



The Du Pont (U.K.) Limited Pensions Fund

Pensions Update

November 2024



Chair's Introduction

Welcome to this year's Pensions Update. It's been a busy year for the Fund and the Trustee has completed some significant projects. These include launching an IFA service to support members with their retirement decisions and transferring the DC Section of the Fund to the Fidelity Master Trust.

I'm also pleased to report that scheme funding remains robust, with further details available later in the newsletter. We're required to conduct a formal assessment of the funding position every three years, with the most recent evaluation dated 31 December 2023. Typically, this process can take up to 15 months; however, through effective collaboration with the Company, we completed it by September 2024, well before the statutory deadline of March 2025.

Finally, just a reminder about our member website - www.dupontpension.co.uk. This was launched in 2021 and contains lots of useful information on your Fund benefits.

DC Section transfer to Fidelity's DC Master Trust

Earlier this year, the Company began using the Fidelity Master Trust as its new pension provider for both current and new employees. These future pensions savings are in a new plan called the DuPont UK Fidelity DC Pension Plan, which is run by Fidelity. The Trustee and Company went through a thorough review process and agreed any DC savings in the Fund should also be transferred to the DuPont UK Fidelity DC Pension Plan. The transfer was finalised in late June, resulting in the Fund no longer having a DC Section. All affected members should have received communications from the Trustee in advance of the transfer, along with welcome packs from Fidelity.

Using a Master Trust for Defined Contribution pension benefits has gained popularity recently, and the advice we received supported that, indicating that DC Section members could receive better value and improved services by transferring to Fidelity.

We know some members will now have benefits in both the DB Section of the Fund and the Fidelity Master Trust. Arrangements have been made to ensure DC savings held in the DuPont UK Fidelity DC Pension Plan can be transferred back to provide a tax-free lump sum at retirement (subject to HMRC limits). If you belong to this group, the option will be explained further in the retirement quotations issued by the Fund administrator (contact details on page 11).

It's important that nomination forms that identify your potential beneficiaries for death benefits are kept up to date. If you have benefits in the Fund and the Fidelity Master Trust you will need to submit separate nomination forms for each plan.

Group restructure

In June, the Company informed us the DuPont Group plans to split into three independent, publicly traded companies within an 18 to 24-month timeframe. We're working with our advisers to assess the potential impact on the Fund, but at this point, we have no significant concerns due to the robust funding position and enhancements made to the Company's Guarantee in 2022.

If you have any comments on the content of this Newsletter, or on the new website, please email DuPontMembers@Barnett-Waddingham.co.uk. Any feedback you provide will help us to continue to improve how we communicate with you.

In the news

Lifetime and Annual Allowances

From 6 April 2024, the Lifetime Allowance (LTA) has been abolished. Prior to its abolition, pensions savings with a value in excess of the LTA (£1,073,100), will have been subject to additional taxation. Instead, pensions will now follow standard income tax regulations. However, a limit will remain on the maximum amount of tax-free cash that can be withdrawn. For the majority of members, this remains at 25% of their benefit value, capped at £268,275 across all pension schemes, this is known as the lump sum allowance. Members with LTA protections under previous HMRC rules may have a higher limit.

Once the initial lump sum allowance is fully used up and the member qualifies for more benefits from the Fund as a lump sum, the taxable payment is called a 'Pension Commencement Excess Lump Sum'. For more details, contact the administration team; their information is on page 11.

The standard Annual Allowance (AA) for the 2024/25 tax year remains at £60,000, unchanged from the previous year. Reductions to the AA will still apply, but only if your adjusted income exceeds £260,000. If your income reaches £360,000 or more, your reduced AA will be £10,000.

For Defined Benefit (DB) arrangements such as the Fund, the way in which a member's AA benefit is valued is to look at how their pension has increased over the tax year, less an allowance for inflation. This doesn't apply to Fund benefits for deferred or pensioner members in most circumstances.

GMP equalisation

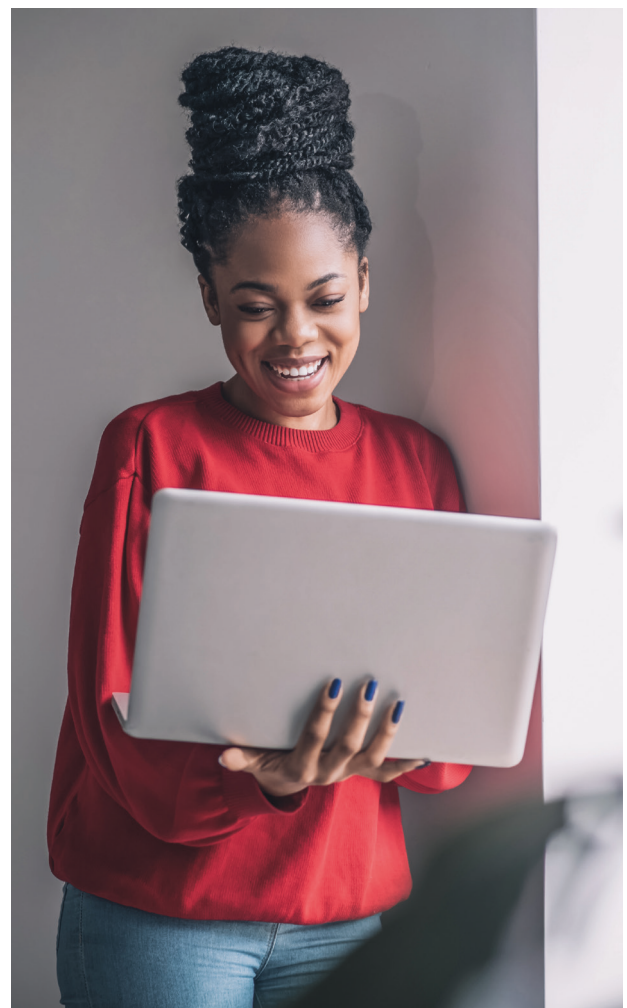
As covered in earlier newsletters, a High Court decision mandates that pension schemes must assess whether adjustments are necessary to ensure equal treatment of men and women regarding Guaranteed Minimum Pension (GMP) benefits. When pension schemes opted out of state earnings-related benefits, they were obliged to offer a GMP, which was calculated with slight variations for men and women.

As previously stated, this is a complicated task that will require considerable time to complete. The Trustee will provide regular updates on the progress and inform you if there are any potential impacts on your benefits (although not everyone will be affected, and no one will experience a reduction).

Pensions Dashboards

Pensions Dashboards are a Government initiative designed to help individuals access information about all their UK pensions through a single portal. The Government has established deadlines for pension schemes to prepare their data and systems to connect to Pensions Dashboards (referred to as the 'Connection Date'), and for the Fund, this deadline is September 2025. The Government hasn't yet announced when individuals will be able to access their own information in the Pensions Dashboards and this may not be until 2026 or later.

Preparing data will involve considerable effort, and the Fund administrator may need to reach out to some members to correct or complete information. Before the Fund goes live on Pensions Dashboards, the administrator will update standard communications like benefit statements and retirement documents, and additional communications might also be sent to members.



General Code

The Pension Regulator's General Code, effective from 28 March 2024, sets regulatory standards for trustees' governance duties in managing UK pension schemes, including the Fund. It consolidates ten existing codes and adds new requirements to enhance governance and administration, such as establishing an 'Effective System of Governance', setting up Risk Management, and performing regular 'own risk assessments'.

To start, the Trustee, with help from its advisers, performed a "gap analysis" to assess and compare the Fund's existing governance framework and processes against the Code. We're pleased to advise that this evaluation shows the Fund is functioning efficiently without any significant problems. However, there are some actions we must take, partly because of new requirements. This project is expected to continue until 2025, and we'll provide additional updates in the next newsletter.

IFA Service reminder

The Trustee has appointed an IFA provider, Ilumiti, to provide support to eligible members with their retirement or transfer options. One round of free financial advice will be provided to Fund members who are UK residents and are eligible to retire immediately (broadly from age 50 for members who joined the Fund before 6 April 2006 and age 55 for members who joined on or after 6 April 2006).

Ilumiti are experts in helping pension scheme members make informed decisions about their retirement benefits. They follow the Pension Transfer Gold Standard, which is a voluntary code of conduct for advisers dealing with DB pension arrangements and are regulated by the Financial Conduct Authority to provide pension advice.

Further information on this service will be provided by Barnett Waddingham alongside retirement quotations. You can find out more about this service by visiting Ilumiti's website or by email:

Website: <https://link.ilumiti.co.uk/dupont>

Email: dupont@ilumiti.co.uk

Going paperless

The Trustee wants to be able to communicate with members as efficiently and effectively as possible. To do this we plan to move to electronic communications wherever possible. We're already part way down this path with the Fund website and members can make requests and perform some self-service actions with Barnett Waddingham by logging into Pension self-service.

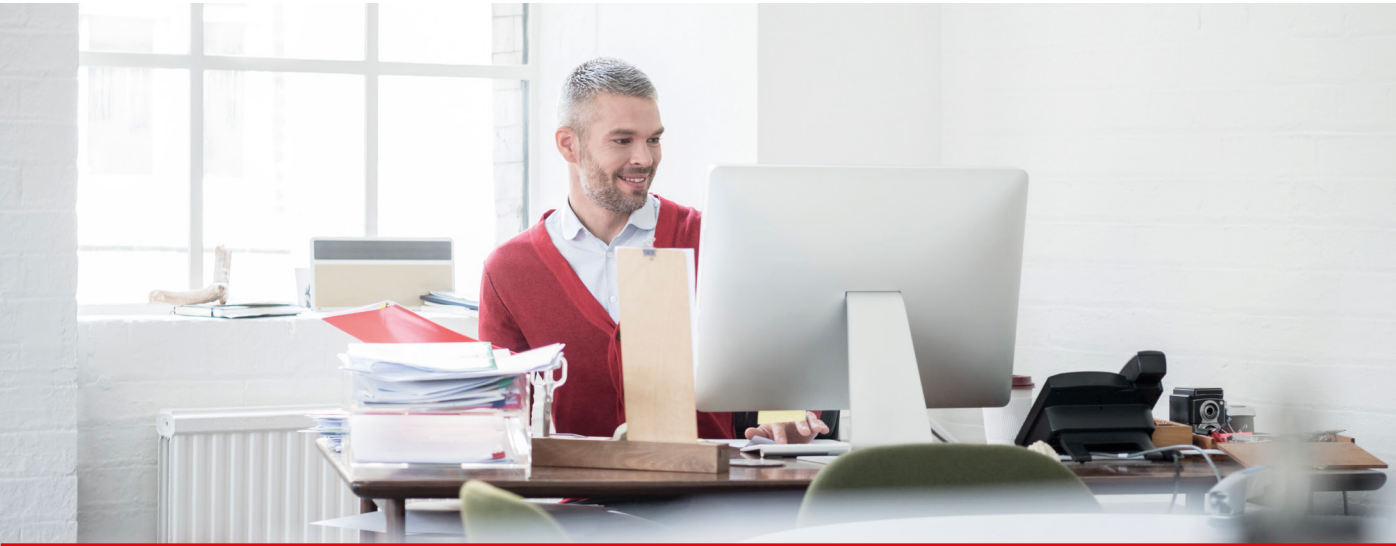
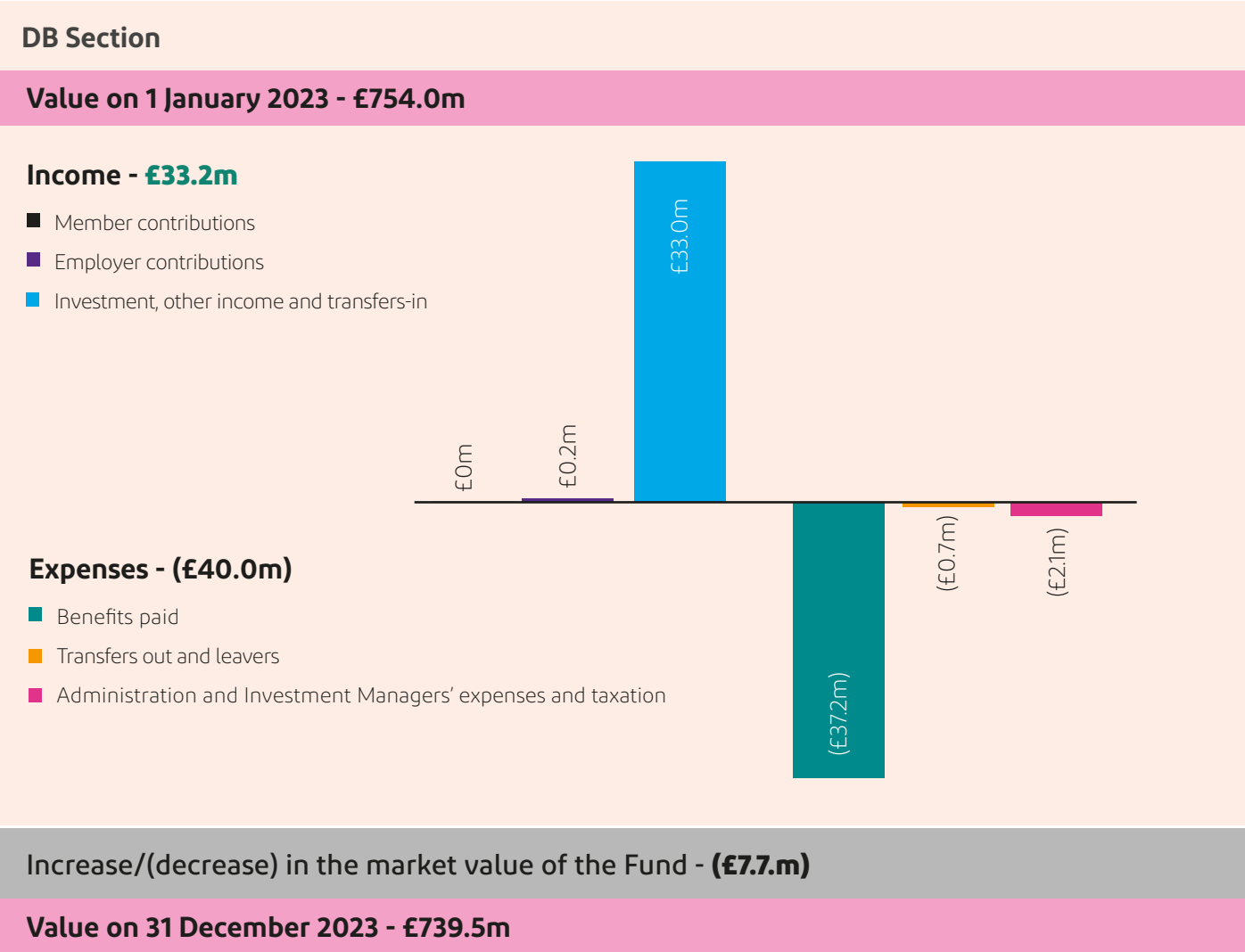
We encourage members to make use of Pension self-service and to provide Barnett Waddingham with an email address. We find emails a quick and effective way of communicating and it can be very helpful to have this as an alternative method of contact for keeping in touch, for example, if your address changes and we're not informed. Using a personal email instead of or as well as a work email address can help us to stay in contact if you do decide to change jobs in the future.

You can add and update your email via [Pension self-service](#).



Spotlight on finances

Highlights from the Fund’s income and outgoings for the year to 31 December 2023 are outlined below. DC Section assets of £41 million were transferred to the Fidelity MasterTrust in June 2024. As these are no longer part of the Fund, we’ve only shown details for the DB Section below. Please contact the Pension Administration Teams (See the ‘Get in touch’ section on page 11 for contact details) if you’d like a copy of the full Report and Accounts.

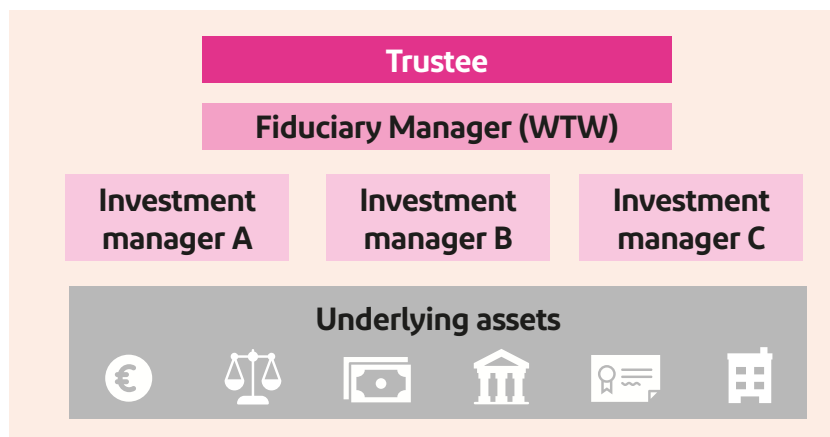


Insight on Defined Benefit Section investments

Performance update and asset allocation

Following a review of the Fund's investment strategy in 2020, the Trustee appointed WTW as the 'Fiduciary Manager' of the Fund. Under this arrangement, the Trustee sets the Fiduciary Manager a level of investment return to target within agreed risk objectives, along with appropriate restrictions. The Fiduciary Manager has authority to manage the Fund's assets (excluding the benefits secured through insured arrangements (also known as buy-ins)) in the way it believes is most likely to meet these objectives. The Trustee uses an independent oversight provider to review the Fiduciary Manager's appointment on an annual basis.

How are the Fund's investments managed?



■ **Trustee** - The Trustee's key objective is to ensure sufficient assets to pay members' benefits as they fall due. The Trustee retains overall responsibility for the Fund's investment strategy but delegates some responsibilities to ensure they are undertaken by somebody with the appropriate skills, knowledge, and resources.

■ **Fiduciary Manager (WTW)** - The Trustee appoints a Fiduciary Manager to implement the Trustee's investment strategy. The Fiduciary Manager allocates the Fund's assets between asset classes and investment managers.

■ **Investment managers** - The Fiduciary Manager appoints underlying investment managers. The Fiduciary Manager will look for best in class specialist managers for each asset class.

■ **Underlying assets** - The investment managers pick the underlying investments for their specialist mandate e.g. shares in a company or government bonds.

The Trustee's investment strategy for the Fund is set out in the Statement of Investment Principles (SIP). You can view a copy of the SIP here: www.dupontpension.co.uk/documents

How did the Fund's DB Section portfolio perform over 2023?

The assets of the DB section of the Fund had a total asset value of c.£740m on 31 December 2023, down slightly from £754m on 31 December 2022. However, the Fund's liabilities fell further from £771m to £718m meaning an improved funding position.

The Fund's performance over 2023 can be summarised as follows:

- Increases in long-term interest rates (which drove the fall in the liability value) reduced the value of the Fund's Liability Driven Investing (LDI) assets – these assets are held to protect the Fund's funding position from changes in long-term interest rates which impact the value placed on the liabilities. During 2023 the Fund increased the level of hedging within the LDI portfolio, providing greater protection from changes in interest rates. Interest rate volatility remained high over the year; however, the timing of the increases in the exposure to interest rates within the LDI assets was a positive contributor to the Fund's performance over 2023.
- Equities were particularly strong over 2023. The Fund's equity layer returned more than 27% over the year and was 3.2% ahead of the equity market benchmark.
- The alternative credit layer also delivered positive returns, with positive performance across corporate, emerging market and private debt allocations.
- Hedge funds had been a key driver of returns over 2022 but the hedge fund layer detracted from performance over the year.

How was the DB Section of the Fund invested on 31 December 2023?

Fund Manager	% Share	£m
Equity	12.4%	62.9
- Global Equity - TWIM GEFF	11.5%	58.6
- Emerging Market Equity - Sands	0.8%	4.3
Diversifying strategies - TWIM DSF	2.7%	13.8
Hedge Funds - TWIM HAF	11.0%	56.1
Alternative Credit - TWIM ACF	11.8%	59.8
Property - Resolution	2.1%	10.8
Infrastructure - ATLAS	2.0%	10.4
Secure income - TWIM SIF	6.5%	33.3
Insight - Leverage Allocation Fund	1.5%	7.6
Mesirow Financial - Passive Currency Hedging	0.9%	4.4
Cash - State Street Global Advisors	0.2%	1.2
Cash - Trustee Bank Account	1.4%	5.8
LDI - Insight	47.4%	240.4
Total excluding Buy-in	100.0%	506.5
Buy-in policies	-	233.0
Total	-	739.5

How did the portfolio change over the year?

During 2023, the primary focus was on increasing the level of hedging (or protection) against the risk of interest rate and inflation expectation movement (which impacts the value of the Fund's liabilities) and ensuring appropriate liquidity to support this arrangement against sudden moves. This involved restructuring the growth-focussed assets in the portfolio (equities, credit, hedge funds, property and infrastructure) to ensure the target investment return was also maintained.

How does the Trustee keep up to date with the investment industry?

The Trustee recognises the importance of keeping up to date with the latest investment thinking as well as having the knowledge to monitor and challenge their advisors and third-party investment providers. The Trustee maintains an

annual investment business plan, which includes regular training sessions. Throughout 2023 the Trustee received training sessions covering: inclusion and diversity in investment, downside risk hedging, liability driven investment collateral management, climate reporting, and an overview of some of the Fiduciary Manager's investment processes (including its research and innovation network, manager research and operational due diligence processes).

Member matters

The DB Section stopped accepting new members from 1 July 2011 and the table below shows the membership at 31 December 2023. As we reported above, the DC Section was transferred to the Fidelity Master Trust in June this year and so the Fund no longer has any DC Section members.

DB section

126 1 January 2023
115 31 December 2023

1,353 1 January 2023
1,260 31 December 2023

2,854 1 January 2023
2,877 31 December 2023

■ Active members* ■ Deferred pensioners
■ Pensioners

* These are DB Section members who transferred to the DC Section when it was still part of the Fund but who still have a salary link for their deferred DB Section pension



On the noticeboard

Funding update (including 31 December actuarial valuation)

Every three years the Fund Actuary carries out a full funding valuation (financial health check) to find out if there's enough money to meet all the Fund's financial obligations to pay members' benefits, both now and in the future. The latest full valuation assessed the financial position as it stood on 31 December 2023. This revealed a funding level of 103% and a surplus of assets of £21m. This is a significant improvement compared to the position shown at the previous valuation at 31 December 2020 where the funding level was 99% and there was a shortfall of £10m.

The Trustee also obtains an approximate assessment of the Fund's financial position each non-valuation year, with the most recent being 31 December 2022. The table below summarises the results as at 31 December 2023, along with the results of the 2020 valuation and the approximate update on 31 December 2022.

	Actuarial valuation 31 December 2023	Approximate update 31 December 2022	Actuarial valuation 31 December 2020
Estimated cost of benefits if the Fund continues (the liabilities)	£718m	£771m	£1,211m
Market value of the Fund's assets	£739m	£754m	£1,201m
Surplus/(Deficit)	£21m	£(17)m	£(10)m
Funding level (ratio of assets to liabilities)	103%	98%	99%

The improvement in funding position since the 2020 valuation is primarily due to changes in financial markets which have reduced the value of the liabilities by more than the corresponding reduction in assets.

Since there was no shortfall as at 31 December 2023, no further contributions are required from the Company at this time. This position will be reviewed at the next actuarial valuation, which will measure the financial position as it stands on 31 December 2026.

DuPont U.K. Limited continues to support the Fund, along with the other remaining employers who participate in the Fund. This is important because the Fund's possible future valuations may determine additional contributions are needed from the employers to meet the target funding level and to secure members' benefits in full.

Other information we have to confirm with you by law

There's no intention to wind up the Fund. However, if this were to happen, the participating employers would have to pay sufficient money into the Fund to buy members' equivalent benefits from an insurance company. On 31 December 2023, the Fund's assets were estimated to cover 96% of the cost of securing such an arrangement (compared to 85% at 31 December 2020).

If the participating employers were to become insolvent and the Fund's assets were not sufficient to purchase the benefits with an insurer, then the Pension Protection Fund (PPF) might be able to take over the Fund's liabilities and pay compensation to members. However, this compensation might not fully replicate members' entitlements from the Fund.

No payments have been made, or are due to be made, from the Fund to any employers.

The Fund has not been modified, nor had any directions or schedule of contributions imposed upon it by The Pensions Regulator (TPR).

Please contact the Pensions Administration Teams (see Get in touch on page 11) if you'd like further information about the Fund or would like a copy of any of the Fund's formal documents.

The Fund also benefits from a guarantee from Du Pont de Nemours Inc, for an amount up to £120m, agreed in October 2022.

Trustee talk

Du Pont (U.K.) Trustees Limited (the Trustee) is responsible for managing the Fund. Its board currently has seven Trustee Directors – four appointed by DuPont U.K. Limited and three appointed by members (Member Nominated Directors (MNDs)).

The Trustee Directors are aware of how important their role is in safeguarding members’ benefits in the Fund. Each of the Trustee Directors makes sure they are familiar with the Fund’s Trust Deed and Rules, the Statement of Investment Principles and UK law in relation to pensions. Trustee Directors receive regular training from their advisers and keep records of the courses they’ve undertaken. Training needs are reviewed annually, and updated sessions provided as necessary.

The current Trustee Directors are:

BESTrustees Limited	(represented by Rachel Brougham (Chair) and Mike Smaje)
Bob Gray	(member nominated)
Peter Horry	
Mark Jenkins	(member nominated)
Mark Hardaker	(member nominated)
Clare McGlinchey	
Uwe Thomanek	

The Trustee expects to carry out an MND nomination and selection exercise in 2025 and separate communications will be sent to members about this nearer the time.

The Trustee Directors have appointed a range of expert advisers to assist them in their day-to-day duties and in the running of the Fund.

Keep us up to date

It’s important we have your correct contact details on record. It means when we want to write to you about your benefits or with news about the Fund, we have the right address for you (and if possible, your email address). For members of the Fund in receipt of a pension, it’s essential to have your correct address to ensure we can pay your pension on time – if we learn your address is no longer valid and we’re unable to contact you then we may, for security reasons, have to temporarily suspend your pension payments.

If you’re in any doubt whether the details we hold for you are correct, please contact the Fund administrator, Barnett Waddingham, (details on page 11), who’ll be happy to help.



Nomination form – a reminder

The Trustee decides to whom any benefits from the Fund should be paid to in the event of your death, but will take your wishes into account. This can be especially helpful where you may have financial dependants other than a spouse or civil partner. It's important you make sure the Trustee holds an up-to-date Nomination form for you, even after you've left service.

If you're not sure if you've completed a Nomination form or if you would like to fill in a new form, please contact the Fund administrator, Barnett Waddingham, (details on page 11).

Pension Scams – a reminder to protect your pension

Pension scammers are continuing to entice people to access their pension benefits before age 55; you may have seen/heard adverts warning people about this on the television/radio. For most people the offers will be bogus, and victims could lose most, if not all, of their pension savings. Other scams entice people to transfer their money to another scheme with a promise of benefiting from supposedly high returns.

Only in rare cases – like in ill-health – can you take your pension from the Fund before age 55. If you agree to transfer to one of these scam schemes you may lose all your savings. Not only that, you may still be subject to tax charges of over half your transfer value for taking an 'unauthorised payment' from your pension.

Thousands of people have been the victims of pension scams and have lost money they'd saved for later life. Pension scams are evolving just as fast as regulatory measures being put in place to help stop them, so it's best to stay alert to the risks.

Make sure you aren't the next victim by knowing what to look out for and how to protect your pension.

- **Cold called about your pension?**

Hang up!

- **Offered an 'amazing' deal?**

Beware!

- **Using an adviser?**

Make sure they're registered with the FCA!

- **Recommended by a friend?**

Check everything yourself!

- **Think you've been scammed?**

Act immediately!

Never be rushed into making a decision and be very wary of anyone offering a free pensions review. Make sure the adviser is authorised by the Financial Conduct Authority by checking they're on the Financial Services Register at www.fca.org.uk/register. If you're concerned contact Action Fraud on **0300 123 2040**.


More information on pension scams can be found at www.thepensionsregulator.gov.uk/en/pension-scams

The FCA has also produced a ScamSmart website which you can view by visiting: www.fca.org.uk/scamsmart



Useful contacts

AgeUK

 0800 055 6112 (England)
0300 303 44 98 (Wales)
0800 12 44 222 (Scotland)
0808 808 7575 (N. Ireland)

 www.ageuk.org.uk

State pension information

 www.gov.uk/plan-retirement-income

MoneyHelper

MoneyHelper offers a broad range of financial guidance and support. You can access free, impartial help about money matters and your pension, find a local financial adviser and use a range of handy calculators and tools:

 www.moneyhelper.org.uk/en

Pension Wise

Pension Wise is a Government service from MoneyHelper that offers free, impartial pensions guidance to people aged 50 and over about DC pension options. If you're thinking about accessing your DC pension savings, your provider must refer you to the Pension Wise guidance and offer to book an appointment with them, or you can contact Pension Wise directly. An appointment with Pension Wise will:


- Help you understand what your overall financial situation will be when you retire.
- Talk you through your options at retirement to help you make the right decision.
- Help you find out about the other factors you need to consider when deciding on your options.

To find out more or book an appointment, visit


 www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise

Financial advice

If you'd like financial advice, but you don't have a financial adviser, the MoneyHelper website provides information about financial advice and help with choosing a financial adviser:

 www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser

The Pensions Ombudsman

 0800 917 4487

 www.pensions-ombudsman.org.uk

TPR

 www.thepensionsregulator.gov.uk



Get in touch

You can contact the Fund Administration Team by:



Calling: 0345 528 0014



Online: <https://account.claritybw.co.uk/shared/contact>



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Privacy notice

Under the General Data Protection Regulations (GDPR), the Trustee is a Data Controller of your Personal Data. The Privacy Notice in the hyperlink below sets out how your Personal Data is collected, used, shared (both within and outside of the European Economic Area), stored, and kept safe.



[Privacy notice – dupontpension](#)



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