

Nuffield Health Pension & Life Assurance Scheme

Chair's Statement

1 April 2023 to 31 March 2024

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01 Introduction

£39.6m

Total defined contribution funds in the Scheme.

This is the Chair's Statement for the Nuffield Health Pension & Life Assurance Scheme covering the period 1 April 2023 to 31 March 2024.

As the Chair of the Trustee, I provide you with a yearly Statement which explains what steps have been taken by the Trustee, 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 Scheme is not used as a Qualifying Scheme for auto enrolment purposes.

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 2024 is £39,602,986.

This statement covers the following:

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

Governance and Queries

The Trustee 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, 1 Colemore Row, Birmingham, B3 2BJ.

I, Mike Weston, am signing this Statement as the Chair of the Trustee 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

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 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.

As at 31 March 2024, by the time members have reached their chosen retirement date they will be fully invested in the Retirement Focus (Cash) Fund. This Fund invests 100% in a cash fund and is focused on capital preservation suited to those wishing to take a lump-sum upon retirement.

02.02 Reviewing the default investment arrangement

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

The Trustee receives quarterly information on the performance of the funds underlying the default arrangement and the self-select options, from the investment manager. This is reviewed at each Trustee meeting, and the Trustee has delegated the day-to-day decision making to its fiduciary manager, Schroders.

The last formal investment strategy review (including the default investment option) was concluded on 23rd August 2023. At the Trustee's meeting the Trustee was provided with a report detailing a review of the default arrangement and wider investment range by Schroders, the Scheme's Investment Adviser. 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, the range and value of the funds on offer to members was also considered.

The following changes to the Default Option were proposed in the strategy review and accepted by the Trustee:

- To increase the risk profile of the Default Option, mainly to be achieved through increasing exposure to equities.
- To reduce sensitivity of the Default Option to interest rate changes for members closer to retirement.
- To Replace the existing Ethical fund with the BlackRock ACS World ESG Equity Tracker.
- To introduce an Islamic equity fund to the self-select range.

The confirmed change, to increase the risk profile, was suggested, as the forward-looking investment returns expectations for the Default Option had not been as strong as they had

Default Investment Strategy Continued

been historically. Increasing equity exposure means inflation-linked targets remain achievable. This change was made with younger members in mind, who may have a higher appetite for risk.

The agreement to reduce the sensitivity to interest rate changes was made to account for an expectation of higher levels of volatility in interest rates in the future, which would affect members who are closer to retirement.

All of these changes are currently in the process of being implemented and will be reported on fully in the next annual chair statement.

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. The Trustee has taken account of statutory guidance when preparing this section of the Statement.

03.02 Fund Performance

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

This table shows how the Nuffield Lifestyle Default Option has performed for members over the last one and five years (annualised) to 31 March 2024:

	5 years (2019-2024)	1 year (2024)
Lifestyle Default Option	%pa	%
Age 25	6.6	15.9
Age 45	5.6	13.3
Age 55	4.4	11.4

Source: Schroders Governance Statement 31 March 2024. 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 to 31 March 2024:

	5 years (2019-2024)	1 year (2024)
Self-Select Funds	%pa	%
Nuffield Long Term Growth	6.60	15.90
Nuffield Stable Growth	5.60	13.30
Nuffield Cautious Growth	4.40	5.30
Nuffield Global Equity	12.30	25.10
Nuffield Ethical Global Equity	13.60	23.30
Nuffield Corporate Bond Fund	-0.60	6.70
Nuffield Long Gilt Fund	-9.00	-6.10
Nuffield Index-Linked Gilt Fund	-7.00	-8.00
Nuffield Cash Fund	1.40	4.90
AVC Funds		
Clerical Medical With Profits**	4.00	8.00
Clerical Medical Adventurous Pension	6.36	14.30
Clerical Medical Balanced Pension	3.37	8.60
Clerical Medical Cash	1.07	4.10
Clerical Medical Cautious	1.70	5.30

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 European	8.86	14.00
Clerical Medical Halifax	0.00	0.00
Clerical Medical Japanese	8.59	27.10
Clerical Medical North American*	14.41	25.70
Clerical Medical Non-Equity	-0.02	4.30
Clerical Medical Retirement Protection*	-10.13	1.70
Clerical Medical UK Growth*	3.49	16.80
Clerical Medical UK Property Pen*	0.94	3.50

Source: Schroders Governance Statement 31 March 2024. Figures are net of fees (Ongoing Charges Figure and Transaction Costs) / Clerical Medical at 31 March 2024. *Information as at 31/06/2024. **Information as at 31/12/2023 (we have requested more up to date information from the provider).

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 (except AVCs), 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	0.41-0.64	0.00-0.16
Self-select Funds		
Nuffield Global Equity Fund	0.38	0.09
Nuffield Ethical Global Equity Fund	0.60	0.00
Nuffield Corporate Bond Fund	0.34	0.00
Nuffield Long Gilt Fund	0.34	0.00
Nuffield Index-Linked Gilt Fund	0.33	0.04
Nuffield Cash Fund	0.40	0.03

Commented [11]: Except the AVCs?

Nuffield Retirement Focus Fund (Annuity)	0.39	0.00
Nuffield Retirement Focus Fund (Investment into Retirement)	0.57	0.07
Clerical Medical With Profits	1.00	0.25
Clerical Medical Adventurous Pension	0.70	0.20
Clerical Medical Balanced Pension	0.70	0.25
Clerical Medical Cash	0.70	0.01
Clerical Medical Cautious	0.70	0.24
Clerical Medical European	0.70	0.10
Clerical Medical Halifax	0.70	0.00
Clerical Medical Japanese	0.70	0.00
Clerical Medical North American	0.70	0.00
Clerical Medical Non-Equity	0.70	0.12
Clerical Medical Retirement Protection	0.70	0.11
Clerical Medical UK Growth	0.70	0.27
Clerical Medical UK Property Pen	0.70	0.00

Source: Schroders Governance Statement 31 March 2024 / Clerical Medical 31 March 2024.

The Trustee compares the performance and charges of the DC Section on quarterly basis to make sure they remain competitive. The Trustee is satisfied with these.

03.05 Asset allocation disclosure requirements

The new 2023 regulations require trustees of relevant occupational pension schemes with a scheme year end of 1 October 2023 onwards to disclose and explain the percentage of assets allocated in the default arrangement(s) to specified asset classes.

The Regulator believes that publication of asset allocation data will be an important step towards transparency, standardisation and comparability across the pensions market and that it is important that members have access to all relevant information surrounding the investments being made using their savings and the outcomes these investments could have on their future retirement. The Trustee has taken regard of statutory guidance in preparing this section of the Statement.

XPS has received a report on how the Scheme's default investment strategies are invested in light of these new regulations assuming a retirement age of 65, and have provided a breakdown of the default strategy's asset allocation as at 31 March 2024.

Asset Class (%)	25-year-old member	45-year-old member	55-year-old member	65-year-old member (1 day prior to State Pension Age)
Cash	1.7%	2.3%	1.5%	100.0%
Corporate bonds, UK government bonds and overseas government bonds.	29.8%	41.5%	51.7%	0.0%
Listed equities	67.2%	54.2%	44.8%	0.0%
Private equity	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Other property/real estate	0.0%	0.0%	0.0%	0.0%
Other private debt/credit	0.0%	0.0%	0.0%	0.0%
Any other assets	1.4%	2.0%	2.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%

Source: Source: Schroders Governance Statement 31 March 2024

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 takes appropriate steps to resolve and take action as required. I can confirm there was a material issue in the Statement period which consisted of two months' worth of contributions (March & April 2024) being invested after the statutory deadlines. The administrator took steps to rectify the error and made good any investment losses that may have impacted members. Additionally, the administrator is planning on consolidating its core DC services to a specialist DC administration team within XPS, in order to reduce the likelihood of further errors occurring.

An average of 92.41% of all cases completed were done so within the service level agreed, this is a slight increase in performance compared to the previous reporting period. 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 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.

Commented [112]: Are we saying here that XPS are moving to a more specialist DC administration team, within XPS?

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 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. The Trustees understand that the core financial transactions were processed promptly and accurately during the Scheme year.

05 Value for Members

05.01 Assessment of Value

As the Scheme has assets above £100m (Including associated Defined Benefits assets), the Trustee is not required to carry out a detailed 'Value for Members' (VFM) assessment which considers the latest guidance from the Pensions Regulator and Department for Work & Pensions.

However, the Trustee considers the member-borne costs and charges and the net returns for the Scheme's investment options (net of all costs and charges) on a quarterly basis. No concerns were raised by the Trustee about the charges and net returns during the statement period. Net investment returns are broadly in-line with benchmarks and expectations for funds of this type. Transaction costs are also broadly in-line with previous years, and expectations for funds of this type.

The Trustee to review and update the VFM section below as necessary. [Please delete this line once reviewed by the Trustee].

The Trustee has also carried out a Value for Members assessment for the Plan in October 2022. This concluded that at the time the Scheme represented good Value 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 considers the performance of the money purchase investments quarterly and discusses this in a meeting with the Investment Adviser, Schroders. Furthermore, the Trustee 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 has agreed to the default option recommendations provided by the Investment Adviser, Schroders as part of the most recent strategy review and these changes are in the process of being implemented;
- > the self-select investment options available give members access to a variety of asset classes in which to invest and which the Trustee believes add to the value provided to members of the Scheme. The Trustee has agreed to the self-select fund recommendations provided by the Investment Adviser, Schroders as part of the most recent strategy review and these changes are in the process of being implemented;

- > 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;

Value for Members continued

> 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;

> 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. Administration performance has not been in-line with the Trustee's expectations. The Trustee is aware of this and is actively engaging with the Administrator to rectify these matters.

Assessment of value for members is an ongoing process and the Trustee will continue to undertake a review periodically to ensure the Plan continues to offer value, and that any changes in legislation, market conditions or member views will be reflected.

06 Trustee Knowledge and understanding

06.01 Knowledge and understanding of the Trustee

The Trustee is satisfied that it has complied with the knowledge and understanding requirements in section 248 of the Pensions Act 2004.

The Trustee brought 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, Statement of Investment Principles and have a working knowledge of all documents setting out the Trustee's current policies.

The Trustee includes a Professional Independent Trustee 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 Trustee'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's therefore has sufficient knowledge and understanding of the law relating to pensions and trusts, the relevant principles relating to the funding and investment of occupational schemes, and that combined their knowledge and understanding, together with available advice, enables them to properly exercise their functions.

The Trustee 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 Trustees are expected to carry out the Pensions Regulator ('TPR') toolkit modules training and be fully conversant with the Scheme's documentation within 6 months.

A log of Trustee's 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.

06.03 Conclusion

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

Commented [133]: It's a sole Trustee now isn't it-I suspect that this wording has simply been lifted from last year's/from a time when it did have TDs

07 Conclusion

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

The Trustee 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 Trustee is 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 and provides good value for members.

Signature	Date
<hr/> Name Mike Weston (Pi Consulting (Trustee Services) Limited)	<hr/> Qualification Chair of Nuffield Health Pension Trustees Limited

Appendix A

Projections

Taken from the Schroders paper "Defined Contribution (DC) Section Governance Statement" dated 31 March 2024.

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	Default Lifestyle		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	£13,300	£13,200	£13,300	£13,200
3	£19,400	£19,100	£19,400	£19,100	£19,400	£19,100	£19,400	£19,100
5	£25,800	£25,200	£25,800	£25,200	£25,800	£25,100	£25,800	£25,200
10	£42,500	£40,700	£42,500	£40,700	£42,500	£40,600	£42,500	£40,700
15	£60,400	£56,700	£60,400	£56,800	£60,400	£56,600	£60,400	£56,900
20	£79,500	£73,400	£79,500	£73,600	£79,500	£73,200	£79,500	£73,700
25	£100,100	£90,600	£100,100	£91,000	£100,100	£90,500	£100,100	£91,200
30	£122,000	£108,800	£122,000	£109,200	£122,000	£108,400	£122,000	£109,400
35	£145,500	£127,800	£145,500	£128,100	£145,500	£127,100	£145,500	£128,500
40	£165,600	£144,000	£170,500	£147,900	£170,500	£146,600	£170,500	£148,300

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	£13,000	£13,000	£13,500	£13,500	£13,500	£13,400	£13,300	£13,200
3	£18,600	£18,400	£20,300	£20,100	£20,300	£20,100	£19,400	£19,300
5	£24,100	£23,800	£27,600	£27,200	£27,600	£27,100	£25,800	£25,500
10	£37,700	£36,800	£48,000	£46,700	£48,000	£46,200	£42,500	£41,600
15	£51,100	£49,500	£71,800	£69,100	£71,800	£68,100	£60,400	£58,600
20	£64,300	£61,800	£99,500	£94,700	£99,500	£92,900	£79,500	£76,700
25	£77,400	£73,800	£131,700	£123,900	£131,700	£121,000	£100,100	£95,700
30	£90,500	£85,700	£169,000	£157,100	£169,000	£152,800	£122,000	£115,800
35	£103,600	£97,400	£212,100	£194,800	£212,100	£188,600	£145,500	£137,000
40	£116,700	£109,000	£261,800	£237,500	£261,800	£228,900	£170,500	£159,300

Projected pension pot, in today's terms

Years	Nuffield Long Gilt Fund		Nuffield Index-Linked Gilt 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	£13,800	£13,700	£13,800	£13,700	£13,000	£13,000	£13,300	£13,200
3	£21,300	£21,100	£21,300	£21,100	£18,600	£18,400	£19,400	£19,300
5	£29,600	£29,300	£29,600	£29,200	£24,100	£23,700	£25,800	£25,400
10	£54,300	£53,300	£54,300	£52,900	£37,700	£36,800	£42,500	£41,400
15	£85,800	£83,600	£85,800	£82,700	£51,100	£49,400	£60,400	£58,200
20	£125,800	£121,600	£125,800	£119,900	£64,300	£61,600	£79,500	£75,900
25	£176,400	£169,100	£176,400	£166,100	£77,400	£73,600	£100,100	£94,600
30	£240,100	£228,100	£240,100	£223,300	£90,500	£85,400	£122,000	£114,200
35	£320,100	£301,400	£320,100	£293,900	£103,600	£97,000	£145,500	£134,900
40	£420,400	£392,200	£420,400	£380,900	£116,700	£108,500	£170,500	£156,700

Projections continued

Years	Projected pension pot, in today's terms	
	Nuffield Retirement Focus (Invest into Retirement)	
	Gross of all charges	Net of TER and transaction costs
1	£13,300	£13,200
3	£19,400	£19,200
5	£25,800	£25,200
10	£42,500	£40,900
15	£60,400	£57,200
20	£79,500	£74,300
25	£100,100	£92,100
30	£122,000	£110,600
35	£145,500	£130,100
40	£170,500	£150,400

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 6 years' transaction costs (with exception of the Retirement Focus Annuity, Cash and Invest into Retirement funds, as only 5 year data is available) 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;

The accumulation rates used, as set out below, are calculated in line with Actuarial Standard Technical Memorandum (AS TM1 v5.0), the same document which governs the calculation of projections on annual benefit statements; these assumptions are in line with the most recent benefit statements. The accumulation rates assumed for the projections are as follows:

	Fund	Real accumulation rate per annum (gross of charges)
	Nuffield Long Term Growth	0.5%
Default Lifestyle Funds	Nuffield Stable Growth	0.5%
	Nuffield Cautious Growth	0.5%
	Nuffield Retirement Focus (Default)	-1.5%
	Nuffield Global Equity	2.5%
	Nuffield Ethical Global Equity	2.5%
	Nuffield Corporate Bond Fund	0.5%
Self-Select Funds	Nuffield Long Gilt Fund	4.5%
	Nuffield Index-Linked Gilt Fund	4.5%
	Nuffield Cash Fund	-1.5%
	Nuffield Retirement Focus (Annuity)	0.5%
	Nuffield Retirement Focus (Invest into Retirement)	0.5%

The above has been prepared with due regard to the Department for Work and Pensions' guidance ("Reporting of costs, charges and other information: guidance for trustees and managers of occupational schemes – effective from 21 October 2022"), published in February 2018 and most recently updated in October 2022.

Appendix B

Statement of Investment Principles

Nuffield Health Pension and Life Assurance Scheme
DC Section

Statement of Investment Principles

September 2020

Version Update

Version	Effective from
1.0	September 2015
2.0	September 2017
3.0	September 2019
4.0	September 2020

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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 believe 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:
John E Jones
Signed .. JOHN E JONES Date .. 18 September 2020 ..
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

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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.

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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:

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

