



Saputo
Dairy UK

Important benefit information:
You are receiving this newsletter
because you have benefits in the Fund.

PENSION NEWS

For members of the Dairy Crest Group Pension Fund

January 2023

CONTENTS

Fund noticeboard	4
Money & membership	6
Our investments	8
Summary funding statement	10
Get in touch	12



WELCOME

Welcome to the latest issue of Pension News, the newsletter for members of the Dairy Crest Group Pension Fund. It brings you an update from the Fund along with important news about pensions.

As a result of recent global and economic events, the financial markets have been experiencing unprecedented levels of volatility. These have been widely reported by the media, and you may have seen some dramatic headlines. We understand that you may be worried about the impact this is having on the Fund and your pension.

As you know, the Fund is a defined benefit pension arrangement, which means the Trustee is responsible for paying your pension in line with the Fund rules, based on your pensionable salary and service. Your benefits do not depend on market performance, and your pension will continue to be paid in the usual way.

The Fund has a diversified investment strategy which helps to protect it from the extreme impacts of market movements. The Trustee continues to monitor the funding position regularly. The latest actuarial valuation of the Fund, looking at the position as at 31 March 2022, has been completed.

The funding level at this date was 100% with a negligible shortfall at the valuation date. You can read more about the valuation in the summary funding statement on page 10.

This is my first newsletter as Chair of the Trustee and I was delighted to be appointed to the role in October 2022 in succession



to my colleague at Law Debenture, Vicky Paramour. Vicky stepped down after more than seven years of service to the Fund as Chair of the Trustee. We thank her for her hard work and diligence on behalf of all our members and wish her well for the future.

If you have any questions about this newsletter or would like to read more about a particular topic in a future issue, please get in touch using the contact details on the back page.

Daniel Barlow

The Law Debenture Pension Trust
Corporation plc
Chair of the Trustee

FUND NOTICEBOARD

MINIMUM PENSION AGE TO RISE

As we reported last year, the government is planning to change the minimum pension age. From 6 April 2028, the earliest you will be able to start taking pension benefits will rise from age 55 to 57. If you are currently aged 48 or less, this means you will have to wait until at least age 57 before you can access your pension savings.

If you will reach age 55 before 6 April 2028, and you want to take your benefits early (subject to a reduction for early retirement), you will have to take them **by 6 April 2028**, otherwise you will need to wait until you are over age 57.

Ill-health early retirement

The Fund's Rules have special provision to allow members to take benefits early if you are in poor health and meet certain requirements. In cases of terminal illness, you may apply for a serious ill-health pension (at any age) with evidence from a registered medical practitioner that your life expectancy is less than 12 months, and this may enable the Trustee to pay your benefits as a lump sum in lieu of your pension benefits.

NEW BRANDING FOR OUR ADMINISTRATOR

Premier Pension Management ('Premier'), the Fund administrator, is now part of Isio. You will usually receive communications from the Fund rather than directly from Premier. However, from time to time, you may also get communications from Premier. For example, Premier will issue retirement quotations and, if you are over normal retirement age and have not yet taken your pension from the Fund, Premier will send you an annual reminder about taking your benefits.



IMPORTANT BENEFIT INFORMATION FOR SINGLE MEMBERS

If you don't have a spouse or qualifying dependant and you were to die before taking your Fund pension, you should understand that your beneficiaries would only be entitled to a refund of your contributions. This could be a lower amount than if you had started to take your pension, and the option of a tax-free cash lump sum. You can currently take your Fund pension from age 55 (subject to a reduction for early retirement). Once you reach your normal retirement date, Premier, the Fund administrator, will send you a yearly reminder that you can take your benefits.

THINKING ABOUT A TRANSFER?

In the fight against scams, recent changes to the rules about pension transfers mean that additional checks need to be carried out by pension administrators, and this may take more time, so please make sure that you factor this into your plans. The new rules also require pension trustees to block a transfer if the checks raise any 'red flags', and members will be referred to the government's MoneyHelper service for a Pension Wise appointment where any 'amber flags' are raised.

Even with these new requirements around pension transfers, combatting pension scams remains a team effort. If you're in any doubt, please double check and take financial advice before making a final decision. Don't let a scammer ruin your retirement. Go to the FCA's website for more information about pension scams and how to avoid them at www.fca.org.uk/scamsmart



DO WE HAVE YOUR EXPRESSION OF WISH?

If you have not yet retired or have not been drawing your pension for five years, please provide Premier with your expression of wish at: www.yourpremier.co.uk/forms/update-your-expression-of-wishes

PENSIONS DASHBOARDS ARE ON THE WAY

This new government-backed initiative aims to help individuals access all their pension information online, securely and in one place. The dashboards aim to support better planning for retirement and improve financial wellbeing. There will be a staged onboarding process for pension schemes beginning in summer 2023. If you are a deferred member, the dashboards will help you:

- find your various pensions
- reconnect with any lost pension pots
- understand more about your State pension
- see the total value of your pensions as an estimated retirement income.

It is expected that Fund information will be available on the dashboard in mid-2024.

MONEY & MEMBERSHIP

The information on these pages has been taken from the Fund's audited Report & Accounts for the 12 months to 31 March 2022. The table shows a summary of the money paid into and out of the Fund during the year.

FINANCIAL HIGHLIGHTS (rounded numbers)

Value of the Fund at 1 April 2021	£1,243.3 million
Money in less money out	(£42.5 million)
Net returns on investments	£16.1 million
Value of the Fund at 31 March 2022	£1,216.9 million

	Year ending 31 March 2022 £m	Year ending 31 March 2021 £m
MONEY IN		
Company contributions	-	-
Other income	-	0.1
TOTAL	-	0.1
MONEY OUT		
Benefits paid to members	(36.5)	(36.7)
Payments to leavers	(4.8)	(5.9)
Administrative expenses	(1.2)	(0.9)
TOTAL	(42.5)	(43.5)



WHO'S IN THE FUND?

As at 31 March 2022, you were one of **12,738** members in the Fund.

4,696

8,042

12,738



+



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DEFERRED
MEMBERS

PENSIONERS

TOTAL

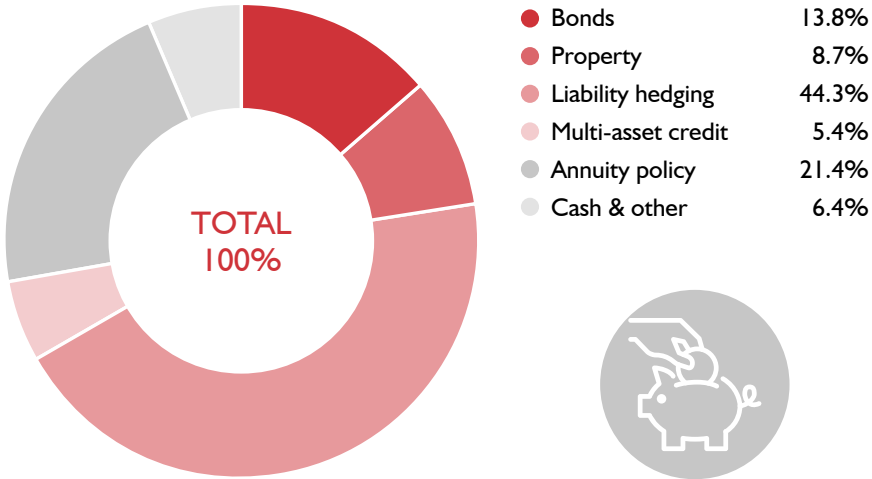
OUR INVESTMENTS

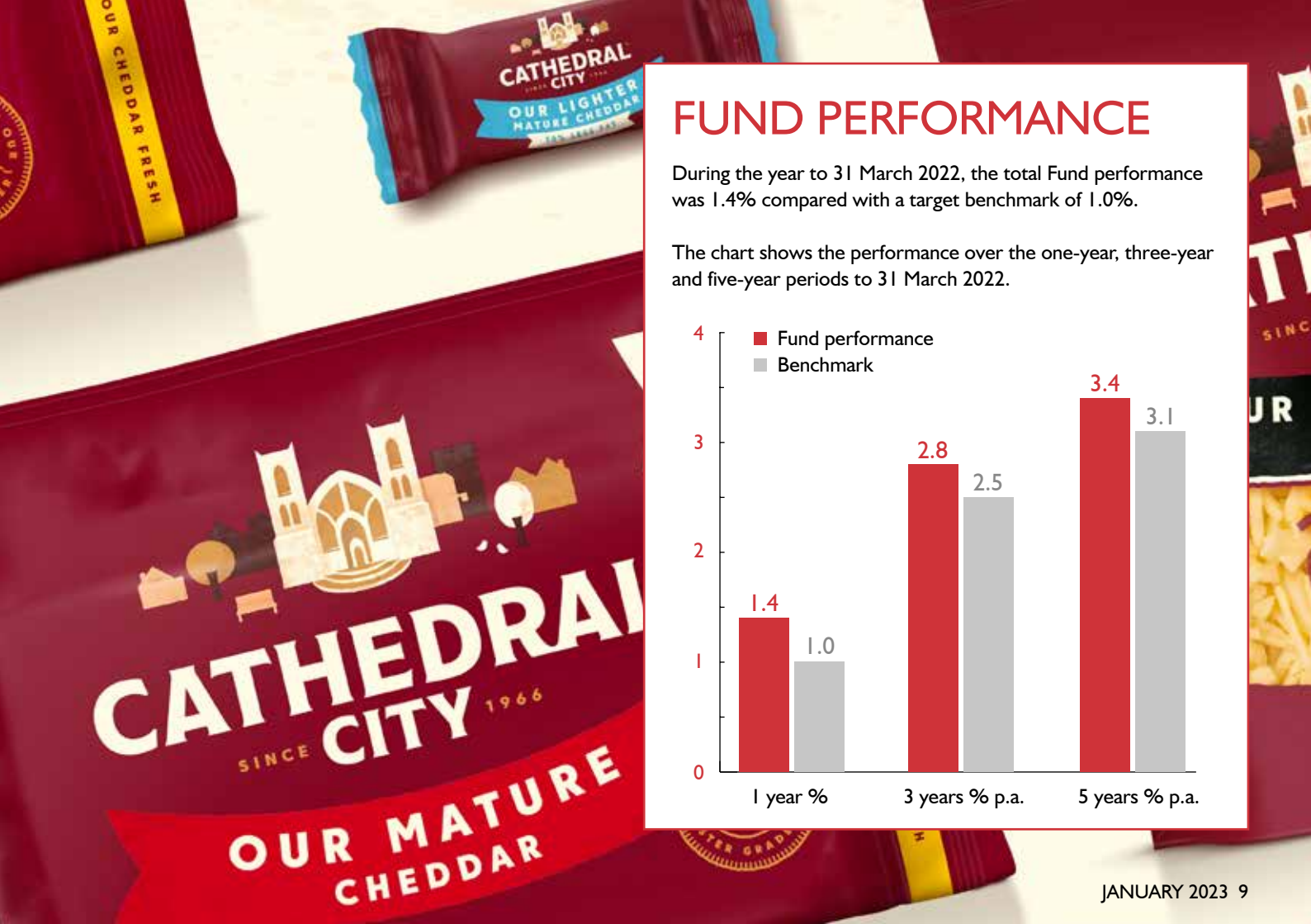
WHERE ARE THE ASSETS INVESTED?

The Trustee is responsible for investing the Fund's assets but delegates the day-to-day management of investments to its appointed investment managers. During the year, these were:

- Aviva Investors Jersey Unit Trusts Management
- DRC Capital LLP
- Insight Investment Management
- Legal & General Assurance Society
- Legal & General Investment Management
- Nephila Capital Ltd
- Pacific Investment Management Company
- Wellington Management Company

On 31 March 2022, the Fund's assets were split between the following investments:

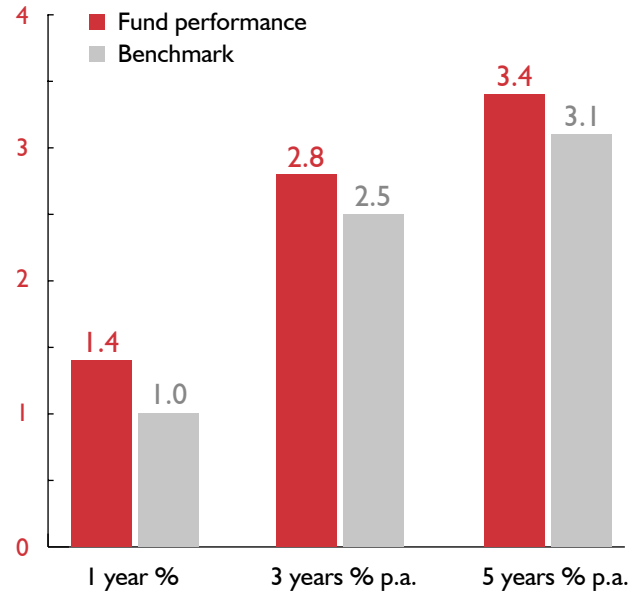




FUND PERFORMANCE

During the year to 31 March 2022, the total Fund performance was 1.4% compared with a target benchmark of 1.0%.

The chart shows the performance over the one-year, three-year and five-year periods to 31 March 2022.



SUMMARY FUNDING STATEMENT

As a member, you have built up valuable benefits for your future. Knowing how the Fund is doing financially is therefore important. The most recent valuation of the Fund was carried out at 31 March 2022. The results compared with the previous year's update are shown in the table below.

Overall, the financial position of the Fund has improved since March 2021. The key factors influencing this are:

- experience since the previous valuation has been more favourable than allowed for in the annual updates
- the Trustee has updated the assumptions it uses to value the liabilities in line with recent experience.

Please keep in mind the long-term nature of the Fund to meet payments to members over many years into the future. The financial position is a 'snap-shot' which will change from year to year. The next full valuation will be on 31 March 2025.

THE IMPORTANCE OF DAIRY CREST'S SUPPORT

The funding target agreed for the Fund meets the requirements of the Pensions Act 2004 and is called the 'technical provisions'. It relies on Dairy Crest and its financial support to:

- make extra contributions if there is a funding shortfall
- put in more money if the investment returns are lower than expected.

As the Fund only had a small shortfall at the valuation date, no contributions are required from Dairy Crest at this time.

	Valuation (£m) 31 March 2022	Valuation (£m) 31 March 2021
Assets (excluding AVCs)	1,210.3	1,242.0
Amount needed to pay benefits (liabilities)	1,211.8	1,285.4
Shortfall	(1.5)	(43.4)
Funding level	100%	97%

WHAT IF THE FUND WERE TO WIND UP?

The following is for your information only. We don't intend to wind up the Fund, but we do check the impact on the Fund should Dairy Crest no longer be able to support it.

Under the hypothetical scenario that the Fund wound up on 31 March 2022, the shortfall is estimated to have been £164 million. The Fund can only be wound up in limited circumstances and this figure would only crystallise if Dairy Crest became insolvent. Under the legal guarantee, Saputo Inc. would then be required to pay any shortfall not met by Dairy Crest.

The shortfall on winding up, which is different from the ongoing shortfall shown in the table, assumes that all members' pensions would be provided by an insurance company. Insurers take a very cautious view of the future, and they need to make a profit. The ongoing position assumes that Dairy Crest will continue in business and carry on supporting the Fund. Over time, the Trustee's long-term aim is to reach a funding position where all benefits can be secured in full with a regulated UK insurer.

IS MY PENSION PROTECTED?

If the Fund were to wind up today, Dairy Crest would have to pay enough into the Fund to buy out all members' benefits with an insurance company. If Dairy Crest could not afford to cover this, Saputo Inc. would then be required to pay any shortfall not met by Dairy Crest. The Pension Protection Fund (PPF) was also established by the government to protect members' pensions when a company becomes insolvent (although it doesn't guarantee full benefits). You can find out more about the PPF at www.ppf.co.uk

OTHER INFORMATION WE NEED TO TELL YOU

As required by law, we can confirm that there have not been any payments to Dairy Crest out of the Fund since the last summary funding statement was issued. We can also confirm that the Fund has not been modified by the Pensions Regulator and no directions or schedule of contributions have been imposed on it by the Regulator.

GET IN TOUCH

If you have any questions about the Fund or your benefits, please contact the appropriate Fund administrator:

For deferred members and pensioners (if Premier pays your pension)

Premier Pensions, PO Box 108, Blyth NE24 9DY

Email: dairycrest@premiercompanies.co.uk

Call: 0800 122 3560

For pensioners (if Legal & General pay your pension)

Legal & General, Customer Payment Services, PO Box 809, Cardiff CF24 0YL

Email: CPSc@landg.com (general enquiries)

Bereavements@landg.com (bereavements)

Call: 0345 7660 813

PLEASE LET US KNOW!

Remember to tell us if you move home or if any of your personal details change.
Having your email address will help us keep in touch with you, even if you move house.

