

JMGUK Pension Scheme Trustee's Report

**Trustee's Report to Members
for the period ended 5 April 2024**

2024

JMGUK Pension Scheme
Loxley House, 2 Oakwood Court
Little Oak Drive, Annesley
Nottingham, NG15 0DR

A MESSAGE FROM THE TRUSTEE

A very warm welcome to the annual newsletter. We hope you had a good summer as the years keep rushing by. This last year has been another busy period for the Trustee Board, as the UK pensions landscape has been impacted by a series of events: the Ukraine conflict, fluctuating energy prices, rising interest rates and more recently the change in government who have a particular focus on pensions, with retirement security and increasing pension scheme investment in the UK economy high on their agenda.

Also, and in the normal manner, this Newsletter includes information on the investment and funding arrangements, and highlights of the Scheme's assets. Please note that the numbers reported are from the annual accounts which are in draft form. The Trustee does not anticipate significant, if any, difference from the numbers contained within the newsletter.

Finally for legal reasons, as you will see explained below, the Scheme name has had to change. We will now be called JMGUK Pension Scheme and future communication will use this name.

THE TRUSTEE DIRECTORS

The Trustee Directors of the Scheme are responsible for looking after both your interests and the long-term health of the Scheme. The Scheme continues to demonstrate excellent governance, is in good long-term health and remains fully committed to steering a long-term course. During the year the Scheme moved to a Professional Corporate Sole Trustee, recognising the increasing complexity of pension schemes and the risk to individuals in taking on this responsibility. The Company agreed to appoint PAN Trustees UK LLP to this role effective from 7 May 2024.

The current Directors of JMGUK Pension Trustees Limited are:

Raymonde Nathan	Independent Trustee – Director and Chairman
Kate Whittingham	Trustee Director on behalf of PAN Trustees UK LLP

During the year, the following all left Jardine Motors Group UK and resigned as a Trustee Director:

Mark Finch	25 March 2024
Clare Wright	14 March 2024
Sharron Cannon	7 May 2024

During the year Andrew Ward also resigned on 7 May 2024, after many years as a Member Trustee. Chuck Lietz also resigned as a Trustee Director on 7 May 2024 but remains at Lithia UK.

The Trustee thanks Mark, Clare, Sharron, Andrew, and Chuck for all their excellent work over many years as Trustee Directors and wish them well for the future.

Following the acquisition of JMG UK by Lithia Motors Inc., explained in “The Wider Industry” section below, the Company is no longer permitted to use the name Jardine and so, with effect from 18 May 2024, the name of the Trustee Company changed from Jardine Motors Pension Trustees Limited to JMGUK Pension Trustees Limited. The Scheme name has also changed from the Jardine Motors Group UK Pension Scheme to the JMGUK Pension Scheme, effective 1 September 2024.

ACQUISITION OF MERCER'S ADMINISTRATION BUSINESS

On 1 January 2024, Aptia purchased Mercer's UK pension administration services business, including the administration services Mercer previously provided for JMGUK Pension Scheme.

Aptia is a new company which was formed following the purchase of the US health and benefits administration and UK pension administration businesses of Mercer. Launched with support from Bain Capital Insurance, this new company combines the two businesses purchased from Mercer and will continue to provide service and support to more than 5 million people across over 1,100 clients.

You may have begun to see changes in branding from July 2024 including changes to regular and ad-hoc communications and the online portals. Aptia is in the process of rebranding all communications with pension scheme members and all the information that you are used to receiving from Mercer is going to change to the new green and blue branding of Aptia.

You may also see or receive communications in both Mercer and Aptia branding for a period, and this is not something to be concerned about.

Please be assured that you do not need to take any action.

In the interests of being transparent, the Trustee has reviewed the services here as there has been concern over the quality. A move away from the newly formed Company is being planned and more details are set out in this newsletter.

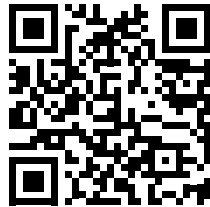
CONTACT APTIA ADMIN

The easiest way to contact the current Scheme administrator, Aptia, is using Contact Aptia Admin. The website address is: <https://pensionuk.aptia-group.com/>

where you or your advisor can:

- Raise a new request or ask a question
- Upload photos or scanned copies of original documents and completed forms
- Request updates
- Refer to their Frequently Asked Questions page for quick answers to your queries

You can alternatively scan the QR code below to access the site directly.



If you would like to speak to Aptia, please call 0345 074 4062 to speak to their UK based team. Lines are open between 9.00am and 5.00pm, Monday to Friday. Please have your National Insurance number ready so that they can deal with your enquiry quickly.

THE FUTURE OF YOUR ADMINISTRATION SERVICE

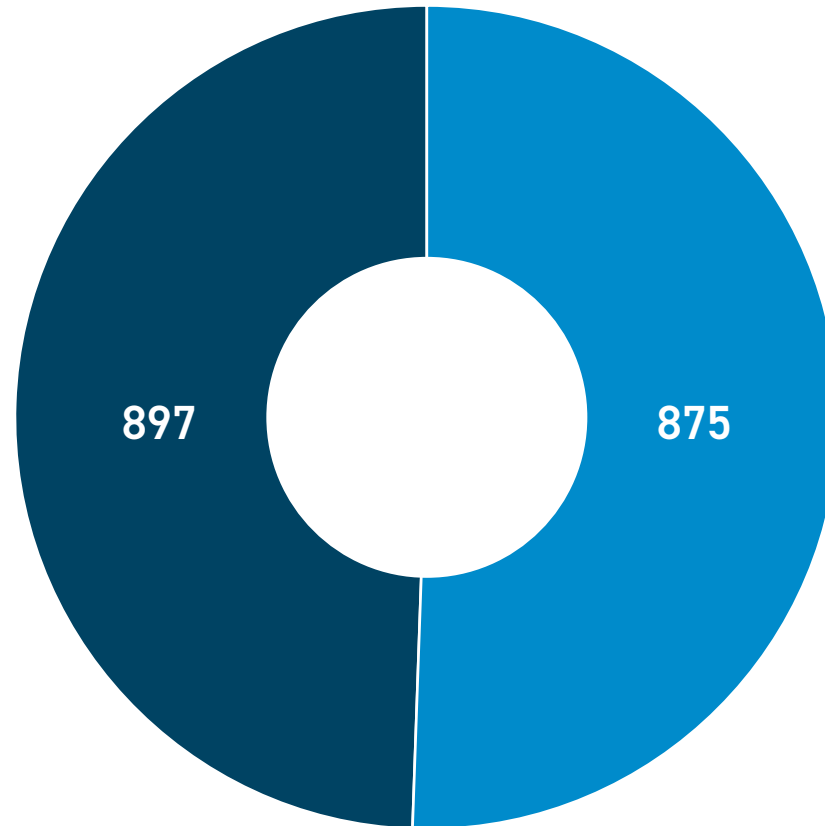
With support from the company, the Trustee has decided to change the way in which the administration will be delivered to you from next year.

This change is being made to support the long-term strategy of the pension scheme and align the administration services with other Group services.

A company called Isio has been selected by the Trustee to provide the administration services from early next year. Isio is a leading independent UK provider of actuarial consulting, pensions administration, investment advisory, reward and benefits and wealth management services. They have a national team of more than 1,000 staff 10 offices in the UK.

The Trustee will work collaboratively with Isio to ensure the service is safely moved from Aptia and we are excited about what the future service can deliver from next year. You do not need to do anything now and there will be communications to you nearer the time to provide you more details about our new partner.

THE SCHEME'S MEMBERSHIP – 5 APRIL 2024



● Pensioners: 897 ● Deferred: 875

THE SCHEME'S ASSETS – 5 APRIL 2024

A summary of the draft 5/4/24 accounts is provided below.

Scheme assets at 5 April 2023	£148,237,616
Contributions & other income	£3,162,799
Investment returns	(£3,264,078)
Benefit payments & transfers out	(£7,030,092)
Scheme assets at 5 April 2024	£141,106,245

NOTE: As explained in the "Investment Strategy – Navigating the Year" section, whilst the value of the Scheme's assets reduced over the year, they did so because of the Liability Driven Investment (LDI) element of the investment portfolio – i.e. it is expected that Scheme assets will fall in value during a time of increasing gilt yields (interest rates). Broadly speaking there will have been a corresponding reduction in the value of the Scheme's liabilities. This means all other things being equal, we will have had an improvement in funding position and the Scheme's position remains healthy.

INVESTMENT STRATEGY – NAVIGATING THE YEAR

Year to 2024

The Scheme entered the year in a healthy position having successfully weathered the financial turmoil following the government's 'mini budget' and with the Trustee negotiating a £25m cash injection as part of the Lithia Motors Inc. acquisition. This enabled the Trustee to reduce the level of return targeted by the Scheme and move towards a lower-risk investment portfolio.

Over the year, stock markets generally delivered positive returns and so the Scheme's diversified assets benefitted against this backdrop. Like last year, but to a much lesser extent, interest rates continued to rise as central banks sought to bring inflation back under control. The Scheme's investment strategy continues to utilise an LDI allocation, which provides protection against changes in interest rates and inflation which affect the value of the liabilities. So, with rising interest rates, a portion of the Scheme's investments reduced in value to reflect the corresponding reduction in the value placed on the Scheme's liabilities.

Overall, as the Scheme exited the year, the position remains a healthy one: well-funded with assets exceeding liabilities, and a lower-risk investment strategy in place. The Trustee, working with its investment advisor, continues to evolve and refine the Scheme's investments to better manage risks.

The Scheme's Statement of Investment Principles is available to view at:

<https://www2.stratstone.com/site/important-information/>

ACTUARIAL VALUATION

An actuarial valuation checks the financial health of the pension scheme. It looks at the scheme's assets and liabilities to ensure we can meet our long-term commitments to you. A full actuarial valuation is carried out at least every three years. The previous one, as at 5 April 2023, is now finalised.

Enclosed within this Newsletter you will find a Summary Funding Statement, which provides more information on the funding assessment of the Scheme at 5th April 2023.

2024

THE WIDER INDUSTRY

Abolition of Lifetime Allowance from April 2024

The Lifetime Allowance, which limits the amount of total pension savings that an individual can draw from pension schemes without incurring significant tax penalties, has been abolished from 6 April 2024. With the removal of the LTA, two new allowances are introduced – the Individual's Lump Sum Allowance (LSA) and the Individual's Lump Sum and Death Benefit Allowance (LSBDA) with limits of £268,275 and £1,073,100, respectively. The Scheme's administrators have embedded this change into their processes.

Increasing Normal Minimum Pension Age

The Normal Minimum Pension Age (NMPA), which is the minimum age at which most individuals can access their pensions without incurring an unauthorised payments tax charge, is increasing from age 55 to 57 effective 6 April 2028. This will not impact individuals who are retiring from ill health or have a protected pension age. This change is being made to help ensure that the UK pensions system remains sustainable as life expectancies increase. Please note that you do not need to take any action as a result of this change, and there will be no changes to your benefits in the Scheme.

Pension Dashboards

The pensions dashboard will allow individuals to access their pensions information online, safely, and securely and all in one place. This will include information about your State pension as well as private pensions. The pensions dashboard will never hold any of your personal data but rather connect with your Pension Providers and Pension Schemes who will send information, which you request, directly to your pensions dashboard which is only accessible by yourself. The JMGUK Pension Scheme is required to connect to the new pensions dashboard ecosystem by 31 October 2027.

Acquisition of JMGUK - Lithia

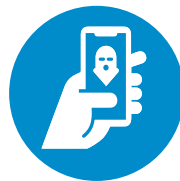
As set out in last year's version of the pension's newsletter, in March 2023 JMG UK was acquired by Lithia Motors Inc.. During the sale process a £25 million cash injection into the Scheme was secured as explained in the "Investment Strategy – Navigating the Year" section.

THE WIDER INDUSTRY

Scam aware – protect your savings

Each year we remind you to be wary of potential pension scams. This is now more important than ever as there has been a significant increase in scammers targeting pension pots of all sizes. Please be extremely wary of any uninvited approaches about your pension savings. These could be by telephone, email or text and may pretend to be from a legitimate source, such as HMRC.

Scammers can be articulate and financially knowledgeable, with credible websites, testimonials and materials that are hard to distinguish from the real thing. Scammers design attractive offers to persuade you to transfer your pension pot to them or to release funds from it. It is then invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry, storage units, or simply stolen outright.



If you suspect a scam, you can report it to the following:

The Trustee at Contact Aptia Admin:
<https://pensionuk.aptia-group.com/>
Or

Financial Conduct Authority (FCA): By contacting their Consumer Helpline on 0800 111 6768 or using the reporting form at www.fca.org.uk

Or
Action Fraud: On 0300 123 2040 or at
www.actionfraud.police.uk

More information can also be found on;
<https://www.thepensionsregulator.gov.uk/en/pension-scams>

Four simple steps to protect yourself:

1. Reject unexpected offers
2. Check who you're dealing with
3. Don't be rushed or pressured
4. Get impartial information or advice

The Trustee urges all members to exercise extreme caution and visit
www.fca.org.uk/scamsmart

LOOKING AFTER MEMBERS

Please don't forget to inform us if you change your:

- Name or home address
- Bank or building society
- Marital status



EXPRESSION OF WISH FORM – IMPORTANT DOCUMENT FOR YOUR DEPENDANTS

We are taking this opportunity to remind you of the need to ensure that your 'Expression of Wish form' is up-to-date. The form will indicate to whom you would like any lump sum benefits to be paid in the event of your death.

Should you wish to make any amendments to your existing form, an 'Expression of Wish' form has been included. The Trustee strongly urge you to complete and return the enclosed form to:

Aptia
Post Handling Centre
Maclaren House
Talbot Road
Stretford
Manchester M32 0FP

GENERAL INFORMATION

1. If you have any queries or would like further information, please contact the Payroll Department via email at <mailto:jardine.payroll@jardinemotors.co.uk>
2. The Scheme has been registered with the Registrar of Pension Schemes, whose purpose is to provide a pension tracing service to help people find their previous pensions.
3. In July 2024 there was an update to the privacy notice which is now available to view online at <https://www2.stratstone.com/site/privacy-notice/>
4. The JMGUK Pension Scheme has a Dispute Resolution Procedure in place in accordance with the Pensions Act 1995 and 2004. If you have a complaint that cannot initially be resolved by the Scheme Administrators or the HR/Payroll team, the Pensions Advisory Service is available to assist members and beneficiaries. Should they not be able to help there is ultimate recourse to the Pensions Ombudsman who has been appointed to investigate and determine complaints relating to occupational pension Schemes.

Both The Pensions Advisory Service and the Pensions Ombudsman can be contacted at: 11 Belgrave Road, London, SW1V 1RB.

At the initial stage, if you have not been able to resolve a concern, please contact Mrs Sharron Cannon, <mailto:jardine.payroll@jardinemotors.co.uk> for an informal talk. The duties and powers of the Trustees and details of benefits to be provided by the Scheme are set down in the Trust Deed and Rules. Copies are available on request from the Payroll Department at the above address.

**Issued by the Trustee Directors of
JMGUK Pension Scheme
September 2024**

**The PENSIONS
Advisory Service**



JMGUK PENSION SCHEME EXPRESSION OF WISH FORM

2024

Surname	
Forename(s)	
National Insurance Number	
Reference	

In the event of my death, I wish the discretion under the Scheme rules to be exercised so that the Trustees will apply any death benefit arising under the Scheme for the benefit of the following person(s) in the percentage(s) shown (total percentages not to exceed 100%):

1. Name		2. Name	
Address		Address	
Relationship		Relationship	
Percentage		Percentage	

3. Name		4. Name	
Address		Address	
Relationship		Relationship	
Percentage		Percentage	

If there are any other persons, you would like to add please complete details on a separate page.

JMGUK PENSION SCHEME EXPRESSION OF WISH FORM

2024

Important Note:

This form must be placed in an envelope and your name, date of birth, the Scheme name and date this form was signed should be clearly marked on the front of the envelope.

The information provided on this form will only be used to help the trustees to determine who is eligible for any death benefit arising under the Scheme. You can find out more information about when, why, and how the trustees collect and use personal data by asking us for a copy of their fair processing notice (privacy notice). If you would like a copy of this notice, please write to the address given on our letter.

In completing this form, we ask you to provide information about your relationship to the people you have listed on the form. In doing so you may reveal information relating to your sexual orientation and/or other sensitive information and that of the people named on this form. Data protection regulation requires that the trustees obtain explicit consent from those people whose sensitive information has been shared with the trustees before they can use that information.

Therefore, you should take steps to inform those named on this form that you:

- are disclosing their details to the trustees;
- obtain their consent to do so; and
- provide them with a copy of the trustees fair processing notice (privacy notice)

The people listed have the right to withdraw their consent at any time. Please contact us if anyone named on this form wishes to withdraw their consent and we will tell them about the possible consequences of withdrawing consent at that time.

Declaration:

I understand that this is only an expression of wish which is not binding on the Trustees, and which may at any time be revoked or revised by completing a further Expression of Wish Form.

I confirm that I have read and understood the Important Note above and provide my consent for the trustees to use this information for the purposes described above.

Signed:

Date:

JMGUK Pension Scheme

Loxley House, 2 Oakwood Court
Little Oak Drive, Annesley
Nottingham, NG15 0DR

2024

JMGUK
Pension Scheme
**Summary Funding
Statement**

2024

SUMMARY FUNDING STATEMENT

We recommend you read this statement as it contains important information about your pension. We are responsible for providing you with a summary funding statement from time to time to let you know about the scheme's financial security and the funding of the scheme. The information in this summary is based on the valuation that was carried out as at 5 April 2023.

If you have any questions about the contents of this statement then please contact us at the address below.

Trustees of the Jardine Motors Group UK Pension Scheme

**C/o Mercer Limited
Post Handling Centre
Maclaren House
Talbot Road
Stretford
Manchester
M32 0FP**

Please ensure that correspondence to Mercer is sent to the address above (and not to any other address which may appear on previous correspondence) quoting the reference "summary funding statement" along with your full name, National Insurance number and pension scheme name.

HOW IS MY PENSION PAID FOR?

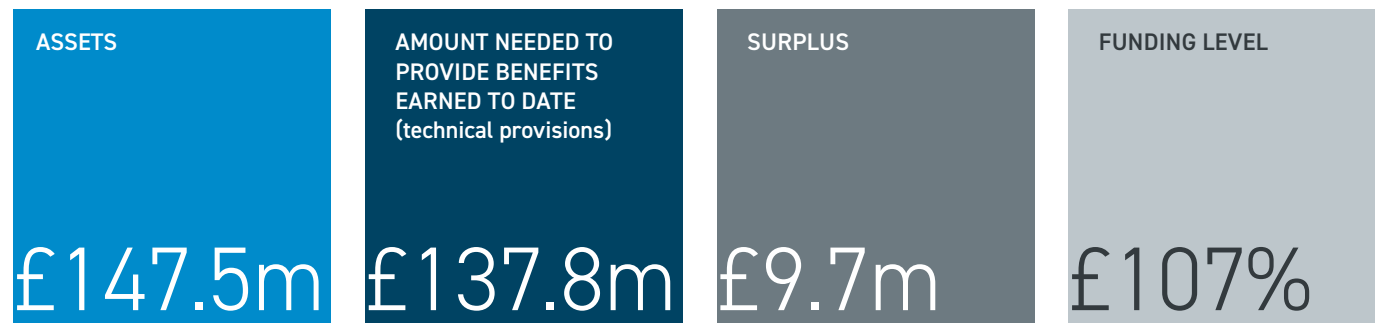
Your benefit entitlement under the scheme is calculated using a formula based on your earnings and length of active membership of the scheme. This calculation is carried out at your retirement or earlier date of leaving service and you are advised of the amount of your benefit at that time. Your pension does not come from a pot of money held in your name but comes from a larger pool of money put aside with the aim of meeting all of the scheme's future pension payments.

All contributions and investment income are held in this common fund and make up the scheme's assets. The assets of the scheme are mainly invested in Liability Driven Investments with Insight and a Diversified Growth Fund with Towers Watson Investment Management Limited. Further details of the scheme's investment strategy are given in the statement of investment principles, which is available on request, or online at:

<https://www2.stratstone.com/site/important-information/>

HOW WELL FUNDED IS THE SCHEME?

The latest valuation of the scheme showed that on 5 April 2023 the funding position was as follows:

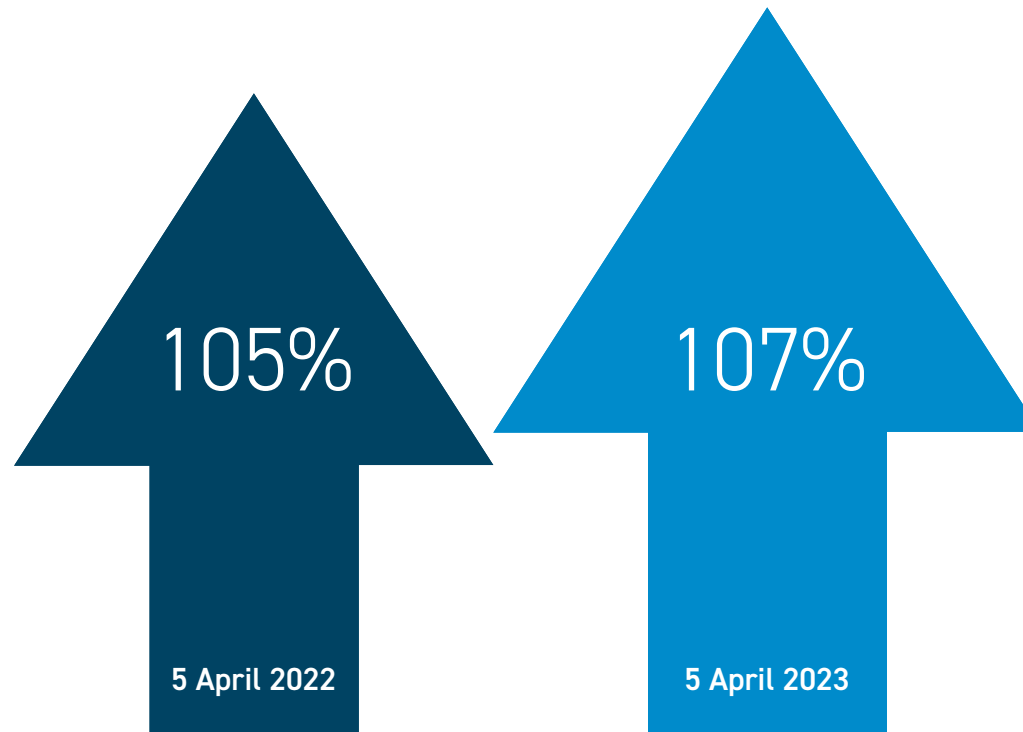


The above figures include an allowance of 2% of liabilities for the additional liabilities or costs that have arisen due to sex inequality of benefits that results from unequal Guaranteed Minimum Pensions, as confirmed by the judgment in the case of Lloyds Banking Group Pensions Trustees Limited v Lloyds Bank PLC and others.

CHANGE IN FUNDING POSITION

The funding level has increased from 105% at the latest approximate update as at 5 April 2022 to 107% at the latest valuation as at 5 April 2023. This is largely due to the material increase in the yield on government bonds, which has resulted in a significant reduction in the value placed on liabilities, plus a one off employer contribution of £25m.

This has been partially offset by the change in the assumptions used to value the liabilities, which have been updated to reflect the lower expected return from the assets, increasing the value of the liabilities, as well as lower than expected returns on the scheme's assets.



HOW WILL THE SHORTFALL BE MET?

As the scheme had a surplus as at 5 April 2023, there is no requirement on the employer to make regular contributions to the scheme. The employer will continue to pay the PPF levy and management and administration expenses.

We have agreed a funding plan with the employer that aims to make sure there is enough money in the scheme to pay for pensions now and in the future.

The amount of money that the employer pays into the scheme may go up or down following regular funding checks by the actuary (known as actuarial valuations), which are carried out at least every three years. Following each actuarial valuation, we come to an agreement with the employer on future contributions, which allow for making good any shortfall over an agreed timescale.

These matters are documented in the statement of funding principles, recovery plan and schedule of contributions. A copy of these documents is available on request.

We have not made any payments to the employer since the last summary funding statement was produced.

Under the provisions of the Pensions Act 2004, the Pensions Regulator has the authority to:

- Change the rate at which members earn benefits.
- Instruct a pension scheme on how to value members' benefits.
- Set a deadline for making good the shortfall.
- Set the future level of contributions.

Such a course of action is rare and has not occurred for this pension scheme.

WHAT WOULD HAPPEN IF THE SCHEME STARTED TO WIND UP?

Please be reassured that it is a legal requirement to provide this information and does not imply that the employer has any intention to wind up the scheme.

The valuation as at 5 April 2023 showed that the assets could not have paid for the full benefits of all members to be provided by an insurance company if the scheme had wound up at that date, with the funding level on this basis being 89%. The shortfall on this basis was £18,700,000. If the scheme were to terminate, the law requires the employer to pay sufficient money to the trustees so that we can purchase the full benefits built up in the scheme with an insurance company.

It may be, however, that the employer would not be able to pay this full amount. If the employer became insolvent, the Pension Protection Fund might be able to take over the scheme and pay compensation to members.

Further information and guidance is available on the PPF website at www.ppf.co.uk.

Alternatively, you can write to the Pension Protection Fund by emailing: information@ppf.co.uk

THE IMPORTANCE OF THE EMPLOYER'S SUPPORT

Our objective is to have enough assets to pay pensions now and in the future. However, success of the funding plan relies on the employer continuing to support the scheme because:

- The employer will be paying the future expenses of running the scheme on an annual basis.
- The funding level can fluctuate and where there is a funding shortfall the employer will usually need to put in more money.
- The target funding level may turn out not to be enough so that the employer may need to put in more money.

EXPRESSION OF WISH FORM AND CHANGES OF ADDRESS

We take this opportunity to remind you of the need to ensure that your “expression of wish form”, indicating who you would like lump sum benefits to be paid to in the event of your death, is kept up to date.

Please contact Mercer if you want to update this form or if you have changed address.

JMGUK PENSION SCHEME **2024**
EXPRESSION OF WISH FORM

Surname	
Forename(s)	
National Insurance Number	
Reference	

In the event of my death, I wish the discretion under the Scheme rules to be exercised so that the Trustees will apply any death benefit arising under the Scheme for the benefit of the following person(s) in the percentage(s) shown (total percentages not to exceed 100%):

1. Name	2. Name
Address	Address
Relationship	Relationship
Percentage	Percentage

3. Name	4. Name
Address	Address
Relationship	Relationship
Percentage	Percentage

If there are any other persons, you would like to add please complete details on a separate page.

JMGUK PENSION SCHEME **2024**
EXPRESSION OF WISH FORM

Important Note:
This form must be placed in an envelope and your name, date of birth, the Scheme name and date this form was signed should be clearly marked on the front of the envelope.
The information provided on this form will only be used to help the trustees to determine who is eligible for any death benefit arising under the Scheme. You can find out more information about when, why, and how the trustees collect and use personal data by asking us for a copy of their fair processing notice (privacy notice). If you would like a copy of this notice, please write to the address given on our letter.
In completing this form, we ask you to provide information about your relationship to the people you have listed on the form. In doing so you may reveal information relating to your sexual orientation and/or other sensitive information and that of the people named on this form. Data protection regulation requires that the trustees obtain explicit consent from those people whose sensitive information has been shared with the trustees before they can use that information.

Therefore, you should take steps to inform those named on this form that you:

- are disclosing their details to the trustees;
- obtain their consent to do so, and
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The people listed have the right to withdraw their consent at any time. Please contact us if anyone named on this form wishes to withdraw their consent and we will tell them about the possible consequences of withdrawing consent at that time.

Declaration:
I understand that this is only an expression of wish which is not binding on the Trustees, and which may at any time be revoked or revised by completing a further Expression of Wish Form.
I confirm that I have read and understood the Important Note above and provide my consent for the trustees to use this information for the purposes described above.

Signed: _____
Date: _____



WHERE CAN I GET MORE INFORMATION?

Please contact Mercer at the address given earlier if you have any questions, or would like any more information including a copy of the scheme booklet, trust deed and rules, actuarial valuation, statement of funding principles, schedule of contributions, actuarial report, statement of investment principles which is also available online at:

<https://www2.stratstone.com/site/important-information/> or annual report & accounts. These can be viewed free of charge but, if you require a copy, this may involve a charge to cover copying and posting for some of the items.

Important: *If you are thinking of leaving the scheme for any reason you should always consult a professional advisor, such as an independent financial adviser, before taking any action.*

September 2024

JMGUK Pension Scheme
Summary Funding Statement

2024