DEFINED CONTRIBUTION (DC) SECTION AND ADDITIONAL VOLUNTARY CONTRIBUTION (AVC) ARRANGEMENT

Annual Governance Statement by the Chair of Trustees for the year ended 30 June 2021

INTRODUCTION

Certain governance standards apply to defined contribution (DC) pension arrangements. These standards are designed to help members achieve a good outcome from their retirement savings.

As Chair of the Trustees of the Colorcon Limited Staff Benefits Plan (the Plan), I must provide you with a yearly statement which explains what steps the Trustees, with guidance from our professional advisers, have taken to meet these standards. The information included in my statement is set out in law and regulation. This statement covers the period from 1 July 2020 to 30 June 2021 and will be published on a publicly available website.

Although the Plan is predominantly a defined benefit (DB) arrangement, it has the following DC elements:

- DC Section - Some members have DC benefits through a policy with Aviva (formerly Friends Life and prior to that London & Manchester), as a result of pensionable service prior to 1 July 1991, when it was replaced by the DB section of the Plan. It is closed to new entrants and future contributions. The DC section is administered by Aviva and offers investment funds managed by Aviva. For some members, the DC funds are only part of their entitlement under the Plan and can be taken in addition to any post 1 July 1991 DB entitlement either as an open market option or a scheme pension, or can be used as part of the pension commencement lump sum associated with members' DB pensions.
- AVCs with Prudential – this is a legacy money purchase AVC arrangement with Prudential that no longer accepts future contributions.

As the Plan is not being used as a qualifying scheme for automatic enrolment purposes, and there is no default fund for members' investments, the Trustees have applied an appropriate level of governance to meeting the relevant standards and have undertaken a 'light touch' review, particularly in assessing value for members.

I welcome this opportunity to explain what the Trustees do to help to ensure the DC elements within the Plan are run as effectively as they can be.

If you have any questions about anything that is set out in this statement, please do let us know.

Tim Huckell, Chair of the Trustees.

On behalf of the Trustees of the Colorcon Limited Staff Benefits Plan

INVESTMENT CHOICES, INCLUDING DEFAULT ARRANGEMENTS

The Trustees are responsible for investment governance. This includes having a good working knowledge of investment matters relating to the Plan.

We take professional advice from regulated investment advisers and have appointed fund managers to manage any DC investments.

Further details of the basis on which the Trustees invest members' assets within the Plan are recorded in the Statement of Investment Principles (SIP). The SIP was completed in June 2020 to meet a new regulatory requirement to include the Trustees' policies in respect of arrangements with their investment managers. The Trustees have also published their first Engagement Policy Implementation Statement, in line with statutory regulations, explaining how the Trustees have followed and acted on the investment policies outlined in the updated SIP. A copy of the latest SIP is available on request from the Trustees at the address shown on page 7.

Reviewing the investment arrangements

Trustees are typically expected to review the strategy and objectives of any default investment strategy regularly, at least once every three years, and take into account the needs of the membership when designing it.

The investments within the Plan are not a default arrangement for the purposes of the Occupational Pension Schemes (Charges and Governance) Regulations 2015, because the Plan is not used as a qualifying scheme for automatic enrolment purposes.

As a result, no default investment strategy review was undertaken during the Plan year and there is no planned future date for such a review.

Self-select investment choices

The Funds used by members over the Plan year included:

DC Section	Aviva Pension Managed Fund Aviva Life & Pensions UK Limited Secure Growth Fund Aviva Pension Cash Fund
AVCs with Prudential	Prudential With-Profits Cash Accumulation Fund Prudential Discretionary Fund Prudential International Equity Fund

Members may wish to take financial advice before choosing funds.

Further explanation of the With-Profit arrangements

Some members are invested in the Aviva Secure Growth Fund, which is a unitised With-Profits fund which each year accumulates at a regular interest rate as may be declared by Aviva. In addition, a terminal bonus, where applicable, may be added to a member's personal fund when money is withdrawn to provide benefits. The amount of terminal bonus depends, principally, on the investment performance of the underlying fund and cannot be guaranteed in advance. The rate of bonuses and therefore the rate of growth has not been guaranteed.

Investment returns on the Aviva Secure Growth Fund are distributed in the form of interest and bonuses which are designed to smooth out the fluctuations of the underlying investments.

The bonus setting and market value reduction process give returns to policyholders which fairly reflect the return on underlying assets.

Aviva allows for a charge of 1.5% p.a. when declaring With-Profits bonus rates.

A similar process will occur within the Prudential With-Profits Cash Accumulation Fund whereby charges on With-Profits business depend on the performance of the With-Profits fund and, in particular, the investment returns achieved, and expenses incurred. Over time, if investment returns are higher, the charges would be expected to be higher, and if investment returns are lower, the charges would be expected to be lower. Prudential have confirmed that the charges are currently expected to be 0.80% p.a. assuming future investment returns of 5% p.a. With-Profits policyholders also incur a charge to pay for all the guarantees the With-Profits Cash Accumulation Fund supports by making a deduction each year when deciding regular and terminal bonuses. This is currently not more than 2% of any payment made from the fund.

The Trustees take a proportionate approach to reviewing these investments based on the size of the funds invested compared to the overall value of benefits that the members hold within the Plan.

In addition, the Trustees note that both Aviva and Prudential have a With-Profits Committee for their With-Profits funds, who consider matters affecting the interests of the policyholders within each fund respectively, including fair pay-outs.

The Trustees periodically review these arrangements to ensure they continue to be fit for purpose and will continue to write directly to members who have such investments if there is anything of significance to make members aware of.

CHARGES AND TRANSACTION COSTS PAID BY MEMBERS

The Trustees are required to explain the charges and transaction costs (i.e. the costs of buying and selling investments) in the DC Section and AVC arrangement, that are paid by members rather than the employer. In the DC Section and AVC arrangement, members typically pay for the provider administration costs, investment management and investment transactions, while the employer pays all the other costs of running the Plan, such as wider investment support and governance.

The investment management and transaction costs can be explained as follows:

- The total ongoing charges figure is the total cost of investing in any fund or strategy and includes the Annual Management Charge (direct charges) and any additional fund expenses (indirect charges).

- Transaction costs are the costs incurred as a result of the buying, selling, lending or borrowing, of investments *within* each fund. They include taxes and levies (such as stamp duty), broker commissions (fees charged by the executing broker in order to buy and sell investments) and the costs of borrowing or lending securities, as well as any differences between the actual price paid and the quoted 'mid-market price' at the time an order was placed. These costs will vary between members depending on the funds invested in, the transactions that took place within each fund and the date at which the transactions took place.

- In addition, there can be switching costs incurred as a result of the buying and selling of funds. This may relate either to member-driven trades (e.g. a self-select member switching their investment arrangements) or to automatic trades (e.g. those associated with fund switches resulting from progression along a lifestyle glidepath). These costs relate to the difference between the fund price used to place the trade and the price which would have applied to that fund on that day had the trade not been placed. These are implicit costs which are not typically visible to members.

The level of charges and transaction costs applicable to the DC Section and AVC investment funds used by members during the last Plan year were confirmed by the managers as being:

	Total charges		Transaction costs	
	% p.a. of the amount invested	£ p.a. per £1,000 invested	% p.a. of the amount invested	£ p.a. per £1,000 invested
DC Section with Aviva				
Aviva Pension Managed Fund	1.52%	£15.20	0.0539%	£0.54
Aviva Life & Pensions Limited Secure Growth Fund	1.50%	£15.00	0.0340%	£0.34
Aviva Pension Cash Fund	1.51%	£15.10	0.00%	£0.00
AVCs with Prudential				
Prudential With-Profits Cash Accumulation Fund	*	*	*	*
Prudential Discretionary Fund	0.77%	£7.70	0.16%	£1.60
Prudential International Equity Fund	0.77%	£7.70	0.23%	£2.30

* For further information on the Prudential With-Profits Cash Accumulation Fund please see 'Further explanation of the With-Profits arrangements' above.

Completeness of transaction cost information

Where information about the member costs and charges is not available, we have to make this clear to you together with an explanation of what steps we are taking to obtain the missing information.

We have written to Aviva and Prudential to obtain information on transaction costs for the Plan financial years prior to 1 July 2018, however, Aviva and Prudential have not been able to provide this for any of the funds. As the reporting of transaction costs is a new statutory requirement, not obtaining full transaction cost data is a difficulty faced by many pension schemes. It should be noted that the transaction costs are likely to vary from fund to fund and from year to year.

Illustration of the impact of charges and transaction costs

Over a period of time, the charges and transaction costs that are taken out of a member's retirement savings can reduce the amount available to the member at retirement. Aviva has prepared the following illustrations, having taken account of the statutory guidance issued by the Department for Work and Pensions.

We were unable to obtain illustrations from the Prudential AVC arrangement because they concluded that "AVCs that we manage are out of scope of the Occupational Pension Schemes (Administration and Disclosure) Regulations 2018, including the development and provision of illustrative examples for scheme use, as schemes where the only money purchase benefits are in respect of Additional Voluntary Contributions (AVCs) are exempt from the requirements of the regulations". Ongoing contributions are not made to the DC Section or the AVC arrangement.

The tables in this section provide an illustration showing the possible effect of costs and charges on an individual's pension savings. Aviva has confirmed the tables show how different cost and charges can impact the pension pot over certain periods, based on a selection of funds. Table 1 shows typical funds for the Plan. Table 2 shows funds with different growth rates and assumptions. Under each investment fund, there are two columns. The first shows the projected pension values assuming no charges are taken. The second shows the projected pension values after costs and charges are taken.

Table 1

Illustration of effect of cost and charges for typical funds within your scheme – Colorcon Limited Staff Benefits Plan										
	Av Secure Growth Fund		Av Cash		Av Cautious Managed		Av Fixed Interest		Av Pre-retirement Fixed Interest	
	Assumed growth rate 3.6% p.a.		Assumed growth rate 0.5% p.a.		Assumed growth rate 3.0% p.a.		Assumed growth rate 1.5% p.a.		Assumed growth rate 1.5% p.a.	
	Assumed fund costs and charges 1.53% p.a.*		Assumed fund costs and charges 1.51% p.a. *		Assumed fund costs and charges 1.58% p.a. *		Assumed fund costs and charges 1.61% p.a. *		Assumed fund costs and charges 1.54% p.a. *	
At end of year	Projected value assuming no charges are taken	Projected value with charges taken *	Projected value assuming no charges are taken	Projected value with charges taken *	Projected value assuming no charges are taken	Projected value with charges taken *	Projected value assuming no charges are taken	Projected value with charges taken *	Projected value assuming no charges are taken	Projected value with charges taken *
0	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000
1	£20,300	£20,000	£19,700	£19,400	£20,200	£19,900	£19,900	£19,600	£19,900	£19,600
2	£20,600	£20,000	£19,400	£18,800	£20,400	£19,800	£19,800	£19,200	£19,800	£19,200
3	£21,000	£20,000	£19,100	£18,300	£20,600	£19,600	£19,700	£18,800	£19,700	£18,800
4	£21,300	£20,000	£18,800	£17,800	£20,800	£19,500	£19,600	£18,400	£19,600	£18,400
5	£21,600	£20,000	£18,600	£17,200	£21,000	£19,400	£19,500	£18,000	£19,500	£18,100
10	£23,400	£20,100	£17,200	£14,800	£22,000	£18,900	£19,000	£16,200	£19,000	£16,300
15	£25,300	£20,100	£16,000	£12,800	£23,200	£18,300	£18,600	£14,600	£18,600	£14,800
20	£27,300	£20,100	£14,900	£11,000	£24,300	£17,800	£18,100	£13,200	£18,100	£13,300
25	£29,500	£20,200	£13,800	£9,490	£25,500	£17,300	£17,700	£11,900	£17,700	£12,100
30	£31,900	£20,200	£12,800	£8,180	£26,800	£16,700	£17,300	£10,700	£17,300	£10,900

**includes transaction costs*

Source: Aviva

Table 2

Illustration of effect of costs and charges for funds with different growth rates and charges within **your scheme – Colorcon Limited Staff Benefits Plan**								
	Av UK Equity		Av Property		Av Global Equity		Av Managed	
	Assumed growth rate 4.5% p.a.		Assumed growth rate 3.5% p.a.		Assumed growth rate 4.5% p.a.		Assumed growth rate 3.6% p.a.	
	Assumed fund costs and charges 1.66% p.a. *		Assumed fund costs and charges 1.6% p.a. *		Assumed fund costs and charges 1.68% p.a. *		Assumed fund costs and charges 1.57% p.a. *	
At end of year	Projected value assuming no charges are taken	Projected value with charges taken *	Projected value assuming no charges are taken	Projected value with charges taken *	Projected value assuming no charges are taken	Projected value with charges taken *	Projected value assuming no charges are taken	Projected value with charges taken *
0	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000
1	£20,500	£20,200	£20,300	£20,000	£20,500	£20,200	£20,300	£20,000
2	£21,000	£20,300	£20,600	£19,900	£21,000	£20,300	£20,600	£20,000
3	£21,500	£20,500	£20,900	£19,900	£21,500	£20,500	£21,000	£20,000
4	£22,000	£20,600	£21,200	£19,900	£22,000	£20,600	£21,300	£20,000
5	£22,600	£20,800	£21,500	£19,900	£22,600	£20,800	£21,600	£20,000
10	£25,500	£21,600	£23,100	£19,700	£25,500	£21,600	£23,400	£20,000
15	£28,800	£22,500	£24,900	£19,600	£28,800	£22,400	£25,300	£20,000
20	£32,500	£23,300	£26,800	£19,500	£32,500	£23,300	£27,300	£20,000
25	£36,600	£24,300	£28,800	£19,400	£36,600	£24,200	£29,500	£20,000
30	£41,400	£25,200	£31,000	£19,200	£41,400	£25,100	£31,900	£20,000

**includes transaction costs*

Source: Aviva

Notes

For these illustrations, Aviva has assumed:

1. A starting pot representative of a typical member in the Plan. It does not assume any ongoing contributions into the pension pot.
2. The figures illustrate the pension pot in 'today's money' which means they take inflation into account by reducing values at 2.0% a year.
3. Transaction costs may not have been included where data was not available from fund managers.

Finally, Aviva has confirmed that schemes will offer other funds to those illustrated, with different growth potential and different charges, and may also offer some form of lifestyling investment approach. As the individual funds used in a lifestyling approach have different growth potential and different charges, the overall growth rate and overall charge will change over time. For these reasons, Aviva has shown a range of funds with a range of charges which are available, and which could apply to a member's pension pot during the life of a plan. Aviva has confirmed that the illustrations should not be used to make investment decisions and may not be relevant to a member's personal circumstances as monies may be invested in different funds, for example.

CORE FINANCIAL TRANSACTIONS

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

- Investing contributions paid into the DC Section and AVC arrangement;
- Transferring assets relating to members into and out of the DC Section and AVC arrangement;
- Transferring assets between different investments within the DC Section and AVC arrangement; and
- Making payments from the DC Section and AVC arrangement to, or on behalf of, members.

We must ensure that these important financial transactions are processed promptly and accurately. In practice, we delegate responsibility for this to the administrators of the DC Section and the AVC arrangement.

Administration of the DC Section is currently delivered by Aviva, while administration of the AVC arrangement is delivered by Prudential. This administration service includes key financial tasks such as paying benefits (or making transfers) and arranging disinvestments of designated investments.

These administrators are required to carry out services in accordance with good industry practice, and to ensure transactions are carried out in a timely and effective manner. Aviva has confirmed that their service standards are 10 working days.

Any mistakes or delays are investigated thoroughly and action is taken to put things right as quickly as possible.

The Trustees are aware of some administration challenges during the Plan year ended 30 June 2021, with specific issues around:

- servicing issues from Aviva, which has impacted on the service levels provided by Buck in respect of the Defined Benefit (DB) section; and
- settlement of retirement and death benefit claims.

There were no other material administration service issues discussed in the last Plan year which need to be reported here by the Trustees and as a result I am confident that (other than the issue mentioned above) all core financial transactions have been processed within a reasonable time.

TRUSTEE KNOWLEDGE AND UNDERSTANDING

The Plan is overseen by a board of Trustees. The Trustees are drawn from a variety of backgrounds with skills and knowledge which complement each other and provide a diverse Trustee Board.

The law requires the Trustees to be conversant with the Plan's documents and to possess, or have access to, sufficient knowledge and understanding of the law relating to pensions and trusts and the principles relevant to funding and investment to be able to run the Plan effectively.

The Trustees meet all the knowledge and understanding requirements and understand the Scheme and its documents. The Trustees are conversant with and have a working knowledge of the Trust Deed and Rules of the Scheme.

The Trustees are conversant with and have a working knowledge of the SIP and the documents setting out the Trustees' current policies. As noted in earlier paragraphs, the Trustees reviewed the SIP during the Plan year and having consulted the employer revised the SIP to document the Trustee's policies in relation to investment manager arrangements.

The Trustees are also aware that they must have sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational pension schemes. The Trustees do this by regularly reviewing the relevant Plan documents via the Plan's online portal.

Training and development responsibilities are taken seriously and a record kept of the training completed by each Trustee as well as a bespoke training plan.

All the Trustees have either completed, or made good progress in completing, The Pensions Regulator's on-line trustee toolkit and must review the toolkit on an on-going basis to ensure their knowledge remains up to date. New Trustees are required to complete the toolkit within six months of becoming a Trustee.

During the Plan year, the Trustees received "on the job" training. This means that as new topics arise professional advisers attending the Trustees' meetings will provide training, so the Trustees may engage in an informed manner. Items over the last year included: Investment Consultant objectives; Insight investment training on addressing the funding challenge; potential impact of the new Funding Code; Pension Increase Exchange (as part of GMP equalisation); Valuation Method and assumptions; Scheme Pays; GMP equalisation projects and overcoming practical challenges; RPI reform; COVID19 longevity updates; review of the transfer value basis; pension scheme governance and diversity; enabling members to make informed choices on scheme entitlements; regulatory update from The Pensions Regulator and Q&A panel discussion.

The Trustees are also provided with Buck's Topical Digest at every meeting. This covers recent and ongoing developments including legal and regulatory matters relevant to the trustees of DC pension schemes.

As a Trustee board, we take our training and development responsibilities seriously. The Trustees keep a record of the training completed by each Trustee. The training log is kept up to date and regularly reviewed to identify any gaps in the knowledge and understanding across the Trustee board as a whole.

As a result of the training activities, which have been completed by the Trustees individually and collectively and considering the professional advice available to the Trustees, I am confident that the combined knowledge and understanding of the Trustees enables us to fulfil our responsibilities as Trustees.

ASSESSING VALUE FOR MEMBERS

As part of our assessment of the charges and transaction costs, the Trustees are required to consider the extent to which member-borne charges and costs within the DC Section and AVC arrangement represent good value for members when this is compared to other options available in the market.

This section sets out the approach that the Trustees have taken, the conclusions we have reached and an explanation of how and why we have reached those conclusions.

Categorising costs/charges and how these impact on our assessment

There is no legal definition of 'good value' and so the process of determining good value for members is a subjective one. We note that value for members does not necessarily mean the lowest fee and the overall quality of the service received has been taken into account in the assessment of value to members.

In line with our legal duties and guidance issued by The Pensions Regulator, our first step has been to identify the services that members directly pay for, either through costs that only members pay, or costs that are shared with the Trustees or the employer.

The charges paid by members within the DC Section or AVC arrangement comprise not only fund management charges and transaction costs for the investment funds used but also cover the costs of the services provided to members by Aviva and Prudential, including services such as:

- The costs of reviewing and updating funds available to members on their platforms;
- Administration costs for the providers (e.g. the costs of updating and maintaining member records, processing pension payments, dealing with member queries, etc.); and
- Member communications (e.g. the costs of producing and issuing annual benefit statements, etc.).

However, for all other Plan costs and charges, the employer bears the full cost, covering such areas as:

- Wider investment support and governance (e.g. the costs of reviewing the DC Section and AVC providers, etc.);
- Administration of the Plan (e.g. the costs of updating and maintaining overall member records, dealing with member queries, etc.);
- Member communications (e.g. the costs of producing and issuing member booklets, etc.);
- The management and governance of the Plan (e.g. the expenses of the Trustees, the costs of professional advisers).

For the DC Section and AVC arrangement, the Trustees have applied a proportionate approach to assessing value for members given the significance of the value of these DC and AVC funds relative to the overall benefits in the Plan, including any accrued defined benefits, given that the Plan predominantly provides defined benefit pensions.

Our overall approach

Assisted by our advisers, and in line with The Pensions Regulator's guidance, we have taken the following approach:

1. We have collated information on services that members receive and the total costs that members pay including transaction costs (where available).
2. We have assessed the scope and quality of the services that members receive from Aviva and Prudential.
3. We have compared the value that members receive from the services against the cost of those services, on the value for member basis required by legislation (i.e. ignoring the wider elements of value that members receive as a result of costs paid by the employer).
4. We have reflected on our key findings and suggested courses of action to maintain areas of good value and improve areas where value could be better.

Overall, the above approach ensures that we are comparing the level of charges in each fund with the levels of return they have delivered to members, as well as comparing the costs of membership (i.e. the charges) against the benefits of membership (i.e. the services provided by the DC Section and AVC arrangement). In attempting to compare these against other options available in the market, the Trustees have found that there are limited industry-wide benchmarks for each service area and so the Trustees have relied on the market knowledge of our advisers.

Preparation for the assessment

The Trustees received support from advisers around how to undertake a value for member assessment and also considered the statutory guidance.

In particular, the size of the DC Section and AVC arrangement relative to the quantum of DB benefits for the members, plus the fact that the Plan is not being used as the relevant qualifying scheme for any members for the purposes of automatic enrolment, meant that a high level assessment would be used, which would be of a smaller scale than if any of the arrangements had been a stand-alone DC scheme.

Process followed for the assessment, including key factors considered

The Trustees, assisted by our advisers, performed a high-level review of the arrangements with Aviva and Prudential against other DC and AVC arrangements available in the market and similar funds available. In particular, the Trustees considered the following:

- The ways that members can access their savings at retirement and how this compares to other options available in the market;
- The choices available and the level of engagement of members with their DC funds; and
- The level of charges paid on DC funds.

Explanation of the results

Our conclusion that the DC Section with Aviva may no longer offer 'value to members' in the long term is based on factors such as:

- The charges, in particular, for the Aviva Managed and Cash funds of over 1.5% are high when compared to other DC arrangements when taking the overall package of services into account;
- Aviva's offering being uncompetitive in terms of investment options as well as below par supporting services for both members and trustees;
- Members not having access to a more modern platform, with online access that enables members to view and manage their own funds as well as access to other additional information to help them better understand their benefits and options (unlike that for other providers);
- There is a lack of transparency/influence on how With-Profits funds are run, and the value that members may place on the smoothing of returns and any guarantees associated may differ from member to member and from year to year for each member, particularly when compared against the value they may receive from unitised funds;
- Members do not have the same level of flexibility around accessing or using the Aviva Secure Growth fund as they would do in other unitised DC funds in the market (for instance, due to the potential for the funds being reduced by a Market Value Adjustment should savings be accessed other than, for example, normal retirement date, that is to say the amount may be reduced to reflect the current market value of the current underlying assets).

Our conclusion is that the closed AVC arrangement with Prudential provided fair value to members over the year to 30 June 2021. This is based on the following:

- Prudential's With-Profits Cash Accumulation Fund remains in good health and is cashflow positive which gives Prudential greater flexibility in setting the Fund's investment strategy;
- It is well-diversified and has delivered healthy gross investment returns (which drives long term bonus returns);

However, members do not have the same level of flexibility around accessing or using with-profit funds as they would do in other unitised DC funds.

Steps taken to improve value for members during the Plan year

During the Plan year, the Trustees took the following steps to improve value for members:

- Liaised with the fund managers to ensure that complete and accurate disclosure of transaction costs is provided where possible, in line with FCA rules;
- Monitored the usage of the DC funds with Aviva and Prudential;
- Issued a newsletter to members in Summer 2021 which included the communication to members on the need to review their investment fund choices align with their retirement objectives; and
- Updated the SIP to reflect further requirements under the latest regulations on including the Trustees' policies in respect of arrangements with their investment manager and prepared their first implementation statement, in line with statutory regulations, confirming that the Plan had acted in line with its responsible investment policies set out in its SIP.

Follow-on actions and investigations

The Trustees' focus is on maintaining the value for members and identifying if further improvements can be made.

Over the year to 30 June 2022, the Trustees plan the following:

- Undertake a project to improve data scores in the DC Section to be combined with the Plan's GMP equalisation project;
- Continue to review and where appropriate improve member engagement to ensure members are aware of how the Plan's DC Section operates and the decisions they need to take;
- Discuss the value for member analysis with the employer to obtain its views; and
- Consider undertaking a strategic review of the DC Section given the conclusions reached in the value for member analysis.

A copy of the latest SIP is available on request from the Trustees at the address shown on page 7.