plan you will be involved in all aspects of the pension Plan and will receive support and training from the Plan's advisers throughout your appointment. The next MND elections are due to be carried out in late 2024 however, your Trustee are always looking for members to join their team.

If you would like further information or to discuss what it means to be a trustee please contact the Trustee secretary Natalie Tate via email at natalie.tate@mercer.com

UPDATE YOUR BENEFICIARIES!

It's essential that we have your most up-to-date information, particularly your nominated beneficiaries.

Remember to resubmit your Expression of Wish form regularly to ensure the Trustee has up-to-date beneficiary details in the event of your death.

Without a completed form, the Trustee will have to investigate potential beneficiaries to receive your funds.

This could result in:

- Your benefits going to incorrect individuals and loved ones missing out
- Delays to your pension being settled and paid out to beneficiaries
- Inheritance tax implications that might not have been necessary

Please get in touch with our administrator now if you need a new form. You'll need to put your completed form in a sealed envelope (clearly showing your name and the current date) before sending it.

Protect yourself against cyber-crime



The internet has become part of our daily lives, with millions of people across the UK using it for shopping, banking, social media and much more. But this increase in online activity also means cyber-crime is on the rise.

Recent research from UK communications regulator Ofcom found that 90% of people had seen content online they suspected was a scam or a fraud.

The National Cyber Security Centre (NCSC), which is part of the UK's intelligence agency GCHQ, has warned people to beware of phishing emails from cyber criminals.

Phishing is an email scam where a message looks genuine but encourages you to click on a link to a fake website – which may download a virus onto your computer, ask you to make a payment, or steal your bank details or other sensitive information.

The NCSC received 6.4 million reports of phishing in 2022, with 67,300 fraudulent URLs removed as a result.

Data from UK Finance, the collective voice for the banking and finance industry, shows that criminals stole £1.2 billion through scams and fraud in 2022.

However, the scale of the problem may be much bigger, as people often don't realise they've been scammed until years after it's happened.

Remember – never accept an investment offer out of the blue, and always talk to a regulated independent financial adviser before making any decisions about your pension savings.

Follow the tips below to stay safe online:

- **Never click on links or open attachments if you have any concerns about whether the email is genuine.**
- **Check for the padlock.**
- **Use strong passwords.**
- **Do not write your passwords down.**
- **Keep your browsers and devices up to date.**
- **Keep your antivirus, firewall, and any other security software up to date, too.**

FIND OUT MORE

The FCA's ScamSmart website has quizzes and resources to help you spot a scam and a warning list of companies to watch out for. You can also report any suspected scams on the site.

Visit www.fca.org.uk/scamsmart to find out more.

Have you received an email that you think may be a scam? Send it on to the National Cyber Security Centre at report@phishing.gov.uk.

If you've received a suspicious text, you should forward it to 7726. This enables your phone provider to investigate the origin of the text and block or ban the sender, if it's found to be malicious.

If you think you have been the victim of a scam, or you have been targeted, report it immediately. Contact Action Fraud on 0300 123 2040.

Facts *and* figures

FINANCIAL SUMMARY

The table below summarises the Trustee's 2023 Annual Report and Accounts, showing the funds in and out of the DC section of the Plan for the year up to 5 April 2023 (as at 5 April 2022 included for comparison). For a copy of the full report, please contact our administrator (see page 12 for details).

Year ended 5 April	2023 (£)	2022 (£)
Money coming in		
Company contributions	13,284	17,645
Employee contributions	4,428	5,799
Investment income	78	9
Total income	17,790	23,453
Money going out		
Benefits paid	(111,830)	(175,862)
Payments to and on account of leavers	(33,470)	(20,879)
Investment management / Admin expenses	-	-
Transfer to DB Section	(395,091)	(444,292)
Total expenditure	(540,391)	(641,033)
In summary		
Value of DC Section at start of year	12,226,601	12,508,209
Money coming in less money going out	(522,601)	(617,580)
Change in market value of investments	(1,069,449)	335,972
Value of DC Section at end of year	10,634,551	12,226,601

INVESTMENT UPDATE

The Trustee is responsible for investing the DC Section's assets and delegate's day-to-day management to specialist investment managers. Current managers are listed on page 5.

Investment performance

We evaluate how well the DC Section's investments are doing by comparing the returns from our investment managers with a performance target. The Legal and General funds' one and three-year performance figures are shown below, along with the benchmark performance. The Trustee regularly reviews the DC Section's investment performance.

DC Section members can choose which funds to invest in from a selection provided by LGIM. As a DC member, you can also opt to invest in funds chosen by the Trustee on your behalf through the Default Fund. The Default Fund reduces investment risks automatically as you near retirement.

The Trustee is currently using certain underlying funds within the Default Fund, highlighted in orange in the table on page 5.

The Chair's Statement www.millenniumhotels.com/en/corporate/ provides a full explanation of how the default funds work. Despite the ongoing impact to global investment markets, the Trustees are satisfied with the performance of the DC Section's investments over the 12-month and 3-year periods listed in the table on page 5.

Important note: Your DC Section benefits are subject to an underpin which is determined at the point of retirement or transfer out. You will receive the better of the value of your DC Retirement Account or the value of the underpin. Full details are provided at retirement or transfer.

The Trustee has made two changes recently:

- It has introduced an additional equity allocation for members further from retirement, reflecting Environmental, Social and Governance considerations, and
- It is broadening the default options to reflect members using income drawdown to access their Plan savings in retirement, instead of purchasing an annuity.

A separate letter has been sent to you giving more details.

INVESTMENT FUNDS AS AT 30 SEPTEMBER 2023

	Fund 1 year (%)	Benchmark 1 year (%)	Fund 3 years* (% p.a.)	Benchmark 3 years (% p.a.)
Ethical UK Equity Index Fund	14.6	14.7	11.5	11.6
AAA-AA Fixed Interest Over 15 Year Targeted Duration Fund ¹	-7.8	-4.5	-18.3	-16.4
Over 5 Year Index-Linked Gilts Index Fund	-16.3	-16.2	-16.0	-15.9
Property Fund	-14.6	-14.3	2.9	3.2
All World Equity Index Fund ²	10.8	11.1	9.2	9.5
World Emerging Markets Equity Index Fund ²	1.0	1.3	1.3	1.7
Sterling Liquidity Fund ²	3.9	4.0	1.5	1.6
Diversified Fund ^{2&3}	4.0	16.2	2.3	9.8

Source: LGIM, Refinitiv and Mercer.

Note: All performance data is shown net of fees unless stated.

* Returns over 3 years have been annualised. Relative is calculated as the geometric difference between fund and benchmark returns..

1. LGIM's comparator for this fund is the Markit iBoxx £ Non-Gilts Sovereign & Sub-Sovereign AAA Over 15 Years Total Return Index. The fund does not aim to track this benchmark;




the fund invests in both government bonds and corporate bonds, of a similar duration to the benchmark.

2. The Plan invested into these funds during Q4 2020. Hence, 3 year returns are shown for information purpose only.

3. The performance is shown against the FTSE Developed World Index – 50% GBP hedged for performance monitoring purposes only. The Fund does not track a specific benchmark.

OUR MEMBERSHIP

As at the end of the accounting year, 5 April 2023, the DC Section of the Plan had a total of 444 members, made up as follows:

-  **8** were active members (still employed by the Company), compared to 11 on 6 April 2022 (13 as at 6 April 2021)
-  **3** were pensioner members (and the dependants of members who have died) being paid benefits from the DC Section, compared to 3 on 6 April 2022 (4 as at 6 April 2021); and
-  **433** were deferred members who have kept their benefits in the DC Section and will draw them when they retire, compared to 456 on 6 April 2022 (453 as at 6 April 2021).

INVESTMENT MANAGERS:

DC Section

Legal & General Investment Management Limited

AVC Providers

Legal & General
Zurich Assurance Ltd
Prudential

Facts *and* figures

FINANCIAL SUMMARY

The table below summarises the Trustee's 2023 Annual Report and Accounts, showing the funds in and out of the DB section of the Plan for the year up to 5 April 2023 (as at 5 April 2022 included for comparison). For a copy of the full report, please contact our administrator (see page 12 for details).

Year ended 5 April	2023 (£)	2022 (£)
Money coming in		
Company contributions	8,069	2,614,213
Employee contributions	1,102	1,026
Investment income	20,872	21,015
Transfer from DC Section	395,091	444,292
Other income	34,154	–
Total income	459,288	3,080,546
Money going out		
Benefits paid	(1,829,441)	(1,924,348)
Payments to and on account of leavers	(5,049)	(474,097)
Investment management expenses	(7,941)	(53,747)
Administrative expenses	(17)	(9)
Total expenditure	(1,842,448)	(2,452,201)
In summary		
Value of DB Section at start of year	53,064,758	50,763,748
Money coming in less money going out	1,383,160	628,345
Change in market value of investments	(11,602,941)	1,672,665
Value of DB Section at end of year	40,078,657	53,064,758





OUR MEMBERSHIP

As at the end of the accounting year, 5 April 2023, the DB Section of the Plan had a total of 359 members, made up as follows (previous years shown for comparison):

 **1**

active member (still employed by the Company), compared to 1 on 6 April 2022 (unchanged from 2021)

 **278**

pensioner members (and the dependants of members who have died) being paid benefits from the DB Section, compared to 276 on 6 April 2022 (267 as at 6 April 2021); and

 **79**

deferred members who have kept their benefits in the DB Section and will draw them when they retire, compared to 82 on 6 April 2022 (89 as at 6 April 2021).

INVESTMENT UPDATE

Although the Trustee has overall responsibility for the investment of the DB Section's assets, they have delegated day-to-day management of the DB Section's asset investments to specialist managers. See below for current managers.

Investment performance

We compare the investment managers' returns with a performance target or benchmark to measure the DB Section's asset performance.

Below are the one and three-year performance figures until 30 September 2023, along with the benchmark performance. The Trustee continuously reviews the DB Section's investment performance against benchmarks, while also considering market trends.

The strategic benchmark allocation is set at 50% growth and 50% defensive assets.

As at 30 September 2023	1 year (%)	3 years (% p.a.)
DB Section return	-4.6	-11.7
Benchmark	-3.4	-9.7

Source: Mobius Life and Mercer

Figures are based on performance provided by the investment managers and estimates by Mercer, and are shown net of investment managers' fees.

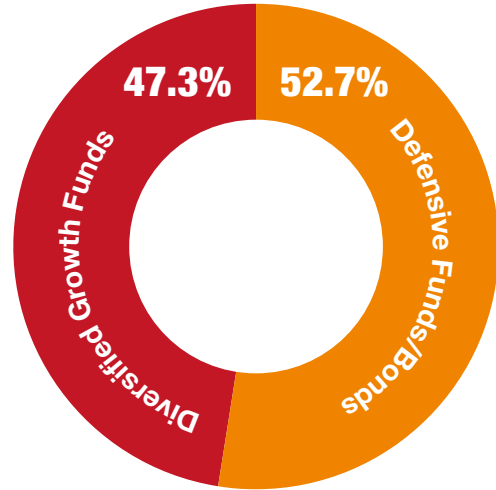
INVESTMENT MANAGERS:

DB Section
Mobius Life Limited

Facts *and* figures

The DB Section's assets have fallen considerably in value over 1 and 3 year periods, driven largely by sharp increases in interest rates over 2022 and 2023 due to market disruption (including the crisis in Ukraine, the cost of living in the UK and globally, and the fallout of the "mini budget" in Autumn of 2022). Whilst performance has been negative, this has been largely offset by a fall in the value of the liabilities (which also falls if interest rates increase). The funding position (i.e. the amount of assets held relative to the liabilities) has remained healthy (and has improved since the end of 2022), and the Trustee has confidence in its ability to pay all benefits as they fall due. The Trustee will continue to monitor the performance of the DB Section's assets and look to manage risk when possible, to provide greater security and certainty for its members.

As at 30 September 2023, the DB Section's invested assets were split as shown below:



FUNDING UPDATE

The Plan actuarial valuation as at 5 April 2023, which is due every three years, is currently underway. We will update you with the results once the process is complete. In the meantime, please see a reminder of the funding levels as at 5 April 2022 (compared to 5 April 2021).

	2022 (£000)	2021 (£000)
Asset value	£65,097	£63,061
Liabilities	£61,594	£64,213
Surplus/shortfall	£3,503	(£1,152)
Funding level	106%	98%



Your retirement savings checklist

There's plenty to consider when planning for your retirement. Here are some points to bear in mind:



YOUR STATE PENSION

To qualify for the full State Pension (£204 per week, £10,600 per annum) for the 2023/24 tax year, you need to have contributed towards it through National Insurance (NI) for 35 years.

You can top up your State Pension and check your National Insurance (NI) record to learn more about voluntary NI payments on the government website. Find out more at www.gov.uk

You can also get more information about your State Pension based on your **State Pension Age (SPA)**:

- If you reached SPA before April 2016 - www.gov.uk/state-pension
- If you reached/will reach your SPA after April 2016 - www.gov.uk/new-state-pension
- Or to find out when your SPA is expected to be - www.gov.uk/state-pension-age

Remember, Normal Minimum Pension Age is also changing in line with the SPA increase – find out more at www.gov.uk/government/news/state-pension-age-review-published



UNDERSTAND WHAT PENSIONS YOU HAVE

Different types of savings give you different options. For example, you may hear about “defined contribution” (or Money Purchase) and “defined benefit” (or Final Salary) schemes. You could have either, or both of these types of pensions. The flexibility you have with those funds will vary.

Trace any occupational pension schemes you may have lost – www.gov.uk/find-pension-contact-details.org.uk



CONSIDER TOPPING UP YOUR RETIREMENT SAVINGS

Pension plans are a tax-efficient way to save for your future. So, if you're within your allowance and your budget allows, why not think about increasing your monthly pension contribution, or making a one-off payment if you're receiving a salary bonus!

The standard **Annual Allowance** (the total amount that you, your employer and any third party can pay into your pension savings in a tax year) has increased from £40,000 to £60,000 (effective 6 April 2023).

The additional tax charge on any pension savings above the **Lifetime Allowance** no longer applies from 6 April 2023.

Find out more about pension tax allowances on MoneyHelper at www.moneyhelper.org.uk/en/pensions-and-retirement/tax-and-pensions



BUDGETING FOR RETIREMENT

The better you know and plan your own finances, the more confident you'll feel about the decisions you make now.

To help, the Pensions and Lifetime Savings Association (PLSA) published UK Retirement Living Standards to give people an idea of what retirement could cost, depending on their salaries, households and savings. Visit www.retirementlivingstandards.org.uk

Your retirement savings checklist *continued*



SEEK INDEPENDENT FINANCIAL ADVICE

This will help you understand your current circumstances and plan for the future.

To find an adviser near you, visit www.moneyhelper.org.uk and search for 'Financial advisers'.

Or for a full list of regulated advisers, go to www.fca.org.uk/register.

Depending on your benefits and retirement goals, you can find out more about the flexible options available, by visiting www.moneyhelper.org.uk/en/. Go to the Pensions and retirement section, then under 'Pensionwise' search for 'pension-pot options'.

Other useful resources

It's important to remain active, both physically and mentally, if you want to be able to enjoy those post-work years. So how will you keep yourself occupied? Maybe you want to volunteer, focus on your hobbies or travel?

There are plenty of places to get ideas from, but if you need a starting point or inspiration, here are a few websites that you might find useful:



www.ageuk.org.uk/information-advice

- go to 'Work and learning' and search for 'Retirement' to find useful resources, including a pension calculator, a 'planning for retirement' video, and a variety of links to help you with your finances. Or go to their Services page, to find useful guides and factsheets and more.



www.bhf.org.uk/information-support provides a range of resources, online communities and support groups.



volunteeringmatters.org.uk also offer interesting perspectives and useful information, should you wish to consider volunteering during your retirement.

DWP Department for
Work and Pensions

Their website outlines government initiatives and information about retirement and pension benefits, including all you ever wanted to know about the State Pension scheme.

Go to www.gov.uk/government/organisations/department-for-work-pensions for more information.

An *update* on Pensions Dashboards

The Pensions Dashboards Programme, led by the Money and Pensions Service, will enable you to see all your pensions – including your State Pension – securely online, helping you to plan for your retirement and rediscover any lost pensions.

The programme is particularly complicated, as it requires the development of new technology to connect thousands of pension schemes, which collectively hold millions of records. More time is needed to deliver this complex build and to connect a wide range of different IT systems to the dashboards.

The Department for Work and Pensions has therefore revised the timeline for the delivery of the programme so that the pensions industry has the time and the technical information needed to ensure the system is safe, secure and user-friendly. It is now expected that all schemes will be connected by 31 October 2026.

You can find out more about Pensions Dashboards, including a video gallery, online at www.pensionsdashboardsprogramme.org.uk.

In the meantime, if you're looking to track down a lost pension, visit www.moneyhelper.org.uk and search 'finding lost pensions' for advice and support.



Guaranteed Minimum Pension (*GMP*)

In November 2020, a High Court ruling required all UK pension schemes to equalise pension benefits for men and women in relation to any Guaranteed Minimum Pension (GMP) built up between 17 May 1990 and 5 April 1997.

The pensions industry is still developing market practices around GMP equalisation, and industry bodies like the Pension Administration Standards Association are releasing new guidance for pension scheme trustees. The Trustee is working with its advisers to consider the implications of the latest ruling on the Plan.

The GMP review project will take some time to complete, and affected members will be contacted in due course. The requirement to equalise pensions can only lead to an increase in benefits, so you won't see a reduction in your pension as a result of the ruling.

Further information

GET IN TOUCH

Trustee of the Millennium & Copthorne Pension Plan
c/o Mercer Limited
Maclaren House
Talbot Road
Stretford
Manchester
M32 0FP

Online: <https://contact.mercer.com/>

Email: manchester-core@mercerc.com

THE PENSIONS OMBUDSMAN

(TPO) deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes. Members have the right to refer a complaint to TPO free of charge.

Contact with TPO about a complaint needs to be made within three years of when the event(s) being complained about happened – or, if later, within three years of when a member first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

In addition to its normal Adjudication Service, TPO operates an Early Resolution Service (**ERS**), which aims to provide a quick, informal and streamlined process. Any member who elects to use the ERS does not need to follow the Trustee's Internal Dispute Resolution Procedure. However, should any complaint that has gone through the ERS remain unresolved, TPO expects the dispute procedure to be followed prior to complaint being passed to its Adjudication Service.

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
London
E14 4PU

■ enquiries@pensions-ombudsman.org.uk

■ 0800 917 4487

■ www.pensions-ombudsman.org.uk

