

Spring 2022

# PENSIONNEWS

A Pension Plan Report to Members on behalf of the Avon Rubber Retirement and Death Benefits Plan

**YOUR PENSION.  
YOUR FUTURE.**

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## Message from the Chair of the Trustee Board



Miles Ingrey-Counter  
Chair of the Trustee Board

**LIFE IS SLOWLY RETURNING TO NORMAL IN THE UK AS WE LEARN TO LIVE WITH THE COVID-19 VIRUS AND THE VACCINATION PROGRAMME. INDEED, THE UK ECONOMY WAS BOOSTED AS THE RETAIL AND LEISURE SECTORS RE-OPENED LAST YEAR. HOWEVER, RECENT EVENTS, INCLUDING SOARING GAS PRICES, REMIND US THAT THE ECONOMY REMAINS FRAGILE.**

As ever, our role as Trustee Directors remains to monitor the Plan's development and to make any changes we feel are necessary to protect the Plan and our members' best interests.

You can read how the Plan's financial position is developing in our latest summary funding statement, which reports on the Plan's funding position as at 31 March 2021.

Inside we also include a summary of the year's accounts and an update on the Plan's investments.

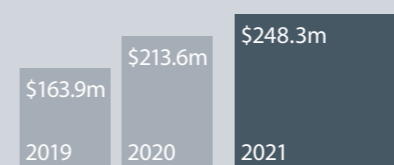
In more general news, we include a warning of the threat of online fraud, and we report on the increasing importance of Environmental, Social and Governance (ESG) factors for investments.

**If you have any comments about this newsletter or the Plan in general, please contact the administration teams or the Trustee directly using the contact details at the end of this newsletter.**

**Please do also refer to our website at [www.avon-protection-plc.com/pensions](http://www.avon-protection-plc.com/pensions). This is where you will find a copy of this and previous newsletters together with other useful information about the Plan, including key contact details for both DB and DC sections.**

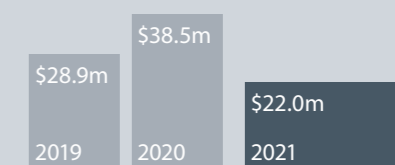
**COMPANY NAME CHANGE: YOU MAY HAVE NOTICED THAT THE PLAN'S SPONSORING EMPLOYER HAS CHANGED ITS NAME FROM AVON RUBBER P.L.C. TO AVON PROTECTION PLC. THIS IS PURELY A NAME CHANGE TO MORE ACCURATELY REFLECT THE BUSINESS OF THE GROUP. THERE ARE NO CHANGES TO THE COMPANY'S SUPPORT TO THE PLAN AND ANY COMPANY SHARE CERTIFICATES ISSUED REMAIN VALID.**

## AVON PROTECTION PLC 2021 FINANCIAL HIGHLIGHTS



Revenue

**\$248.3m**



Adjusted operating profit

**\$22.0m**

The Directors believe that adjusted performance measures provide a useful comparison of business trends and performance. The adjusted performance measures relate to continuing operations and exclude exceptional items including, costs associated with acquisitions, amortisation of acquired intangibles, net charges related to armor assets, discontinued operations and the unwind of the discount on the net pension liability.

Further details can be found in the 2021 Annual Report.



# KEY FACTS AND FIGURES

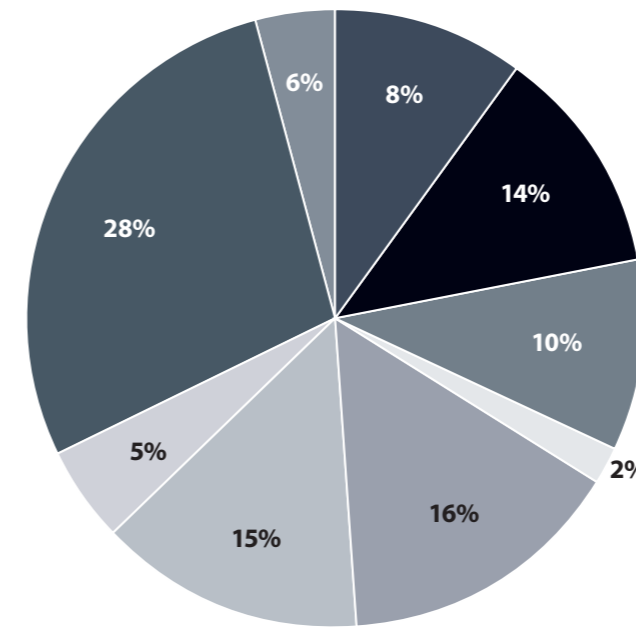
Defined Contribution section members		
Total number of members:	31-Mar-20	31-Mar-21
Brought forward from last year	224	282
New entrants	91	63
Exits	-33	-33
<b>Active members</b>	<b>282</b>	<b>312</b>
Deferred Defined Contribution members with preserved pensions	156	172

Summary of movements in the value of the Plan		
	31-Mar-20 £(000)	31-Mar-21 £(000)
<b>Value of the plan at the start of the Period</b>	<b>335,764</b>	<b>316,850</b>
Contributions	2,709	22,474
Pensioner payments and other outflows	-18,455	-17,126
Changes in market value of investments	-3,168	29,118
<b>Value of the Plan at the end of the period</b>	<b>316,850</b>	<b>351,316</b>

Defined Benefit section members		
	31-Mar-20	31-Mar-21
Ex-members with preserved final salary pensions	1,257	1,183
Pensioners	2,012	1,991
<b>Total</b>	<b>3,269</b>	<b>3,174</b>

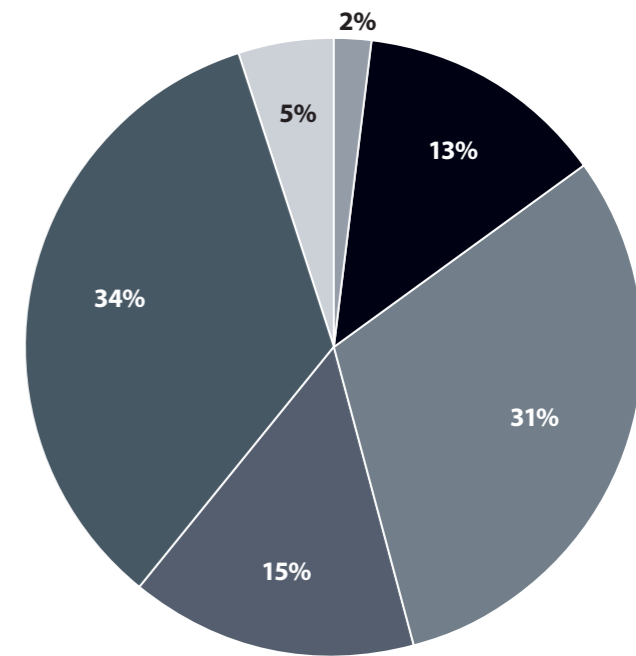
Funds by Scheme		
	31-Mar-20 £(000)	31-Mar-21 £(000)
DB Pooled Funds	305,668	336,832
AVC	900	900
<b>DB Total</b>	<b>306,568</b>	<b>337,732</b>
DC Total	10,282	13,584
	<b>316,850</b>	<b>351,316</b>

Percentage of DB assets by investment manager as at 31 March 2021



8%	Absolute Insight
14%	LP Ruffer Absolute Returns
10%	CQS Credit Multi Asset fund
2%	Europa Real Estate
16%	JP Morgan Infurstructure Fund
15%	Ares Secured Fund
5%	Insight Credit
28%	Blackrock LDI funds
6%	Cash

Percentage of DB assets by asset class as at 31 January 2022



2%	Diversified growth
13%	Absolute Return funds
31%	Multi-asset
15%	Secured income
34%	Bonds
5%	Cash

# PENSION NEWS

## PROTECT YOURSELF FROM CYBERCRIME

Online fraud, or cybercrime, is an ongoing threat in today's device-led world. The Pension Regulator's new single code of practice aims to tackle this with more emphasis, making it more of a priority for the trustees of pension schemes.

As Trustee Directors, we are committed to maintaining the highest level of security of the Plan's online systems and your personal data, and will continue to work closely with our expert advisers to identify any areas for improvement.

**We encourage you to be vigilant to help protect yourself from cyber crime. Things to look out for include:**

### AUTHORITY

Beware of emails claiming to be from someone official such as your bank or doctor. Criminals often pretend to be someone in a position of trust to gain your confidence and then trick you into doing what they want.

Similarly, a common scam is for fraudsters to set up a website that pretends to be a legitimate business – for example a firm that is regulated by the Financial Conduct Authority or FCA.

### URGENCY

Beware of urgent time periods (such as 'within 24 hours' or 'immediately').

### EMOTION

Beware of messages that make you panic or fearful of missing out on something. False claims of support or enticing you into wanting to find out more are common methods.

### TOPICAL

Criminals often exploit current news to make their scam seem more relevant to you. Sadly, the COVID-19 pandemic gave criminals a new opportunity to tempt people into mistakes.

### REMEMBER!

If an email, website or social media post looks suspicious, stop what you're doing and give yourself time to check whether it is what it claims to be. If a financial adviser or firm is genuine, they will be authorised by the FCA and their details will be on the FCA's register. You can check the register online at <https://register.fca.org.uk>. Or you can ask the FCA to check for you – **call 0800 111 6768**.

### DO

Read the National Cyber Security Centre guidance at [www.ncsc.gov.uk/guidance/suspicious-email-actions](http://www.ncsc.gov.uk/guidance/suspicious-email-actions) for further information on how to stay safe. Visit the FCA's Scam Smart website at [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart).

### DON'T

Click on links, or share your bank details or personal information, following unsolicited requests.

## PENSION SCAMS PLEDGE

In the last couple of years there has been a lot of attention on improving the experience of members transferring out of pension schemes and protecting these members from scams. Two particular actions taken have been:

- The Pension Scams Industry Group (PSIG) issued a new version of the Code of Good Practice on Combating Scams
- In late 2020, the Pensions Regulator issued an invitation to trustees, pension providers and administrators of pension schemes to make a pledge to adopt a number of checks on transfers to other schemes, designed to protect members from pension scams. The Pledge represents the minimum standards in the PSIG Code.

We're pleased to tell you that our DB Section administrators, Mercer, have signed up to the Pledge. This won't affect the service you receive from Mercer, but will mean the administration teams take additional actions to help identify potential scams and protect you.





## RESPONSIBLE INVESTING

You may have heard about responsible investing in the news recently as it's getting more attention across the pension industry. Responsible investing aims to incorporate environmental, social and governance (ESG) factors into investment decisions, which can help to create long-term sustainable returns.

- Environmental: the impact companies and their assets have on the environment.
- Social: how companies treat their employees, customers and the community.
- Governance: how companies and their assets are governed.

For the DB Section - we assess ESG factors when agreeing how to invest the Plan's assets. Our appointed investment managers also incorporate ESG factors into their day-to-day processes.

For the DC Section - one of our duties is to make an appropriate range of investment options available to members. In doing so, we have assessed and incorporated ESG factors into the Plan's available investment funds, enabling you to consider these.

From autumn 2021, for the very largest schemes, trustees must also comply with new duties to consider and assess climate-related risks and opportunities. These requirements won't apply to our Plan for a while but when these requirements begin to apply for the Plan, we will issue a report setting out how we have done this, and provide you with access.

## MINIMUM RETIREMENT AGE SET TO INCREASE

The Government has confirmed that the minimum retirement age will rise from 55 to 57 in April 2028, to broadly coincide with the rise in the State Pension Age to 67.

Pension savers considering taking early retirement in 2028 or later may need to take this into account – in particular, those that will turn 55 just after the change takes effect and those who reach age 55 shortly before then but have not accessed all their benefits.

We will keep you updated when the legislation for this is finalised.

## IS YOUR EXPRESSION OF WISH FORM UP TO DATE?

No one likes to think about their death but it is important that you give the Trustee Directors a clear indication of how you would wish any benefits to be distributed in the event of your death. The Trustee Directors use a form called an 'Expression of Wish' to understand your family circumstances and your wishes. Sometimes it is clear where death benefits should be distributed in line with the Plan's rules but sometimes it is unclear and having this document in place really helps us to ensure we are able to support those you would want us to. By completing an Expression of Wish form this can also make a significant difference to how quickly your beneficiaries could receive your benefits if you die.

You may have more than one Expression of Wish form – for example if you have benefits in both the DC and DB sections of the Plan, which are administered separately, or if you are a current employee and the HR department has a record of your wishes.

Members of the DC section can update your beneficiaries online by logging into the portal at [www.standardlifepensions/avonprotection](http://www.standardlifepensions/avonprotection) and editing your plan information. You can also download or log in to the Standard Life UK app to manage your beneficiaries.

For members of the DB scheme, Expression of Wish form can be requested from the administrators, Mercer, whose contact details are at the end of this publication or found on our website: [www.avon-protection-plc.com/pensions](http://www.avon-protection-plc.com/pensions) under 'Scheme Documents'.

If you haven't completed or reviewed your Expression of Wish form recently, please do so.



# DC SECTION FOCUS

Benefits in the Defined Contribution (DC) Section of the Plan are determined by a combination of contributions paid by members and the Company, and investment income earned on those contributions. The Company pays an amount specified in the Plan Rules that depends on each member's chosen contribution rate.




The Company will match your contributions at either 5% or 7.5%.

This is a valuable benefit provided by the Company and we want members to be in a position to get the best possible outcomes from this. We have partnered with Standard life to provide a range of funds you can choose to invest in and Standard Life offer a great online portal to access all the information you might need in relation to your personal benefits and the options available to you.

## PICTURE YOUR RETIREMENT

You might have an idea of the retirement you want, but do you know how much it will cost? If you don't know, you are not alone. Research shows that 77% of savers don't know how much they will need in retirement.

The Retirement Living Standards (RLS) are benchmarks for the income you might need in order to afford different lifestyles (minimum, moderate and comfortable). Full details can be found at [retirementlivingstandards.org.uk](http://retirementlivingstandards.org.uk). But as a general rule, they suggest the following:

MINIMUM	MODERATE	COMFORTABLE
SINGLE: £10,900 COUPLE: £16,700	SINGLE: £20,800 COUPLE: £30,600	SINGLE: £33,600 COUPLE: £49,700
 Covers all your needs, with some left over for fun.	 More financial security and flexibility	 More financial freedom and some luxuries

You can get an estimate of your retirement income using the 'Plan Your Retirement' section on the Standard Life Portal. There is also a retirement income tool which you can use to explore different options to give an illustration of the impact they can have on your retirement income. Sometimes small changes can have a big impact.

## WHERE CAN YOU GET MORE INFORMATION ON THE PENSION SCHEME?

For further information regards joining the pension plan, receiving tax benefits from the Government and also receiving additional contributions from the Company you can visit the Standard Life Avon portal at <https://www.standardlifepensions.com/avonprotection>.

Current members of the Plan can manage their pension online at:

[www.standardlife.co.uk/1/site/employeezone/login](http://www.standardlife.co.uk/1/site/employeezone/login)


You can also access and manage your pension using the Standard Life App

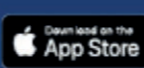

Current members of the DC Section of the Plan can view an annual statement of their funds on the Standard Life Avon portal

### The Standard Life App for mobile and tablet

24/7 access to your pension and savings

- Quick and secure login with fingerprint or PIN. We also support Face ID on iPhone X
- Top up your Pension and ISA
- View your Mailbox and send secure messages
- See how your funds are performing



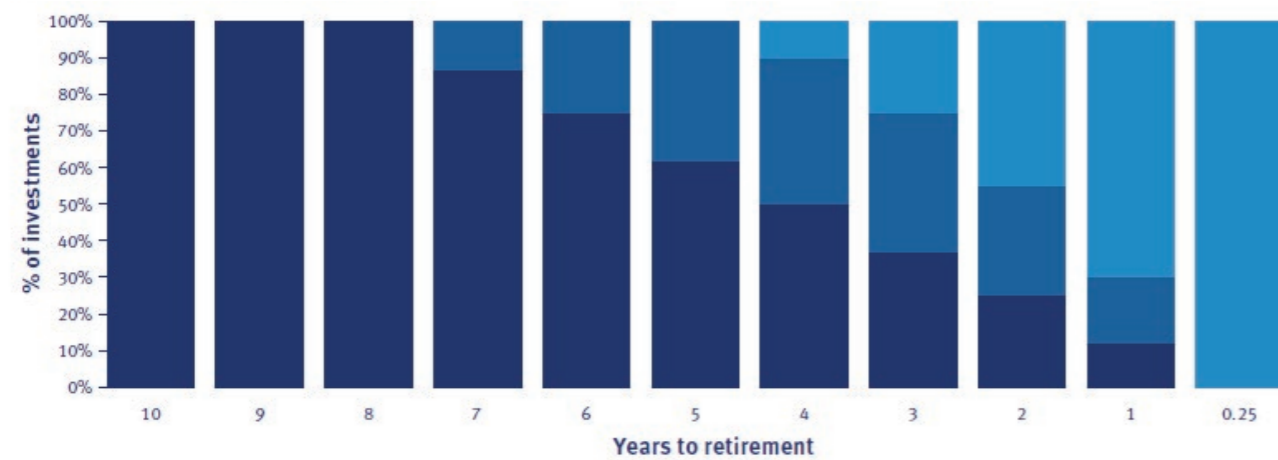


# DEFAULT FUND

## PASSIVE PLUS IV UNIVERSAL SLP

### Charge cap complaint

This profile is designed for members who want to take their full tax-free lump sum, and have the flexibility to take the rest of their pension savings the way they want.



Name	Code	Volatility rating	FMC	Additional expenses	Scheme rebate	Effective total annual fund charge	Active/passive investment
Standard Life At Retirement (Passive Plus Universal) Pension Fund	JJHA	3	1.00%	0.02%	0.71%	0.31%	Active
Standard Life Passive Plus IV Pension Fund	JJJA	5	1.00%	0.03%	0.71%	0.32%	Active
Standard Life Pre Retirement (Passive Plus Universal) Pension Fund	KKFF	3	1.00%	0.03%	0.71%	0.32%	Active

The charges and rebates are not guaranteed. They are regularly reviewed and may be changed in the future. To find more information on the individual funds that make up the lifestyle profile, please refer to the fund fact sheet.

## PERFORMANCE

	Name	Code	Governance status*	Cumulative performance (%)				
				3m	6m	1yr	3yr	5yr
<b>Passive Plus IV Universal SLP</b>								
Fund	Standard Life At Retirement (Passive Plus Universal) Pension Fund <sup>1</sup>	JJHA	Green	0.87	1.52	3.81	15.20	18.03
Benchmark	Custom composite index			0.92	1.48	3.74	15.06	18.95
+/-				-0.05	0.04	0.07	0.14	-0.92
Fund	Standard Life Passive Plus IV Pension Fund	JJJA	Green	2.97	4.92	12.46	31.51	37.62
Benchmark	Custom composite index			3.09	4.62	11.95	32.06	40.54

Source: Standard Life for fund information, Financial Express & Standard Life Investments for benchmark data. All returns shown are cumulative performance with gross income reinvested unless otherwise stated. Fund returns are new of charges (adjusted for scheme specific rebates), and are based on prices to the 1st of the month.



# DB SECTION FOCUS

## INVESTMENT STRATEGY

2021 has been another volatile year in many aspects, but we are pleased to see that the Plan has continued to progress well. Whilst there were limited changes over the year from a strategic perspective, the growth portfolio continued to perform well and has been a key driver of funding level improvements. The LDI mandate also protected the Plan from a material amount of volatility, particularly in Q3 and Q4 2021. Bringing this together and looking over the calendar year the Plan's estimated funding level has increased from 85% at the start of the year to 87% as at 31 December 2021 on the Technical Provisions basis. Recognising the Plan's position, we are working with our advisers and the Company to further reduce investment risk and better secure member benefits.

We are also increasingly considering how Environmental, Social and Governance ('ESG'), climate change and good stewardship is integrated within investment processes in appointing new investment managers and monitoring existing investment managers.

## GMP EQUALISATION

We told you in previous newsletters about a High Court ruling regarding the equalisation of Guaranteed Minimum Pensions ("GMPs"). This is a very complex issue and along with many other pension schemes, we will be working through the actions needed to address this. Once we know more, we will contact all affected members with details but we expect this to be a long process so please don't worry if you don't hear from us for a while.

## SEX EQUALISATION WITHIN THE PLAN

We told you in previous newsletters about a project we were undertaking to ensure members' benefits within the Plan are correct following advice from the Plan's lawyers. This project does not affect all members, only those who were active contributing members of the DB Section of the Plan between 17 May 1990 and 7 December 1992. If you meet this criteria and hold a deferred pension with the Plan (i.e. you have not yet retired) you should now have received communication from our administrators, Mercer, confirming the correct pension figures for you. If you are a retired member of the Plan we apologise for the delay in writing to you, this is a very complex project that involves locating and reviewing information from a long time ago and it has proved more difficult than anticipated. The delay will not impact the outcome for you, if we find that an increase is due to your pension we will also be paying arrears for the period since you retired.

We also wanted to reassure you that no members will be worse off as a result of the equalisation project. You may receive an increase

in your pension if you meet the criteria above and did not take all your pension benefits at age 60 but the majority of members will be unaffected.

## STATE PENSION

The DB Section of the Plan was 'contracted out' of the additional State Pension. This means you will have paid lower National Insurance (NI) contributions into the state system while contributing to, and building up benefits in, the Avon Plan. The lower NI contributions will be taken into account when calculating your State pension when you reach the appropriate retirement age so you may not be automatically offered the full amount of the current state pension (currently £179.60 per week). You will of course have your Avon benefits on top of your State benefits and you may have the option to increase the State pension by making an additional NI contributions.

Further information on contracting out and how this impacts your State benefits can be found here: The new State Pension transition and contracting-out: fact sheet - GOV.UK ([www.gov.uk](http://www.gov.uk))

We would encourage you to obtain a State pension forecast from the Government website: [www.gov.uk/check-state-pension](http://www.gov.uk/check-state-pension).

## PPF LEVY

We wanted to share some positive news on how with the support of the Company we have been able to reduce some of the Plan's expenses over the last few years. Back in 2010 the Plan's PPF levy (an amount each scheme needs to pay each year) was in the region of £650,000. As a result of the growth of the Company, management of the information submitted to the Regulator and better funding of the Plan, in 2021 the levy we paid was £60,000. The levy is subject to change each year as the PPF considers its funding needs and approach so we can't say it will always remain at this level but we take steps to manage both the levy and other expenses each year.

## MEET THE TRUSTEES



**Miles Ingrey-Counter**  
(Chair)



**Eric Fielding**  
(Member Nominated)



**David Little**  
(Member Nominated)



**Rob Wills**  
(Company Nominated)



**Zoe Holland**  
(Company Nominated)



**Mike Harral**  
(Company Nominated)

## THE PLAN'S ADVISORS

Auditor



Legal Advisor



Banking



Defined Benefit Administrator  
& Investment Consultant



Scheme Actuary  
Susan Hoare FIA



Defined Contribution  
Provider





## FURTHER INFORMATION

### Taking advice

If you would like advice about your retirement plans, we recommend you speak with an independent financial adviser (IFA). You can find an adviser in your area by searching the Money Advice Service directory at <https://directory.moneyadviceservice.org.uk/en>

Before you appoint anyone, you should check that the adviser is suitably qualified and authorised. You can do this online at <https://register.fca.org.uk> or by phoning the Financial Conduct Authority helpline, **0800 111 6768**.

For more general information on pensions and saving for retirement, the following websites are useful resources: [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)

The Money Advice Service provides general advice on all money matters including pensions and finding an independent financial adviser.

[www.gov.uk](http://www.gov.uk) The Government's website features a section 'Working, jobs and pensions', which includes a State Pension Age calculator.

[www.pensionwise.gov.uk](http://www.pensionwise.gov.uk) The Government's guidance website explains the flexible DC retirement options.

If you have a concern about your benefits, contact the Early Resolution Team:

Go to [www.pensions-ombudsman.org.uk/our-service/make-a-complaint](http://www.pensions-ombudsman.org.uk/our-service/make-a-complaint) Phone: **0800 917 4487** and select the option to discuss a potential complaint Email: [helpline@pensions-ombudsman.org.uk](mailto:helpline@pensions-ombudsman.org.uk)

#### DEFINED BENEFIT PLAN ADMINISTRATORS



Mercer Consulting Limited,  
PO Box 505, Chichester, PO19 9AF  
Member Helpline: 0800 046 6183

#### DEFINED CONTRIBUTION PLAN ADMINISTRATORS



Standard Life, Dundas House,  
20 Brandon Street, Edinburgh, EH3 5PP  
Member Helpline: 0800 634 7479

#### TRUSTEE REPORT & ACCOUNTS

The Trustee Directors publish a formal Report and Accounts each year that covers some of the items outlined in this newsletter. Please ask Mercer if you would like a copy or a copy of the Funding Review by the Scheme Actuary. You should write to Mercer if you would like to see the Plan's Trust Deed and Rules or if you want a further copy of the current DC Members' Booklet. All of these documents are available on the Plan's website at:

[www.avon-protection-plc/pensions/communications](http://www.avon-protection-plc/pensions/communications)

#### INTERNAL DISPUTE RESOLUTION

If you do have any problems with the Plan it is hoped that these can be resolved by the Administrators. If necessary, however, the Trustee Directors have a formal process for dealing with member disputes. Further details of this are available from Mercer or via our website. You may also be able to obtain assistance from the following external bodies:

##### The Pensions Ombudsman

The Pensions Ombudsman has the power to investigate and decide upon complaints and disputes involving occupational pension schemes. They will normally expect to act only when a matter has been through the Plan's Internal Dispute Resolution Procedure and referred to TPAS and not satisfactorily concluded. The web address is:

[www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

##### The Pension Tracing Service

The Pension Tracing Service can help ex-members of schemes and members' dependents, who have lost touch with earlier employers to track down any pension entitlements. The web address is: [www.gov.uk/find-lost-pension](http://www.gov.uk/find-lost-pension)

#### REMINDER TO KEEP US UP TO DATE

Please let us know if you change your name or address so we can continue to contact you about the Plan and your benefits.

Please also ensure you complete an Expression of Wish form if you have not done so already, or if your personal circumstances have changed recently. This helps us as Trustees understand your family circumstances and your wishes in the event of your death. These forms can be obtained from the administrators for the relevant section of the Plan and are available on the Plans website – see above for contact details.