Clumber Consultancy Pension Trustees

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Chair Statement for the Adelphi Group Staff Pension Scheme

Introduction
Governance requirements apply to defined contribution ("DC") pension arrangements, to help members achieve a good outcome from their pension savings. The Trustee of the Adelphi Group Staff Pension Scheme (the "Scheme") is required to produce a yearly statement (which is signed by the Chair of Trustees) to describe how these governance requirements have been met in relation to:

- the investment options in which members' funds are invested (this means the "default arrangement" and other funds members can select or have assets in, such as self-select or "legacy" funds)
- the requirements for processing financial transactions
- the charges and transaction costs borne by members
- an illustration of the cumulative effect of these costs and charges
- a 'value for members' assessment
- and Trustee knowledge and understanding.

This statement covers the period from 6 April 2023 to 5 April 2024

Investment Arrangements
The Scheme is not used as a Qualifying Scheme for auto-enrolment and was established on 18 August 1992 with contributions ceasing to the Scheme in September 2001. As the Scheme has less than 100 members it is exempt from publishing a Statement of Investment Principles and Implementation Certificate.
The Scheme triggered into wind up on 31 December 2016 when the Principal Employer ceased to trade and entered Liquidation. Clumber Consultancy Pension Trustees Limited replaced the Principal Employer as Trustee to wind up the Scheme. As the Principal Employer is insolvent, there will be no new members joining the Scheme and the Scheme is in the final stages of being wound up.
The Trustee is responsible for the Scheme's investment governance, which includes setting and monitoring the investment strategy for the Scheme's investment arrangements. The Scheme was previously operated by Equitable Life and transfers to Utmost Life and Pensions took place during 2020. This arrangement was previously held in with profits funds with Equitable Life as the only investment option. The transfer to Utmost Life and Pensions from the with profits fund was to their age-related strategy which aims to help members to grow their savings whilst younger by investing more of the money in shares. As the member gets older, money gradually shifts into more conservative investments such as government bonds and cash, with the aim of protecting members from significant falls in the value of their pensions savings as they get closer to retirement. Utmost utilises several Multi Asset Funds to achieve this and due to the age profile of the Scheme assets are currently invested in the Multi Asset Cautious and Multi Asset Moderate Funds.
There are no self-select funds offered under the Scheme.
The strategy was last reviewed by the Trustee in November 2019 when the proposals in respect of Equitable Life's transfer to Utmost were considered. The Trustee considers the use of a lifestyle strategy remains appropriate whilst the winding up of the Scheme is completed. The investments are performing broadly as expected and is consistent with the aims and objectives of the fund.

Requirements for Processing Core Transactions

The Trustees are required to report to you about processes and controls in place in relation to the core financial transactions. The law specifies that these include the following:

- Investing Contributions paid into the Scheme
- Transferring assets related to members into or out of the Scheme
- Transferring assets between different investments within the Scheme and
- Making payments from the Scheme to or on behalf of members

In practice the important transactions for a Scheme in wind up are payments to and settlement of benefits as contributions are no longer being paid into the Scheme. We must ensure that these important financial transactions are processed promptly and accurately. In practice we delegate responsibility for this to the Scheme Administrator, Utmost Life and Pensions. Any mistakes or delays are investigated thoroughly, and action is taken to put things right as quickly as possible.

I am pleased that in the last Scheme year there have been no material administration service issues which need to be reported here by the Trustees. Utmost's SLA for payments is to make 95% of payments within 5 days of receipt of all required paperwork. The Scheme has been compliant with this target. We are confident that the processes and controls in place with the Administrator are robust and will ensure that the financial transactions which are important to members are dealt with properly. The Trustee will continue to ensure that requests regarding settlements of benefits from the Scheme are processed efficiently, correctly and within agreed timescales so that the Scheme can be wound up efficiently. Utmost operates a system whereby such payments are reviewed internally prior to processing for accuracy and the Trustee is satisfied with the processes Utmost have in place and will continue to monitor any payment timescales and follow up with the administrator where these are not met to work with them to ensure that requests are dealt with accurately and in a timely manner.

Member Borne Charges and Transaction Costs

The Trustee is required to set out the on-going charges borne by members in this statement, which are annual fund management charges plus any additional fund expenses, such as custody costs, but excluding transaction costs; this is also known as the total expense ratio ("TER"). The TER is paid by the members and is reflected in the unit price of the funds.

The Trustee is also required to separately disclose transaction cost figures that are borne by members. In the context of this statement, the transaction costs shown are those incurred when the Scheme's fund managers buy and sell assets within investment funds.

The charges and transaction costs have been supplied by Utmost Life and Pensions.

When preparing this section of the statement the Trustee has taken account of the relevant statutory guidance.

Investment Arrangements

The Scheme invests only in two funds, the Utmost Multi Asset Cautious Pension and Utmost Multi Asset Moderate Pension as part of an age related strategy. The Multi Asset Moderate Fund has been set up to provide capital growth in the long term by investing in a combination of asset classes including equities, fixed income, and cash with the potential for moderate levels of price fluctuations. The Multi Asset Cautious Fund aims to provide capital growth in the long term by investing in a combination of asset classes including equities, fixed income, property, and cash with the potential for low to moderate levels of price fluctuations. For the period covered by this statement, annualised charges and transaction costs are set out in the table below.

Charges and Transaction Costs

Fund	TER	Transaction Costs
Utmost Multi Asset Cautious Pension	0.75%	0.0000%
Utmost Multi Asset Moderate Pension	0.75%	0.0000%

Illustration of Charges and Transaction Costs

Over time, the charges and transaction costs that are taken out of a member's pension savings can reduce the amount available to the member at retirement. The Trustee has set out below illustrations of the impact of charges and transaction costs on different investment options in the Scheme. The illustrations have been prepared in accordance with the DWP's statutory guidance on "Reporting costs, charges and other information: guidance for trustees and managers of occupational pension schemes" on the projection of an example member's pension savings

As each member has a different amount of savings within the Scheme and the amount of any future investment returns and future costs and charges cannot be known in advance, the Trustee has had to make several assumptions about what these might be. The assumptions are explained below: The "before costs" figures represent the savings projection assuming an investment return with no deduction of member borne fees or transaction costs. The "after costs" figures represent the savings projection using the same assumed investment return but after deducting member borne fees and an allowance for transaction costs.

The illustration is shown for the two funds where all members are invested.

Term	Multi -Asset Moderate		Multi – Asset Cautious	
	Before Charges	After costs and charges deducted	Before charges	After costs and charges deducted
1	£1,015	£1,005	£1,015	£1,005
3	£1,045	£1,016	£1,045	£1,014
5	£1,075	£1,026	£1,075	£1,024
10	£1,156	£1,053	£1,156	£1,049
15	£1,243	£1,080	£1,243	£1,074
20	£1,337	£1,109	£1,337	£1,100
25	£1,438	£1,138	£1,438	£1,126
30	£1,546	£1,167	£1,546	£1,153
35	£1,663	£1,198	£1,663	£1,181
40	£1,788	£1,229	£1,788	£1,210

Notes

- Projected pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation
- The starting pot size in each case is assumed to be £1,000
- Inflation is assumed to be 2.5%p.a in line with specified assumptions used in statutory money purchase illustrations
- Values shown are estimates and not guaranteed
- The projected growth rate for Multi Asset Moderate is 4% p.a.
- The projected growth rate for Multi Asset Cautious is 4%

Net Return on Investments

The Trustee is required to calculate and state the return on investments from their default net of transaction costs and charges for the funds members were invested in over the year to 5 April 2024. As there is no default the Trustee has requested the information for the two funds in which the Scheme is invested.

Cautious Managed net Return for the year is – 6.05%

Moderate net return for the year is -10.04%

Both are ahead of the benchmark

The Scheme net assets at 5 April 2024 is £77,013.92 payments to members have been made to a member during the year. Two members remain in the Scheme and the Trustee is currently seeking advice in respect of assigning these benefits away from the Scheme as it does not have an assignment option.

Value for Members Assessment

The Trustee is required to assess the extent to which member borne charges and transaction costs represent good value for members. It is difficult to give a precise legal definition of “good value”, but the Trustee considers that it broadly means that the combination of costs and the quality of what is provided in return for those costs is appropriate for the Scheme membership, when compared to other options available in the market. The Trustee also considers the fact that the Scheme is winding up and members benefits are to be secured outside of the Trust in members own names.

The Trustee reviews all member-borne charges (including transaction costs where available) with the aim of ensuring that members are obtaining value for money given the circumstances of the Scheme. The Trustee notes that value for money does not necessarily mean the lowest fee, and the overall quality of the service received has also been considered in this assessment.

The Trustee’s assessment includes a review of the level of charges in each fund with the levels of return they have delivered to members.

The returns on the investment funds members can choose during the period covered by this statement have been broadly consistent with their stated investment objectives, although the Trustee has noted that the scheme year in question has been slightly behind the benchmark. The returns have picked up relative to the benchmark during the first half of the current Scheme year.

In carrying out the assessment, the Trustee also considers the other benefits members receive from the Scheme, which also includes the oversight and governance of the Trustee and particularly settlement of members benefits to facilitate the Scheme wind up.

As detailed in the earlier section covering processing of financial transactions, the Trustee is comfortable with the quality and efficiency of the administration processes.

As the Scheme is in wind up the Trustee has not completed a more in-depth value for money assessment.

Overall, the Trustee believe that members of the Scheme are receiving reasonable value for money for the charges and cost that they incur and is expecting to finalise the wind up of the Scheme within the next few months.

Trustee Knowledge and Understanding

The Scheme’s Trustee is required to maintain appropriate levels of knowledge and understanding, that together with any advice received enables them to run the Scheme effectively and to provide appropriate services to pension schemes as part of its day-to-day business.

The Trustee has a working knowledge of the Trust Deed and Rules and other Scheme documents and as part of their day-to-day business activities deals with matters that both strengthen their knowledge of and understanding of the Scheme as well as pension and trust law.

Staff dealing with the Scheme have completed or are working towards completion of the TPR Trustee Toolkit.

The Trustee considers training requirements to identify any knowledge gaps. The Trustee is familiar with and have access to copies of the current Scheme governing documentation that along with their experience and any training or personal study undertaken means that the Trustee believes that they are well placed to exercise their function as Trustee of the Scheme properly and effectively.

DARREN TOMS

____ Date: 14 October 2024

Signed by the Chair of Trustees of the Adelphi Group Staff Pension Scheme