



Nuffield Health Pension & Life Assurance Scheme

Chair's Statement

1 April 2021 to 31 March 2022

Contents

01	Introduction	4
	Governance and Queries	4
02	Default Investment Strategy	5
	02.01 The default investment option	5
	02.02 Reviewing the default investment arrangement	5
03	Net returns, charges and transaction costs	6
	03.01 Net Returns	6
	03.02 Fund Performance	6
	03.03 Self-select Funds	6
	03.04 Investment Manager Charges	7
04	Core financial transactions	9
	04.01 Assessing Core Transactions	9
	04.02 Administration	9
05	Value for Members	10
	05.01 Assessment of Value	10
06	Trustee Knowledge and understanding	12
	06.01 Knowledge and understanding of the Trustee	12
	06.02 Trustee Training	12
	06.03 Conclusion	12
07	Conclusion	13
	Appendix A Projections	14
	Projections continued	15
	Projections continued	16
	Projections continued	17
	Projections continued	18
	Appendix B Statement of Investment Principles	19

Disclaimers, confidentiality and non-disclosure

This Statement has been commissioned by the Trustee of the Nuffield Health Pension & LA Scheme. The intended users of this note are the Trustee Directors and Scheme members. Its scope and purpose is to provide the Trustee with a report that can be shared with members to demonstrate the governance of the Scheme is in line with legislation which requires the publication of an annual Chairman's Statement. In preparing this Statement and illustrations, the Trustee has had regard to:

- The Occupational Pension Schemes (Scheme Administration) Regulations 1996;
- The Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018;
- The Pensions Regulator's Code of Practice number 13 on 'Governance and administration of occupational trust-based schemes providing money purchase benefits'; and
- The Pensions Regulator's quick guide to the Chair's Statement and the Technical Appendix.

We have used the information that Schroders have supplied to us in their report titled "Defined Contribution (DC) Section Governance Statement", as well as other public information as specified in the Statement, which we have accepted without independent checking. We do not accept responsibility for any errors that may arise that are due to such information being incorrect. We are not lawyers. If you believe that you require legal advice then you must consult an appropriately qualified professional. This advice may not be shared with any other party without our prior written consent, except to comply with statutory requirements. No parties other than the Trustee may rely on or make decisions based on this advice (whether they receive it with or without our consent). XPS Pensions Group plc and its subsidiaries ("XPS Pensions Group") and any employees of XPS Pensions Group acknowledge no liability to other parties. This advice has no wider applicability. It is not necessarily the advice that would be given to another client or third party whose objectives or requirements may be different. This advice is up to date as at the date of writing and will not be updated unless we confirm otherwise. We retain all copyright and intellectual property rights.

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XPS Investment Limited is authorised and regulated by the Financial Conduct Authority for investment and general insurance business (FCA Register No. 528774).

01 Introduction

£45.4m

Total defined contribution funds in the Scheme.

This is the Chair's Statement for the Nuffield Health Pension & LA Scheme covering the period 1 April 2021 to 31 March 2022.

As the Chair of the Trustee, I provide you with a yearly Statement which explains what steps have been taken by the Trustee Board, with help from our professional advisers, to meet the governance standards. The law sets out what information has to be included in my Statement and this is designed to help members achieve a good outcome from their pension savings.

The Scheme is a hybrid pension arrangement and the Final Salary Section closed on 31 May 2007 and a new Money Purchase Section was opened on 1 June 2007 for the members who were active at that date.

The Money Purchase funds now held in the Scheme relate to benefits in respect of Money Purchase benefits and Additional Voluntary Contributions ("AVCs"). The total value of these funds as at 31 March 2022 is £45,402,162.

This statement covers the following:

- Net returns, member borne charges and transaction costs;
- Processing core financial transactions;
- Value for members, and
- Trustee knowledge and understanding

Governance and Queries

The Trustee Board is committed to having high governance standards and meets regularly to monitor the controls and processes in place in connection with the Scheme's investments and administration.

I welcome this opportunity to explain what the Trustee does to help ensure the Scheme is run as effectively as it can be. If you have any questions about anything that is set out below, or any suggestions about what can be improved, please do contact the Trustee C/O XPS Administration, Albion, Fishponds Road, Wokingham, RG41 2QE.

I, Doug Ross, am signing this Statement as the Chair of the Scheme.

02 Default Investment Strategy

Statement of Investment Principles (SIP)

A copy of the SIP, which sets out the objectives for the Scheme's investment strategy, can be found in Appendix B

23 August 2022

The most recent review of the fund range and default arrangement's strategy was conducted during the 2019/20 Scheme year

02.01 The default investment option

The Trustee has established a default arrangement known as the 'Nuffield Lifestyle Default Option' for members who do not choose to invest their DC fund in a specific way. The funds within the default arrangement are chosen in order to reduce the impact of large investment falls or market crashes, aiming to provide a smoother investment experience, while at the same time aiming to grow at a rate higher than inflation over the longer term.

The default arrangement invests in a pre-determined investment strategy, which gradually moves member assets across four blended funds (the Long-Term Growth Fund, Stable Growth Fund, Cautious Growth Fund and Retirement Focus (Cash) Fund) over the time, to the member's chosen retirement date. As the member's retirement date approaches, the asset mix aims to protect the value of the member's retirement pot to a greater extent.

02.02 Reviewing the default investment arrangement

The Trustee is expected to review the investment strategy and objectives of the default investment option at regular intervals. The Trustee regularly monitors the investment performance and considers how members are accessing their benefits, when assessing the default investment option.

A review of the Nuffield Lifestyle Default Option, including a review of the performance of the underlying funds, was completed in the 2018/19 Scheme year, and the proposed changes were implemented during the 2019/20 Scheme year. The review considered the needs of the Scheme membership, aiming to ensure that the arrangement remained appropriate, including looking at where members have chosen to invest. The characteristics of members who use the Nuffield Lifestyle Default Option were also considered. The Trustee also considered the range and value of the funds on offer to members. Furthermore, as part of a review of the DC Fiduciary Manager (Schroders) in 2021, a high-level review of the default strategy was completed and resulted in a reduction of the charges levied on the Nuffield Lifestyle Default Option of 0.1%. The next full strategy review is due to be carried out during the 2022/23 Scheme year.

On the advice of Schroders, the Scheme's investment advisers, the Trustee has reviewed their paper entitled "Defined Contribution (DC) Section Governance Statement" dated March 2022, alongside the Scheme's investment objectives and the performance of the DC and AVC investments to ensure that they are still appropriate given the Trustee's investment duties. No immediate concerns were raised about the suitability in respect of the Nuffield Lifestyle Default Option.

By commissioning a Value for Members Assessment, the Trustee has looked at the level of risk and number of investment funds offered to members, changing long-term investment market conditions and the investment products and techniques available in the marketplace.

During the period covered by the Statement, the Trustee has, via the Value for Members Assessment, also reviewed the performance of the underlying funds in the Nuffield Lifestyle Default Option against the aims and objectives set out in the Statement of Investment Principles (SIP). The Trustee believes they continue to meet these aims. This review included analysis of the fund returns against their benchmarks and consideration of general market trends.

03 Net returns, charges and transaction costs

03.01 Net Returns

Changes to legislation introduced in October 2021 require trustees of relevant occupational pension schemes to report on the net investment returns for the default arrangement(s) and for each fund in which scheme members are invested during the scheme year.

Net investment returns refer to the returns on funds after the deduction of all transaction costs and charges and including them in this statement is intended to help members understand how their investments are performing.

03.02 Fund Performance

Schroders provides the Trustee with quarterly investment performance information to monitor the investments, which it reviews and challenges in Trustee meetings. The Trustee raises performance questions directly with Schroders, the appointed investment adviser.

This table shows how the Nuffield Lifestyle Default Option has performed for members over the last one and five years (annualised):

	5 years (2017-2022)	1 year (2022)
Lifestyle Default Option	%	%
Age 25	6.5	6.9
Age 45	5.7	5.5
Age 55	4.9	4.2

Source: Schroders Governance Statement 31 March 2022. Figures are net of fees (Ongoing Charges Figure and Transaction Costs).

03.03 Self-select Funds

The fund performance for the range of Self-select funds is shown below for the past 5 years (annualised) and the last Scheme Year:

	5 years (2017-2022)	1 year (2022)
Self-Select Funds	%	%
Nuffield Global Equity	11.6	13.1
Nuffield Ethical Global Equity	12.2	17.1
Nuffield Corporate Bond Fund	1.7	(5.0)
Nuffield Long Gilt Fund	1.0	(7.1)
Nuffield Index-Linked Gilt Fund	3.1	4.9
Nuffield Cash Fund	0.3	0.0
Nuffield Retirement Focus (Annuity)*	-	(3.1)
Nuffield Retirement Focus (Invest into Retirement)*	-	3.1
Clerical Medical With Profits	4.2	9.1
Clerical Medical Cautious Pen	3	5.72
Clerical Medical Adventurous Pen	11.72	5.45
Clerical Medical International Growth Pen	10.1	18.72

Members may self-select their investment strategy, investing in any of these funds in whatever proportions they choose

Net Returns, charges and transaction costs

Continued

Clerical Medical Ethical	9.88	11.93
Clerical Medical Cash	0.0	0.0
Clerical Medical UK Index-Linked Gilt	2.16	2.2
Clerical Medical Gilt and Fixed Interest	0.33	(6.96)
Clerical Medical UK Property	6.6	24.6
Clerical Medical Retirement Protection	0.01	(9.56)
Clerical Medical Lifestyle Balanced	3.73	6.82
Clerical Medical Lifestyle UK Growth	2.41	8.75
Clerical Medical Halifax	0.0	0.0
Clerical Medical European	5.98	11.69

Source: Schroders Governance Statement 31 March 2022. Figures are net of fees (Ongoing Charges Figure and Transaction Costs)

*Funds were at inception from 24 June 2019

03.04 Investment Manager Charges

The Trustee has selected a range of funds which they believe to be appropriate for members of the Scheme. The funds are managed by Schroders and held by Mobius Life ("Mobius"), the Scheme's investment platform provider.

I am required to explain the charges and transaction costs (i.e. the cost of buying and selling investments in the DC elements of the Scheme) which are paid by members rather than the Nuffield Health (UK) Limited ("the Company"). All administration charges, for example the costs of XPS, other external advisers and general Trustee costs are met through expense contributions paid by the Company. The Scheme's members meet costs relating to investment management which are payable in accordance with investment management agreements entered into by the Trustee after receiving investment advice. The charges differ between the investment funds that are available.

Members may select their own investment strategy, investing in any of these funds in whatever proportions they choose. They also have the option of selecting the Nuffield Lifestyle Default Option.

The charges and transaction costs across all funds available to members during the Scheme year were:

Fund Name	Total Expense Ratio	Transaction Costs
	%	%
Default Investment Option		
Nuffield Lifestyle Default Option	0.58-0.41	0.13-0.00
Self-select Funds		
Nuffield Global Equity Fund	0.38	0.01
Nuffield Ethical Global Equity Fund	0.60	0.01
Nuffield Corporate Bond Fund	0.34	0.00
Nuffield Long Gilt Fund	0.34	0.00

Nuffield Index-Linked Gilt Fund	0.33	0.02
Nuffield Cash Fund	0.40	0.02
Nuffield Retirement Focus Fund (Annuity)	0.39	0.00
Nuffield Retirement Focus Fund (Invest	0.52	0.08
AVC Funds		
Clerical Medical With Profits	1.0	0.18
Clerical Medical Balanced Pen	0.70	0.22
Clerical Medical Cautious Pen	0.70	0.15
Clerical Medical Adventurous Pen	0.70	0.16
Clerical Medical International Growth Pen	0.70	0.11
Clerical Medical Ethical	0.70	(0.08)
Clerical Medical Cash	0.70	Not available*
Clerical Medical UK Index-Linked Gilt	0.70	0.14
Clerical Medical Gilt and Fixed Interest	0.70	0.05
Clerical Medical UK Property	0.70	0.0
Clerical Medical Retirement Protection	0.70	Not available*
Clerical Medical Lifestyle Balanced	0.70	Not available*
Clerical Medical Lifestyle UK Growth	0.70	0.27
Clerical Medical Halifax	0.70	0.0
Clerical Medical European	0.70	0.17

Source: Schroders Governance Statement 31 March 2022.

*Transaction costs not available as at date of signing the accounts

The Trustee compares the performance and charges of the DC Section on quarterly basis to make sure they remain competitive. The fees are noted to be broadly in line with similar providers, and hence the Trustee has no concerns about the fees. Furthermore, as part of a review of the DC Fiduciary Manager (Schroders) in 2021, a high-level review of the default strategy was completed and resulted in a reduction of the charges levied on the default arrangement of 0.1%.

04 Core financial transactions

04.01 Assessing Core Transactions

During the year, the Trustee ensured the requirements of Regulation 24 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 were met and that the Scheme's core financial transactions were processed promptly and accurately by:

- > having an agreement in place with XPS Administration (as Scheme administrator), committing them to defined service level agreements ("SLAs"). Amongst other matters, this covers the accuracy and timeliness of all core financial transactions which are normally completed with 15 working days;
- > having XPS Administration report on their performance against the SLAs above as a means of monitoring that the SLA requirements are being met and to cover what they do to ensure no issues arise; and
- > having the Scheme auditor independently test a sample of financial transactions for accuracy and timeliness as part of the annual audit process.

Where any error or issue is identified, the Trustee board takes appropriate steps to resolve and take action as required. I can confirm there were no material issues in the Statement period on which to report and 92% of all cases completed were done so within the service level agreed. Controls around administration and the processing of transactions are documented in the risk register which is regularly maintained and reviewed in order to minimise the occurrence of any issues and to understand any root cause.

The core financial transactions include:

- > The investment of DC contributions - The Scheme Administrator monitors the payment of contributions to the Scheme by the Company, ensuring that these are paid within statutory timescales. Any late payment outside these timescales is reported directly to the Trustees and appropriate action taken. The settlement of all DC funds is actioned promptly by the Administrator and the Trustees monitor the service standards of the Administrator;
- > The transfer of assets relating to members into and out of the DC or AVC arrangements - The Administrator maintains and reconciles comprehensive records of individual member's contributions and fund values. Contributions are invested within 5 working days of receipt. Any investments withdrawn or transferred to another scheme are processed within 12 working days following receipt of all relevant paperwork, subject to any investigations required where there is evidence of a pensions scam;
- > Monitoring of bank accounts – a robust review process for investment and banking transactions with agreed authorisation and checking levels is in place;
- > Payments to members – all payments out of the Scheme in respect of members' benefits are made in line with standard checks and agreed processes and authorisation levels to ensure any payment made is calculated correctly and in line with the Scheme's rules, legislation and also complies with HMRC rules and guidance. In addition, every effort is made to check for incidents of pension liberation fraud.

Noting the requirement for accurate member data to process payments correctly, the Trustee is taking steps to continually review and correct any problems with the member data which is held by the Scheme administrator.

04.02 Administration

The Trustee closely monitors the administration function to ensure members get the best service possible in order to provide good value for members. The Trustee regularly reviews service providers and, as part of this review, the Trustee carries out regular meetings with the

05 Value for Members

current providers to assess the quality and levels of service to ensure that the financial transactions which are important to members are dealt with promptly and accurately.

Over the period of review the Trustee considers the administration to have broadly contributed to the good value provided by the Scheme.

05.01 Assessment of Value

The Trustee has reviewed the 'Value for Members' (VFM) considering the latest guidance from the Pensions Regulator and Department for Work & Pensions for arrangements such as the Scheme. The Trustee has also taken advice from XPS Pensions on the VFM requirements and received a report from XPS Pensions in October 2022 considering whether the Scheme provides good value, which the Trustee has reviewed.

The Trustee's assessment has included the consideration of the member-borne costs and charges and the net returns for the Scheme's investment options (net of all costs and charges) against three comparator arrangements and undertaken initial discussions with one comparator on accepting the benefits of the Section should it be discharged (as required by regulation).

Against this objective, the Trustee has assessed the various elements of the money purchase funds as outlined below and have concluded that the Scheme represents good Value for Money for members for the following reasons:

- > the governance of the Scheme (which include the 'Trustees' knowledge and understanding', along with the general oversight and governance) are provided to a level which the Trustee considers as suitable and having provided good value. The Trustee Board considers the performance of the money purchase investments quarterly and discusses this in a meeting with the Investment Adviser, Schroders. Furthermore, the Board includes investment governance matters (e.g., SIP reviews / CMA reviews / Fiduciary Manager reviews) within their Annual Business Planner;
- > the Nuffield Lifestyle Default Option and AVC investment strategy continues to take account of the membership profile and aims to grow member pots while managing risk. The Trustee Board also considers the recommendations provided by the Investment Adviser, Schroders;
- > the net investment returns of the Lifestyle Default Option and self-select funds compare reasonably well against the comparator arrangements;
- > the costs and charges for the Lifestyle Default Option and self-select funds were occasionally higher than the comparator arrangements.
- > the investment options available give members access to a variety of asset classes in which to invest and which the Trustee Board believes add to the value provided to members of the Scheme;
- > the range of benefit options available to members at retirement are in-line with the member profile or other arrangements of this type, and members may access other options via transfer to other arrangements;
- > annual and ad hoc member communications (via for example benefit statements, an annual newsletter and a member online portal) provide members with clear and coherent information on their benefits and the options available to them;

Value for Members

continued

> the Trustee keeps its providers' service levels under review by checking performance against agreed 'Service Level Agreements'. For example, meetings are held with XPS to review their performance as third-party administrator on a quarterly basis to ensure that administrative performance meets the standard set by the Trustee.

06 Trustee Knowledge and understanding

06.01 Knowledge and understanding of the Trustee

The Trustee Directors are satisfied that they have complied with the knowledge and understanding requirements in section 248 of the Pensions Act 2004.

The Trustee Directors collectively bring a broad range of skills and experience in finance, communications, payroll administration, and organisational development to their roles and are fully conversant with the Scheme's documentation including the Trust Deed and Rules and Statement of Investment Principles.

The Trustee Board includes a Professional Independent Trustee providing the Board with professional knowledge of the law relating to pensions and trusts, principles of investment and the requirements for funding a pension scheme. In addition, the overall knowledge and understanding is boosted and evidenced by the Board's interaction with its advisers as shown in the Trustee Meeting minutes, and the governance framework established by the Trustee to review the performance of the Scheme.

The Trustee Board has access to all key Scheme documentation at all times via a secure online portal.

The Trustee has exercised its discretions and powers in line with the Trust Deed and Rules, current legislation and regulation and where required legal advice has been taken, demonstrating its working knowledge of the Scheme's Trust Deed and Rules.

06.02 Trustee Training

New Trustee Directors are expected to carry out the Pensions Regulator ('TPR') toolkit modules training and be fully conversant with the Scheme's documentation within 6 months. However, there were no new Trustee Directors in the period of this Statement.

A log of Trustee Director participation in training is maintained by Squire Patton Boggs (Scheme Lawyers), and training needs are regularly identified based on forthcoming projects and gaps in Trustee knowledge. The Trustee's legal, actuarial and investment advisers provide in-meeting training on new legislation, pension and market developments and literature published by TPR relating to its Codes of Practice, in particular Code of Practice no 13.

During the period covered by this Statement the Trustee Board had a number of training sessions including:

- > Pension Scams and The Pension Regulator's ("TPR's") Pledge training
- > The impact of climate change on investments
- > DC value for members assessments

06.03 Conclusion

As a result of the training activities which have been completed by the Trustee Directors, individually and collectively as a Board, and taking into account the professional advice available to the Trustee, I am confident that the combined knowledge and understanding of the Board enable us to exercise properly our functions as the Trustee of the Scheme.

07 Conclusion

“Overall, the conclusion is that the Scheme is continuing to deliver value for money to the members”

The annual production of this Statement provides members with a narrative of how the Trustee Board looks after members’ interests.

The Board will continue to monitor these key areas and report to members both in this annual Statement and other communications as appropriate. In conclusion, with the continual monitoring and the reviews detailed here the Chair and Trustee are pleased to be able to submit this report in compliance with the Chair’s Statement requirements, in the belief that in the reporting period the Scheme was operated and governed appropriately.

Signature	Date
[Doug Ross]	31 st October 2022

Name	Qualification
Doug Ross (Pi Consulting (Trustee Services) Limited)	Chair of Nuffield Health Pension Trustees Limited

Appendix A

Projections

Taken from the Schroders paper "Defined Contribution (DC) Section Governance Statement" dated 31 March 2022.

Below is an illustrative example of the cumulative effect over time of the application of charges and costs on the value of a member's accrued rights. The example outlines the effects of fund charges (the TERs above) and the transaction costs shown above across the DC Section's fund range.

Projected pension pot, in today's terms								
Years	Nuffield Lifestyle Default Option		Nuffield Long Term Growth Fund		Nuffield Stable Growth Fund		Nuffield Cautious Growth Fund	
	Gross of all charges	Net of TER and transaction costs	Gross of all charges	Net of TER and transaction costs	Gross of all charges	Net of TER and transaction costs	Gross of all charges	Net of TER and transaction costs
1	£13,300	£13,200	£13,300	£13,200	£13,200	£13,200	£13,200	£13,100
3	£20,500	£20,200	£20,500	£20,200	£20,300	£20,000	£20,100	£19,800
5	£27,900	£27,300	£27,900	£27,300	£27,500	£26,800	£27,000	£26,400
10	£48,800	£47,000	£48,800	£47,000	£47,300	£45,400	£45,900	£44,200
15	£72,700	£68,700	£73,500	£69,500	£70,300	£66,300	£67,300	£63,800
20	£99,300	£92,200	£102,400	£95,300	£96,700	£89,600	£91,300	£85,300
25	£129,900	£118,400	£136,300	£124,700	£127,000	£115,700	£118,400	£108,900
30	£162,900	£146,100	£175,900	£158,200	£161,600	£144,700	£148,700	£134,700
35	£198,100	£174,900	£222,000	£196,200	£201,100	£176,900	£182,600	£162,800
40	£225,300	£196,500	£275,600	£239,200	£246,100	£212,700	£220,400	£193,600

Projections continued

Projected pension pot, in today's terms

Years	Nuffield Retirement Focus Fund (Cash)		Nuffield Global Equity Fund		Nuffield Ethical Global Equity Fund		Nuffield Corporate Bond Fund	
	Gross of all charges	Net of TER and transaction costs	Gross of all charges	Net of TER and transaction costs	Gross of all charges	Net of TER and transaction costs	Gross of all charges	Net of TER and transaction costs
1	£12,800	£12,700	£13,200	£13,200	£13,200	£13,200	£12,900	£12,900
3	£18,500	£18,300	£20,300	£20,100	£20,300	£20,000	£19,000	£18,900
5	£23,900	£23,600	£27,500	£27,000	£27,500	£26,900	£24,800	£24,600
10	£37,100	£36,200	£47,300	£46,100	£47,300	£45,600	£39,600	£39,100
15	£50,000	£48,300	£70,300	£67,600	£70,300	£66,600	£54,700	£53,700
20	£62,500	£59,900	£96,700	£92,000	£96,700	£90,200	£70,100	£68,400
25	£74,800	£71,100	£127,000	£119,400	£127,000	£116,600	£85,900	£83,400
30	£87,000	£82,000	£161,600	£150,200	£161,600	£146,000	£102,000	£98,500
35	£99,000	£92,700	£201,100	£184,800	£201,100	£178,800	£118,500	£113,900
40	£111,000	£103,300	£246,100	£223,400	£246,100	£215,200	£135,500	£129,700

Projected pension pot, in today's terms

Years	Clerical Medical With Profits (highest Charging fund)	
	Gross of all charges	Net of TER and transaction costs
1	10,137	9,971
3	10,276	9,912
5	10,417	9,855
10	10,777	9,711
15	11,150	9,570
20	11,536	9,431
25	11,936	9,293
30	12,349	9,158
35	12,776	9,025
40	13,129	8,894

Projections continued

Projected pension pot, in today's terms								
Years	Nuffield Long Gilt Fund		Nuffield Index-Linked Gilt Fund (Lowest Charging fund)		Nuffield Cash Fund		Nuffield Retirement Focus (Annuity)	
	Gross of all charges	Net of TER and transaction costs	Gross of all charges	Net of TER and transaction costs	Gross of all charges	Net of TER and transaction costs	Gross of all charges	Net of TER and transaction costs
1	£12,800	£12,800	£12,900	£12,800	£12,800	£12,700	£13,300	£13,200
3	£18,600	£18,500	£18,800	£18,600	£18,500	£18,300	£20,500	£20,200
5	£24,100	£23,800	£24,400	£24,100	£23,900	£23,600	£27,900	£27,300
10	£37,600	£37,000	£38,500	£37,600	£37,100	£36,200	£48,800	£47,000
15	£50,800	£49,700	£52,500	£50,900	£50,000	£48,300	£72,700	£68,700
20	£63,800	£62,100	£66,500	£64,000	£62,500	£59,900	£99,300	£92,200
25	£76,700	£74,200	£80,600	£76,900	£74,800	£71,200	£129,900	£118,400
30	£89,500	£86,200	£94,800	£89,800	£87,000	£82,100	£162,900	£146,100
35	£102,200	£98,000	£109,100	£102,600	£99,000	£92,900	£198,100	£174,900
40	£115,000	£109,800	£123,500	£115,400	£111,000	£103,400	£226,600	£197,800

Projected pension pot, in today's terms		
Years	Nuffield Retirement Focus (Invest into Retirement)	
	Gross of all charges	Net of TER and transaction costs
1	£13,300	£13,200
3	£20,500	£20,200
5	£27,900	£27,300
10	£48,800	£47,000
15	£72,700	£68,700
20	£99,300	£92,200
25	£129,900	£118,400
30	£162,900	£146,100
35	£198,100	£174,900
40	£234,200	£203,800

Projections continued

Notes:

- Values shown are estimates and are not guaranteed;
- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation;
- Transaction costs used are an average of previous years' transaction costs (up to 5 years, but in this case 3 years of data has been used based on data availability), having regard to the Department for Work and Pensions' guidance noted in the bullet above (and any future guidance);
- Assumes inflation of 2.5% per annum;
- Assumes a starting pot size of £10,000;
- Assumes a member is aged 25 years old now and stops contributing at age 65;
- Assumes charges in future years are equal to charges today;
- Assumes an overall contribution rate of 12% of annual salary at all ages, the £ amount of which increases in line with assumed salary inflation;
- Assumes a member salary of £25,000 in Year 0, increasing at 1% per annum above inflation (with the exception of Clerical Medical With Profit Fund).

Projections continued

The accumulation rates used, as set out below, are calculated in line with Actuarial Standard Technical Memorandum (AS TM1), the same document which governs the calculation of projections on annual benefit statements. The accumulation rates assumed for the projections are as follows:

	Fund	Real accumulation rate per annum (gross of charges)
Default Lifestyle Funds	Nuffield Long Term Growth	2.7%
	Nuffield Stable Growth	2.2%
	Nuffield Cautious Growth	1.7%
	Nuffield Retirement Focus (Default)	(1.8%)
Self-Select Funds	Nuffield Global Equity	2.2%
	Nuffield Ethical Global Equity	2.2%
	Nuffield Corporate Bond Fund	(0.7%)
	Nuffield Long Gilt Fund	(1.6%)
	Nuffield Index-Linked Gilt Fund	(1.2%)
	Nuffield Cash Fund	(1.8%)
	Nuffield Retirement Focus (Annuity)	(1.4%)
	Nuffield Retirement Focus (Invest into Retirement)	0.8%
AVC	Clerical Medical With Profits	3.2%

The above has been prepared with due regard to the Department for Work and Pensions' guidance ("Cost and charge reporting: guidance for trustees and managers of occupational schemes"), published in February 2018.

Appendix B

Statement of Investment Principles

Nuffield Health Pension and Life Assurance Scheme DC Section

Statement of Investment Principles

September 2020

Version Update

i.	VersionEffective from
1.0	September 2015
2.0	September 2017
3.0	September 2019
4.0	September 2020

Nuffield Health Pension and Life Assurance Scheme

September 2020

Contents

1.	Introduction	4
2.	DC Section Governance	5
3.	Defined Contribution Investment Strategy	6
4.	Default Investment Strategy	8
5.	Strategy Implementation	9
6.	Monitoring	10
7.	Fees	11
8.	Risks	12
9.	Other Considerations	14
	Appendix A - Responsibilities	16

1 Introduction

This document constitutes the Statement of Investment Principles (the 'SIP') required under Section 35 of the Pensions Act 1995 for the DC Section of the Nuffield Health Pension and Life Assurance Scheme (the 'DC Section'). It describes the investment policy being pursued for the DC Section by the Directors of Nuffield Health Pension Trustees Limited (the 'Trustee') and is in compliance with the Government's voluntary code of conduct for Institutional Investment in the UK (the '2001 Myners Principles' and subsequent revisions). This SIP also reflects the requirements of Occupational Pension Plans (Investment) Regulations 2005 and 2015 and reflects the Pensions Regulator's Code of Practice in relation to governance of DC pension schemes issued in July 2016.

The Investment Adviser is River and Mercantile (R&M) Investments Limited and the Legal Adviser is Squire Patton Boggs, collectively termed the 'Advisers'.

The Trustee confirms that, before preparing this SIP, it has consulted with Nuffield Health (the 'Sponsoring Employer') and taken appropriate advice from their Investment Adviser. The Trustee believes the Advisers to be qualified by their ability and practical experience of financial matters and to have appropriate knowledge of the investment arrangements that the DC Section requires.

The Trustee is responsible for the investment of the DC Section's assets and to arrange administration of the DC Section. The Trustee is also responsible for the strategic decisions regarding the investment of the DC Section's assets, but the day-to-day management has been delegated to the Platform Manager (who provides the infrastructure for members to make investments - the 'Platform') and the underlying Investment Managers. Where required to make an investment decision, the Trustee always receives advice from the relevant Advisers first and it believes that this ensures that they are appropriately familiar with the issues concerned. The Trustee has delegated day-to-day investment decision making to R&M (the 'Fiduciary Manager').

In accordance with the Financial Services & Markets Act 2000 and Section 34(2) of the Pensions Act 1995, the Trustee sets general investment policy, but has delegated the day-to-day investment of the DC Section's assets to professional fund managers (the 'Underlying Managers'). The Underlying Managers are authorised under the Financial Services & Markets Act 2000, and provide the expertise necessary to manage the investments of the DC Section competently and will comply with the requirements of Section 36 of the Pensions Act 1995. The Investment Managers are authorised under the FSMA and provide the expertise necessary to manage the investments of the DC Section.

1.1 Declaration

The Trustee acknowledges that it is their responsibility, with guidance from the Advisers, to ensure the assets of the DC Section are invested in accordance with these Principles.

DocuSigned by:
 18 September 2020 *John E Jones* Date
 Signed
 John E Jones
 For and on behalf of the Directors of Nuffield Health Pension Trustees Limited

2 Governance

The Trustee is responsible for the governance and investment of the DC Section's assets. The Trustee considers that the governance structure set out in this SIP is appropriate for the DC Section as it allows the Trustee to make the important decisions on investment policy, while delegating the day-to-day aspects to the Underlying Managers, the Fiduciary Manager, the Platform Manager or the relevant Advisers as appropriate.

The Trustee acknowledges that it is responsible for any decisions or actions taken by any sub-committee.

The Trustees maintain a Statement of Investment Arrangements ("SIA") which sets out the specifics of investment implementation, including the responsibilities of each of the parties involved in the DC Section's governance. This document is referred to later in this SIP.

3 Investment Strategy

3.1 General Policy

The Trustee makes available an appropriate range of investment options for members, which aim to maximise returns without taking inappropriate levels of risk. Investment return is one of the key elements that determine benefits payable to members in retirement, alongside others set out below:

- The level of contributions made by or in respect of the member
- The effect of charges paid by members
- the way in which income is drawn from the accumulated savings
- the cost of purchasing a secured income at the time (e.g. an annuity), if selected by the member

3.2 Investment objectives

In setting investment objectives, the Trustee recognises that members will have differing investment needs and tolerances for risk, which may change over time. The Trustee also takes into account the expected level of investment expertise among members, the likelihood of members seeking professional advice in respect of their investment choices and the resulting risk of inappropriate decision-making by members.

The Trustee's objectives are therefore to:

- provide a suitable and understandable range of investment options for members, with appropriate investment guidelines, target returns and risk (where risk is measured by fluctuations in returns and the level of any falls in value);
- provide a default option that takes an appropriate level of risk on behalf of the member in pursuit of growth, according to their age and/or planned retirement date; and
- ensure contributions payable by the employers and members are invested in accordance with the options selected by members.

The default option design is based on the expectation that members will focus on capital preservation with their DC savings.

3.3 Investment Strategy

Having considered advice from the Advisers, and also having due regard for the objectives and the members of the DC Section, the Trustee has agreed to offer a default lifestyling arrangement and a range of self-directed 'Self-Select' options. Members can choose to invest their contributions in one or more of these investment options, detailed in the SIA.

The default arrangement involves switching members across blended funds as they approach retirement. Each blend has a different risk and return objective, thereby taking account of members' changing risk profiles as they approach retirement. The blended funds are intended to:

- i. Take account of market and industry developments
- ii. Increase the level of active asset allocation to attempt to deliver more attractive returns
- iii. Create a more stable journey for members

The Trustee has delegated the day-to-day decision making and asset allocation of the blended funds to the Fiduciary Manager, whilst retaining the decision on the high level risk and return objectives.

The range of Self-Select options aims to enable members to tailor their investment strategy (for those who do not partake in the default solution). The range of options are varied enough to offer sufficient choice but the number of funds is limited to reduce the risk of inappropriate choices. Exposure to a range of asset classes, including blended funds underlying the default arrangement and funds screening investments based upon social, environmental and ethical funds are available. Further details of the fund range are set out in the SIA.

3.3.1 Diversification

The choice of investment options for members is designed to ensure that members are able to choose investments that are adequately diversified and suitable for their profile. The Trustee monitors the strategy regularly to ensure that it is comfortable with the choice of funds offered to members.

3.3.2 Suitability

The Trustee has taken advice from the Investment Adviser to ensure that the range of investment options offered to members is suitable. Members are responsible for choosing which of the Self-Select funds is most appropriate or choosing to rely on the default strategy for the investment of their own and their employer's contributions, based on their own individual circumstances.

3.3.3 Active and Passive Management

The Trustee takes advice from the Advisers on the choice of whether to offer active and/or passive fund options, which is in part determined by the range of Investment Managers offered by the Platform Manager. These managers are selected by the Fiduciary Manager.

3.3.4 Review

The Trustee will review, in conjunction with the Investment Advisers, any investment option offered to members that either underperforms its benchmark over a significant timeframe or carries a level of risk which may be thought to be unreasonable in the context of the DC Section's investment objectives. There will be no obligation to make any changes to the range of funds offered to members as part of such a review.

4 Default Investment Strategy

The Trustee has made available to members a default strategy, known as the 'Nuffield Lifestyle Default Option'.

4.1 Aims and Objectives of the default strategy

The Trustee's aims and objectives in relation to the default strategy are to support members' investment needs where members either choose the default option or do not choose any option. Broader aims and objectives in relation to the default strategy are set out in Section 3, titled 'Investment Objectives'.

4.2 Trustee's Policies in relation to the default strategy

i. *The kinds of investment to be held*

The kinds of investments to be held within the default strategy are shown in the SIA.

ii. *The balance between different kinds of investments*

The balance between different investments within the default strategy is shown in Appendices B and C.

iii. *Risks (including the ways in which risks are to be measured and managed)*

Risks applicable to the DC Section as a whole are shown in Section 8, titled 'Risks'. All of the risks shown, including how they are measured and managed, are relevant to the default strategy.

iv. *Expected return on investments*

Target objectives for each fund used within the default strategy are shown in the SIA.

v. *Realisation of investments*

Funds used within the default strategy are unitised, pooled funds which are dealt daily.

vi. *Financially material investment considerations and non-financial matters*

The extent to which the Trustee considers financially material considerations and non-financial matters, including, but not limited to, social, environmental or ethical issues is shown in Section 9, titled 'Other Considerations'.

vii. *Corporate governance and stewardship policy*

The Trustee's policy in respect of these considerations is shown in Section 9, titled 'Other Considerations'.

4.3 Best interests of members and beneficiaries

Prior to offering the current default strategy, the Trustee carried out a comprehensive review in conjunction with the Investment Advisers, focussing on how best to deliver a good outcome for as many members as possible.

As a result of the review, the Trustee offers a default option that takes account of members' need for return within an acceptable level of risk, and how this need – in particular the tolerance for risk – is likely to change with age. The default option is subject to regular review and ongoing governance in conjunction with the advisers.

5 Strategy Implementation

5.1 Investment Managers

The Trustee has appointed Mobius Life Limited ('Mobius Life') as the Platform Manager to provide the platform for member investments. Mobius Life will provide services related to transition execution and the creation of insured funds, with ongoing administration of funds (including blended funds) at an overall DC Section level.

R&M are employed by the Trustee as Fiduciary Manager to provide investment and management services, as defined in the Fiduciary Management Arrangement ('FMA') agreed between the Trustee and R&M. R&M must provide the Trustee with formal investment advice as required by Section 36 of the Pensions Act 1998. The Trustee has selected a range of investment options for the members of the DC Section. Full details are set out in the SIA.

5.2 Administrator

Administration of member data is provided to the Trustee by XPS Administration.

5.3 Fund Options

The range of funds offered to members was chosen to give members a diversified range of investments from which they can select according to their individual circumstances both within the default arrangement and a range of self-directed Self-Select options. The funds available to members are detailed in the SIA.

5.4 Investment of Contributions

A member's contributions will be invested in line with their selected choice of funds. Where a member has not made an active selection, their contributions will be invested in the default fund provided, which is detailed in the SIA.

5.5 Transitions

The Trustee, in conjunction with its Advisers, will look to mitigate the potential risks and costs to members as a result of any investment transitions to the best of its ability.

6 Monitoring

6.1 Investment Managers

The Trustee, or Advisers on behalf of the Trustee, will monitor the performance of the default strategy and self-select funds against the agreed performance objectives.

The Trustee will regularly review the activities of the Fiduciary Manager to satisfy themselves that the Fiduciary Manager continues to carry out their work competently and have the appropriate knowledge and experience to provide fiduciary management services to the DC Section.

As part of this review, the Trustee will consider whether or not the Fiduciary Manager:

- Is carrying out their work competently. The Trustee will evaluate the Fiduciary Manager based on, among other things:
 - The default strategy and self-select fund performance versus their respective benchmarks
 - The level of risk within the portfolios given specified risk tolerances
 - Whether it has regard to the suitability of each investment and each category of investment.
 - Whether it has been exercising their powers of investment with a view to giving effect to the principles contained in this SIP, so far as is reasonably practical.

If the Trustee is not satisfied with the Fiduciary Manager, the Trustee will ask the Fiduciary Manager to take steps to rectify the situation. If the Fiduciary Manager still does not meet the Trustee's requirements, the Trustee will remove the Fiduciary Manager.

6.2 Advisers

The Trustee will monitor the advice given by the Advisers on a regular basis.

6.3 Statement of Investment Principles

The Trustee will review this SIP triennially, or following any significant changes to the investment strategy, and modify it with consultation from the Advisers and the Principal Employer if deemed appropriate. There will be no obligation to change this SIP, the Fiduciary Manager, Platform Manager or Adviser as part of such a review.

6.4 Trustee Recordkeeping

The Trustee maintains a record of all investment related decisions that have been taken, together with the rationale in each case.

7 Fees

7.1 Investment Managers

Fees are charged as a proportion of the size of assets invested. The charges have been negotiated and will continue to be reviewed regularly. Details of the fund charges are set out in the SIA.

7.2 Platform Manager

The Platform Manager charges fees as a proportion of the size of assets invested. The charge is deducted from assets.

7.3 Advisers

Fees paid to the Advisers are based as a basis point charge based on the size of the DC Section's assets or on fixed fees agreed in advance for specifically defined projects.

7.4 Custodian

There is no custodian appointed directly by the Trustee.

7.5 Value for Members

The Trustee reviews all sources of fees levied on members' accounts (including management charges, additional expenses and platform charges as appropriate) to ensure value for members is present. The Trustee considers, among other items, the absolute level of charges, the competitiveness of the DC Section's charges relative to the marketplace and the levels of service provided by each of the Advisers.

8 Risks

The Trustee recognises a number of key risks to themselves and to the members of the DC Section:

- i. Value for Member Risk – the risk that the DC Section fails to offer value for members. This is addressed through regular reviews of the charges levied on members' assets.
- ii. Inflation Risk – the risk that the purchasing power of their investment account is not maintained. To try and manage this risk, the Trustee has offered a range of funds designed to achieve a return above the rate of inflation.
- iii. Pension Purchase Risk – the risk that the value of pension benefits that can be purchased by a given defined contribution amount is not maintained. This risk cannot easily be mitigated as it depends on the method by which members choose to access their investments, alongside the market conditions for that method of access at retirement. The Trustee has offered a Retirement Focus option which, in part, is designed to move in line with annuity prices. Annuity price matching is one of the main elements within the default solution as members approach retirement.
- iv. Capital Risk – the risk that the value of the element to provide a tax-free cash sum is not maintained. To try and mitigate this risk, the Trustee has offered a range of funds designed to achieve a return above the rate of inflation.
- v. Active Manager Risk – the risk that the active investments underlying the DC Section's investment options underperform due to the underlying investment manager underperformance. The Trustee has mitigated this risk by delegating fiduciary responsibilities to the Fiduciary Manager. The Fiduciary Manager utilises a wide range of funds, diversified across asset classes, sub asset classes and underlying managers to reduce the active manager risk.

This risk also relates to underperformance arising from underperformance of the Fiduciary Manager in its delegated duties. The Trustee mitigates this risk through frequent performance monitoring and governance.
- vi. Platform Risk – the assets are currently held by the Platform Manager. This risk relates to potential losses that could arise if the Platform Manager ran into financial difficulties. The Trustee carried out a comprehensive platform review at the implementation phase of the current strategy to ensure it was comfortable with the choice of Platform Manager. The Trustee continues to monitor the Platform Manager to ensure it remains comfortable.
- vii. Communication Risk – the risk that communication to members is misleading or unclear and leads to inappropriate decisions being made. This is addressed through the Trustee receiving advice from the Advisers and regular monitoring and updates, where appropriate, of member communications.
- viii. Inappropriate Member Decision – the risk that members make inappropriate decisions regarding their investments. This is addressed where possible through communication to members and the recommendation that members seek independent financial advice. The Trustee has also offered a default fund with a 'Lifestyling element' designed to phase members into lower risk and annuity price matching investments as they approach retirement.
- ix. Organisational Risk – the risk of inadequate internal processes leading to problems for the DC Section. This is addressed through a regular monitoring of the Advisers.
- x. Liquidity Risk – the risk that members are not able to realise the value of their funds when required. The Trustee has addressed this risk by only offering funds which are considered liquid.
- xi. ESG Risk – the risk of adverse performance due to ESG related factors including climate change. This is addressed by ESG assessment at the point of investment with the Underlying Managers where applicable, or by requesting information on the ESG policies, adopted by the Underlying Managers.

The importance of each risk varies with time. Inflation is important throughout the whole period to retirement whereas pension purchase risk and capital risk become significant as retirement approaches.

The Trustee has provided a default option that aims to address the above risks through a member's life. The Fiduciary Manager may vary the underlying asset allocation and underlying managers within this option from time to time in response to changing market conditions and underlying manager developments. This may include the use of derivatives.

The Trustee also provides members with a range of Self-Select investment options into which they may direct their contributions so as to allow each member to determine the appropriate mix of investments based on their own attitude to risk, terms to retirement and investment objective. The Trustee recognises the options it has selected are subject to underperformance risk. This is addressed through providing options with appropriate diversification and through regular monitoring of the active managers' performance, processes and capabilities with respect to their mandate, as well as by the use of more than one manager to avoid over exposure to one organisation.

The Trustee recognises that an efficient process for identifying, evaluating, managing and monitoring risks needs to be in place for the DC Section. The Trustee will identify and assess the impact of any risk, what controls can be put in place to manage the risk and review both the individual risks and the effectiveness of the risk management process as a whole.

The Trustee will keep these risks and how they are managed under regular review

9 Other Considerations

9.1 Corporate Governance and Stewardship Policy

The Trustee and Fiduciary Manager have agreed, and will maintain, formal agreements setting out the scope of the Fiduciary Manager's activities, charging basis and other relevant matters. The Fiduciary Manager has been provided with a copy of this SIP and is required to exercise its powers with a view to giving effect to the principles contained herein and in accordance with subsection (2) of Section 36 of the Pensions Act 1995. Further information can be found in the SIA.

The Trustee has appointed the Fiduciary Manager to implement the Scheme's investment strategy. The Investment Manager manages assets directly on behalf of the Trustee as well as having delegated authority to appoint, monitor and change the Underlying Managers.

The Fiduciary Manager is appointed to carry out its role on an ongoing basis. The Trustee periodically reviews the overall value-for-money of using R&M Solutions, and information in relation to costs associated with investing is included in the quarterly monitoring report. The Trustee is satisfied that these arrangements incentivise the Fiduciary Manager (as detailed further below):

- to align its investment strategy and decisions with the Trustee's investment policies, such as their return target and restrictions detailed in the Fiduciary Management Agreement, and
- to assess and make decisions based on the medium- to long-term financial and non-financial performance of an issuer of debt or equity, and to engage with such issuers to improve this medium- to long-term performance. The success of this will contribute to the Scheme's performance, which is measured relative to the Trustee's long-term performance objectives.

The Scheme's investments are made primarily via pooled investment funds via the Platform Manager, in which such investments are pooled with those of other investors. As such, direct control of engaging with companies that issues these securities, whether for corporate governance purposes (such as capital structure) or other financially material considerations, is delegated to the Underlying Managers.

The Trustee has delegated responsibility to the Platform Manager for monitoring and voting on decisions relating to the pooled funds where the Platform Manager has voting rights. The Platform Manager has in place a voting policy in respect of general meetings of a pooled fund.

Some of the Scheme's investments may be held via instruments that the Platform Manager does not hold voting rights for, such as exchange traded funds ("ETFs"). For such holdings, the Trustee has delegated responsibility for monitoring and voting on decisions relating to the holdings to the Fiduciary Manager. The Fiduciary Manager has in place a voting policy which sets out how it will aim to vote at a general meeting of a pooled fund, which also applies to such instruments where the Fiduciary Manager has voting rights on behalf of the Trustee. For any special resolutions or extraordinary general meetings, the proposed votes of the Fiduciary Manager are subject to additional sign-off by the appropriate representative from the Fiduciary Manager.

The Fiduciary Manager undertakes regular reviews of all Underlying Managers. These reviews incorporate benchmarking of performance and fees as well as performance reviews (including understanding key drivers of performance), investment due diligence meetings and operational due diligence reviews. The Fiduciary Manager reviews the governance structures of the Underlying Managers, as well as assessing whether their fees, expenses and any other charges are in line with industry peers at inception and from time to time whilst invested.

Where it can be determined, the Fiduciary Manager assesses whether Underlying Manager remuneration arrangements are aligned with the Trustee's objectives. The method and time horizon for evaluating and remunerating Underlying Managers are determined by criteria set by the Fiduciary Manager, as detailed above.

The Trustee acknowledges the inherent potential conflicts of interest which exist as part of ongoing investment management business activities. As an FCA-regulated firm, the Fiduciary Manager is required to prevent or manage conflicts of interest. Where Underlying Managers are also regulated, they are likely to be subject to such requirements to manage conflicts of interest as are applicable in their jurisdiction of incorporation or operations. The Fiduciary Manager directly monitors these as part of the Underlying Managers' regulatory filings (where available). The Fiduciary Manager also monitors this as part of ongoing review. The Fiduciary Manager's Conflict of Interest policy is available publicly here:

https://riverandmercantile.com/Asp/uploadedFiles/file/Corporate_Governance/RMG_Conflicts_of_Interest_Policy.pdf

The Fiduciary Manager oversees the turnover costs incurred by the Underlying Managers as part of its ongoing monitoring process and evaluates such costs to determine if they are in line with peer groups and the Fiduciary Manager's expectations. Where there are material deviations the Fiduciary Manager engages with Underlying Managers to understand the rationale for such deviations and takes appropriate action.

9.2 Financially material investment considerations

These considerations which include the above 'Risks' as set out in Section 8 can affect the long-term financial performance of investments and can (but do not have to) include environmental, social and governance factors (otherwise known as ESG) where relevant. The Trustee delegates consideration of financially material factors to the Platform Manager, who considers these factors for funds that are available to beneficiaries through the default arrangement and as self-select funds, when making funds available on its investment platform. All references to ESG relate to financial factors only. All references to ESG also include climate change.

ESG factors and stewardship are considered in the context of long term performance, by the Trustee (in conjunction with its advisors) as part of the manager selection criteria. This review occurs before funds are approved for investment. For invested funds, the Trustee requests the Platform Manager monitors ongoing compliance with ESG and other factors, like stewardship, as a part of overall engagement.

9.3 Non-financial matters

The Trustee does not at present take into account non-financial matters (such as members' ethical considerations, social and environmental impact matters or future quality of life considerations for members and beneficiaries) when making investment decisions as part of the default arrangement, as there is no likely common view on any ethical matters which members are likely to hold. At this time the Trustee has no plans to seek the views of the membership on ethical considerations. This policy is reviewed periodically.

9.4 Security of Assets

The Trustee is aware of the importance of the safe custody and security of members' funds. The DC Section's assets are held via an investment policy with the Platform Manager. The Financial Services Compensation Scheme ('FSCS') would provide cover to the DC Section in the event of insolvency of the Platform Manager, who also has contractual agreements in place with underlying managers and would seek compensation as a result of insolvency of underlying managers and other related parties. Appropriate due diligence is done on the financial strength, custody and administration agreements of the underlying investment managers and Platform Manager before an appointment is made and this is reviewed regularly by the Advisers in conjunction with the Trustee.

9.5 Additional Voluntary Contributions (AVCs)

There is a range of investment funds with Clerical Medical and Standard Life which are closed to future contributions. The Trustee reviews these arrangements regularly having regard to their performance, the objectives and investment advice.

Appendix A - Responsibilities

Trustee

The Trustee of the DC Section is responsible for, amongst other things:

- i. Reviewing, at least triennially (or following significant changes to the investment strategy), the content of this SIP and modifying it if deemed appropriate.
- ii. Reviewing, at least triennially (or following significant changes to the investment strategy), the content of the SIA and modifying it if deemed appropriate.
- iii. Reviewing the investment policy for the Plan in terms of providing a range of funds from which members may choose to invest (see the SIA for further detail).
- iv. Assessing the quality of the performance and process of the underlying managers and Fiduciary Manager by means of regular reviews of the investment results and other information, through meetings and written reports.
- v. Monitoring compliance of the investment arrangements with the SIP on an ongoing basis.
- vi. Appointing and dismissing Platform Managers and the Fiduciary Manager.
- vii. Assessing the performance of the Advisers.
- viii. Consulting with the Company when reviewing investment policy issues.
- ix. Providing any appointed organisations/individuals with a copy of the SIP or the SIA, where appropriate.

Platform Manager

The main responsibilities of the Platform Manager are:

- i. At their discretion, but within the guidelines agreed with the Trustee, selecting and undertaking transactions in specific investments within each fund.
- ii. Acting in accordance with the principles set out in the SIP.
- iii. Providing the Trustee with sufficient information each quarter to facilitate the review of its activities, including:
 - Performance and rationale behind past and future strategy for fund options offered to members.
 - A full valuation of the assets.
 - A transaction report.
- iv. Informing the Trustee immediately of:
 - Any serious breach of internal operating procedures.

Any material change in the knowledge and experience of those involved in managing the DC Section's investment options

Investment Adviser

The Trustee has appointed R&M in a dual role as both Investment Adviser and Fiduciary Manager of the DC Section's assets. The main responsibilities of R&M as Investment Adviser are:

- i. Participating with the Trustee in reviews of this SIP.
- ii. Informing the Trustee of any material breaches of this SIP, internal operating procedures or changes in the knowledge and experience of those involved in managing the DC Section's investment options.
- iii. Advising the Trustee of any changes in the DC Section's Platform Manager that could affect the interests of the DC Section.
- iv. Advising the Trustee of any changes in the investment environment that could either present opportunities or problems for the DC Section.
- v. Undertaking reviews of the DC Section's investment arrangements including reviews of the DC Section structure.

Fiduciary Manager

The main responsibilities of R&M as Fiduciary Managers include:

- i. Investment Management services as set out in the Fiduciary Management Agreement ('FMA') and below.
- ii. At the discretion of R&M but within any guidelines given by the Trustee, implementing changes in the asset mix and selecting and undertaking transactions in specific investments within each asset class to achieve the stated objective.
- iii. Selecting the Platform Manager, which the Trustee appoints in order to make use of the Fiduciary Manager's services.

Legal Adviser

The Legal Adviser will be responsible for, amongst other things:

- ii. Liaising with the Trustee to ensure legal compliance including those in respect of investment matters.



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