

The Lil-Lets UK Pension Fund ("the Fund") Governance statement for the Scheme's defined contribution arrangements

6 April 2018 to 5 April 2019

1. Introduction

- 1.1. This statement has been prepared by the Fund's trustee ("the Trustee") and reports on how the Trustee complies with the defined contribution (DC) governance standards. These standards were introduced under the Occupational Pension Schemes (Charges and Governance) Regulations 2015 and amended by the Occupational Pension Scheme (Administration and Disclosure) (Amendment) Regulations 2018 ("the Regulations").
- 1.2. The reporting period covered by this statement is 6 April 2018 to 5 April 2019 ("the reporting period").
- 1.3. As required by the Regulations, the Trustee will publish this Statement on a publicly accessible website. The web address for the website will be: <https://www.lil-lets.com/uk>

2. The Fund's DC arrangements

- 2.1. The Fund is a hybrid arrangement with both DB and DC sections.
- 2.2. The Fund's DC arrangements comprise:
 - 2.2.1. The Fund's main benefits (The DC Section), i.e. those arising from standard contributions, ignoring additional voluntary contributions (AVCs). These benefits are administered by Barnett Waddingham. This arrangement is open to further contributions.
 - 2.2.2. AVCs provided through 'bundled' arrangements (administration, investment and communication services) with Standard Life and Equitable Life. These provide additional benefits for members of the DC Section and the Defined Benefit Section ("the DB Section"). These arrangements are not open to further contributions.

3. Default arrangement

- 3.1. The Fund has one default investment arrangement for the purposes of the governance standards: the default investment arrangement ("the default"). This uses a 'lifestyle' strategy to automatically reduce risk in later years of membership.
- 3.2. Further details of the default are set out in the attached 'statement of investment principles'. Appendix 2 of that document relates to the Scheme's DC arrangements and covers the investment policy and objectives of the default.
- 3.3. As a 'lifestyle' investment strategy the default:
 - 3.3.1. Invests 25% in the Legal & General Investment Management (LGIM) UK Equity Index Fund, 25% in the LGIM World (ex UK) Equity Index Fund and 50% in the Aberdeen Standard Investment Standard Life Global Absolute Return Strategies (GARS) Fund whilst a member is more than 10 years from a member's pension age.
 - 3.3.2. During the 10 years approaching a member's pension age, the default gradually switches out of the above funds into the LGIM Pre-Retirement Fund and the LGIM Cash Fund. At retirement the default targets 75% of a member's pension savings invested in the LGIM Pre-Retirement Fund and 25% in the LGIM Cash Fund. This assumes that members will tax take free cash of up to 25% and purchase an annuity with the balance of their fund.

Review of the default

- 3.4. An in depth review of the default was last completed in January 2014. As a result of this review, the Trustee introduced the Standard Life SLI Global Absolute Return Strategies (GARS) fund.
- 3.5. There has been no review of the default arrangement investment strategy undertaken during the scheme year.
- 3.6. Following the introduction of the Pension Freedoms the Trustee undertook a review of the default in April 2017. This review considered the membership profile of the Fund and took account of member experience to date. It was found that the lifestyling arrangement was no longer be appropriate for the membership as most members are now unlikely to purchase an annuity. The Trustee is now considering the implementation of the recommendations arising from this review as part of its overall review of the DC Section. This is due to be completed by the Trustee over the coming Scheme year.

4. Core financial transactions

- 4.1. The governance standards require the Trustees to ensure that 'core financial transactions' are processed promptly and accurately.
- 4.2. For this purpose, the Scheme's core financial transactions comprise:
 - 4.2.1. investment of contributions to the Fund (main DC section only)
 - 4.2.2. transfers into and out of the Fund (main DC section only)
 - 4.2.3. investment switches within the Fund and AVC arrangements
 - 4.2.4. payments out of the Fund and AVC arrangements

DC Section administration

- 4.3. Barnett Waddingham LLP ("the administrator") provides the Trustee with administration reports at each Trustee meeting that allows them to monitor promptness against the service level agreement (SLA) in place in relation to the main DC section.
- 4.4. The administration report breaks down the number of administration tasks completed during the reporting period and how many of these were completed within the SLA. The tasks are broken down by type, so those relating to core financial transactions are clearly visible.
- 4.5. Barnett Waddingham undertakes to ensure that 95% of the core financial transactions are processed within the SLAs set out below:

Core financial transaction	Service Level Agreement
Contribution files	5 working days
Transfer payments in	5 working days
Transfer payments out	10 working days
Investment switches	5 working days
Payments out of the Fund	TFCs – 3 working days Death – 2 working days

- 4.6. During the period under review 138 tasks were completed during the period, of which 137 (99%) were completed within target.
- 4.7. Monitoring of accuracy is undertaken via the auditing of the Fund's annual report and accounts and periodic auditing of the Fund's membership data.
- 4.8. The administrator's processes are subject to internal controls and procedures and these are prepared and documented in accordance with the framework set out by the International Auditing and Assurance Standards Board (IAASB) and Technical Release AAF 01/06.
- 4.9. The administrator is one of only two firms in the UK to have gained PASA accreditation, public recognition of its operational quality and a commitment to continuous improvement. This demonstrates that the performance and capabilities of the administration services are in line with those of the highest-quality organisations providing pensions administration services.
- 4.10. The Trustee has checked the controls and procedures of the AVC providers and these are monitored as part of the day to day operation of the Fund by the administrator. Any issues that arise are reported as part of the regular Trustee meetings.
- 4.11. The monthly contributions in October were paid early by the company. This led to the administrator missing the arrival of the payment through its usual processes, and as such, it was not picked up and invested within normal timescales.

Further investigation showed that the company has changed its payment process and all of their payments are now paid in bulk via a centralised system. Following the issue, the administrator now gets informed via e-mail by the UK Lil-lets finance team when receiving confirmation of when the payment has been made. It has also been agreed that Lil-lets will be moving onto Pooled banking.

AVC administration

- 4.12. Standard Life undertakes to ensure that 90% of the core financial transactions are processed within the SLAs set out below:

Core financial transaction	Service Level Agreement
Contribution files	Regular Scheme Payments - 10 working days Top up – 5 working days
Transfer payments in	10 working days
Transfer payments out	10 working days
Investment switches	3 working days
Payments out of the Fund	TFCs – 5 working days Death – 20 working days

- 4.13. Confirmation that the above SLAs were achieved was requested but not provided. The Trustee will seek to obtain this in the future
- 4.14. Based on the above the Trustee is satisfied that the core financial transactions have been processed promptly and accurately during the period covered by this statement and that suitable controls and measures are in place to monitor performance. Importantly, no material issues have been identified of the review period.

5. Charges and transaction costs

5.1. Members bear charges deducted from the funds in which their DC benefits are invested. The charges differ between the investment funds available.

5.2. The cost of the administration and communications is borne by the Company. The charges applicable to the members of the Fund are structured as Annual Management Charges (AMCs) which cover the cost of the investment management and consist of both explicit and implicit costs:

5.2.1. Explicit costs: these are collected by explicit deduction of investment units and are expressed as a percentage of the value of each member's holdings within an investment fund. These are referred as a Total Expense Ratio (TER) and include the explicit Annual Management Charge (AMC), and the Fund Management Charge (FMC) incurred over the period.

5.2.2. Implicit costs: these relate to the charges and transaction costs incurred within an investment fund arising from the trading activities of the fund e.g. incurred in the buying and selling of securities, which are not accounted for in the explicit charges. These implicit charges impact on the investment returns achieved by the investment fund and vary day-to-day according to each fund's investment approach and prevailing market conditions. We refer to these as Transaction Costs.

5.3. The range of explicit charges applicable to the funds which made up the default during the reporting period are:

Fund	Annual member-borne charge
LGIM UK Equity Index Fund	0.13%
LGIM World (ex UK) Equity Index Fund	0.22%
Standard Life GARS Fund	0.70%
LGIM Pre-Retirement Fund	0.15%
LGIM Cash Fund	0.125%

5.4. The range of charges applicable to the additional core funds during the reporting period are:

Fund	Annual member-borne charge
LGIM Over 15 Year Fixed Interest Gilts Fund	0.10%
LGIM Over 5 Year Index-Linked Gilts Fund	0.10%

Equitable Life AVC

5.5. Some members of the Equitable Life AVC arrangements are invested in the With Profits Fund. There are no explicit charges applicable to this fund; instead, all costs and expenses are taken into account in the calculation of bonuses and policy values. However, the equivalent member charge is no more than 1.50% including the 0.5% for cost of guarantees. At retirement or earlier death, a member's investments in the

Equitable Life With-Profits Fund are subject to an underpin known as the 'guaranteed value', which increases each year by 3.5% regardless of charges.

- 5.6. The annual member-borne charges applicable to the full range of unit-linked funds available to Equitable Life AVC members were in the range 0.50% - 1.00%:

Fund	Annual member-borne charge
Money Fund	0.50%
Gilt and Fixed Interest	0.50%
Managed	0.75%
Pelican	0.75%
UK FTSE All Share Index-Tracking	0.50%
European	0.75%
Far Eastern	0.75%
International	0.75%
North American	0.75%
Funds of Investment Trusts	0.75%
Property	1.00%

Standard Life AVC

- 5.7. The annual member-borne charges applicable to the funds available to Standard Life AVC members and invested in within the reporting period were in the range of 1.0% - 1.02%. For all Fund members there is a 0.40% discount on quoted fund costs, so the true range is from 0.60% to 0.62% p.a.

Fund	Annual member-borne charge
Managed Fund	1.0230%
Money Fund	1.0090%
With Profits One Fund	No explicit Charge

Additional transaction costs

- 5.8. In addition to the charges above, transaction costs are incurred in the day-to-day operation of the investment funds, e.g. in relation to an investment fund's trades and switching between investment funds.

Transaction costs in particular will vary significantly depending on a fund's investment remit and on the market environment. The Trustee has asked for information on transaction costs for all DC options within the Fund. The transaction costs for each fund are shown in the following tables:

DC Section - Legal & General and Standard Life

Investment fund	Transaction cost
LGIM UK Equity Index Fund	-0.02%
LGIM World (ex UK) Equity Index Fund	-0.01%
LGIM Pre-Retirement Fund	0.02%
LGIM Over 15 Year Fixed Interest Gilts Fund	-0.01%
LGIM Over 5 Year Index-Linked Gilts Index Fund	0.03%
LGIM Cash Fund	0.00%
Standard Life GARS Fund	0.006%

AVC - Equitable Life

5.9. Equitable Life has provided details of the transaction costs incurred within the funds available to members (for the period 1 April 2018 – 31 March 2019), which are detailed in the following table:

Investment fund	Transaction cost
Equitable Life With-Profits Fund [1]	0.045041%
Equitable Life Far Eastern	0.1577%
Equitable Life European	0.2352%
Equitable Life North American	0.0093%
Equitable Life Pelican	0.3663%
Equitable Life All Share Tracker	0.0405%
Equitable Life Fund of Investment Trusts	0.175%
Equitable Life Gilt and Fixed Interest	0.1445%
Equitable Life Property [2]	0.1761%

Equitable Life International	0.14667%
Equitable Life Managed Pension [3]	0.126527%
Equitable Life Money	0.0067%

[1] This excludes the 0.5% for cost of guarantees.

[2] The total fund impact also includes the property management expenses of 0.44% p.a. for the year ended 31 Dec 2018.

[3] The calculations for the Managed Funds are based on the relevant calculations for the underlying OEICs held within the portfolio, prorated based on the portfolio percentage held.

AVC – Standard Life

5.10. Standard Life has provided details of the transaction costs incurred within the funds used by members (for the period 1 April 2018 – 31 March 2019), which are detailed in the following table:

Investment fund	Transaction cost
Managed	0.001205%
Money Market	0.000116%
With Profits One Fund	0.000214%

6. Demonstrating the impact of transaction costs

6.1. To demonstrate the impact of the costs and charges applied through the DC Section, in this year's Chair's Statement the Trustee has produced illustrations in line with statutory guidance and the February 2018 guidance from the Department for Work & Pensions entitled "Cost and charge reporting: guidance for trustees and managers of occupational schemes". These illustrations are set out below, and are designed to cater for representative cross-sections of the membership of the DC Section.

6.2. To determine the parameters used in these illustrations, the Trustee has analysed the members invested in the DC Section over the reporting period and has taken into consideration the range of investment options offered to members. As a result of this analysis the Trustee has elected to base these illustrations on the following variables:

6.2.1. Pot size: pot sizes of £13,000, £22,000 and £42,000 have been used as these represent the 25th percentile, the median and 75th percentile of pot values (rounded to the nearest £1,000) of DC Section members as at 31 March 2019. The Trustee considers these to be broadly representative of the pot sizes of DC Section members.

6.2.2. Investment funds: all DC Section members are invested in the Default and therefore the illustrations assume benefits remain invested in this investment option for the duration.

6.2.3. Salary and contributions: a representative starting salary of £40,000 has been used as this represents the median salary (rounded to the nearest £1,000) of DC Section members. A total contribution level

of 10.5% has also been assumed as this is the most common total contribution level for DC Section members.

- 6.3. For each individual illustration, each savings pot has been projected twice; firstly to allow for the assumed investment return gross of the costs and charges of the fund, and then again, but adjusted for the cumulative effect of the costs and charges of the fund. The level of costs and charges applied is in line with the table set out earlier in this Statement.

Guidance to the illustrations

The following notes on the illustrations should also be read:

1. Projected pot sizes are shown in today's terms and do not need to be reduced further for the effects of future inflation.
2. Pensionable salary is assumed to grow at 2.5% per year.
3. The timeframe used for each illustration is variable and dependent upon the age of starting saving in the DC Section.
4. Values shown are estimates and not guaranteed.
5. Where transaction costs are negative (i.e. add value), we have amended the figure to 0%.
6. Each of the illustrations allows for the future impact of inflation which is assumed to be 2.5%.
7. The starting date for the illustrations is 1 July 2019.
8. The projected growth rates, gross of costs and charges, for each fund or arrangement are in line with the 2019 Statutory Money Purchase Illustrations (SMPI). We provide details for each investment option used to produce the illustrations in the table below:

Investment option	Assumed return above inflation
Default Lifestyle Strategy	-1.50% to 2.50%
UK Equity Index Fund	2.50%
World (ex UK) Index Fund	2.50%
Pre-Retirement Fund	-1.00%
Cash Fund	-1.50%

Default Lifestyle Strategy

This has been included as it is the default investment arrangement for the DC Section and is the most popular investment option by number of members.

Illustration basis	Years from taking benefits	Starting pot size £13,000		Starting pot size £22,000		Starting pot size £42,000	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
Active member Starting pensionable Salary: £40,000 Contribution level: 10.5%	0	£13,000	£13,000	£22,000	£22,000	£42,000	£42,000
	5	£33,500	£33,241	£42,347	£41,993	£62,008	£61,443
	10	£57,568	£56,479	£67,058	£65,707	£88,148	£86,213
	15	£86,982	£84,195	£97,688	£94,387	£121,478	£117,038
	20	£120,163	£114,808	£132,240	£126,067	£159,076	£151,087
	25	£157,593	£148,624	£171,216	£161,060	£201,489	£188,697
	30	£199,816	£185,976	£215,183	£199,713	£249,332	£230,240
	35	£247,444	£227,235	£264,779	£242,408	£303,301	£276,127
Deferred member Pensionable salary: £0 Contribution level: 0%	0	£13,000	£13,000	£22,000	£22,000	£42,000	£42,000
	5	£12,779	£12,837	£21,626	£21,724	£41,287	£41,474
	10	£13,708	£12,652	£23,199	£21,412	£44,289	£40,877
	15	£15,464	£12,643	£26,169	£21,395	£49,960	£40,845
	20	£17,444	£13,329	£29,520	£22,557	£56,357	£43,063
	25	£19,677	£14,723	£33,300	£24,916	£63,573	£47,567
	30	£22,197	£16,263	£37,564	£27,522	£71,713	£52,541
	35	£25,039	£17,964	£42,374	£30,400	£80,896	£58,036
40	£28,245	£19,842	£47,800	£33,579	£91,254	£64,106	

Note on how to read this table: If an active member had £22,000 invested in this strategy on 1 July 2019, when they came to retire in 10 years, the fund could grow to £67,058 if no charges are applied but to £65,707 with charges applied.

UK Equities Index Fund

This has been included as it is the highest assumed investment return option provided through the DC Section.

Illustration basis	Years from 1 July 2019	Starting pot size £13,000	Starting pot size £22,000	Starting pot size £42,000			
		Before charges	After charges	Before charges	After charges	Before charges	After charges
Active member Starting pensionable Salary: £40,000 Contribution level: 10.5%	0	£13,000	£13,000	£22,000	£22,000	£42,000	£42,000
	5	£36,708	£36,548	£46,860	£46,637	£69,421	£69,059
	10	£63,451	£62,947	£74,904	£74,258	£100,353	£99,395
	15	£93,619	£92,542	£106,538	£105,223	£135,246	£133,403
	20	£127,650	£125,721	£142,223	£139,937	£174,607	£171,529
	25	£166,038	£162,917	£182,477	£178,855	£219,009	£214,272
	30	£209,342	£204,617	£227,886	£222,484	£269,095	£262,190
	35	£258,191	£251,366	£279,109	£271,396	£325,595	£315,910
	40	£313,294	£303,775	£336,891	£326,231	£389,329	£376,134
Deferred member Pensionable salary: £0 Contribution level: 0%	0	£13,000	£13,000	£22,000	£22,000	£42,000	£42,000
	5	£14,665	£13,301	£24,817	£22,509	£47,378	£42,971
	10	£16,542	£14,574	£27,995	£24,664	£53,445	£47,085
	15	£18,661	£16,339	£31,579	£27,650	£60,288	£52,787
	20	£21,050	£18,317	£35,623	£30,998	£68,008	£59,178
	25	£23,745	£20,535	£40,184	£34,751	£76,716	£66,343
	30	£26,786	£23,021	£45,330	£38,959	£86,539	£74,376
	35	£30,216	£25,809	£51,134	£43,676	£97,620	£83,382
	40	£34,085	£28,934	£57,682	£48,965	£110,120	£93,478

Note on how to read this table: If an active member had £22,000 invested in this strategy on 1 July 2019, after 10 years of membership, the fund could grow to £74,904 if no charges are applied but to £74,258 with charges applied.

Cash Fund

This has been included as it is the self-select option with the lowest assumed investment return provided through the DC Section.

Illustration basis	Years from 1 July 2019	Starting pot size £13,000		Starting pot size £22,000		Starting pot size £42,000	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
Active member Starting pensionable Salary: £40,000 Contribution level: 10.5%	0	£13,000	£13,000	£22,000	£22,000	£42,000	£42,000
	5	£32,072	£31,937	£40,433	£40,246	£59,012	£58,710
	10	£49,789	£49,419	£57,556	£57,090	£74,814	£74,136
	15	£66,247	£65,559	£73,462	£72,641	£89,494	£88,378
	20	£81,536	£80,460	£88,238	£86,998	£103,131	£101,526
	25	£95,738	£94,216	£101,964	£100,252	£115,798	£113,665
	30	£108,931	£106,916	£114,714	£112,488	£127,566	£124,871
	35	£121,186	£118,640	£126,559	£123,785	£138,497	£135,216
	40	£132,571	£129,464	£137,562	£134,214	£148,652	£144,768
Deferred member Pensionable salary: £0 Contribution level: 0%	0	£13,000	£13,000	£22,000	£22,000	£42,000	£42,000
	5	£12,076	£12,002	£20,437	£20,311	£39,015	£38,775
	10	£11,218	£11,080	£18,984	£18,751	£36,243	£35,797
	15	£10,421	£10,229	£17,635	£17,311	£33,668	£33,048
	20	£9,680	£9,444	£16,382	£15,981	£31,275	£30,510
	25	£8,993	£8,718	£15,218	£14,754	£29,053	£28,167
	30	£8,354	£8,049	£14,137	£13,621	£26,988	£26,004
	35	£7,760	£7,431	£13,132	£12,575	£25,070	£24,007
	40	£7,208	£6,860	£12,199	£11,609	£23,289	£22,163

Note on how to read this table: If an active member had £22,000 invested in this strategy on 1 July 2019, after 10 years of membership, the fund could grow to £57,556 if no charges are applied but to £57,090 with charges applied.

Standard Life Global Absolute Return Strategies Fund

This has been included as it is the self-select option with the highest charged investment option provided through the DC Section

Illustration basis	Years from 1 July 2019	Starting pot size £13,000		Starting pot size £22,000		Starting pot size £42,000	
		Before charges	After charges	Before charges	After charges	Before charges	After charges
Active member Starting pensionable Salary: £40,000 Contribution level: 10.5%	0	£13,000	£13,000	£22,000	£22,000	£42,000	£42,000
	5	£36,708	£35,847	£46,860	£45,662	£69,421	£67,475
	10	£63,451	£60,764	£74,904	£71,469	£100,353	£95,258
	15	£93,619	£87,939	£106,538	£99,615	£135,246	£125,560
	20	£127,650	£117,577	£142,223	£130,311	£174,607	£158,608
	25	£166,038	£149,902	£182,477	£163,789	£219,009	£194,651
	30	£209,342	£185,156	£227,886	£200,302	£269,095	£233,960
	35	£258,191	£223,605	£279,109	£240,124	£325,595	£276,833
	40	£313,294	£265,538	£336,891	£283,554	£389,329	£323,590
Deferred member Pensionable salary: £0 Contribution level: 0%	0	£13,000	£13,000	£22,000	£22,000	£42,000	£42,000
	5	£14,665	£14,178	£24,817	£23,994	£47,378	£45,806
	10	£16,542	£15,463	£27,995	£26,168	£53,445	£49,958
	15	£18,661	£16,865	£31,579	£28,540	£60,288	£54,486
	20	£21,050	£18,393	£35,623	£31,127	£68,008	£59,424
	25	£23,745	£20,060	£40,184	£33,948	£76,716	£64,809
	30	£26,786	£21,878	£45,330	£37,024	£86,539	£70,683
	35	£30,216	£23,861	£51,134	£40,380	£97,620	£77,089
	40	£34,085	£26,023	£57,682	£44,039	£110,120	£84,075

Note on how to read this table: If an active member had £22,000 invested in this strategy on 31 July 2019, after 10 years of membership, the fund could grow to £74,904 if no charges are applied but to £71,469 with charges applied.

Value for members

6.4. Regulations require the Trustee to assess the extent to which the charges and transaction costs borne by members represent reasonable value.

6.5. In relation to the Fund's DC arrangements, the member-borne charges and transaction costs relate to:

6.5.1. investment services for the main DC Section.

6.5.2. For the DB Section, Standard Life and Equitable Life's administration, investment and communication services for the AVC arrangements.

6.6. The annual value for members assessment was undertaken as at 5 April 2018 and considered:

6.6.1. in relation to investment services:

6.6.1.1. the range of investment options available and the design of the default.

6.6.1.2. the arrangements for monitoring the performance of the investment funds.

6.6.2. in relation to Standard Life and Equitable Life's services for the AVC arrangement:

6.6.2.1. the accuracy and efficiency of administration services.

6.6.2.2. the range of investment options and charges associated with them.

- 6.6.2.3. the range and quality of communication materials.
- 6.6.3. How the current arrangements compare with other options available in the market.
- 6.7. The Trustee concluded that the Fund's DC arrangements offer **reasonable value** in relation to the charges and transaction costs borne by members. In reaching this conclusion, the Trustee recognised:
 - 6.7.1. low cost does not necessarily mean better value.
 - 6.7.2. the Fund's services are suitable for, relevant to and valued by members.
- 6.8. The assessment considered just those services for which members bear or share the costs. Factors that were not considered but that add value include:
 - 6.8.1. the services fully paid for by Lil-lets UK Limited ("the Company"), e.g. the DC Section's administration and communication services, and the services of legal advisers, consultants and auditors.
 - 6.8.2. the operation of the trustee board, with a duty to act in the best interest of members (includes the services of a professional trustee).
 - 6.8.3. the Company contributions available to the DC Section.
 - 6.8.4. the operation of salary sacrifice, providing an optional, tax efficient way of paying in for the DC Section.

7. Trustee knowledge and understanding

The Trustee Board

- 7.1. 20-20 Trustee Services Limited acts as the professional and sole corporate trustee.
- 7.2. This brings a high degree of pensions experience, knowledge and expertise to the overall management and governance of the Fund.

Trustee knowledge and understanding requirements

- 7.3. The Trustee is required to be conversant with the Fund's main documents, and have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational schemes and investment of scheme assets to enable them to properly exercise their functions.
- 7.4. The Trustee addresses the requirements through a combination of training and taking professional advice.

Trustee training

- 7.5. The Trustee has in place a structured training programme that is reviewed at least annually and on which they consult with professional advisers. This includes annual appraisals and peer reviews by the Trustee to identify knowledge gaps and training needs in relation to emerging legislation, Fund changes and upcoming matters in the Fund's business plan. A training log is maintained in relation to training undertaken and is reviewed at each Trustee meeting.

Access to professional advice

- 7.6. The Trustee consults with professional advisers as and when required, for example on consultancy, governance and legal matters. Their professional advisers alert the Trustee, and where appropriate provide training, on relevant changes to pension and trust law.
- 7.7. The Trustee's professional advisers provide support in relation to understanding and application of the Fund's documents, e.g. trust deed and rules and statement of investment principles.

7.8. During the period covered by this statement, the Trustee took professional advice on:

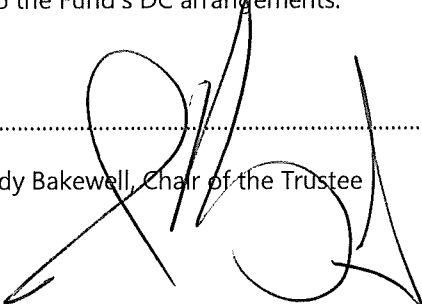
7.8.1. undertaking the annual value for members assessment.

7.8.2. reviewing the default investment arrangement.

Assessment

7.9. The Trustee considers that its combined knowledge, skills and understanding together with the advice which is available to it from its advisers enables them to properly exercise its trustee functions in relation to the Fund's DC arrangements.

.....
Andy Bakewell, Chair of the Trustee



..... 16/9/2019

Date