

Response to the conflict in Ukraine

The war in Ukraine is distressing for all those caught up in the conflict.

The war has created uncertainty on the world stage and led to volatility in the investment markets.

As the Trustee of the Firth Rixson Pension Plan (the “Plan”), we wanted to provide you with an update on the active steps being taken in response to the conflict in Ukraine and to also reassure you that we are doing all we can to protect the interests of members during this uncertain period.

Members’ investments continue to be well protected

As Trustee of the Plan, our priority is always that our members’ pensions are protected. We make sure of that in lots of ways, one of which is by having the investments held in a diverse range of sectors and markets.

If we need to take action, it will be considered and advised

Our initial review suggests that the Plan/ members are unlikely to be significantly impacted however we continue to review with our investment advisers what actions, if any, we can and should take based on the Plan’s investment portfolio, risk profile and employer covenant exposure. It is important that we do not make any hasty or ill-advised moves that could negatively affect our position in these areas. We are therefore, taking steps to make sure we are prepared for any potential issues.

Our priority is to ensure that we continue to invest in a wide and diverse range of sectors and markets and limit our exposure to Russia and Ukraine. We understand that the Plan’s direct exposure is limited to very small holdings.

Our attention is currently focused on:

- Seeking to understand the allocations to asset classes, sectors or funds which have specific exposure to the Russian/Ukrainian conflict;
- Whether there are material asset or investment transfers pending;
- The short-term liquidity needs of the Plan and the need to meet short-term member benefit payments;
- Liaising with the sponsoring employer to understand whether the employer covenant of the Plan has been affected, for example through any direct impacts to employer operations, where suppliers or customers are impacted, or through broader factors such as increased inflation and rising input costs;
- Identifying whether any payments to beneficiaries could be impacted as a result of their location e.g. Russia, Belarus or Ukraine.

What if you have questions?

During these uncertain times, we would ask for your support, patience and cooperation when interacting on this issue. We are working hard to ensure the Plan's position and exposure is understood and to put in place any measures that are necessary. As a reminder pensions are long term investments, with hedging and diversified investments, so while volatility can be concerning for Pension Plans and savers, markets go up and down and it is important that both Trustees and savers have the longer term in mind.

If you have any specific concerns, please contact XPS by email on FirthRixsonPensionPlan@XPSGroup.com. Please bear with them if they are unable to provide all of the answers immediately, as they might need to check information with us or one of our advisers, as it is an unusual situation.

We appreciate your understanding during this time.