

# Keeping you updated

Defined benefits (DB) Edition  
Summer 2021

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Welcome to the 2021 DB (defined benefit) Trustee update, designed to keep you in touch with your Fund benefits and update you on financial and other matters behind the scenes in the running of the Fund.

Having launched the new Fund website last summer, we are pleased that almost 7,000 members have visited the site to find information, download documents, forms and factsheets and clicked through to Fidelity's secure access areas to view personal and benefit details online. Go to [www.mycspensionplace.co.uk](http://www.mycspensionplace.co.uk).

We're continuing to work with Fidelity (the Fund administrator) and our advisers to ensure we bring you (or signpost) good quality, relevant, meaningful and effective guidance to help you understand how your pension works. And, if you've not started to draw your pension, to help you think about and plan your future finances to support the retirement you want. **We've highlighted five things you can do on page 2.**

I have good news for most UK-based pensioner members. You will no longer need to periodically complete and return a signed and professionally witnessed form to confirm you are still living and so entitled to receive your pension. We've improved the process! We now use a professional tracing service, which employs electronic data-matching techniques to help us to prevent incorrect payments. (Our Privacy Notice – see page 8 – explains that we use your data in this way.) A few UK-based members will still need to complete a form, for example where the electronic test doesn't give a conclusive result. And, regrettably, the service doesn't cover overseas members, who will still need to complete the form and return it to Fidelity by email or post.

Initial results are also in for the recent enhanced DB transfer value exercise which started last year. This has created significant activity during the year for Fidelity, our Trustee COO team and advisers, who have worked hard to deliver the project in the timeframe agreed with Credit Suisse. We have included more details inside including why we supported the exercise and the benefits to members and the Fund as a whole.

Despite the challenges of Covid, I can reassure you that the Fund is operating as normal. The Trustee, Credit Suisse and our advisers have all adapted to new ways of working supported by technology and have remained resilient through the pandemic. We have every expectation that this will continue. We have seen little or no impact on service delivery to members, but some enquiries that are not time-critical may take a little longer than normal. Our service providers are here to help, but may still be working in sometimes challenging circumstances (such as staff sickness). It is generally better to email rather than call Fidelity if your query is non urgent.

As we start to see encouraging signs of a return to normality, I hope that you and your family are well and managing to navigate what has been a challenging period for many.

**Glenn Wellman**  
Chair of Trustees

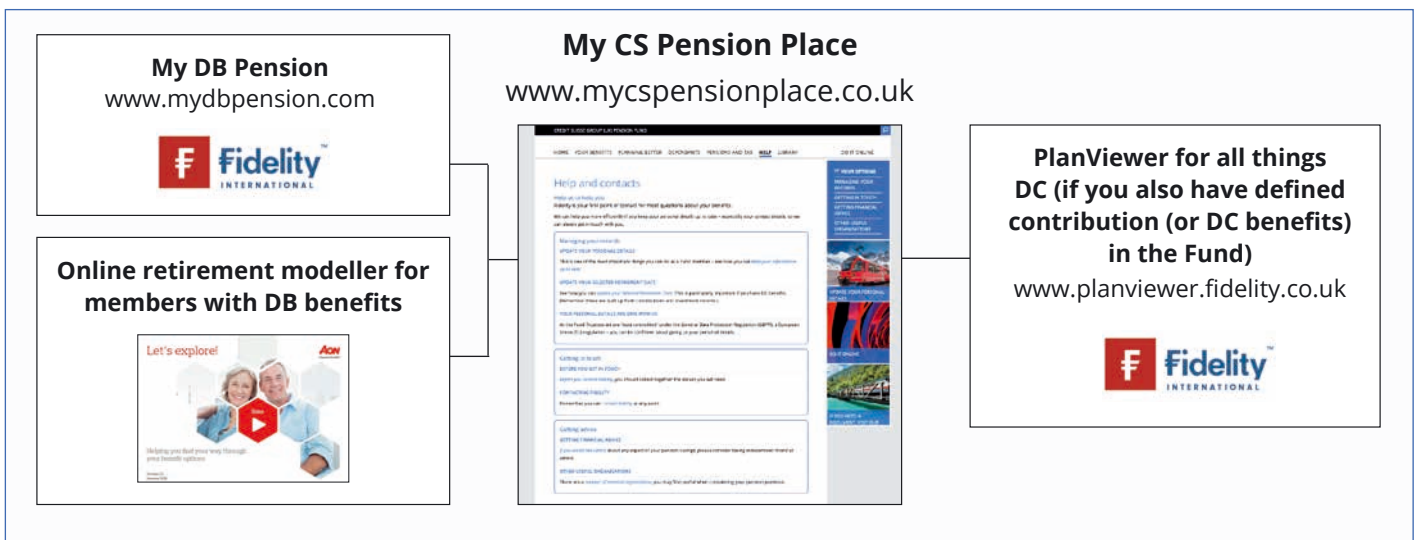
# Five things you can do to be more in-the-know about your pension

We continue to look for new and better ways to help you understand the pension you have and the ways you'll be able to take it by giving you access to online tools and education materials about your Fund benefits and pensions generally.

1. A good place to start is the Fund website: **www.mycspensionplace.co.uk** which provides a first layer of general information about the Fund. This site answers frequently asked questions and guides you to more detail and support elsewhere. (As there are no personal details held here, there are no login details to remember!)
2. If you're over 55 (50 for some members), when you request details from Fidelity about retirement or taking a transfer value, you'll also get access to a secure interactive online modeller which is a great way to explore the different ways of taking a retirement income, either by drawing your pension from the Fund or if you were to transfer your benefits. Login details will be provided by the Fund administrator with your retirement estimate / transfer value illustration.
3. If you also have defined contribution (or DC) benefits in the Fund, look out for your annual statement from Fidelity. It contains useful tips for taking control of your DC savings and retirement plans by logging into your DC account (in PlanViewer) and accessing Fidelity's planning tools and education materials.
4. Check your State Pension forecast (and State Pension Age) at **www.gov.uk/check-state-pension**. Related to this, you can check your National Insurance (NI) status to ensure your NI contributions history with HMRC is correct at **www.gov.uk/check-national-insurance-record**.
5. A regulated financial adviser can help you understand information you've received from the Fund and the pros and cons of the different options available. They will be able to relate this to your personal and financial circumstances and the plans and goals you have for when you stop work. They can also help ensure you're making the most of current pension tax relief rules and allowances. Always check anyone offering advice about your pension or other financial services is on the Financial services register at **www.fca.org.uk/register**.



Below is a list of the tools and member websites you can use.



## Help us save paper

We'd like to send you updates like this and other information about the Fund by email.

The simplest way to provide (or update) your email address is to register for (or log on to) Fidelity's DB website at **www.mydbpension.com**. Alternatively, please contact Fidelity – see contact details on page 8. If you don't want to receive information by email, please let Fidelity know.

## Enhanced DB pension transfer offer – positive outcomes

**Just over a year ago, Credit Suisse suggested to the Trustee that an enhanced defined benefit (DB) pension transfer offer, with paid-for financial advice (where this could be provided), would benefit members and the Fund as a whole. This followed a review by Credit Suisse of:**

- the Fund's funding position (which, as you can see from the funding update on page 5, is in a strong position); and
- the rate of members nearing retirement who were requesting transfer values (so as to seek more flexible options that are not available in the Fund, such as income drawdown).

**We carefully considered Credit Suisse's detailed proposal on how an offer might be designed and run and agreed to support it. Our reasons for doing so, and the positives that we believe have been achieved for members are:**

- it provided the opportunity and flexibility for some members (where a transfer was suitable) to re-shape their benefits to suit their personal circumstances, on enhanced terms;
- current and former members who received an offer were encouraged to take up financial advice and, by doing so (whether or not the advice was to transfer), they would have gained a better understanding of their benefits and the different ways of taking them – both inside and outside the Fund;
- the expectation is that the exercise is likely to have improved the overall funding position of the Fund (based on reasonable assumptions) and made the future cost of providing benefits easier to predict, so indirectly benefits members remaining in the Fund.

The offer was run in phases with the final offer window closing at the end of June this year. The number of members taking advice and accepting the offer (and transferring their benefits) has exceeded expectations based on similar exercises run by other company pension funds. The initial results suggest that around:

2,690		Members received an offer
1,450	54%	Members who received an offer and took up the financial advice included
1,040	39%	Members who received an offer used the Fund's online modeller to explore their options online
440	16%	Members who received an offer have accepted it and transferred their benefits

We await the final calculations of how this exercise has impacted the funding position, but the indications are positive. We will report on the outcome in our next update.

Members were eligible to receive an offer if they had DB benefits in the Fund and had not started to draw their pension. Certain members could not be included in the timeframe agreed with Credit Suisse for the exercise, for example:

- members who opted not to receive an offer following the warm-up letter,
- due to having moved without notifying the administrator (although efforts were made to trace members using a professional tracing service), and
- members going through divorce proceedings.

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# DB financials and membership

Each year, we prepare an Annual Report and Financial Statements which are then audited by an independent auditor. This section contains key figures from the Annual Report and Financial Statements for the year ending 31 December 2020.

## Financials

The table below summarises how the DB section's finances developed over the year. These numbers only reflect some of the payments made as part of the enhanced DB pension transfer offer.

	£ 000
<b>Value as at 31 December 2019:</b>	<b>2,286,367</b>
Income – contributions	0
Income – other	3,519
Investment return	304,067
Expenditure (includes benefits paid, transfers out of the Fund and administrative expenses)	(75,445)
<b>Value as at 31 December 2020:</b>	<b>2,518,508</b>

## Membership

Over the same period, the DB membership (including hybrid members with both DB and DC benefits) developed as follows:

	2020	2019
Active members	77	80
Deferred members	3,579	3,703
Pensioners and dependants	909	854



### Further reading

The Annual Report and Financial Statements is on My CS Pension Place.  
[www.mycspensionplace.co.uk/document-library/](http://www.mycspensionplace.co.uk/document-library/)

# DB funding

The table below shows the results of the 2017 valuation and the funding update as at 31 December 2019.

	Actuarial valuation as at 31 December 2017	Funding update as at 31 December 2019
Assets	£2,258.4 million	£2,286.3 million
Liabilities	£1,928.8 million	£1,873.6 million
Surplus	£329.6 million	£412.7 million
<b>Funding level (assets divided by liabilities)</b>	<b>117%</b>	<b>122%</b>

## An actuarial valuation takes place every three years. It compares:

- how much money the Fund is likely to need to pay everyone their benefits (the 'liabilities'); with
- the total amount of money it currently has (the 'assets').



## What's changed?

The funding position has improved since the actuarial valuation as at 31 December 2017, largely due to the performance of the Fund's assets relative to the liabilities (known as technical provisions).

The liabilities have decreased since 2017. This is due to the benefit payments out of the Fund, though offset to some extent by changes in market conditions (in particular a reduction in the expected returns on government bonds) which, in isolation, would have increased liabilities.

The value of the Fund's assets has increased slightly since 2017, with the returns achieved more than offsetting the benefits paid out.

The next actuarial valuation fell due at 31 December 2020. This work is underway and we will report on the results in next year's newsletter.

## Contributions and security from the Bank

As the 2017 actuarial valuation showed a surplus, no additional deficit reducing contributions are needed from Credit Suisse.

Credit Suisse maintains an escrow account to provide additional financial security for the Fund should it be needed and, as part of the 2017 valuation, agreed to put in place a revised escrow arrangement. This arrangement aims to maintain sufficient funds to provide benefits in full if the Fund had to be wound up and benefits secured through an insurance company - allowing for the assets in the Fund and the assets in the escrow. The funds in the escrow account are subject to periodic rebalancing and a cap of £325 million.

**The formal full valuation of the Fund as at the end of 2020 is currently underway. While we do not yet have definitive results to report, initial indications are that the Fund remains in a strong financial position and was not materially different from that at the end of 2019.**

## The Pensions Regulator and payments to Credit Suisse

We are required by law to tell you whether the Pensions Regulator has used any of its powers in relation to the Fund - either to change the rate of contributions or benefits, or the way in which liabilities are calculated. We also have to tell you if any payments of surplus have been made to Credit Suisse since our last funding update.

We can confirm that we didn't pay any surplus assets to Credit Suisse and no such orders have been imposed by The Pensions Regulator.

## If the Fund was wound up

Even though Credit Suisse has no current intention of winding up the Fund, pension regulations mean that we have to tell you the funding level (as at the last valuation) if the Fund was wound up.

The estimated amount needed, if the assets and the responsibility for paying your DB benefits were transferred to an insurance company on 31 December 2017 was £2,260.2 million.

The value of the assets at the same date was £2,258.4 million.

This meant that the Fund could cover almost 100% of the estimated cost of securing benefits via an insurer.

This estimate does not allow for the value of assets held in the escrow account, which is funded, as and when necessary, by the sponsor.

This measure (known as the solvency position) is estimated to have improved to 107% as at 31 December 2019.



## DB investments

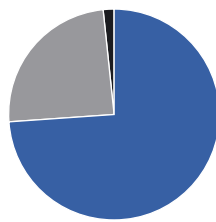
During 2020, our investment committee worked with the Fund's investment advisers to ensure that the investments are managed in line with our Statement of Investment Principles, and to monitor the effectiveness of the strategic asset allocation relative to our investment objectives and funding assumptions.

Over the last few years, we have moved to an investment strategy that carries a materially lower level of risk and this process continued during 2020.

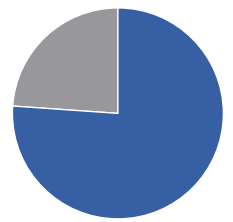
Our Liability Hedging Portfolio continues to play an important role in our work to make sure the Fund has enough money to pay members' benefits – pensions, lump sums and transfer values – as they fall due. This is where the investment strategy uses assets such as bonds and swaps, with the aim to closely match the behaviour of the liabilities, particularly in relation to interest rates and inflation

The charts below show the asset allocation of the Fund as at 31 December 2019 and 2020.

31 December 2019		31 December 2020
73.2%	<b>Liability Hedging Portfolio</b>	76.2%
24.4%	<b>Bonds</b>	23.8%
1.4%	<b>Alternatives</b>	0%
0%	<b>Cash</b>	0%



- Liability Hedging Portfolio
- Bonds
- Alternatives



## Performance

Over the year to 31 December 2020, the DB section's assets achieved an overall return of 13.7%, in line with the target benchmark of 13.7%



### Further reading

The Statement of Investment Principles is on My CS Pension Place. [www.mycspensionplace.co.uk/document-library/](http://www.mycspensionplace.co.uk/document-library/)

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# Who is the Trustee?

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## Trustee

- Credit Suisse First Boston Trustees Limited

## Trustee Directors

- Glenn Wellman  
(Chairman)
- Adrian Cooper  
(Deputy Chairman)
- Paul Brine
- David Mayes  
(retired with effect from 31 March 2021)
- Simon Meadows

Member nominated Trustee:

- Patrick Flaherty
- Alex Spain
- Stephen Foster

Independent Trustee:

- The Law Debenture Pension Trust Corporation plc  
represented by Vicky Paramour

## Contacting the Trustee

You can contact the Trustee via the Fund's Chief Operating Officer:

- By email:  
**[cspensions@pegasusplc.com](mailto:cspensions@pegasusplc.com)**
- In writing:  
Chief Operating Officer to the Trustee  
Credit Suisse Group (UK) Pension Fund  
Pegasus Pensions Plc  
8th Floor  
100 Bishopsgate  
London EC2N 4AG.



## Don't forget

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### Please tell the Fund administrator if any of the following happens to you.

#### If any of your contact details change

We need to be able to stay in touch with you about the Fund and your benefits. To help us, please always let us know if any of your contact details change. Please also make sure your records include an email address.

#### If you move house

If you move house, we need to know to make sure personal or sensitive information doesn't go to your old address.

#### If you're a pensioner and your bank details change

If you change the account we pay your pension into, please tell us by the 10th of the month to avoid delays to your pension. (Pensions are paid on 1st of each month.)

## How do I...?

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### Contact the Fund administrator

For information about your benefits or the Fund in general, contact Fidelity

By phone 0800 3 68 68 70

In writing Fidelity  
PO Box 203  
Brinkburn Road  
Darlington DL1 9HD

By email

**[Dbpensions.service@fil.com](mailto:Dbpensions.service@fil.com)**

Administrator DB website:

**[www.mydbpension.com](http://www.mydbpension.com)**

Administrator DC website:

**[www.planviewer.fidelity.co.uk](http://www.planviewer.fidelity.co.uk)**

### Update my beneficiary details

It's important you remember to do this if your personal circumstances change. For benefits where the Trustee has discretion over who receives them, you need to fill in a nomination form to tell the Trustee whom you'd like to receive them. You can do this by contacting the administrator (above) or by downloading a form from the Fund website – visit the following URL: **[www.mycspensionplace.co.uk/document-library/](http://www.mycspensionplace.co.uk/document-library/)**

Please check that your nomination form is up to date.

### Contact the HMRC tax office that deals with my pension

If you have a query about how your pension is taxed, phone 0300 200 3300 and quote your National Insurance number and the tax office reference 567/ZZ31839.

Their address is Pay as You Earn, HMRC, BX9 1AS.

### Check how we use your personal details

Your personal details are safe with us. As the Fund Trustees, we are 'data controllers' under the General Data Protection Regulation. Our Privacy Notice explains how we collect, store and use your personal details.

### Further reading

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