

# THE BEACON

MEMBER NEWSLETTER AUTUMN 2021



## WEATHERING THE STORM

WELCOME FROM THE CHAIR

**As we emerge from what we all hope is the worst of the pandemic and recalibrate our lives, I am pleased to report that the MNOPF has weathered the storm remarkably well and is on course to reach its Journey Plan targets. Thoughtful investment and good governance mean your MNOPF pension remains safe and secure.**

### Holding course

Despite challenging investment conditions, I am happy to report another twelve months of continued good progress. The financial highlights to 31 March 2021 are on page 2, with the full Annual Report & Financial Statements for 2021 available to view on the [MNOPF website](#).

### Reducing risk within the Fund

On page 3, the latest Fund performance data presented to the board in September shows how the excellent results achieved have allowed the Trustee to further reduce the risk within the Fund and better protect your pension.

### MNOPF backs royal initiative

In the Summer I was delighted to sign the Pension Fund Chair 'Net Zero' Statement of Support on behalf of the MNOPF. This supports HRH The Prince of Wales in his important global initiative to reduce carbon

emissions and create a more sustainable future.

You can read more about the Statement's ambitions, and the MNOPF's commitment to them, on page 3.



### Member Webinar

As we learn to live with Coronavirus, and with many of the restrictions on our lives lifted, 'normality' certainly does not feel like it did two years ago!

We have given careful thought to hosting Member Forums around the country as we know many of you value the chance to meet old friends and colleagues and hear first-hand about the MNOPF's progress.

However, with so many of our members in retirement and, therefore, in the highest risk groups, it remains prudent for us to suspend the 'live' forums for the time being. Instead, we will be hosting an online Member Webinar in January 2022. There is more information on page 4.

### How to stay scam smart

Keeping one step ahead of the scammers is the best way to protect your savings from fraud. On page 4 you will find links to useful websites that can help you stay alert.

Finally, I wish you and your family good health and wellbeing for the festive period and the year ahead. If you can, please do join us for the Member Webinar in the New Year; it will be lovely to see as many members as possible, albeit remotely.

With warmest wishes,

**Rory Murphy**  
Chair of MNOPF Trustees Limited



Financial highlights | Journey Plan and investments |  
MNOPF backs royal initiative | Member Webinar

# MNOPF

1 APRIL 2020 TO 31 MARCH 2021

**£3,250  
million**

of assets



**£14.8  
million**

of deficit  
contributions  
received from  
employers



**£158  
million**

paid in benefits to  
our members and  
their beneficiaries



**22,830**

members  
in the  
MNOPF



## FUND FINANCES IN FOCUS

AS AT 31 MARCH 2021

You may recall that in recent years the total size of assets in the MNOPF has been decreasing. This is to be expected due to the increase in pensions in payment (as more members retire) and a reduction in employer deficit contributions as the last remaining instalments are collected. However, this trend has been

reversed over the past year, with an increase in total assets of £108.3 million. This can be largely attributed to the investment returns on the assets over the year to 31 March 2021, following the huge market falls caused by the worldwide outbreak of Coronavirus a year earlier in the first quarter of 2020.

<b>FUND FINANCES to 31 March 2021</b>	<b>Total £m</b>
Opening balance as at 31 March 2020	3,141.6
Less Expenditure and member benefit payments	(148.7)
Plus Net return on investment	257.0
<b>Equals closing balance as at 31 March 2021</b>	<b>£3,249.9</b>

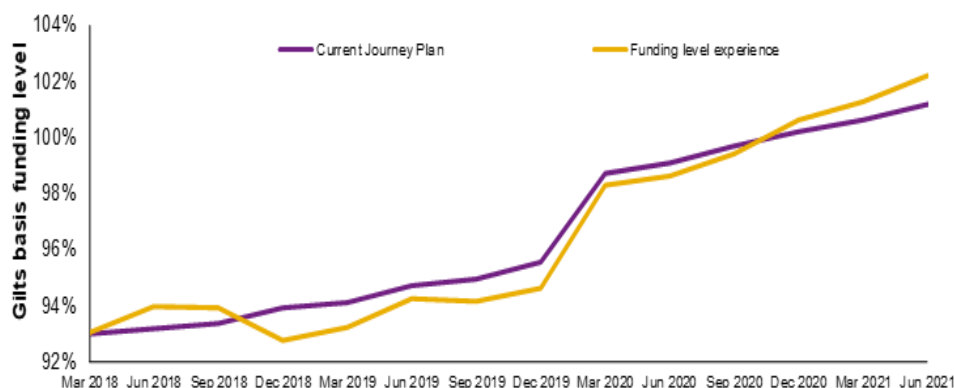
You can view the full Annual Report and Financial Statements at [www.mnopf.co.uk](http://www.mnopf.co.uk)

# JOURNEY PLAN AND INVESTMENTS



Over the quarter to the end of June 2021, performance was good across all key investment markets, in particular the equity and credit (fixed income) markets. The Fund outperformed its benchmark by 1.0% over the quarter and by 5.4% over the year.

The strong returns resulted in the MNOFP funding level increasing from 101.3% to 102.2% over the quarter, putting progress slightly ahead of the Journey Plan as you can see in the chart below:



The excellent performance enabled the MNOFP Trustee to agree a reduction in the Fund's target level of return. As the Fund's target return is now lower, so the amount of investment risk needed to achieve this return is lowered, in turn making your pension more secure. This continues the de-risking strategy implemented by the Trustee as the Fund nears the end of its Journey Plan.

## MNOFP CHAIR SIGNS 'NET ZERO' STATEMENT OF SUPPORT

In July, the MNOFP Chair signed the Pension Fund Chair 'Net Zero' Statement of Support which is part of The Prince's Accounting for Sustainability Project (A4S). A4S was founded in 2004 by Prince Charles to improve the sustainability of the finance industry. The UK's pensions sector covers some £3 trillion of investments and while large schemes are required to measure and disclose climate risks, 'net-zero' transition plans are not yet mandatory.

The statement's first group of signatories included the MNOFP and 13 other pension and retirement scheme chairs (collectively representing £267.9 billion of assets under management), including household names such as BT, Unilever and Tesco. This commits the pension schemes to halve portfolio emissions by 2030 and bring them to 'net-zero' by 2050.

Rory Murphy said *"The MNOFP is a proud signatory of this important initiative as it gives a clear signal of our commitment to a 'net zero' emissions economy, tackles the risk of climate change and invests for a resilient, sustainable future, unlike most large defined benefit pension schemes in the UK that have yet to act.*

*"Protecting our members' benefits from the potential economic impacts of an unsustainable future is vital. Thankfully, the MNOFP and our fellow signatories are powerfully placed to leverage our influence across the investment chain and make a real difference. We look forward to sharing our experiences and practices with other signatories and encouraging schemes globally to follow suit".*

So far, a total of 52 corporate pension scheme chairs have signed up to the initiative and it is hoped more will join ahead of the United Nation's COP26 conference in late October.

You can find out more about the initiative and the work of A4S [here](#) and on the MNOFP [website](#).

# MEMBER WEBINAR

As the Fund nears the end of its Journey Plan, it is important that members can hear about the 2021 Actuarial Valuation, Fund performance and all the latest news from the MNOFP Trustee and ask questions about the Fund's future.

## Date for your diary

Therefore, the MNOFP will be hosting an online member forum webinar, for all members, on Thursday 20 January 2022 at 10.30am. If you would like to attend this event, please [register your interest by clicking here](#).

If you have changed your email address and need us to update our records, please contact myMNOFPpension using the information at the bottom of the page.



# DON'T LET SCAMMERS ENJOY YOUR RETIREMENT

Scammers are continuing to target pension pots of all sizes. The FCA [ScamSmart](#) website provides valuable information on how pension scams work, how to avoid them and what to do if you suspect a scam. Scams continue to be very prevalent as mentioned in this [article](#) from the Guardian newspaper, and it is worth reminding yourself of the latest tricks and phrases scammers use to con people out of their pension savings.

If you are thinking about transferring your pension away from the MNOFP, it is very important that you understand your options. Before making any decision, the Trustee strongly encourages you to use the Pension Decision Service (provided by the MNOFP's administrator Mercer) and/or that you seek regulated, independent financial advice.

Authorised Financial Advisers can be found at [www.unbiased.co.uk](http://www.unbiased.co.uk).

## Contact us

Due to the changed working practices caused by the ongoing impact of Coronavirus, the best way for myMNOFPpension to respond to your enquiry quickly is to contact us by email: [enquiries@mymnoppension.co.uk](mailto:enquiries@mymnoppension.co.uk)

Or you can call myMNOFPpension on **01372 200200** (9am to 5pm, Monday to Friday, excluding bank holidays).

## 2021 ACTUARIAL VALUATION

The 2021 full actuarial valuation is well underway, with the Trustee having considered the preliminary results at its September board meeting.

The sign-off process now enters a period of consultation with MNOFP participating employers. The valuation will be formally signed by the board, having considered the responses from the employers, towards the end of this year.

The final valuation results will be communicated to members and employers in 2022.

## EMPLOYER CONTRIBUTIONS

The Trustee has continued to collect monies owed to the Fund from employers from past shortfalls, or deficits.

The amount remaining to be collected by September 2023, inclusive of instalment interest is now only

**£2.5m**

