



Annual newsletter

AVX limited

pension scheme

("the scheme")



welcome to brighter

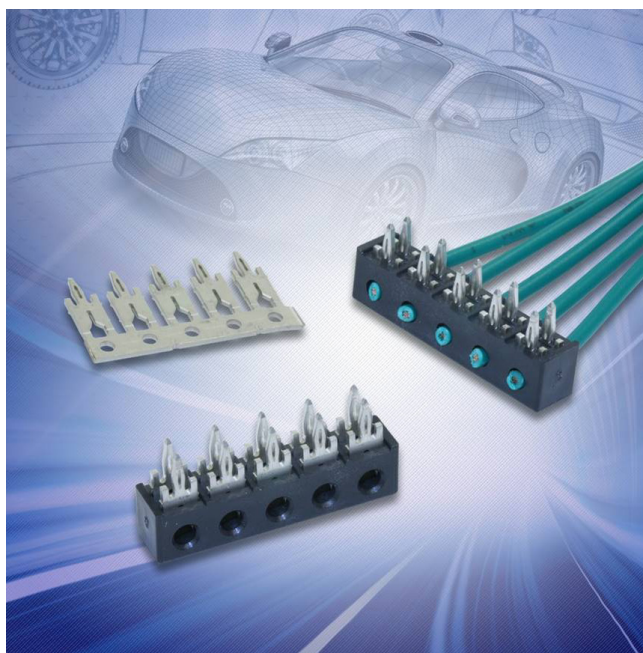


MARSH & MCLENNAN
COMPANIES

1. Introduction

Welcome to the latest version of the newsletter for the AVX Limited Pension Scheme (“the Scheme”). This newsletter is prepared by the Trustees of the Scheme and the aim is to provide you with relevant information about how the Scheme is run and to keep you updated on matters relating to it.

Please let us know what you think and if there are any items you would like to see in future newsletters (see the last page for our contact details).



2. Who looks after the scheme

The Trustees are entrusted with ensuring that the Scheme delivers the benefits promised to the members. This involves reviewing how the Scheme is administered, managing how the funds are invested, what contributions AVX, the sponsoring Company make and any discretionary decisions such as beneficiaries in the event of a death.

Some of our Trustees are employees appointed by the Company (“Company Trustees”) and some are voted for by the members of the Scheme (“Member Trustees”).

All our Trustees are required to act in the interests of the Scheme members.

Company Trustees

Bert Lawrence

Helen McCann

Nick Birkett

Michael Hufnagel

Dalriada Trustees
(appointed 21 October 2019)

Member Trustees

Simon Cunday

Peter Fenwick

Wilbert McIlmoyle

The Trustees are pleased to confirm that they have appointed an additional independent Trustee firm, Dalriada Trustees, to the Board with effect from 21 October 2019.



3. Scheme Membership At 5 April 2019 and 5 April 2020

	2019	2020
Pensioners:	528	531
Ex-employees who have retained their pension rights in the Scheme:	475	453
Total Membership:	1,003	984

4. Financial review

4.1 Actuarial Valuation

The last full valuation of the Scheme was as at 5 April 2018, which showed that the Scheme had a surplus of £2.3m and a funding level of 102%.

Since the actuarial valuation, statutory actuarial reports as at 5 April 2019 and 5 April 2020 have been produced giving an update on the funding position of the Scheme.

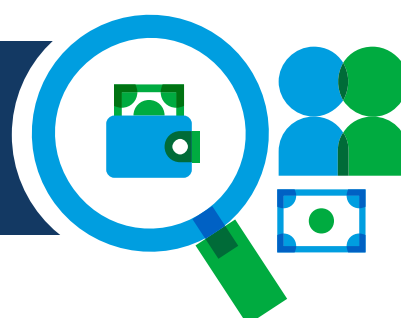
The most recent update as at 5 April 2020, showed the Scheme had a deficit of £6.4m, equivalent to a funding level of 95%. The

decline in funding level reflects significant volatility in financial markets due to the corona virus pandemic (see later). The Trustees do however track the funding position on a more approximate daily basis, and are pleased to report that the funding level returned to 100% in May this year and has remained above 100% since then.

A Summary Funding Statement, which provides you with an update on the funding position of the Scheme as at the date of the last valuation and more recent updates, was recently issued to all members.

4.2 Accounts

The accounts shown below illustrate how the Scheme’s assets decreased from £134.8m on 5 April 2019 to £133.9m on 5 April 2020 – the date of the most recently signed Trustee Report and Accounts.



4.3 Income And Expenditure Account For The Year Ended 5 April 2019 and 5 April 2020

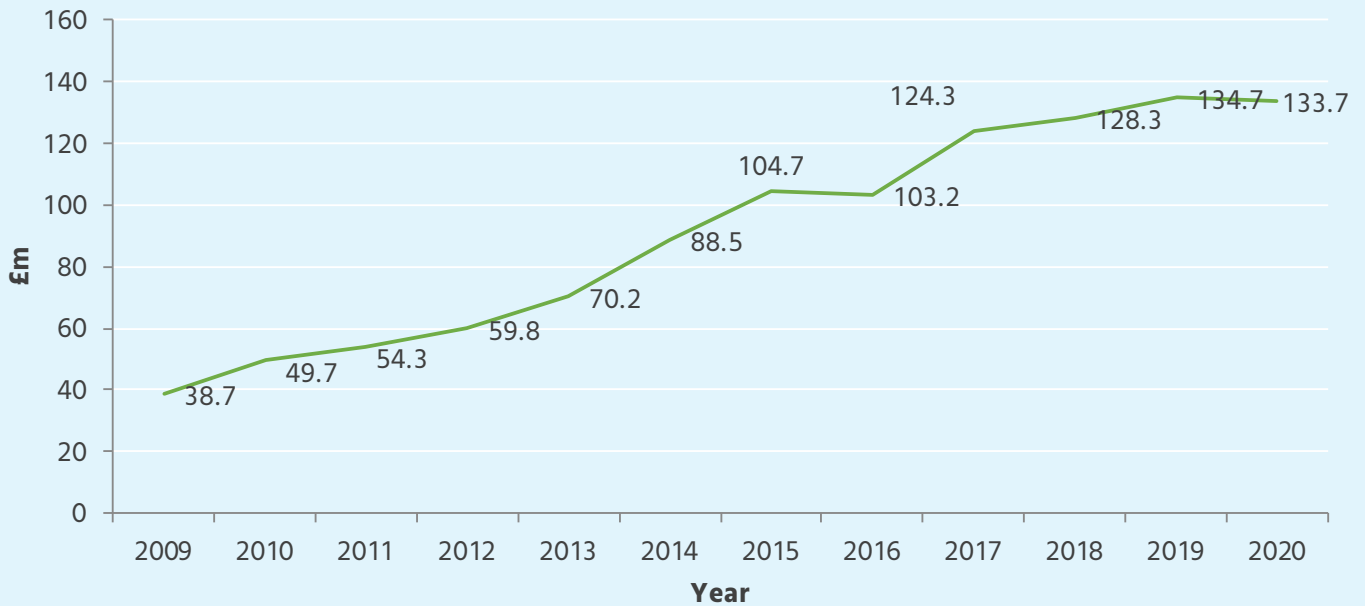
	2020 £000s	2019 £000s
Income		
Contributions	605	4,730
Total Income	605	4,730
Expenditure		
Benefits Paid (see below for details)	(3,625)	(3,523)
Payments to and on account of leavers	(682)	(1,198)
Group Life Assurance Premiums	-	-
Fees and Expenses	(195)	(270)
Total Expenditure	(4,502)	(4,991)
Excess of Income over Expenditure	(3,897)	(261)
Plus Investment Return on Scheme Assets	2,937	6,651
Plus Balance of Fund at Start of Year	134,848	128,458
Equals Balance of Fund at End of Year	133,888	134,848

Benefits paid during the year were as follows:

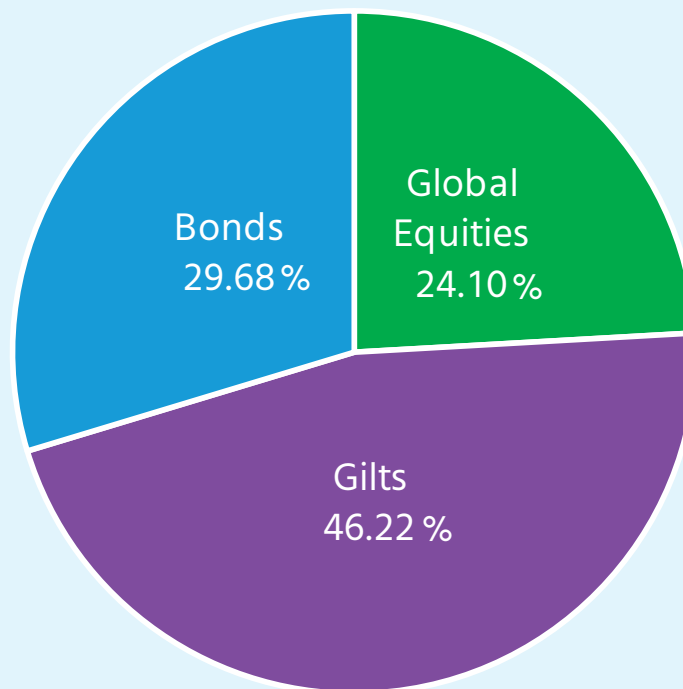
Pensions	3,245	3,155
Lump sums on retirement	377	359
Lump sums on death in retirement	3	9
	3,625	3,523

5. Asset values

The following chart shows how the market value of the Scheme's assets has changed over the last eleven years. In each year, the market value of the assets is shown as at 5 April. For the period from 2014, the assets include the former Retirement Plan assets which were merged into the Scheme in late 2013.



6. Asset distribution at 5 April 2020



7. Scheme advisers

The advisers to the Scheme are:

Scheme Actuary:

Simon Hall, F.I.A. Mercer Limited

Pension Administrators/Consultants:

Mercer Limited

Auditors:

Pricewaterhouse- Coopers LLP

Investment Managers:

Mercer Investment Management Limited

8. Pension news

8.1 COVID-19

On 11 March 2020, the World Health Organisation officially declared Covid-19, the disease caused by novel coronavirus, a pandemic. The Trustees are closely monitoring the evolution of the pandemic, including how it may affect the Scheme, financial markets, the economy and the general population.

Active decisions have been (and continue to be) taken to ensure that the Scheme's funding level is protected as well as possible in these uncertain times, whilst focussing on delivering the returns needed in the long-term to meet benefit payments.

The Trustees have been in regular contact with their advisors to closely monitor developments over the period and ensure that there is no disruption to the service that you receive.

Your pension from the AVX Limited Pension Scheme is linked to how long you were an active member of it and to your salary during that time. It is not linked to investment performance. Please be assured that your pension remains secure and the Trustees are engaging with the Company and their advisers on your behalf.

8.2 Kyocera Merger

AVX Corporation has recently completed a merger with Kyocera. The sponsoring

employer of the AVX Limited Pension Scheme remains AVX Limited and there is no change to the Scheme as a result of the merger.

8.3 GMP Equalisation Update

In last year's newsletter we advised that following a High Court ruling on 26 October 2018, pension schemes will now be required to equalise male and female member benefits for the effect of guaranteed minimum pension (GMP). This component reflects the contracted-out part of pensions accrued between May 1990 and April 1997. The contracted-out part relates to state pensions and is unequal between men and women because they have different state retirement ages.

The Trustees and Company are currently working with their advisers to determine the impact on the Scheme. The Trustees have set up a GMP Equalisation sub-committee to discuss and progress the GMP Equalisation project. An update will be provided to members shortly.

8.4 Change in minimum early retirement age

The Government has recently confirmed plans to increase the statutory minimum pension age from 55 to 57 from 2028, alongside planned increases in the State Pension Age to 67. From then on, the minimum pension age will remain ten years below State Pension Age.

8.5 Pension scams



Along with the Pensions Regulator and HMRC, the Trustees continue to be concerned about the number of members of UK schemes who have been enticed into pension scams

under so-called "pension liberation" fraud. The Pensions Regulator has asked Trustees to caution all members on the rise in the number of attempted scams since the COVID-19 crisis started.

Please remember that no party should approach you, or offer you inducements to

transfer your pension benefits. If you are contacted, we would strongly advise that you reject the approach and report it immediately.

The ScamSmart website operated by the Financial Conduct Authority (FCA) suggests four ways to protect yourself from fraud:

- Reject unexpected pension offers whether made online, on social media or over the phone.
- Check who you're dealing with before changing your pension arrangements – check the FCA Register or call the FCA helpline on 0800 111 6768 to see if the firm you are dealing with is authorised by the FCA.
- Do not be rushed or pressured into making any decision about your pension.
- Consider getting impartial information and advice.

The website (fca.org.uk/scamsmart) has quizzes and resources to help you spot a scam and a warning list of companies to watch out for. If you suspect you have been targeted by a scammer, you can report it on the ScamSmart website as well.

In addition, the FCA has published a video designed to help consumers “better understand financial advice on transferring out of a [DB] pension”. These are aimed at both those who have transferred out and are unclear whether they received good quality advice, and those considering transferring ([Link: https://play.buto.tv/bnTn7](https://play.buto.tv/bnTn7))

Alternatively, Pension Wise provide free pensions guidance to all DC pension scheme members aged 50 or over to help your understanding of what you can do with your benefits. Pension Wise can also provide guidance for those members wishing to transfer from DB to DC. More details on the Pension Wise service can be found via their website at www.pensionwise.gov.uk.

If you think you are being targeted, never feel rushed or pressured into making a pension transfer. Before you sign anything call The Pensions Advisory Service on 0300 123 1047 or if you have already accepted an offer, call Action Fraud on 0300 123 2040. Please also visit the Pension's Regulator's website at

thepensionsregulator.gov.uk/pension-scams for further information.

8.6 Statement of Investment Principles

The Statement of Investment Principles (“SIP”) is a document that details the principles that govern decisions about the Scheme’s assets including, but not limited to, the Trustee’s asset allocation and strategy for the future evolution of this, including the investment objectives and investment policies adopted. From October 2020, the Trustees are required to make certain information available to the members of the Scheme via a publicly accessible website. To comply with this, the most recent SIP has been uploaded to the Scheme’s website.

8.7 Expression of wish form

In the event of your death it is important that the Trustees are aware of your wishes with regard to your pension. If you have not already done so, you should complete an Expression of Wish form which is designed to guide the Trustees as to your wishes. You should keep the form up to date as your circumstances change as it is essential that the information held reflects your present wishes. Even if your circumstances have not changed please complete a new form as the more up to date your form is, the more reliance the Trustees can place on it. A blank Expression of Wish form is enclosed.

8.8 Member updates

Please note that under GDPR rules, the Trustees are limited to what individual member data they can access and how this is held. Whilst the Trustees were made aware of the identity of those members who had sadly passed away, this information will only be provided to the Trustees on an anonymised basis going forward.



9. Scheme webpage

As you may recall, members of the Scheme can access information about their pension online via the Scheme's website. This website address is www.avxlimitedpensionscheme.com

A "retirement process" guide is available on the website and we encourage all members to familiarise themselves with it. This document will educate members on the process in the lead up to retirement.

10. Staying in touch

The Trustees will continue to meet regularly to monitor the progress of the Scheme.

The member-nominated trustees are Simon Cunday, Peter Fenwick and Wilbert McIlmoyle. They are keen to ensure that you remain in touch with them and their contact details are:

Simon Cunday:

Telephone: 01803 401766

E-mail: simon-cunday@blueyonder.co.uk

Peter Fenwick:

Telephone: 01803 782723

E-mail: peterfenwick68@yahoo.co.uk

Wilbert McIlmoyle

Telephone: 02870 340447

E-mail: wilbert.mcilmoyle@avx.com

If you have any questions or concerns which you would like to be addressed via the Company, your contact is:

Ms Helen McCann
HR Manager
AVX Limited
Hillmans Way
Coleraine
BT52 2DA

Telephone: 02870 340661

E-mail: helen.mccann@avx.com

Your contact at Mercer, the advisers for the AVX Scheme, is

Lauren Cairnross

Telephone: +44(0) 141 248 5511

E-mail: glasgowteam4@mercer.com

