



HERMES GROUP PENSION SCHEME

June 2022

Dear Member

Hermes Group Pension Scheme

This is the seventh newsletter of the Hermes Group Pension Scheme ('HGPS' or 'the Scheme'). The previous six newsletters are on the member website:

www.hermesgrouppensionscheme.co.uk/scheme-overview

This issue of the newsletter covers the following areas:

- Trustee Board and Directors
- Change of Employer Nominated Trustee Director
- Trustee Report and Accounts for the year ending 30 June 2021
- Summary Funding Statement as at 30 June 2021
- Investment strategy
- Investment performance
- Membership update
- Trustee Advisers
- Expression of Wish forms
- Pension transfers and scams
- Digital Communications
- Hermes Pensioner Association
- Contact information

The Trustee is happy to receive any feedback you may have on the newsletter and encourages any comments or suggestions to be forwarded to the Scheme Secretary.

The Trustee of the Hermes Group Pension Scheme

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Trustee Board and Directors

The membership of the Trustee Board is shown below

Trustee Board				
	Directorship type	Professional trustee?	Ex Hermes employee?	Scheme member/pensioner?
Alison Bostock representing PTL	Independent Chair	Yes	-	-
Penni Coe	Member-Nominated	-	Yes	-Yes
Ingrid Kirby	Employer Appointed	Yes	Yes	Yes
Hans Christoph - Hirt	Member-Nominated	-	Yes	-Yes
Matt Simms	Employer Appointed	Yes	Yes	-

Biographies of the Trustee Directors are on the member website.

Change of Employer Nominated Trustee Director

We are sorry that Ingrid Kirby will be leaving the Trustee Board in August 2022 after 10 years as a Trustee Director. Ingrid's input to the management of the Scheme over the years has been invaluable and we wish her well for the future. BT Pension Scheme Management have appointed Joanne Coxwell as Ingrid's replacement. Joanne qualified as a solicitor at Berwin Leighton Paisner in 2003 and spent many years working in the pensions team advising on all pension related matters for both sponsoring employers and Trustees. She joined BT Pension Scheme Management six years ago, providing support on a whole range of pensions legal areas.

Trustee Report and Accounts for the year ending 30 June 2021

This was finalised in December 2021 and is on the member website.

Summary Funding Statement as at 30 June 2021

An annual Summary Funding Statement is included with this Newsletter.

Investment Strategy

The portfolio of Scheme assets aims to reduce the volatility of the funding level, i.e. to align the value of the assets with the value of the liabilities as far as possible. Whilst the Scheme

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remains fully funded on an ongoing basis, progression of the funding level for the Scheme to achieve a fully funded position on a prudent self-sufficiency basis by 2030 remains on track at the time of writing.

The Trustee has adopted a robust investment strategy over time for both equity and credit mandates to reduce the volatility of the funding level. The strategy that has been implemented has enabled the Trustee to ensure that the Scheme has not been materially impacted by market movements, which will also have no impact on the provision of benefit payments. The Trustee continues to closely monitor the funding position and to consider whether any action is needed in relation to the asset allocation.

LGIM Low Carbon Transition Fund

The Trustee considers Environmental, Social and Governance issues, including specifically Climate Change, when making its investment decisions. In November 2021 the Trustee invested all of its equity allocation (which is 10% of total assets) in the L&G Low Carbon Transition Fund, split equally between the unhedged and Sterling hedged versions. The Fund was launched in April 2021 and its investment objective is to track the performance of the Solactive L&G Low Carbon Transition Global Index to within +/-0.60% p.a. for two years out of three. The index aims to reduce carbon intensity by 70% relative to the starting universe at the outset and on a path to achieve net zero by 2050.

* <https://fundcentres.lgim.com/uk/en/fund-centre/PMC/Low-Carbon-Transition-Global-Equity-Index-Fund/>

Investment Performance

The Scheme's performance for the 12 months to 30 June 2021 and three year period, based on the performance of the investment managers after the deduction of fees for all managers, is shown in the table below:

	One year (%)	Three years (% pa)
Scheme	-1.9%	6.2%
Benchmark	-2.9%	5.7%

* The Scheme Benchmark is an amalgamation of the individual benchmarks for each investment manager and the various funds employed. Further details can be found on page 14 of the 2021 Annual Report & Accounts.

Membership Update

The figures below show the recent history of membership:

	30.06.2019	30.06.2020	31.07.2021
Employed deferred	39	35	33
Deferred	361	358	346
Pensioner	193	194	203
Total	593	587	582



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Advisers

The current advisers to the Trustee are:

Actuary	XPS	Adam Stanley
Lawyer	Sackers	Pauline Sibbit
Investment Adviser	LCP	James Trask
Secretary	ZEDRA Inside Pensions	Fiona Kilpatrick
Administrator	XPS	George Patterson
Finance	XPS	Amy Webb
Auditor	KPMG	Paul Thompson
Covenant Adviser	Cardano	Alex Hutton-Mills

Details of all advisers are on the member website.

Expression of Wish form

There are various death benefits available to members in a number of different circumstances. If you have not yet taken any pension benefit, then a lump sum may be payable on your death. If you have been in receipt of a pension for less than five years, then a lump sum will be payable on your death. In both circumstances a spouse's or dependent's pension may also be payable in addition. The Trustee has discretion as to who will receive any lump sum death benefit. You may therefore wish to indicate to the Trustee who you would like to nominate to receive the benefit. For this purpose, an Expression of Wish form (also known as a Nomination Form) is available on the member website. Please send an updated Expression of Wish form to the administrators of the Scheme, particularly if your circumstances change in any way.

Pension Transfers and Scams

An increase in pensions scams has been seen through the pandemic as more people are concerned about their finances and may be seeking to access funds or move savings to a higher investment-return environment. Tell-tale signs include direct contact out of the blue from someone you don't know, including by telephone, email or on social media, or it can even be by word of mouth via someone else who is unaware they may be being scammed.

Scammers will make false claims to gain your trust and design offers to persuade you to transfer or release funds from your pension to them. Scams come in many different guises and can result in anything from a large and unexpected tax charge on the member for making an unauthorised payment, to complete loss of the entire pension fund.

If you are considering a transfer, you can request a cash equivalent transfer value (CETV) from the scheme administrator, XPS. You may request one free CETV in every 12-month period. This CETV will be guaranteed for three months. Please note that if your benefits are



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valued at more than £30,000, the law requires you to take independent financial advice from an adviser who is authorised by the Financial Conduct Authority (FCA). You can find an adviser local to you on this website: www.unbiased.co.uk

You can check that your adviser is registered with the FCA to provide advice about defined benefit pension transfers. The FCA Register is available here:

www.fca.org.uk/firms/financial-services-register

New regulations brought in for trustees at the end of November 2021 make it harder for transfers to take place, where there are any concerning amber or red flags.

Any request for a transfer of pension entitlement out of the Scheme undergoes a review by a specialist team in XPS to identify any amber or red flags which may indicate the possibility that the request could be subject to a scam. Should this occur, XPS will investigate further and raise the case with the Trustee before any transfer of funds takes place.

Please think carefully about the security of guaranteed pension payments that would be lost on transferring out of the Scheme.

More information on how to tell a scam and help if you think you have been scammed can be found at

www.pensionwise.gov.uk/en/scams

www.pension-scams.com

www.fca.org.uk/scamsmart

Digital Communications

The Trustee intends to undertake an exercise to collect member email addresses so it can widen its ways of communicating with members. As part of this the Trustee will be asking for member feedback on communication preferences. Members should be reassured that the Trustee is not intending to make any significant changes to the way it communicates but is looking at ways it can enhance services to members.

Hermes Pensioner Association

By way of reminder, the Pensioner Association was launched in January 2017. The Association was formed to enable Scheme pensioner members to maintain contact, meet occasionally and provide a forum to discuss relevant pension issues.

The Association is a private initiative rather than one organised by the Trustee, so if you would like to receive information about the Association or information on forthcoming events please contact the Association directly.

David Bridges, who is a pensioner member, is the Chair of the Hermes Pensioners Association.

David Bridges

Email: davidchbridges@gmail.com

Telephone: 0208 3990160

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Contact Information

A lot of information regarding the Scheme can be found on the member website:

<https://www.hermesgrouppensionscheme.co.uk/>

The Trustee would like to provide you with the opportunity to ask any questions you may have in relation to the Scheme. If you have any queries on the content provided within this newsletter, please contact the Scheme Secretary via any of the following:



hermes@insidepensions.com



01727 733150



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c/o ZEDRA Inside Pensions
First Floor, Trident House
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St Albans
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Should you require any details of your pension benefits or if your personal circumstances have changed please contact XPS, the Scheme administrators, via any of the following:



HGPS@xpsgroup.com



0131 370 2601



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