

2022 VALUE FOR MEMBERS ASSESSMENT



The Trustee has a statutory duty to assess at least annually the extent to which member borne charges and transaction costs (to the extent identifiable) provide good value.

The Trustee commissioned Mercer to conduct its annual **Value for Members** assessment for 2022.

Mercer use their '**three Ps framework**' to assess 'value for money'.

- **Price** – Was the price paid competitive against comparable alternatives?
- **Performance** – Did each component achieve its desired aim and outcome?
- **Productivity** – Does the overall investment strategy and each investment fund deliver value for the Plan?

Mercers overall assessment concludes that the Plan provides '**Good Value**' for members which is their **highest rating**.

KEY ASSESSMENT CONTRIBUTORS

Price

- The funds available to members are competitively priced, when benchmarked against similar sized pension schemes.
- Renegotiated fees with L&G delivered further aggregated savings of over £200,000 for members in 2021 based on Dec 2020 fund valuations.
- The Company meets the cost of administration and governance resulting in lower member charges and higher pension savings.
- Charges to the default investment arrangements are significantly below the charge cap of 0.75% p.a.

Performance

- The majority of the Plan's funds have shown good performance over the last 1 year, 3 years and since inception.
- All funds researched by Mercer are highly rated by the Mercers Research Team, indicating a strong conviction in the manager's ability to achieve the performance objective of the funds.
- A dedicated Investment Committee provides ongoing monitoring and oversight of the investment options and manager.

Productivity

- The Post Retirement Master Trust offers a seamless journey post retirement as members have access to the same range of funds with the same investment charges.
- The plan offers features and services that strengthen its value proposition including efficient administration services, regular members communications and a pensions website which provides useful pension scheme documents.
- The breadth and structure of the fund range can be viewed as providing good value to members with a view to supporting choice. The LGIM Future World Fund was introduced in 2021.

