

Keeping you informed about your pension

Newsletter for members

May 2025



Arts Council
Retirement Plan
(1994)



Welcome and introduction from Mark Engelbretson

A warm welcome to the latest edition of your pension scheme newsletter. Following Chris Daykin's retirement in January 2025, I am pleased to introduce myself as the new Chair of the Trustees for the Arts Council Retirement Plan (1994).

I am a pensions industry professional and bring over 30 years of industry experience representing the professional trustees services firm Ross Trustees Ltd. I have worked in senior roles for in-house pension arrangements for many large employers including British Airways, The RAC, Carnival Plc, Mothercare and Network Rail. I am a keen supporter of the arts and it is an honour to accept this position.

In last year's newsletter, we informed you that Chris Roberts was due to take on the role of Chair. However, following Chris' resignation from his role as a professional trustee, the Trustees chose to appoint myself as the Chair of the Trustees following a review process.

On behalf of all the Trustees, I would like to thank Chris Daykin for his years of exceptional support as a Trustee and Trustee Chair. His wealth of experience and unwavering dedication to the Plan and our members has been invaluable and we wish him well in his retirement.

Mark Engelbretson
Chair of the Trustees
for the Arts Council
Retirement Plan (1994)



Changes in Trustees

In October 2024, Lorna Virgo was appointed as a Trustee on joining the Arts Council of Wales as Director of Finance and Business Services. Lorna will assume Rebecca Nelson's position as the Arts Council of Wales employer-appointed Trustee. We thank Rebecca for her contributions and wish her every success for the future.

The Trustee nominated by pensioner members of the Plan – Mark Harrison – has decided to step down, having served almost 25 years as a trustee. We thank Mark for his service and dedication over the years, and wish him well for the future. Following an election process (involving all active and pensioner members of the Plan), the Trustees have welcomed Francis Runacres as the pensioner member nominated Trustee, effective from May 2025. Francis joined Arts Council England in 2000 where he held various positions, including leading the Stabilisation and Recovery Unit and serving as an Investment Director. Most recently, Francis was the Executive Director for Enterprise and Innovation until his retirement in 2023. Francis also stepped in to support the Trustees when a previous trustee vacancy was being filled, so has experience with our Board already.

Update on the Plan's funding level

Every three years, the Trustees must undertake a full valuation of the Plan. This is to ensure that the Plan has enough money to pay members' benefits, now and in the future. The full actuarial valuation as at 31 March 2025 is underway, however we have provided an estimate of the most recent funding position below.

Over the year to 31 March 2025, steady rises in government bond yields and good performance on the Plan's investments have continued to improve the funding level of the Arts Council Retirement Plan. The most recent update from the scheme actuary estimates that the Plan was 155% funded at 12 May 2025. This is equivalent to a surplus of £84m, meaning the assets of the Plan exceed the value of all of the Plan's future obligations by this amount, with the obligations valued on a cautious set of assumptions. This is a significant improvement since our last formal actuarial valuation in March 2022, when the Plan was 93% funded on this same set of assumptions. It should be noted that the funding level can be sensitive to market events affecting yields and investments and has experienced some volatility in recent months.

Even on the much more cautious 'solvency' basis, which replicates what an insurance company would charge to take over the liabilities, it is estimated that we were 121% funded at 12 May 2025. This is largely of theoretical interest, since the main sponsoring employers intend to continue supporting the Plan with ongoing accrual of benefits and remaining open to new entrants who want to join.

Investment of Plan assets

How is the Plan invested?

The Trustees' role is to invest the Plan's assets in a responsible and financially effective manner. The Trustees have consistently sought to invest prudently, balancing good returns against the risks associated with different types of investment, whilst also taking into account the very long-tailed nature of the Plan's liabilities. Even without any new members, running off the pension payments in respect of existing members would take more than 80 years, with cash outflows rising for many years before gradually declining. If new members continue to be accepted into the Plan, and service continues to accrue for all existing members, the Plan will to all intents and purposes go on forever. An advantage of this is that the Plan has a long investment time horizon and can invest in more illiquid assets, which often provide a premium on the returns available for a given level of risk.

A key priority of the Trustees is to ensure that investments are made responsibly. This includes taking into account environmental, social and governance (ESG) factors which could materially affect financial performance in the short, medium or long term.

In 2020, the Trustees framed their '**Vision for a Responsibly Invested Strategy**', where they outlined the following ambition statement:

“ To invest in a manner where sustainability issues are not just considered as part of what managers do, but so that the invested assets contribute positively to a more sustainable future. ”

Plan assets are currently valued at around **£236m**

This Vision has been integral to the development of the Plan's investment strategy, and has seen each of the Plan's assets considered in turn to align with its principles, outlined below:

- 1 Embed sustainability in the appointment and ongoing scrutiny of the investment managers
- 2 Think about how the assets are invested and the nature of the mandates employed
- 3 Measure the contribution of the Plan's investments towards more sustainable outcomes

In 2024 the Trustees identified priority stewardship themes to further focus engagement with the Plan's investment managers:

Achieving net zero, with particular focus on:

- Climate change and decarbonisation of heavy industry
- Biodiversity and addressing deforestation

Good employment practices, with particular focus on:

- Decent work and employment practices
- Diversity & Inclusion, particularly in the context of emerging markets

Good quality disclosures with respect to the provision of financially material ESG data

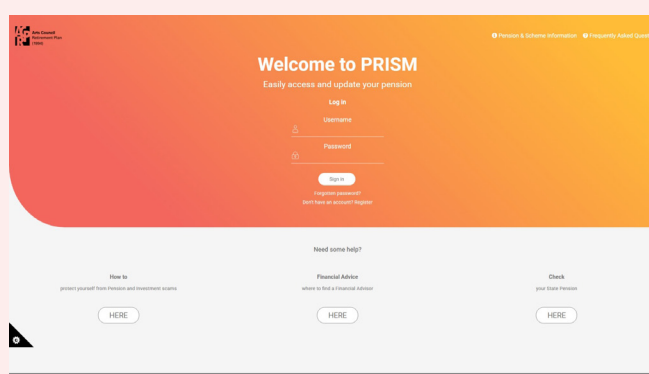
The Trustees have continued to monitor their efforts in line with the principles of their Vision for a Responsibly Invested Strategy and have made significant progress since 2020, addressing all the actions identified at the outset. They are currently in the process of framing an evolved Vision, building on their original ambition and looking forward to 2030.

Further details of the investment strategy and the approach to responsible investment can be found in the Statement of Investment Principles, which is publicly available on the [website](#).

Last year, the Trustees were once again successful in being admitted as a signatory of the Financial Reporting Council's UK Stewardship Code. Most signatories are medium to large financial entities and ACRP is one of the smallest. That the Plan continued to meet the high stewardship standards set by the UK Stewardship Code is a testament to the Trustees' commitment to stewardship and responsible investment. We will strive to remain a signatory by continuing to make incremental improvements to our stewardship of the Plan's assets.

Get online with PRISM

The Trustees encourage you to log on to PRISM, our new online secure member portal, and the home for all information about your benefits in the Plan. You'll find useful information on the home page as well as recent announcements and news about the Plan. To get full value from everything available on the site, you'll need to register your details and go through a short security process. Once logged in, you can understand more about your projected pension at retirement with the Plan, view and update your personal details, add and update your nominated beneficiaries (the trustees encourage you to review and update your beneficiaries regularly), plus much more.







Visit www.artscouncilplan.co.uk to log on or register.

If you're having problems logging into the site, please don't hesitate to contact the Plan administrators using the details on the following page.

Avoiding pension scams

It is crucial to stay vigilant and informed to protect yourself from pension scams. Scammers often pose as Financial Conduct Authority (FCA) authorised advisors, offering attractive but fraudulent investment opportunities.

How to spot a scam:

-  Be wary of unsolicited offers and cold callers, especially those promising low-risk, high-return investments or 'free pension reviews'. Common scams include early pension release schemes and pension review scams, often targeting victims through social media or referrals.
-  A promise of large investment returns if you agree to transfer money overseas.
-  Avoid any paperwork requiring immediate signature, or advice to place all savings in a large single investment, as financial advisers generally suggest diversifying your assets.
-  Be sceptical of claims about a 'legal loophole' allowing you to get 'cash back' from your pension.



If the offer seems too good to be true – it probably is!

The consequences of a scam can be disastrous, potentially resulting in the loss of all your pension savings and a tax bill of up to 55% for accessing funds early.

Follow the FCA's four key steps to protect yourself: reject unexpected offers, verify who you're dealing with, don't be rushed or pressured, and seek impartial information or advice. For more details, go to the avoiding pension scams guidance on the Plan's [website](#).

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For more information or any feedback

We hope you have found this news bulletin informative. Please feel free to share any feedback you may have, or anything else you'd like to see included in future updates.

For any questions regarding the Plan, or for copies of Plan documents, contact the administrators.

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