



Millennium & Copthorne Pension Plan (the “Plan”)

Your Plan Newsletter

Welcome

...to the first edition of your annual newsletter from the Trustee of the Millennium & Copthorne Pension Plan (the “Plan”).

This newsletter aims to give you updated information on the Plan’s finances, as well as keeping you informed about topical pensions and retirement planning news in general.

We know that many of you are concerned about the impact of recent events, and the Covid-19 pandemic in particular, on your pension. We would like to reassure you that we are working hard to make sure the Plan continues to run as usual, and we are closely monitoring the Plan’s investments. We also remain in close contact with the Company in order to understand the impact of the pandemic on its business and its ability to meet its contribution obligations. An updated picture of the Plan’s finances for the Defined Benefit (DB) and Defined Contribution (DC) sections starts on page 3.

There has been a rise in pension scams and fraud recently, with scammers taking advantage of worried savers. We have included an article on page 2 to help you avoid scams with some useful tips to help prevent online fraud.

To make it easier to find the information that’s relevant to you and your membership in the Plan, the Plan’s facts and figures are separated into two sections – see the contents table below.

We hope you find this newsletter useful. We would welcome any feedback on this new newsletter, or suggestions for topics to include in future editions. Comments should be directed through the Plan Administrator, see contact details on page 8.

The Trustees of the Millennium & Copthorne Pension Plan

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Your Trustee

The role of a Trustee is an extremely important one. To ensure the Plan is run properly, the Trustees’ responsibilities include:

- Investing the Plan’s assets
- Monitoring investment performance
- Making sure benefits are paid correctly
- Communicating with members
- Making sure data is correct and relevant

The Trustee of the Plan is a trustee company, Millennium & Copthorne Pension Trustee Ltd. Your current Trustee Directors are:

Company appointed

Natalie Pinnington
Stuart Gunning
Val Simpson (Independent/Professional Trustee)

Member nominated

David Cook
Ruraigh Whitehead

To help the Trustee run the Plan smoothly, we work closely with our advisers and the Plan administrator. See page 8 for details on how to get in touch with the administrator.

Pension scams *and* staying safe online

Pension scams can rob you of your future, literally. They are not to be taken lightly. According to Action Fraud, up to £1.8 million was lost to pension fraud in the first quarter of 2021, which represents nearly a 45% increase compared to similar fraud in quarter one of 2020. But it's not just your pension savings that scammers want.

WHAT TO LOOK OUT FOR

Internet use is an everyday occurrence for most people, from email, to shopping to banking, and virtually everything in between. Unfortunately this means that there are people who will try to take advantage of your online activity. Here are a few common ways that can be used to hack your personal information:

■ Computer viruses

Also known as malware (malicious software), these programs can steal your information and spread from one device to another (PCs, tablets and smartphones) via messages or emails.

■ IT phone scams

In this type of scam, a fraudster will call claiming to be from your IT department, mobile phone or broadband provider, or a company that makes your devices to try to get you give away your passwords or other information, or to install malware on your devices.

■ Fake websites

By creating a website that looks genuine, such as a bank, scammers can steal passwords and codes.

■ Email scams

Known as 'phishing', a genuine-looking email is sent in the hope that you will click the links in it that takes you to a page that will try to get your personal details.

■ SMS scams

Similar to email phishing, text messages claiming to be from a legitimate firm will try to get you to follow a link to get your information.

SIX TIPS TO HELP YOU STAY SAFE ONLINE

Whether online or on the phone, criminals are always looking for new ways to trick people. If you think you are being targeted, or think you may have been the victim of a scam, you should report it straight away.

Thankfully, staying safe online is easy when you know how. We have put together the following tips to help.

- 1. Use strong passwords.** They should include a mix of letters, numbers and special characters and should be different for each site you use.
- 2. Do not write your passwords down.** A secure password manager is a far better way to keep track of your passwords. Your paper record could fall into the wrong hands.
- 3. Keep your browsers and devices up to date.** Updates keep the security of your devices up to date.
- 4. Keep your antivirus, firewall, and any other security software up to date, too.** You can set these programs to automatically update themselves.
- 5. Check for the padlock** a secure website will have a padlock icon next to their address on your web browser.
- 6. Never click on links or open attachments** from emails claiming to be from financial companies. Call the company directly if you are worried about anything you have read.

For more information on how to avoid scams and useful resources, visit www.fca.org.uk/scamsmart

If you think you have been a victim of fraud (or you have been targeted) report it immediately Action Fraud will give you advice on what to do next. You can reach them on **0300 123 2040**.

Find out more about Action Fraud at www.actionfraud.police.uk

Brexit, Covid-19 *and* the Plan

After leaving the European Union with a deal on 31 December 2020, there is still a lot of uncertainty around what the implications of Brexit will be.

SAFETY OF YOUR PENSION

The Trustee has engaged with our advisers and are satisfied that they have appropriate plans in place, including home working with access to secure IT equipment and platforms so as to minimize disruption to member services. The impact of the Covid-19 pandemic on financial markets has reduced during 2021 and the sharp falls that we saw in markets in March and April 2020 have now been largely reversed.

The Trustee has reviewed the strength of the employer covenant during the year and is satisfied that it remains strong. No contributions were paid late in the year and the employers' trading position is improving post lockdown and is considered to be an ongoing concern for at least the next 12 months.

Consequently, we do not expect there to have been a material change to the Plan's funding position as a result of Covid-19 and have no reason to believe the ongoing deficit funding contributions cannot be met or for the Principal Employer not to continue to meet the ongoing administrative costs of the Plan.

Facts *and* figures

FINANCIAL SUMMARY

The table below gives a brief summary from the Trustee's 2020 Annual Report and Accounts (the most recent Accounts available). This shows the funds that have come into and gone out of the DB Section of the Plan over the year to 5 April 2020. If you would like to see a copy of the full Report, please contact the Mercer Administration Team (see page 8 for contact details).

Year ended
5 April 2020 (£)

Money coming in

Company contributions	84,261
Employee contributions	10,674
Investment income	24,032
Total income	118,967

Money going out

Benefits paid	(2,125,327)
Payments to and on account of leavers	(63,683)
Transfer to DC Section	(237,359)
Investment management expenses	(76,866)
Administrative expenses	(43)
Total expenditure	(2,503,278)

In summary

Value of DB Section at start of year	50,365,176
Money coming in less money going out	(2,384,311)
Change in market value of investments	1,879,320
Value of DB Section at end of year	49,860,185

OUR MEMBERSHIP

As at the end of the accounting year, 5 April 2020, the DB Section of the Plan had a total of 354 members, made up as follows:

7 were active members (still employed by the Company), compared to 9 on 6 April 2019

257 were pensioner members (and the dependants of members who have died) being paid benefits from the DB Section, compared to 250 on 6 April 2019; and

90 were deferred members who have kept their benefits in the DB Section and will draw them when they retire, compared to 96 on 6 April 2019.

INVESTMENT UPDATE

Although the Trustee has overall responsibility for the investment of the DB Section's assets, the day-to-day management is delegated to specialist investment managers. The current managers are listed below.

INVESTMENT PERFORMANCE

We measure the performance of the DB Section's assets by comparing the returns achieved by our investment managers with a performance target or 'benchmark'. The one and three-year performance figures to the most recent date for which information is available, 30 June 2021, are shown below, together with the benchmark performance. The DB Section's investment performance is reviewed regularly by the Trustee, relative to their benchmarks, whilst also considering the context of what is happening in financial markets.

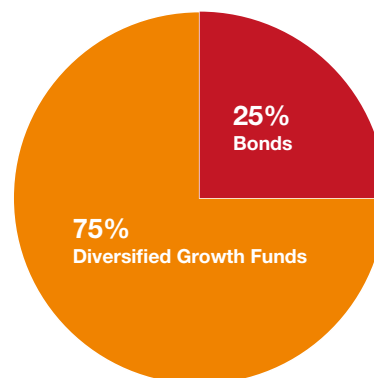
	As at 30 June 2021	
	1 year (%)	3 years (% p.a.)
DB Section return	0.9	6.4
Benchmark	-2.9	6.9

Source: Investment managers and Mercer
Figures are based on performance provided by the investment managers and estimated by Mercer, and are net of fees.

The DB Section's assets delivered low positive returns over the 1 year period to 30 June 2021 that were ahead of the benchmark returns. Over the 3 year period, returns have been higher, though slightly behind the benchmark. Within the context of significant disruption to markets caused by Covid-19, the Trustee is comfortable with the performance of the DB Section's investments over the 1 year and 3 year periods shown in the table.

As at 30 June 2021, the DB Section's invested assets were split as shown below.

INVESTMENT FUNDS AS AT 30 JUNE 2021



INVESTMENT MANAGERS:

DB Section
Mobius Life Limited

Facts *and* figures



FINANCIAL SUMMARY

The table below gives a brief summary from the Trustee's 2020 Annual Report and Accounts. This shows the funds that have come into and gone out of the DC Section of the Plan over the year to 5 April 2020. If you would like to see a copy of the full Report, please contact the Mercer Administration Team (see page 8 for contact details).

Year ended 5 April 2020	(£)
Money coming in	
Company contributions	47,859
Employee contributions	18,464
Investment income	20
Transfer from DB Section	237,359
Total income	303,702
Money going out	
Benefits paid	(68,646)
Payments to and on account of leavers	(102,033)
Investment management expenses	–
Administrative expenses	–
Total expenditure	(170,679)
In summary	
Value of DC Section at start of year	12,266,132
Money coming in less money going out	133,023
Change in market value of investments	(1,426,057)
Value of DC Section at end of year	10,973,098

INVESTMENT UPDATE

Although the Trustee has overall responsibility for the investment of the DB Section's assets, the day-to-day management is delegated to specialist investment managers. The current managers are listed on page 5.

THE DC SECTION'S INVESTMENT PERFORMANCE

We measure the performance of the DC Section's assets by comparing the returns achieved by our investment managers with a performance target or 'benchmark'. The one and three-year performance figures of the Legal and General funds currently invested with to the most recent date for which information is available, 30 June 2021, are shown below, together with the benchmark performance. The DC Section's investment performance is regularly reviewed by the Trustee.

Members of the DC Section can choose which funds to invest in from a range provided by LGIM. Alternatively as a DC member you can choose to invest in funds selected by the Trustee on your behalf via the Default Fund. The Default Fund automatically reduces risk in your investments as you approach retirement.

During Q3 2020 the Trustee reviewed the DC Section investments. It made some changes to the Default Fund – the main growth fund used was updated to introduce a diversified fund. Within the de-risking phase (10 years prior retirement age), the Default Fund now invests in a Targeted Duration Fund with 25% in a Sterling fund. At the same time the range of other funds available to members were reviewed.

The underlying funds which are now being used by the Trustee as part of the Default Fund are highlighted in green within the table below. The Chair's Statement <https://www.millenniumhotels.com/en/corporate/uk-pension-plan/> gives a full explanation of how the default funds work.

Within the context of significant disruption to markets caused by Covid-19, the Trustees are comfortable with the performance of the DC Section's investments over the 1 year and 3 year periods shown in the table on page 5.

Important note: Your benefits in the DC Section are subject to an underpin, which is determined at the point of retirement or transfer out. When you draw your benefits (retire or transfer), you will receive the better of the value of your DC Retirement Account, or the value of the underpin. Full details of the underpin are provided when you retire or transfer out.

Facts *and* figures



INVESTMENT FUNDS

	Fund 1 year (%)	Benchmark 1 year (%)	Fund 3 years* (% p.a.)	Benchmark 3 years (% p.a.)
Global Equity 60:40 Index Fund**	22.4	22.4	6.0	6.0
Ethical UK Equity Index Fund	19.4	19.7	2.0	4.9
AAA-AA Fixed Interest Over 15 Year Targeted Duration Fund**	-6.7	-5.5	4.7	4.9
Over 5 Year Index-Linked Gilts Index Fund	-4.5	-4.5	5.2	5.3
Property Fund	6.8	8.5	2.1	3.0
All World Equity Index Fund***	24.7	25.0	13.1	13.3
World Emerging Markets Equity Index Fund***	23.7	24.3	9.6	10.1
Sterling Liquidity Fund***	0.0	0.0	0.4	0.3
Diversified Fund***	13.6	30.7	7.2	13.8

Source: LGIM & Mercer

*3 year returns are annualised (p.a.)


**LGIM has suspended the benchmark for the AAA-AA Fixed Interest Over 15 Year Targeted Duration Fund, hence for comparative purposes, we have shown the benchmark return for the Markit iBoxx £ Non-Gilts Sovereign & Sub-Sovereign AAA Over 15 Years Total Return Index.


***The Plan invested into these funds during Q4 2020. Hence, 1 and 3 year returns are shown for information purpose only.

OUR MEMBERSHIP

As at the end of the accounting year, 5 April 2020, the DC Section of the Plan had a total of 493 members, made up as follows:

 **36** were active members (still employed by the Company), compared to 37 on 6 April 2019

 **8** were pensioner members (and the dependants of members who have died) being paid benefits from the DC Section, compared to 8 on 6 April 2019; and

 **449** were deferred members who have kept their benefits in the DC Section and will draw them when they retire, compared to 505 on 6 April 2019.

INVESTMENT MANAGERS:

DC Section

Utmost Life and Pensions Limited
Legal & General Investment Management Limited
Prudential

AVC Providers

Friends Provident Life and Pensions Ltd
Utmost Life and Pensions Limited
Zurich Assurance Ltd

Taking control *of* your retirement

The picture of retirement has certainly changed for many over the years. People want more from retirement than simply enjoying the peace and quiet and not having to go to work. Also some people may not want to wait until they're in their sixties to do it, others may wish to work for longer!

Whether you are thinking about retirement, or if you have already retired, there is a lot to think about.

WHAT WILL YOUR PERFECT RETIREMENT LOOK LIKE?

One thing that a lot of new retirees haven't perhaps considered, is just how much free time they will have.

If you have spent the majority of your adult life working, the idea of having nothing to do can sound blissful, and it probably will be for the first few weeks. However, for many that can become the most difficult part so it's important to have things in place to fill your time.

It is important to remain active, both physically and mentally, if you want to be able to enjoy those post-work years. So how will you keep yourself occupied? Maybe you want to volunteer, focus on your hobbies or travel?

There are plenty of places for you to get ideas, but if you need a starting point or inspiration, here are a few websites that you might find useful:

www.ageuk.org.uk/information-advice/worklearning/retirement/ or
www.ageuk.org.uk/services/information-advice/guides-and-factsheets

www.bhf.org.uk/informationsupport

www.volunteermatters.org.uk/press/volunteering-a-key-part-of-a-happy-retirement

THINKING ABOUT THE MONEY

Knowing how much income you'll have is essential when it comes to taking control of your retirement.

It's great knowing what you want to do with your free time, but the question is "Can you afford it?" The Pensions

and Lifetime Savings Association (PLSA) published UK Retirement Living Standards with the aim of giving people an idea of what retirement will cost, so people know what to aim for.

They estimate that a couple would need a **minimum income** of £15,700 per year to cover basic living expenses and low-cost social and leisure activities.

Visit www.retirementlivingstandards.org.uk for more information about the expected cost of your retirement, depending on what you hope to do.

IF YOU HAVEN'T STARTED TAKING YOUR PENSION YET

If you are still a member of the DC Section of the Plan and/or an active contributing member of the DB Section of the Plan, you will receive a statement each year estimating your pension at your retirement age.

If you are no longer an active contributing member of the DB Section of the Plan, you should have received a statement shortly after you left estimating what your pension would be at retirement. If you didn't receive this, or you have misplaced it, you can ask the administrators for a copy.

If you are a deferred member of the DC Section you will continue to receive an annual statement until you draw your benefits.

YOUR STATE PENSION

As well as the income you receive from the Plan, you may also be entitled to a State Pension, depending on what National Insurance contributions you have paid.

To get an estimate of what your State Pension will be, you can:

- Check your State Pension **online** at www.gov.uk/check-state-pension
- **Call** the Pensions Service Centre on 0800 731 0175
- **Submit a BR19 form** online at www.gov.uk/government/publications/application-for-a-state-pension-statement

TRACK DOWN YOUR OLD PENSIONS

If you've worked at several places over your lifetime, you may have old pensions that you have forgotten about, or that you have lost the contact information for.

The government's Pension Tracing Service can help you track down any old or lost pensions for free. Visit www.gov.uk/find-pension-contact-details for more information.



Pensions *in the news*



The main pension announcements in the 2020 and 2021 Government Budget related to how much you can save tax-efficiently into a pension. We have summarised the key elements that may have an impact on you and your pension below:

- The income threshold that reduces the amount high earners can contribute to a pension rose from £110,000 to £200,000. Any individuals who earn more than £240,000 a year (the threshold amount, plus the Annual Allowance) will see their Annual Allowance reduce from the standard amount of £40,000 a year. For more information, visit www.gov.uk/guidance/who-must-pay-the-pensions-annual-allowance-tax-charge
 - The **Lifetime Allowance** (the amount you can save into all pension schemes over a lifetime before a tax charge is payable) increased to £1,073,100 from 2020/21 (this is expected to remain at this value until April 2026).
 - **State Pensions** increased by 2.5% for the 2021/22 tax year. State pensions are protected by the 'triple-lock', which means that they must increase based on inflation, earnings growth or 2.5%, whichever is higher. See the government website for more details on benefit and pension rates for the 2021/22 tax year; www.gov.uk/government/publications/benefit-and-pension-rates-2021-to-2022/benefit-and-pension-rates-2021-to-2022
- The **State Pension Age** has been increasing since December 2018 and in October last year it was confirmed at age 66. Anyone born between 6 October 1954 and 5 April 1960 will reach their SPA on their 66th birthday. Anyone born after 5 April 1960 will have an SPA of 67, or higher as the Government plans to further increase the SPA in the future. The full State Pension amount for 2021/22 is £179.60 per week (£9,339.20 per year).
- **Pension Schemes Act 2021** The Pension Schemes Bill received Royal Assent in February of this year and is now officially the Pension Scheme Act 2021. Proposed future changes to pensions and the aims of the Act

(previously the Bill) will require further regulation and guidance to bring these provisions into effect. These include establishing a new form of pension scheme, improving pension savings, and helping people plan for their retirement.

For more information about the Pension Schemes Act 2021, go to www.legislation.gov.uk/ukpga/2021/1/contents

- **The Government's Pensions Dashboards Programme** Following auto-enrolment programmes members often have numerous pension pots, so the government is working on a dashboard to allow people to track and manage these all in one place. It is anticipated this dashboard should be in place at some point towards the end of 2023. You can find out more about the programme here: www.pensionsdashboardsprogramme.org.uk.
- **RPI Reforms** It was announced in late 2020 that the government is to go ahead with plans to reform the Retail Prices Index (RPI) bringing it in line with the Consumer Prices Index to include owner occupiers' housing costs (CPIH) from 2030.

Background

RPI was introduced in 1947, and is one of the measurements of inflation that is used to calculate cost of living increases. It is used widely across the UK, and is used to calculate some pension increases. It has a number of shortcomings, and the rate of inflation has at times greatly overestimated, while at others it has been underestimated.

How will this affect my pension?

CPIH offers lower inflation rates than RPI, and this will have an effect on defined benefit pensions, including scheme assets and funding, as well as transfer value calculations and future pension increases.

Where a member is receiving a pension from a scheme before 2030, if any element of that pension increases each year by RPI, they may see that increases after 2030 are not be as high as in previous years.

Further information

PLAN ADMINISTRATOR AND PENSION CONSULTANT

Mercer Limited

ADDRESS FOR ENQUIRIES

Trustee of the Millennium & Copthorne Pension Plan
c/o Mercer Limited, Post Handling Centre, St James' Tower, 7 Charlotte Street, Manchester M1 4DZ

Online: <https://contact.mercer.com/>

Email: pensions@mercerc.com

THE TRUSTEE'S ADVISERS:

Plan Actuary – Mike Lane FIA (Mercer Limited)

Administrators and Consultants – Mercer Limited

Auditors – Grant Thornton UK LLP

Solicitors – Pinsent Masons LLP

Bankers – The Royal Bank of Scotland plc

The **Pensions Ombudsman** (TPO) deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes. Members have the right to refer a complaint to TPO free of charge.

Contact with TPO about a complaint needs to be made within three years of when the event(s) being complained about happened – or, if later, within three years of when a member first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

TPO operates an Early Resolution Service (ERS) in addition to its normal Adjudication Service that aims to provide a quick, informal and streamlined process. Any member that elects to use the ERS does not need to follow the Trustee's Internal Dispute Resolution Procedure. However should any complaint that has gone through the ERS remain unresolved, TPO expects the dispute procedure to be followed prior to complaint being passed to its Adjudication Service.

The Pensions Ombudsman

10 South Colonnade, Canary Wharf, London E14 4PU

Email: enquiries@pensions-ombudsman.org.uk

Call: 0800 917 4487

Online: www.pensions-ombudsman.org.uk

Useful resources

There are lots of resources available for you to get information about pensions, and where to go to get retirement guidance and advice. We have listed some of these resources below.

Please note that due to the Covid-19 pandemic, some of the organisations listed below may not be accepting communications by post. Please check the relevant websites first.

MONEYHELPER

MoneyHelper is a service that offers impartial help on all aspects of money, including benefits, savings and pension choices. It is backed by the government and free to use.

The three previous providers of Government-sponsored financial guidance: The **Money Advice Service**, The **Pensions Advisory Service** and **Pension Wise** have now been replaced by the MoneyHelper website service, bringing together the support and services of these three financial advice providers.

You can find out more at www.moneyhelper.org.uk

The Trustee, Company and their advisers are unable to offer you financial advice that is specific to your personal circumstances. You should seek financial advice if you any are in any doubt.

DEPARTMENT FOR WORK AND PENSIONS (DWP)

DWP's website outlines government initiatives and information about retirement and pension benefits, including all you ever wanted to know about the State pension scheme. www.gov.uk/government/organisations/department-for-work-pensions

AGE UK

Age UK is a charitable organisation that provides help and assistance to older people. It offers advice on finances, and ways to keep active and healthy, and avoid loneliness into old age.

Find out more by visiting www.ageuk.org.uk

GOV.UK

The Government's website where you can find information about everything relating to tax, pensions and the State Pension. Pages you might find useful are:

State Pension – for people who reached their State Pension Age before April 2016
www.gov.uk/state-pension

New State Pension – for people who reach their State Pension Age after 2016
www.gov.uk/new-state-pension

Find out when your **State Pension Age** is expected to be www.gov.uk/state-pension-age