

ANNUAL VALUE FOR MEMBERS ASSESSMENT

The Trustee commissioned Mercer, the Plan's investment consultants, to conduct its annual Value for Members assessment in March 2024.

Mercer uses their **'three P's framework'** to assess 'value for members'.

Price – Was the price paid by members competitive against comparable alternatives? Comparing investment fees paid against a peer group and assessing overall worth.

Performance – Did each component achieve its desired aim and outcome? Evaluating each investment funds' performance relative to objectives, as well as a forward-looking view.

Productivity – Does the overall investment strategy and each investment fund deliver value for the Plan? Reviewing the investment strategy and wider features of the Plan.

 Mercer's 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 and generally positioned at the lower end of fees when compared against other pension schemes of a similar size. All fund charges underlying the default Lifecycle strategies provide good value.
- The Company meets the cost of administration and governance resulting in lower member charges and higher pension savings.
- Charges for the default investment strategy ranges between 0.09% to 0.16% p.a. which is significantly below the charge cap of 0.75% p.a. (£7.50 per £1000 invested).

Performance

- All the Plan's funds have shown good performance over the last 1 year, 3 years and since inception.
- The funds are highly rated by Mercer's Manager Research team. This is an indication of a strong conviction in the manager's ability to achieve the performance objective of the funds
- The Trustee has a dedicated Investment Committee which provides ongoing monitoring and oversight of the investment strategies.

Productivity

- There is a wide range of investment options which give members access to traditional and alternative asset classes.
- The Plan offers features and services that strengthen its value proposition including efficient administration services, regular member communications, member education sessions, and a website with useful pension scheme documents.
- The Trustee has continued to focus on ESG integration within the fund range and completed a Responsible Investment Tool Evaluation (RITE) during 2023 which demonstrated that the incorporation of ESG considerations has improved from B+ in 2022 to A+ in 2023
- The Post Retirement Master Trust provides a post-retirement offering with members having access to the same range of funds with the same investment charges.