

A photograph of a laptop on a white table in a boat. The boat has a large window looking out onto a beach and the ocean. There are cushions and a basket of plants on the table. The scene is lit with soft, natural light.

Nationwide Pension Fund

2022 ANNUAL REVIEW

Message from the Chair



I'm delighted to welcome you to the 2022 Annual Review.

In February, we successfully moved the Fund's in-house administration service to Buck Consulting, a specialist third-party pension administrator. And in April, we completed a bulk annuity transaction with Canada Life; you can read more about this in the news article on our website's Announcements page. I would like to acknowledge the considerable work of all those involved in facilitating these changes and thank everyone for their tremendous efforts.

After the launch of our new-look Fund website last year, we have made some

additional updates, including information on how to avoid pension scams and new 'How to' videos to help you navigate your way around our new Member Portal. Visit our website to find out more.

We also published new digital versions of our Annual Review newsletter and Pensionwise magazine online. I encourage you to sign up to receive electronic communications through the Member Portal, so you can receive an email when future editions of Annual Review are published, and keep up to date with information about your benefits in the Fund. More information about the features of our new Member Portal, and how to register, can be found on pages 3 and 4.

Following last year's Member Nominated Trustee Directors (MNTDs) election, John Wriighthouse and Rob Goldspink were

re-elected from October 2021. We're also in the middle of an election process for two MNTDs to join the Board by the end of 2022, with terms ending for Sarah Garrett and Arthur Amos. Take a look at our MNTD update on page 5 for more information.

There's been a steady improvement in the funding level through the year, although market price volatility has since increased in response to changing inflation and interest rates. More commentary about our investments is included in the Annual Report and Accounts that is available in the Library section of our website. At the time of writing there continues to be market turbulence, and the Trustee is closely monitoring the impact on the Fund.

You can read about our new 'Taskforce on Climate-related Financial Disclosures (TCFD)' report and how the Trustee considers Environmental Social and Governance (ESG) in our Investment corner on page 7.

The Actuarial Valuation, at 31 March 2022, is currently underway and the results will be shared once the process has been concluded in 2023. You can read more on page 6.

Finally, I'd like to acknowledge the efforts of my fellow Trustee Directors, all the teams involved at the Society, the Nationwide Pension Fund team (NPF team) at Buck, and our professional advisers.

I do hope you enjoy reading this edition of Annual Review.

Catherine Redmond
(representing BESTrustees Limited)
Chair of the Nationwide
Pension Fund Trustee Board



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'I encourage you to sign up to receive electronic communications through the Member Portal...'

Are you making the most of the new Member Portal?

The Member Portal provides you with secure online access to your pension record. You can manage and update your details online instantly, saving on time and allowing you to keep track of your benefits in the Fund.

On the Member Portal you can:

- ✓ Use the Benefit Quotations calculator, take a look at what you could receive if you haven't yet taken your pension benefits;
- ✓ Request to receive a retirement pack directly from the calculator;
- ✓ Update your contact details, including your email address and mobile telephone number;
- ✓ View your payslips, update your bank details and see details of how your pension has increased, if you're receiving a pension;
- ✓ Tell us who you would like to receive any benefits should you die by updating your Expression of Wish; and
- ✓ Choose to receive our email notifications so we can keep you up to date with news about the Fund along with future developments of our website and the Member Portal.



How to register on the Member Portal

Registration is easy, all you need to do is go to nationwidepensionfund.co.uk and click or tap on the Member Portal button (or scan the QR code below). Then follow the online instructions.



You'll be asked to input your Unique ID, which was sent to you by post in February. If you've misplaced it, please call the NPF team at Buck on 0330 123 9677. Once they've verified your identity, they'll create and confirm your new code (your old code will be cancelled for security purposes).

You can also watch our registration tutorial available in the video hub on nationwidepensionfund.co.uk/video-hub

So why wait, register for the new Member Portal today and start taking control of your financial future.



Register or login to the Member Portal

Member Nominated Trustee Director (MNTD) update

As we confirmed following the MNTD election in 2021, John Wriighthouse and Rob Goldspink were re-elected as MNTDs from October 2021.

The Trustee greatly appreciated Sarah Garrett and Arthur Amos agreeing to extend their terms of office. The terms for both were due to end in April 2022, but have now been extended until the end of 2022. This has provided the Fund with continuity during this period of significant change.

The process to appoint two MNTDs is now under way and we would like to thank the members who have been involved in the nomination process so far. Keep an eye out for ballot papers in mid-November to cast your vote. The results will be published on our website in December.

You can read an interview with John and Rob, originally published in July, in the Announcements section of our website: nationwidepensionfund.co.uk/announcements



John Wriighthouse
MNTD



Rob Goldspink
MNTD

MNTD elections Winter 2022



Do you want to receive email notifications on when you can cast your vote?

Simply register on the Member Portal and select to receive electronic communications. We'll keep you up to date with the latest developments and you can cast your vote in the forthcoming MNTD election online.

Valuation update

A comprehensive review, known as an Actuarial Valuation ('Valuation'), is completed every three years by a qualified and independent Actuary. The 31 March 2022 Valuation is currently in progress.

The Valuation process takes some time to complete as, in addition to the various calculations, it's necessary for the Trustee and the Society to agree on the assumptions adopted and, if relevant, how any shortfall is dealt with. Therefore, the most recent update on the financial health of the Fund is the 2021 Summary Funding Statement, a copy of which can be found in the 2021 edition of Annual Review which can be downloaded from the Library section of our website, under the 'Archived' filter.

This summarises the interim funding review of the Nationwide and Cheshire & Derbyshire Sections of the Fund at 31 March 2021.

Once the results of this Valuation are available, we'll provide you with a further update.

The deadline for completing the 31 March 2022 Valuation is 30 June 2023.

You might like to watch our video 'Managing the funding' — just visit: nationwidepensionfund.co.uk/videos/managing-the-funding

The results of the last formal Valuation — carried out at 31 March 2019 — showed that the Nationwide Section had a shortfall of £180m and the Cheshire & Derbyshire Section had a surplus of £17m. The interim valuation at 31 March 2021 showed that the Nationwide Section had moved into a surplus position of £228m, with the Cheshire & Derbyshire also increasing its surplus to £22m. This is expected to continue, with the Valuation at 31 March 2022 continuing to show a surplus for both Sections.

Investment corner

When deciding how best to invest the Fund’s assets, the Trustee weighs-up the potential growth against any possible risks. It also considers any other factors that are financially material to the performance of each investment.

The Trustee is closely monitoring the conflict in Ukraine as well as current economic developments, particularly changes in interest and inflation rate expectations. The Trustee continues to work closely with its advisors and investment managers to monitor the Fund’s investments and understand the implications of market developments on the Fund’s investment objectives and strategy.

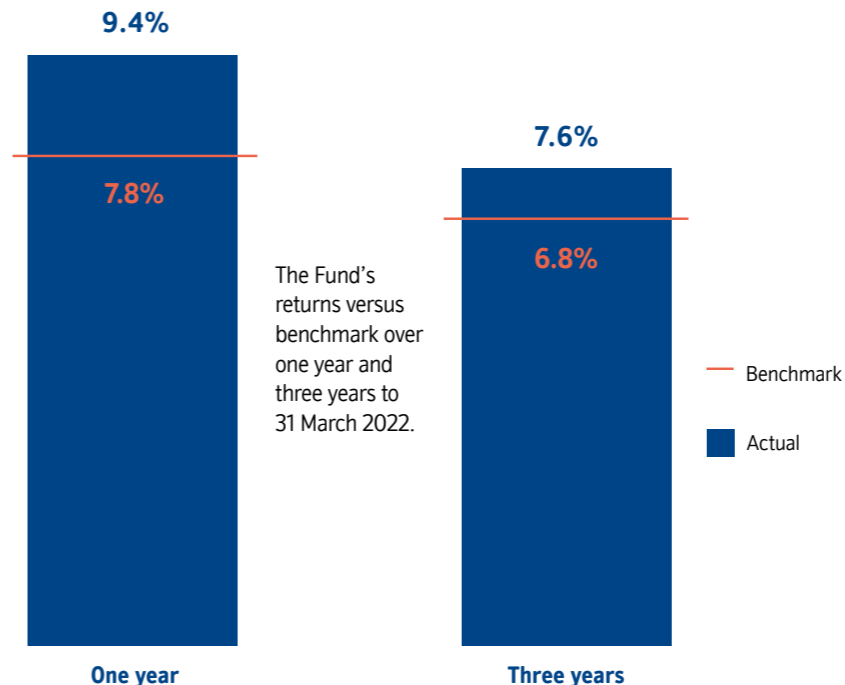
Regarding climate change, the Trustee recognises and supports the UK Government’s ambition to be net-zero by 2050. The Fund has prepared its first ‘Taskforce on Climate-related Financial Disclosures (TCFD)’ report.

The Trustee ensures that Environmental, Social and Governance (ESG) factors are given careful consideration whenever a new investment is made. It has also embedded considerations of climate risks and opportunities within day-to-day management of the Fund’s portfolio, including annual ESG assessments where required.

This year, the Trustee has completed a £172m bulk annuity purchase with Canada Life which reduces the risks associated with providing pensions to some of the pensioner population, please see the news article in the Announcements section on our website for further details.

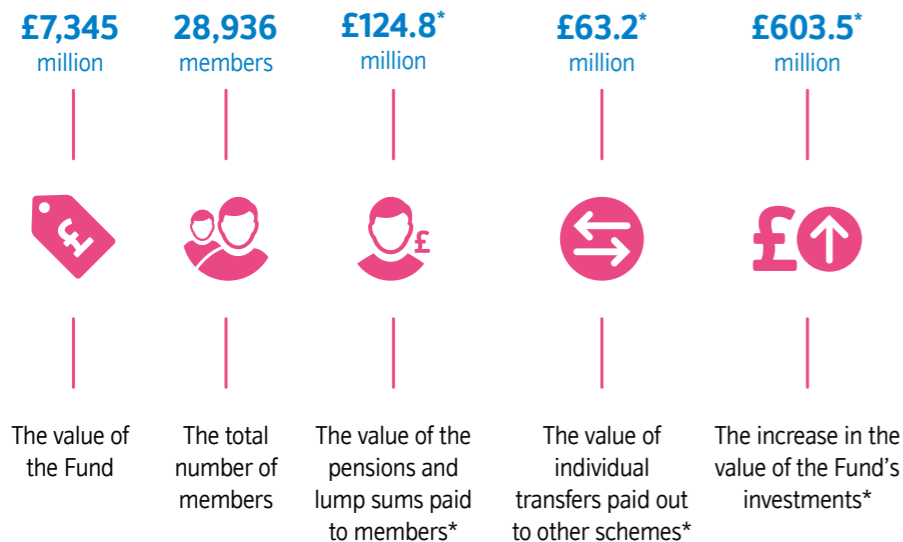
Over the year to 31 March 2022, the Fund’s investment returns were 1.6% higher than benchmark. Equity, private markets and alternative matching investments all outperformed benchmark although credit investments underperformed, demonstrating the value of a diversified investment strategy.

‘Over the year to 31 March 2022, the Fund’s investment returns were 1.6% higher than the Fund’s benchmark.’



Both the Nationwide and Cheshire & Derbyshire Sections are well funded. As a result, more than half of the Fund’s assets are invested in matching assets, which are broadly expected to track the value of the Fund’s liabilities (paying members’ pensions both now and in the future). Both Sections have smaller allocations to return-seeking assets designed to further improve the funding position so that the Fund is less likely to need to rely on the financial support of the Society.

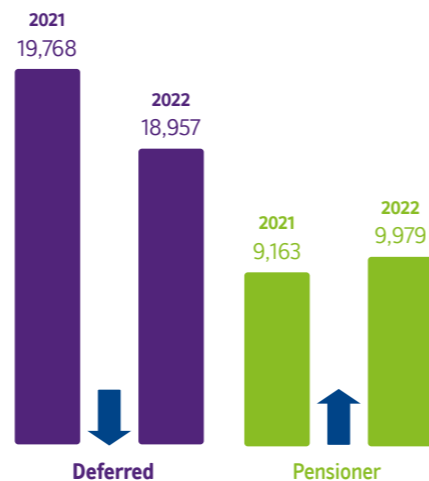
Snapshot accounts



* Figures shown are for the period 1 April 2021 to 31 March 2022.

How our membership has changed

A summary of how our membership has changed over the year to 31 March 2022 is shown below. Although the Fund is closed to new members, the Trustee remains responsible for almost 29,000 members.



	2022	2021
	£m (million)	£m (million)
Contributions and benefits		
Employer contributions receivable	0.1	64.1
Member contributions receivable	-	10.6
Total contributions	0.1	74.7
Benefits payable	(125.4)	(118.9)
Payments to and on account of leavers	(63.2)	(45.9)
Administrative expenses	(5.7)	(6.5)
	(194.3)	(171.3)
Net withdrawals from dealings with members	(194.2)	(96.6)

You can download the full Report and Accounts for the year to 31 March 2022 from the Library section on our website.

	2022	2021
	£m (million)	£m (million)
Return on investments		
Investment income	54.1	86.6
Change in market value of investments	549.4	481.7
Investment management expenses	(41.6)	(35.3)
Net returns on investments	561.9	533.0
Net increase in the Fund during the year	367.7	436.4
Net assets of the Fund		
At the beginning of the year	6,977.3	6,540.9
At the end of the year	7,345.0	6,977.3



Building society with mutual respect

Society's Mutual Respect campaign

In a Nationwide survey, almost two-thirds (63%) of people said footballers should set an example by showing respect.

Through The Football Association Respect programme, the Scottish Football Association Positive Play campaign, the Football Association of Wales Fair Play initiative and the Irish Football Association Back in the Game campaign, we hope to inspire respect.

As partners of The Football Association, we've pledged to help raise awareness of the Respect campaign among players, parents and coaches through our work with 100,000 under-18 grassroots football clubs in England. Using clear codes of conduct, the campaign aims to help parents and coaches play a part in making football fun, safe and positive. Let's make football a place of mutual respect.

Euro 2022 success

To commemorate the 50th anniversary of the first official match of England Women, we're celebrating the brilliant achievements of our England Women's Team.

We're shining a light on some of the incredible captains who led the team with mutual respect over the years by unveiling plaques in their hometowns. These are the places where they played grassroots football and marks where greatness was made.

Take a look at the Building a Better Society on the Nationwide.co.uk website at www.nationwide.co.uk/about-us/mutual-respect to find out more.

Pensioner Groups

Cheshire Jenny Wilson:

☎ 07887 554783

✉ jenny.wilson44@btinternet.com

📘 Cheshire Building Society Work

Northampton William Partis:

☎ 01327 878818

✉ bill_partis@hotmail.com

Somerset, Devon and Dorset

Diana King:

✉ diking@btinternet.com

📘 Nationwide Building Society Staff
Past & Present

Facebook groups are not run
by the Society or the Fund.

East Anglia Deryck Chambers:

☎ 01223 500491

✉ deryck.chambers@ntlworld.com

Swindon Dave or Jean Coe:

☎ 01793 813396

✉ Deevee.coe@ntlworld.com

✉ jeancoe42@gmail.com

June Phillips:

☎ 01793 520059

Covent Garden Liam DeRoe:

☎ 07960 447624

✉ liamderoe@hotmail.com

Ron's legacy

Following our article about Ron Priest's 100th Birthday in the Spring 2022 issue of Pensionwide, we received some lovely messages from fellow members who wanted to pass on their best wishes. It seems Ron had another talent as a matchmaker because we heard from couples who met through Ron and Nationwide celebrating their own special anniversaries.



Pensioner Group News

Northampton Pensioner Group

NAC Pensioners Monthly Lunch Venues for the rest of 2022:

Sunnyside

Kingsthorpe
NN2 7AG
17 Oct

Queen Eleanor

Wootton
NN4 7JJ
21 Nov

Poppyfields

Duston
NN5 6GT
12 Dec

Swindon Pensioner Group

The Swindon Pensioner Group have been meeting for coffee mornings nearly every month at the Conservative Club in Old Town. This new meeting venue suits them all very well. After coffee and much talking and any announcements most of the group stay on for lunch.

Please contact Helen Washbourne if you'd like to share member news, become a contact for one of our groups, set up any new pensioner groups, update your contact details or send her news from your group meetings.

Email: helen.washbourne@nationwide.co.uk

Pension scams – be ScamSmart with your pensions

Pension scams, where people are tricked by criminals into handing over their pension savings, continue to be on the rise. Everyone involved in pensions, including The Pensions Regulator (TPR) and the Financial Conduct Authority (FCA), are working hard to tackle pension scams.

The Trustee and Buck, the Fund Administrator, have a duty to look for signs of a pension scam when any transfer is requested. However, you are also encouraged to take some simple steps to protect yourself from pension scams. Keep an eye out for the updates being made on nationwidepensionfund.co.uk

Further information is available on the FCA's website www.fca.org.uk/scamsmart/how-avoid-pension-scams which includes some top tips on how you can protect yourself and what to do if you suspect a scam.

Always remember...if it sounds too good to be true, it probably is!

A new Normal Minimum Pension Age (NMPA)

The NMPA is the minimum age at which most people can access their pensions (unless they're retiring due to ill-health), currently this is age 55.

Next year a change in legislation means the NMPA is increasing. This means, from April 2028, if you're not already receiving your pension, the earliest you'll be able to start receiving it is from age 57.

State Pension

State Pension information is available via www.yourpension.gov.uk or www.gov.uk/plan-for-retirement



Useful contacts

Pensions



NPF team at Buck

Buck are responsible for the day-to-day administration of the Fund. They can help you with queries about your personal benefits, updating the information we hold for you, as well as arranging pension payments and much more. Please note that they cannot give you financial advice.

☎ 0330 123 9677

💻 nationwidepensionfund.co.uk



MoneyHelper joins up money and pensions guidance to make it quicker and easier to find the right help and is backed by Government.

☎ 0800 011 3797

💻 www.moneyhelper.org.uk

Check out our new 'How to' videos

Take a look at the video hub to view our new 'how to' Member Portal tutorials. Videos include how to register, update your communication preferences, update your expression of wish and more.

Go to nationwidepensionfund.co.uk/video-hub



General services



The leading charity for older people that provides help, information and advice on financial, care and lifestyle support.

☎ 0800 055 6112

💻 www.ageuk.org.uk



Provides confidential information and advice to assist people with legal, debt, consumer, housing and other problems.

☎ 03444 111 444

💻 www.citizensadvice.org.uk



National charity providing advice and guidance on helping older people make informed choices about meeting their housing and care needs.

☎ 0800 377 7070

💻 www.eac.org.uk



Cost of living support

The Government has recently launched a campaign to highlight the services available to help with the rise in the cost of living.

These services include:

- A launch of an Energy Bills Support Scheme, providing people in England and Wales with £400 off energy bills;
- Housing support;
- Income support; and
- Help with transport costs.

More information can be found at costoflivingsupport.campaign.gov.uk

The Society have also pulled together some help and guidance, which can be found on nationwide.co.uk/help/cost-of-living



nationwidepensionfund.co.uk

Concert, a Buck company 2022.