



# **Sky Pension Plan**

## **Annual governance statement by the Chair of Trustee for the year ending 30 June 2023**

### **Introduction**

Governance standards apply to defined contribution pension arrangements. These standards are designed to help members achieve a good outcome from their retirement savings.

As Chair of the Trustee of the Sky Pension Plan ('the Plan'), I have to provide you with a yearly statement that explains what steps the Trustee has taken (with guidance from its professional advisers) 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 2022 to 30 June 2023.

The Trustee has provided information about the return on investments within the statement (after the deduction of any charges and transaction costs paid for by members). These are included to help you, as members, understand how your investments are performing.

The Trustee is committed to having high governance standards and meets regularly to monitor the controls and processes in place in connection with the Plan's investments and administration.

Russia's invasion of Ukraine has continued throughout the Plan year. The Trustee had discussions on the ongoing impact on the world economy and investment markets. Assisted by our advisers, we are continuing to monitor the impacts of the conflict in Ukraine (as well as more recent events in Israel and Gaza) and their global ramifications on the Plan, particularly on ongoing investment returns.

Buck and the Trustee would encourage members to visit the Sky Pension Plan website [www.skypensionplan.com](http://www.skypensionplan.com) or to log onto the Member Portal <https://www.buckhrsolutions.co.uk/spp/> in order to find the most up-to-date communications from the Trustee.

Overall, I welcome this opportunity to explain what the Trustee does to help to ensure the Plan is run as effectively as it can be.



## **Default investment strategy**

The Trustee is responsible for investment governance. This includes having a good working knowledge of investment matters relating to the Plan and both setting and monitoring the default investment strategy within the Plan. The Trustee takes professional advice from regulated investment advisers and, during the Plan year, continued to appoint fund managers to manage the DC investments within the Plan. The Trustee also makes use of an Investment Sub Committee which investigates and reports to the main Trustee board on investment-related matters.

The Trustee has selected and provides default investment strategies for Plan members who do not choose an investment option for their contributions (although it's noted that members can actively choose to invest in a default investment strategy).

There was also one additional default arrangement during the Plan year (the BlackRock Aquila Cash Fund) applicable to a small number of members as a consequence of the closure of the M&G UK Property Fund. Following the deferral of redemptions from the M&G Pooled Pensions UK Property Fund in July 2019, M&G announced its intention to undertake an orderly closure of the M&G UK Property Fund on 6 September 2021.

The dissolution and liquidation of the fund commenced on 1st November 2021 and remains on-going. Redemption payments received by the Plan are invested accordingly across the relevant population.

All M&G UK Property Fund contributions and redemption payments paid over from September 2021 onwards were redirected into the BlackRock Aquila Cash Fund unless members selected an alternate arrangement. This makes the BlackRock Aquila Cash Fund a default arrangement for the Plan under the relevant legislation and therefore the BlackRock Aquila Cash Fund is also subject to certain additional legal requirements from September 2021 onwards (i.e. comparison against the 0.75% charge cap and inclusion within reviews of the default investment arrangements).

## **Setting an appropriate default investment strategy**

Prior to April 2021, the Cash Lifestyle was the default investment strategy for the Plan. The Trustee replaced this Cash Lifestyle with the New Cash Lifestyle as the default investment strategy for new joiners from April 2021 onwards. When deciding on the New Cash Lifestyle as the default investment strategy for new joiners, the Trustee recognised that the majority of members do not take active investment decisions and instead invest in the default option with the default target retirement age.

When designing the new default strategy, it was the Trustee's intention to ensure that assets are invested in the best interests of the relevant members and beneficiaries. The Trustee considered that the New Cash Lifestyle is likely to be more appropriate for a typical new Plan member in the normal course of events than the previous Cash Lifestyle, although all members were encouraged to review their investment instructions and their target retirement age at the point of introducing the New Cash Lifestyle.

Members with holdings in the previous Cash Lifestyle were given the option of switching their holdings and to re-direct future contributions to the New Cash Lifestyle on its introduction. However, the previous Cash Lifestyle remains a default arrangement for members who have not chosen to switch to the New Cash Lifestyle.

Under the previous Cash Lifestyle, a member's assets are automatically invested in line with a pre-determined strategy that uses a 50% investment in global equities and 50% investment in diversified growth assets at all times up to 10 years before retirement, before making quarterly switches of the investments over the next 10 years to an allocation of 10% in global equities, 10% in diversified growth assets and 80% in money market instruments at the member's target retirement age.

Under the New Cash Lifestyle, a member's assets are automatically invested in line with a pre-determined strategy that uses a 100% investment in global equities at all times up to 20 years before retirement, before making quarterly switches to achieve a 100% investment in diversified growth assets at 10 years before retirement. Over the remaining 10 years, quarterly switches are then made to achieve an allocation of 30% in diversified growth assets and 70% in money market instruments at the member's target retirement age.

The Trustee recognises that lifestyle designs may not be suitable for all members but believes that they provide a useful tool for those who feel unable or simply forget to amend their investment strategy as they approach their target retirement age.

Details of the strategy and objectives of the default investment arrangements are recorded in a document called the Statement of Investment Principles. A copy of the latest Statement of Investment Principles is attached to this statement and it can also be found on the Sky Pension Plan website at [www.skypensionplan.com](http://www.skypensionplan.com).

### **Reviewing the default investment arrangements**

The Investment Sub Committee and Trustee board reviews the performance of the default investment strategies (as well as the alternative lifestyle options and the self-select fund range) on at least a quarterly basis, taking advice from the Trustee's investment consultant.

The Trustee is required to review the strategy and objectives of the default investment strategies regularly – at least once every three years – and take into account the needs of Plan members when designing them.

A default investment strategy review was completed on 8 September 2020 resulting in the introduction of the New Cash Lifestyle and the two alternative lifestyle strategies; the New Drawdown Lifestyle and the New Annuity Lifestyle. The most recent strategic review commenced in late 2022, resulting in the introduction of a new investment platform with Legal & General in July 2023 and some changes to the underlying funds used for the lifestyle strategies. These changes were communicated to members in June 2023 and will be reflected in next year's statement as the changes took place after the end date of the period covered by this statement.

These decisions involved taking advice from the Trustee's investment consultant. The Trustee also considered the membership profile of the Plan, the risk profile and the Trustee's investment mission and principles statement when making their decisions. One of the Trustee's objectives when designing the new default lifestyle strategy was to improve the overall expected risk and return profile of the strategy, by enabling Plan members to invest in investments with higher expected levels of risk and return while they are further from their selected retirement date and to reduce the level of risk closer to retirement.

In addition to the three-yearly strategy review, the Trustee receives quarterly reports on the performance of the Plan funds and compares these against each fund's performance objective and benchmark. The Trustee is satisfied overall that the funds met their aims and objectives.

The Trustee will also continue to monitor members' behaviour at retirement in order to check whether assumptions made about how members will access their savings at retirement are borne out in practice.

### **Self-select investment choices**

In addition to the new default investment strategy, the two new alternative lifestyle strategies (as well as the closed-to-new-entrants legacy default investment strategy and alternative lifestyle strategies), the Trustee allows members to select from a range of self-select funds. The range of self-select funds in place during the Plan year were as follows:

- BlackRock Aquila Over 15 Years UK Gilt Index Fund
- BlackRock Aquila 30:70 Currency Hedged Global Equity Fund

- BlackRock Aquila Over 5 Years UK Index Linked Gilt Fund
- BlackRock Aquila 50:50 Global Equity Fund
- BlackRock Aquila Cash Fund
- BlackRock Aquila Over 15 Years Corporate Bond Index Fund
- BlackRock Aquila UK Equity Fund
- MFS Global Equity Fund
- Veritas Global Focus Strategy Fund
- Schroders Diversified Growth Fund
- Schroders Climate Change Fund
- HSBC Islamic Global Equity Index Fund
- M&G UK Equity Recovery Fund
- M&G UK Property Fund (although as this fund is closing, Plan members can no longer make any additional investments into the fund and cannot withdraw from the fund immediately).

As part of the strategic review which took place in late 2022 and the introduction of a new investment platform with Legal & General in July 2023, each self-select fund was replaced by a new fund of the same type and members' investments were switched into the replacement funds automatically. Members were advised of these changes in June 2023 and the new replacement funds will be listed in next year's statement as the change took place after the end date of the period covered by this statement.

Members are expected to consider taking independent financial advice before choosing between the self-select fund options. Any members considering switching funds should consider the risk involved and take any advice they feel is necessary.

Free impartial guidance is available from MoneyHelper, the Government's free and impartial financial guidance service. Their website can be found at <https://www.moneyhelper.org.uk/en/pensions-and-retirement/> and they can provide guidance through live webchat or by calling 0800 011 3797 (Mon-Fri, 9am to 5pm).

## **Charges and transaction costs paid by members**

### **Explanation of the charges paid by members**

The Trustee is required to explain the charges that are paid by Plan members rather than the employer, as well as the transaction costs paid (i.e. the costs of buying and selling investments in the Plan).

In the Plan, members typically only pay for investment management and investment transactions, while the employer pays all the other costs of running the Plan, such as administration 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). The charges for the default investment strategy are compared against the 0.75% charge cap set by legislation.
- Transaction costs are the costs incurred as a result of the buying, selling, lending or borrowing of investments *within* each fund or strategy. 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. Unlike the ongoing charges figures, transaction costs are not compared against the 0.75% charge cap set by legislation –

instead, the reported performance of the fund is typically net of these transaction costs. It should be noted that the transaction costs are likely to vary from fund to fund and from year to year.

- 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.
- Finally, the Trustee would also like to note the presence of indirect property expenses for the Schroders Diversified Growth Fund and the M&G UK Property Fund. These are expenses incurred indirectly when part of the portfolio is invested in one or more pooled funds with direct property exposure. These are also implicit costs that are not typically visible to members and are not compared against the 0.75% charge cap set by legislation – instead, the reported performance of the fund is also typically net of these costs.

### **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. The Trustee is required to provide illustrative examples of the cumulative effect over time of the impact of the charges and transaction costs on members' savings.

The Trustee has prepared illustrations that can be found in Appendix A, having taken account of the statutory guidance issued by the Department of Work and Pensions<sup>1</sup> and effective from 1 October 2021 in preparing this section of our statement.

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<sup>1</sup> <https://www.gov.uk/government/publications/reporting-costs-charges-and-other-information-guidance-for-trustees-and-managers-of-occupational-pension-schemes/reporting-of-costs-charges-and-other-information-guidance-for-trustees-and-managers-of-occupational-schemes-effective-from-1-october-2021>

## Details of the levels of charges and transaction costs over the Plan year

The level of total ongoing charges and transaction costs applicable to the funds within the previous Cash Lifestyle and the Plan's default New Cash Lifestyle – were confirmed by the fund managers as:

	Direct charges	Indirect charges	Total ongoing charges	Transaction costs	Indirect property expenses
<b>BlackRock Aquila (30:70) Global Equity Fund</b>	0.09%	0.01%	0.10%	0.02%	-
<b>Schroders Diversified Growth Fund</b>	0.32%	0.07%	0.39%	0.44%	0.02%
<b>BlackRock Aquila Cash Fund</b>	0.095%	0.03%	0.125%	0.02%	-

The level of total ongoing charges and transaction costs applicable to the funds within the Plan's alternative lifestyle investment strategies – the New Drawdown Lifestyle, the New Annuity Lifestyle and the closed-to-new-entrants Drawdown Lifestyle, Annuity Lifestyle and 5-year Annuity Lifestyle – and within the one other default arrangement during the Plan year (the BlackRock Aquila Cash Fund) applicable to a small number of members with holdings in the M&G UK Property Fund were confirmed by the fund managers as being the following over the Plan year:

	Direct charges	Indirect charges	Total ongoing charges	Transaction costs	Indirect property expenses
<b>BlackRock Aquila (30:70) Global Equity Fund</b>	0.09%	0.01%	0.10%	0.02%	-
<b>Schroders Diversified Growth Fund</b>	0.32%	0.07%	0.39%	0.44%	0.02%
<b>BlackRock Aquila Over 15 years UK Gilt Fund</b>	0.10%	0.01%	0.11%	0.02%	-
<b>BlackRock Aquila Over 15 years Corporate Bond Fund</b>	0.08%	0.01%	0.09%	0.12%	-
<b>BlackRock Aquila Cash Fund</b>	0.095%	0.03%	0.125%	0.02%	-

The level of total ongoing charges and transaction costs applicable to the other self-select funds (on top of the funds above) were confirmed by the fund managers as being the following over the Plan year:

	Direct charges	Indirect charges	Total ongoing charges	Transaction costs	Indirect property expenses
<b>BlackRock Aquila 50:50 Global Equity Fund</b>	0.09%	0.01%	0.10%	0.04%	-
<b>BlackRock Aquila Over 5 Years UK Index Linked Gilt Fund</b>	0.08%	0.01%	0.09%	0.09%	-
<b>BlackRock Aquila UK Equity Fund</b>	0.10%	0.00%	0.10%	0.02%	-
<b>M&amp;G UK Property Fund</b>	0.44%	0.32%	0.76%	0.29%	0.51%
<b>M&amp;G UK Equity Recovery Fund</b>	0.60%	0.01%	0.61%	0.01%	-
<b>MFS Global Equity Fund</b>	0.65%	0.07%	0.72%	0.01%	-
<b>Schroders Climate Change Fund</b>	0.75%	0.05%	0.80%	0.09%	-
<b>Veritas Global Focus Strategy Fund</b>	0.60%	0.05%	0.65%	0.03%	-
<b>HSBC Islamic Global Equity Index Fund</b>	0.30%	-	0.30%	0.03%	-

## Completeness of charges and transaction cost information

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

All information relating to ongoing charges and transaction costs was available for the Plan year. In terms of switching costs, the funds used by the Plan operate on a single-swinging price basis with no explicit switching costs charged to members. However, members may experience implicit switching costs whenever assets are sold (as is the case throughout the lifestyling phase). These costs will vary between members depending on what switches took place for each member and the date at which these occurred. The Trustee is not able to track what costs have been incurred in practice for particular members. It should be noted that not all switches will incur these costs, with many taking place at nil cost.

### Past performance of the investment options

The Trustee has calculated the return on investments after the deduction of any charges and transaction costs paid for by the members. The Trustee has done this for the current default investment arrangement and for each self-select fund which members are now able, or were previously able, to select and in which Plan members have been invested during the Plan year.

The net returns to 30 June 2023 are shown in the tables below and have been included to help members understand how their investments are performing. Please note that past performance is no indicator of future performance. The Trustee has prepared the following tables, having taken account of the statutory guidance issued by the Department of Work and Pensions<sup>2</sup>.

Annualised net returns (%) for the default investment arrangement (the New Cash Lifestyle) over periods to 30 June 2023

Age of member at the start of the period*	5 years (2018-2023)	1 year (2023)
Age 25	6.8%	12.6%
Age 45	4.8%	11.0%
Age 55	2.0%	-3.1%

Annualised net returns (%) for the previous Cash Lifestyle over periods to 30 June 2023

Age of member at the start of the period*	5 years (2018-2023)	1 year (2023)
Age 25	4.3%	4.5%
Age 45	4.3%	4.5%
Age 55	3.8%	4.4%

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<sup>2</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/994897/completing-the-annual-value-for-members-assessment-and-reporting-of-net-investment-returns.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/994897/completing-the-annual-value-for-members-assessment-and-reporting-of-net-investment-returns.pdf)

Annualised net returns (%) for the New Drawdown Lifestyle over periods to 30 June 2023

Age of member at the start of the period*	5 years (2018-2023)	1 year (2023)
Age 25	6.8%	12.6%
Age 45	4.8%	11.0%
Age 55	1.8%	-3.4%

Annualised net returns (%) for the previous Drawdown Lifestyle over periods to 30 June 2023

Age of member at the start of the period*	5 years (2018-2023)	1 year (2023)
Age 25	4.3%	4.5%
Age 45	4.3%	4.5%
Age 55	4.0%	4.4%

Annualised net returns (%) for the New Annuity Lifestyle over periods to 30 June 2023

Age of member at the start of the period*	5 years (2018-2023)	1 year (2023)
Age 25	6.8%	12.6%
Age 45	4.8%	11.0%
Age 55	1.9%	-3.2%

Annualised net returns (%) for the previous Annuity Lifestyle over periods to 30 June 2023

Age of member at the start of the period*	5 years (2018-2023)	1 year (2023)
Age 25	4.3%	4.5%
Age 45	4.3%	4.5%
Age 55	3.5%	4.3%



Annualised net returns (%) for the 5-Year Lifestyle over periods to 30 June 2023

<b>Age of member at the start of the period*</b>	<b>5 years (2018-2023)</b>	<b>1 year (2023)</b>
Age 25	4.3%	4.5%
Age 45	4.3%	4.5%
Age 55	4.3%	4.5%

\*As the default and alternative investment arrangements are lifestyle strategies made up of different investment funds, the returns may vary with the age of the member, so the Trustee has shown the returns at three example ages for each lifestyle strategy in line with regulatory guidance.

Annualised net returns (%) for the self-select funds over periods to 30 June 2023

<b>Investment Fund</b>	<b>5 years (2018-2023)</b>	<b>1 year (2023)</b>
BlackRock Aquila (30:70) Global Equity Fund	6.8%	12.6%
Schroders Diversified Growth Fund	1.7%	-3.6%
BlackRock Aquila Over 15 years UK Gilt Fund	-8.1%	-24.4%
BlackRock Aquila Over 15 years Corporate Bond Fund	-4.3%	-13.7%
BlackRock Aquila Cash Fund	0.9%	3.0%
BlackRock Aquila 50:50 Global Equity Fund	5.7%	10.9%
BlackRock Aquila Over 5 Years UK Index Linked Gilt Fund	-5.8%	-17.6%
BlackRock Aquila UK Equity Fund	2.9%	7.7%
M&G UK Property Fund	n/a	n/a

M&G UK Equity Recovery Fund	-3.3%	7.1%
MFS Global Equity Fund	8.7%	10.5%
Schroders Climate Change Fund	11.4%	12.8%
Veritas Global Focus Strategy Fund	8.8%	6.4%
HSBC Islamic Global Equity Index Fund	n/a	16.9%

**Notes for all tables in this section:**

1. Figures shown are calculated based data provided by the investment managers.
2. Composite performance figures for the lifestyle strategies assume allocations are in line with the switching matrix at each year end. The Trustee has not allowed for deviations due to market movements in the preceding period.
3. The Sky Pension Plan updated its investment strategy in April 2021. The current default investment strategy (New Cash Lifestyle) and the alternative Lifestyle strategies marked as "New" (namely the New Drawdown Lifestyle and the New Annuity Lifestyle) were implemented from that date. The figures shown for the 5 year period reflect the historical performance of the funds making up these new lifestyle strategies.
4. The HSBC Islamic Global Equity Index Fund was launched in May 2021, and therefore the 5-year returns are unavailable.
5. The M&G UK Property Fund is in the process of being wound up, and the manager is not providing any performance figures.
6. Net investment return figures for 10 years, 15 years and 20 years to 30 June 2023 were not available.

**Core financial transactions**

The Trustee is 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 Plan;
- transferring assets relating to members into and out of the Plan;
- transferring assets between different investments within the Plan; and
- making payments from the Plan to, or on behalf of, members.

The Trustee must ensure that these important financial transactions are processed promptly and accurately. In practice, the Trustee delegates responsibility for this to Buck, the Plan's administrator. Over the Plan year, there was a service level agreement in place between the Trustee and Buck that provided for Buck to ensure accurate and timely processing of the core financial transactions for which it was responsible.

Buck was required to carry out services in accordance with good industry practice and, more specifically, payments in respect of members must reach the recipients as agreed with the Trustee and in accordance with the Plan's trust deed and rules. This administration service included key financial tasks such as managing the investment of contributions, paying benefits (or making transfers) and keeping track of changes in members' circumstances.

In order to monitor this service, the Trustee received quarterly reports over the Plan year, confirming the performance against agreed targets and timescales agreed with the Trustee for three different types of event:

1. Priority 1 Events – which have a target of 95% being completed within the agreed timescale;
2. Priority 2 Events – which also have a target of 95% being completed within the agreed timescale; and
3. Other Tasks (non-contractual) – which are cases for which the Trustee has not set specific targets or timescales, with Buck instead tracking and reporting on these events based on Buck's own standard targets and timescales for the events.

The Trustee discusses these reports and dashboards at each Trustee meeting, noting any specific issues that have arisen with the administration services provided (covering core financial transactions and member processing). The Trustee also monitors transactions made via the Trustee's bank account on a quarterly basis.

The agreed targets for some of the core financial transactions over the Plan year were as follows:

<b>Priority 1 Event</b>	<b>SLA</b>	<b>Current target</b>
Death settlements:		
- Claim monies due from insurers	5 days	95% within SLA
- Apply to the Trustee to exercise discretion	5 days	95% within SLA
- Payment of discretionary benefits	5 days	95% within SLA
Retirement settlements (from receipt of funds)	5 days	95% within SLA
Transfer settlements (from receipt of funds)	5 days	95% within SLA
Processing all payments on a daily basis	Same day if fully authorised on the browser by 11.30am	95% within SLA
<b>Priority 2 Event</b>	<b>SLA</b>	<b>Current target</b>
Divorce settlement	10 days	95% within SLA
Transfer in settlement (from receipt of funds)	10 days	95% within SLA

The average proportion of SLAs being met for Priority 1 and Priority 2 Events processed by Buck over the Plan year to 30 June 2023 was 97%.

As a result of the core financial transaction performance and no material administration service issues discussed in the Plan year that need to be reported here by the Trustee, I am confident that core financial transactions over the Plan year have been processed promptly, accurately and within a reasonable time and, overall, the Trustee is confident that the processes and controls in place with Buck over the Plan year were robust and ensured that the financial transactions which are important to members are dealt with properly.

### **Trustee knowledge and understanding**

The law requires the Trustee Directors 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 Trustee Directors meet all the knowledge and understanding requirements and understand the Plan and its documents. The Trustee Directors are aware that we must have a working knowledge of the trust deed and rules of the Plan, the Statement of Investment Principles and the documents setting out the Trustee's current policies.

The Trustee Directors 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. We do this by regularly reviewing the relevant Plan documents via the Plan's online portal and seeking advice from the Plan's legal advisers (Cameron McKenna Nabarro Olswang LLP, or 'CMS') on matters of interpretation. During the Plan year, the Trustee sought advice from the Plan's legal advisers on Guaranteed Minimum Pension (GMP) equalisation, transition to a corporate trustee, the administration of members with more than one period of pensionable service, Section 75 debts, including any deeds required to amend the Trust Deed & Rules.

The Trustee Directors take our training and development responsibilities seriously and keep a record of the training completed by each member of the Trustee Board. The training log is reviewed at each Trustee meeting to identify any gaps in the knowledge and understanding across the Trustee Board as a whole.

Trustee Directors complete the Pensions Regulator's on-line trustee toolkit and review the toolkit on an on-going basis to ensure their knowledge remains up to date. New Trustee Directors are required to complete the toolkit within 6 months of becoming a member of the Trustee Board.

The Trustee Directors receive "on-the-job" training. This means that as new topics arise, the Trustee's professional advisers attending the Trustee meetings will provide wider briefing notes and topical digests, as well as training during the meeting, so that the Trustee Directors may engage on such topics in an informed manner. Relevant advisers attend meetings and are in frequent contact with the Trustee Board to provide information on topics under discussion, either specific to the Plan or in respect of pension or trust law.

During the Plan year, the Trustee received training on topics such as:

- **Guaranteed Minimum Pensions** – covering equalisation, conversion at retirement, member consultations and the impact on tax-free cash post conversion.
- **Governance** – covering an overview of The Pensions Regulator's new code of practice on Effective System of Governance and how it would impact the Plan; planning for the Pensions Dashboard Project, including a review of the readiness score and data journey; and
- **Investments** – covering new Taskforce on Climate-related Financial Disclosures reporting requirements for climate change; diversified growth funds; implementing an investment-only platform; and sustainable investment.

In addition to "on-the-job" training, The Trustee Directors participated in a half-day training day in September 2022 that included training on:

- The importance of diversity and inclusion on a trustee board
- The enhanced value for money/member assessment
- Pension scams

The Trustee has assessed the Plan against the standards set out in the code of practice for trustees of pension schemes providing money purchase benefits (the DC code) and related guides and established an action plan to ensure we can demonstrate that we are offering a quality scheme. All elements of the action plan have now been progressed and concluded.

Regular reviews of the performance and effectiveness of the Trustee Board are undertaken.

As a result of the training activities which have been completed by the Trustee Directors individually and collectively and taking into account the professional advice available to the Trustee Board, I am confident that the combined knowledge and understanding of the Trustee Board enables us to properly exercise our functions as a Trustee Board.

### **Assessing value for members**

As part of our assessment of the charges and transaction costs, the Trustee is required to consider the extent to which the member-borne charges and costs represent good value for members when compared to other options available in the market. Based on our assessment, the Trustee concludes that:

- the Plan offered good 'value for members' over the year to 30 June 2023, when measured against the definition required by legislation, and
- when the Trustee takes into account wider elements of value that members receive as a result of costs paid by the Company, including the generosity of employer contributions, the Trustee has concluded that the Plan offered excellent 'value for money' overall over the year to 30 June 2023.

Appendix B sets out the approach that the Trustee has taken, the conclusions the Trustee has reached (including explanations of how and why the Trustee has reached those conclusions) plus details of further actions the Trustee will take over the year to 30 June 2024 to maintain the value for members and identify if further improvements can be made.

### **Final comments and feedback**

Please note that on top of the information that can be obtained through the Member Portal, the following information is available on the publicly-available Sky Pension Plan website [www.skypensionplan.com](http://www.skypensionplan.com)

- Details of Tumelo, the award-winning platform available to Plan members that reveals the companies the Plan invests in and enables members to make their views known in order to influence those companies on issues they care about;
- Key documents such as the Statement of Investment Principles and the annual Implementation Statement;
- Details of the lifestyle and freestyle investment options available to members, including the default New Cash Lifestyle arrangement and the alternative lifestyle arrangements (as well as the closed-to-new-entrants legacy default Cash Lifestyle arrangement and alternative lifestyle arrangements);
- Details of the level of charges and transaction costs paid by members and illustrations of the impact of costs and charges on retirement savings and further explanation of the extent to which charges and transaction costs represent good value for members.

If you have any questions about anything that is set out in this statement, or any suggestions about what can be improved, please do let us know by contacting the Secretary to the Trustee, who can be contacted by sending an email to [Elizabeth.Bostock@buck.com](mailto:Elizabeth.Bostock@buck.com). The Plan's administrators, Buck, can be contacted by emailing [spp@buck.com](mailto:spp@buck.com) or calling the helpline 0330 678 1504 (helpline hours: Monday to Friday, 9.00am to 5.00pm).

Signed for and on behalf of the Trustee of the Sky Pension Plan by Tanya Richards, Chair of Trustee

Signed *Tanya Richards*

Date 14 December 2023

## Appendix A – illustrations of the impact of costs and charges

Each table in this section shows the projected pension savings (or ‘retirement pot’) in today’s money for a different representative member, using median statistics as at 30 June 2023 and using the Statutory Money Purchase Illustration (SMPI) assumptions as at 1 July 2023 that feature in the Plan’s most recent annual benefit statements. In line with the revised statutory guidance issued by the Department of Work and Pensions<sup>3</sup> effective from 1 October 2021, the Trustee has shown illustrations for the default New Cash Lifestyle strategy, the legacy default Cash Lifestyle strategy and the funds with the highest/lowest total ongoing charges that are still available for new monies. The Trustee has also included a projection of the BlackRock Aquila Cash Fund, as the default arrangement for any M&G UK Property Fund contributions and redemption payments paid over from September 2021 onwards.

The only difference between the assumptions used for the enclosed projections and those used for the projections within the annual benefit statements is that transaction costs and indirect property expenses are taken into account in the enclosed tables, when these are ignored within SMPI statements.

‘Typical’ active Plan member

	New Cash Lifestyle		Cash Lifestyle		Schroders Climate Change Fund		BlackRock Aquila Over 5 Years UK Index Linked Gilt Fund		BlackRock Aquila Life Cash Fund	
	Default arrangement from April 2021		Default arrangement for pre-April 2021 holdings		Highest-charging self-select fund		Lowest-charging self-select fund		Default arrangement for M&G UK Property Fund holdings	
Age	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted
	£	£	£	£	£	£	£	£	£	£
40	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
45	36,030	35,868	35,577	34,982	36,940	35,621	29,551	29,423	31,245	31,087
50	61,844	60,966	60,782	58,922	65,171	60,922	43,467	43,135	47,994	47,562
55	92,375	88,938	91,657	87,605	101,495	91,966	56,777	56,172	65,265	64,434
60	125,716	117,864	126,551	119,459	148,233	130,055	69,506	68,567	83,074	81,714
65	156,763	144,798	158,983	148,909	208,371	176,789	81,680	80,352	101,436	99,410

‘Typical’ deferred Plan member

	New Cash Lifestyle		Cash Lifestyle		Schroders Climate Change Fund		BlackRock Aquila Over 5 Years UK Index Linked Gilt Fund		BlackRock Aquila Life Cash Fund	
	Default arrangement from April 2021		Default arrangement for pre-April 2021 holdings		Highest-charging self-select fund		Lowest-charging self-select fund		Default arrangement for M&G UK Property Fund holdings	
Age	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted
	£	£	£	£	£	£	£	£	£	£
40	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
45	6,227	6,191	6,125	5,991	6,433	6,135	4,782	4,754	5,156	5,121
50	7,704	7,565	7,503	7,177	8,278	7,527	4,573	4,520	5,316	5,244
55	9,375	8,945	9,190	8,599	10,651	9,236	4,374	4,297	5,481	5,371
60	11,054	10,192	10,993	10,082	13,705	11,332	4,183	4,086	5,652	5,500
65	12,346	11,122	12,385	11,192	17,634	13,903	4,001	3,884	5,828	5,633

<sup>3</sup> <https://www.gov.uk/government/publications/reporting-costs-charges-and-other-information-guidance-for-trustees-and-managers-of-occupational-pension-schemes/reporting-of-costs-charges-and-other-information-guidance-for-trustees-and-managers-of-occupational-schemes-effective-from-1-october-2021>

### Typical youngest' active Plan member

	New Cash Lifestyle		Cash Lifestyle		Schroders Climate Change Fund		BlackRock Aquila Over 5 Years UK Index Linked Gilt Fund		BlackRock Aquila Life Cash Fund	
	Default arrangement from April 2021		Default arrangement for pre-April 2021 holdings		Highest-charging self-select fund		Lowest-charging self-select fund		Default arrangement for M&G UK Property Fund holdings	
Age	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted
	£	£	£	£	£	£	£	£	£	£
20	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
25	12,404	12,360	12,280	12,116	12,653	12,292	10,601	10,565	11,078	11,034
30	25,363	25,187	24,872	24,236	26,361	24,920	18,828	18,708	20,439	20,286
35	41,501	41,068	40,297	38,758	43,999	40,414	26,695	26,451	30,090	29,761
40	61,601	60,731	59,192	56,156	66,693	59,424	34,220	33,812	40,043	39,465
45	86,635	85,076	82,337	77,002	95,893	82,749	41,416	40,810	50,304	49,403
50	117,054	113,753	110,688	101,977	133,465	111,368	48,299	47,464	60,885	59,580
55	152,217	144,130	145,418	131,900	181,808	146,483	54,881	53,791	71,795	70,003
60	189,074	173,668	183,607	164,211	244,011	189,566	61,176	59,805	83,045	80,678
65	220,523	198,766	216,229	191,604	324,048	242,428	67,197	65,524	94,645	91,610

### Typical youngest' deferred Plan member

	New Cash Lifestyle		Cash Lifestyle		Schroders Climate Change Fund		BlackRock Aquila Over 5 Years UK Index Linked Gilt Fund		BlackRock Aquila Life Cash Fund	
	Default arrangement from April 2021		Default arrangement for pre-April 2021 holdings		Highest-charging self-select fund		Lowest-charging self-select fund		Default arrangement for M&G UK Property Fund holdings	
Age	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted
	£	£	£	£	£	£	£	£	£	£
20	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
25	1,245	1,238	1,225	1,198	1,287	1,227	956	951	1,031	1,024
30	1,551	1,533	1,501	1,435	1,656	1,505	915	904	1,063	1,049
35	1,932	1,898	1,838	1,720	2,130	1,847	875	859	1,096	1,074
40	2,406	2,350	2,252	2,061	2,741	2,266	837	817	1,130	1,100
45	2,997	2,910	2,758	2,469	3,527	2,781	800	777	1,166	1,127
50	3,708	3,555	3,378	2,958	4,538	3,412	765	739	1,202	1,154
55	4,511	4,204	4,138	3,544	5,839	4,186	732	702	1,239	1,182
60	5,319	4,790	4,950	4,155	7,513	5,136	700	668	1,278	1,210
65	5,941	5,227	5,577	4,612	9,667	6,302	669	635	1,318	1,239

### Notes

1. Values shown are estimates and are not guaranteed.
2. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
3. Inflation is assumed to be 2.5% each year.
4. For active members only, future contributions are assumed to be paid from assumed age to 65 and increase in line with assumed earnings inflation of 2.5% each year.
5. Total contribution rates and pensionable salaries for the active member illustrations are assumed to be 9% and £35,000 respectively for the 'typical' active member and 9% and £20,000 respectively for the 'typical youngest' active member.

6. The starting pot sizes within the Plan are assumed to be £15,000 for the 'typical' active member, £5,000 for the 'typical' deferred member, £2,000 for the 'typical youngest' active member and £1,000 for the 'typical youngest' deferred member.
7. Starting ages within the Plan are assumed to be 40 for the 'typical' active member, 40 for the 'typical' deferred member, 20 for the 'typical youngest' active member and 20 for the 'typical youngest' deferred member.
8. The projected growth rate for each fund (before total charges and transaction costs are deducted), projected total charges figures (including indirect property expenses) and projected transaction costs are as follows. The projected transaction costs are the average of the transaction costs provided for the last three Plan years:

<b>Fund</b>	<b>Projected growth rate</b>	<b>Projected total ongoing charges</b>	<b>Projected transaction costs</b>
New Cash Lifestyle (growth phase)	4.49% above inflation	0.10% per annum	0.03% per annum
Previous Cash Lifestyle (growth phase)	4.14% above inflation	0.25% per annum	0.22% per annum
Schroders Climate Change Fund	5.17% above inflation	0.80% per annum	0.22% per annum
BlackRock Aquila over 5 years Index Linked Gilt Fund	0.89% <i>below</i> inflation	0.09% per annum	0.03% per annum
BlackRock Aquila Cash Fund	0.61% above inflation	0.125% per annum	0.02% per annum



## **Appendix B – assessing value for member and wider value for money**

### **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. The Trustee notes 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<sup>4</sup> issued by The Pensions Regulator for occupational DC schemes with assets under management over £100m, the Trustee’s 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 Company. As indicated, the only costs that are paid by members are fund management charges (direct and indirect costs) and transaction costs for the investment funds used within the Plan.

For all other costs and charges, the Company bears the full cost. This covers such areas as:

- wider investment support and governance (e.g. the costs of regularly reviewing and updating funds available to members, etc);
- administration of the Plan (e.g. the costs of updating and maintaining member records, processing contributions and pension payments, dealing with member queries, etc);
- member communications (e.g. the costs of design and hosting of the [skypensionplan.com](http://skypensionplan.com) website, the costs of producing and issuing annual benefit statements, etc); and
- the management and governance of the Plan (e.g. the expenses of the Trustee, the costs of legal/actuarial advisers and annual audit, etc).

As a result, the Trustee has undertaken two analyses:

1. First, the Trustee has assessed the ‘value for members’ arising from the benefits that members receive from the charges and transaction costs that they directly pay – this assessment is required by legislation but, for the Plan, is mainly limited to the performance and volatility of investment returns from funds within the Plan versus the charges members pay for holding those funds.
2. The Trustee has also assessed the overall ‘value for money’ offered to members of the Plan, with the aim of capturing not only the value from member-borne costs but also the broader elements of value that members receive from the employer-financed costs, as well as wider factors such as the generosity of the employer contribution rates above the automatic enrolment minimum contribution levels.

### **Overall approach**

Assisted by our advisers, Buck, and in line with The Pensions Regulator’s guidance for occupational DC schemes with assets under management over £100m, the Trustee has taken the following approach:

1. The Trustee has collated information on services that members receive and the total costs that members pay, including transaction costs (where available);
2. The Trustee has assessed the scope and quality of the services that members receive, in line with criteria agreed by the Trustee in advance;
3. The Trustee has compared the value members receive from the services against the cost of those services; and

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<sup>4</sup> <https://www.thepensionsregulator.gov.uk/en/trustees/managing-dc-benefits/5-value-for-members>

4. The Trustee has 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 the Trustee is 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 Plan).

In attempting to compare these against other options available in the market, the Trustee has found that there are limited industry-wide benchmarks for each service area and so the Trustee has relied on the market knowledge of its advisers.

### **Preparation for the assessment**

The Trustee received support from Buck, its advisers, around continually emerging best practice in undertaking assessments of value for members and wider value for money, including noting where this may differ from previous approaches taken, and also considered the statutory guidance.

A number of key decisions were made as part of these preparations:

- As the Plan falls outside of the definition of a 'specified scheme' that must carry out a more detailed value for members assessment from 31 December 2021 in line with new statutory guidance<sup>5</sup>, the Trustee will continue to follow the Pensions Regulator's guidance for occupational DC schemes with assets under management over £100m for this year's assessment.
- The Trustee will continue to use a scoring system for each of the 'value for members' and 'value for money' assessments;
- Individual elements of service were given scores by considering the scope and quality of the services under those areas (as mentioned on the previous page, certain elements are not assessed under the statutory 'value for members' assessment as they are not directly paid for by members);
- Two overall weighted scores ranging from 0% to 100% were produced, one for 'value for members' and one for 'value for money';
- The Trustee agreed that any score below 50% represented 'poor' value, a score between 50% and 75% represented 'good' value and a score of 75% or over represented 'excellent' value; and
- Scores will be compared from year to year, with a view to measuring and monitoring changes to the 'value for members' and wider 'value for money'.

### **Process followed for the assessment, including key factors considered**

The Trustee, assisted by its advisers, then considered the services provided by the Plan in the areas where costs are borne (whether by members or by the employer), such as investment, communications, scheme management and governance, and administration. The scores for these areas were assessed by considering the scope and quality of the services in each area.

For each of the 'value for members' and wider 'value for money' assessments, different weighting factors were applied to reflect the different services being assessed.

For the 'value for members' analysis, the Trustee has assessed the historic returns and volatilities of the Plan funds versus their benchmark, and the charges and transaction costs of each fund:

- 60% of the 'value for members' score has been allocated to the historic return and volatilities of the Plan funds versus benchmarks, using each Fund's performance benchmark provided by the fund managers but a volatility benchmark selected by the Trustee's advisers for this exercise; and

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<sup>5</sup> <https://www.gov.uk/government/publications/completing-the-annual-value-for-members-assessment-and-reporting-of-net-investment-returns/completing-the-annual-value-for-members-assessment-and-reporting-of-net-investment-returns>

- 40% of the score has been allocated to the charges and transaction costs of each fund versus benchmark, using benchmarks selected by the Trustee's advisers for this exercise.

The weighted average score has been produced by weighting the scores for each fund of the assets under management in the default investment arrangements as at 30 June 2023.

For the wider 'value for money' analysis, the assessment covers a larger set of services paid for by both members and the Company, including (but not limited to) the following:

Area	Examples
<b>Investments / charges</b>	The quality / governance of the default fund and alternative choices, the historical return and volatility plus charges and transaction costs for the default investment arrangements versus benchmark, etc
<b>Communications / member support</b>	Whether bespoke / tailored or event-driven communications are used, at-retirement communications / guides / modellers / support, access to pension freedoms, etc
<b>Scheme management and governance</b>	Understanding of membership characteristics / attitudes / needs, regular review of compliance with The Pensions Regulator's Codes of Practice, Trustee Knowledge and Understanding practices, use of expert advisers, etc
<b>Administration / online services</b>	Online fund values / switching, use of and performance against service level agreements, dedicated core administration team / helpline, etc
<b>Company contribution to members' savings</b>	The generosity of the Company's contributions over and above the members' and over and above the automatic enrolment minimum

While all of the factors above contribute to whether the Plan is well run, the Trustee believes that two of the biggest factors that can influence retirement outcomes are the level of contributions paid into the Plan and the level of investment performance net of fees. As a result, 20% of the overall 'value for money' score is allocated to the generosity of the employer contributions, 30% is allocated to the quality and governance of the investment options and 10% to the competitiveness of fees and transaction costs.

The remaining 40% is allocated equally among the other categories, which cover whether the communications support good savings behaviours, whether the governance and oversight identifies and prioritises member interests and whether efficient processes are in place to carry out member instructions or transactions to a suitable quality and timescale.

### Explanation of the results of the assessment

The Trustee's conclusion that the Plan offers good value for members over the year to 30 June 2023 is based on positive factors such as:

- The weighted average for ongoing charges within the default investment arrangements figure of 0.23% per annum was rated 'excellent' as it compared favourably to the 0.4% per annum average charge for default funds within trust-based defined contribution pension schemes used for this exercise;
- The weighted-average volatility of returns outperformed or were in line with the benchmarks used for this exercise; and
- The weighted average level of transaction costs over the Plan year was broadly in line with the benchmarks selected for this exercise.

The Trustee's conclusion that the Plan offers 'excellent' value for money over the year to 30 June 2023, taking into account employer-borne costs, is based on aspects such as:

#### *Company contribution to members' savings*

The Company contributions were assessed as good, due to factors such as:

- The contribution structure is relatively generous compared to the automatic enrolment minimum, with most members receiving employer contributions that are double the minimum employee contributions that they pay (6% employer compared to 3% employee).

- The maximum employer contribution is 9% if members pay 6% (employer contributions are 1.5 times employee contributions at this level), which the Trustee believes is competitive, given benchmarking undertaken for the 2019 changes.

#### *Investments / charges*

The overall governance of the investment aspects of the Plan was assessed as good, due to:

- The dedicated Investment Sub Committee, which meets quarterly and reports to the Trustee board on investment matters, including the ongoing monitoring of the default investment strategy, the lifestyle/freestyle fund range and the individual managers;
- The fact that the suitability of the default investment strategy is assessed with reference to the membership profile of the Plan, with the last membership profile assessment;
- The range of alternative lifestyles and freestyle self-select funds available to members;
- The work that was undertaken to transfer to a new investment-only platform in July 2023; and
- The incorporation of Tumelo as a method for members to better understand the companies the Plan invests in and enable members to make their views known in order to influence those companies on issues they care about, particularly environmental, social and governance (ESG) matters.
- Charges benefit from the large scale of the Plan and passive funds used in the default investment arrangement.

#### *Communications / member support*

The level of communications and member support in the Plan were assessed as good, due to factors like:

- Members receive communications that aid member decision-making (including the bespoke digital-first annual benefit statement issued over the Plan year, bespoke Sky-branded announcements on major Plan changes);
- Members have access to an online Member Portal which allows them to view their current fund value and investment choices, make investment changes, access their annual benefit statement and transaction history, update their personal details and make use of modelling and decision-making tools;
- Members have access to the Sky Pension Plan website [skypensionplan.com](https://skypensionplan.com) for generic Plan information and review and download of important documents.

The at-retirement support and tools also contributed to the score (including access to at-retirement support from Hub and the introduction of the Pensions Advice Allowance within the Plan from July 2022) although flexi-access drawdown is not facilitated within the Plan. Members also receive guidance and support from the in-house pensions team, who provide support for members at/in retirement and who also host retirement seminars and webinars..

#### *Administration*

The administration within the Plan was assessed as excellent, due to the following:

- Members are able to receive a wide range of administration / online services (e.g. the Member Portal, the dedicated helpline manned by a ring-fenced administration team, etc), which compares well to other options in the market;
- The Trustee reviews the service levels of the Plan's administrator on a quarterly basis, with a member of the administration team attending meetings to present a combination of management information reports and summary dashboards that are used to assess performance, identify trends and address key issues; and

- The MI reports feature information on the accuracy and timescale SLAs for the core financial transactions. The average proportion of SLAs met was 97% for Priority 1 and Priority 2 Events processed by Buck over the Plan year to 30 June 2023, compared to a combined target of 95%.

#### *Scheme management and governance*

The Plan's scheme management and governance was assessed as excellent, due to:

- The main Trustee board meets around four times a year, supported by the Investment Sub Committee;
- The Trustee makes use of advisers and service providers, with whom the Trustee has clear contracts and whose fees and performance are assessed on a regular basis (the actions arising from the annual service review with Buck are evidence of the high-quality standards that the Trustee holds Plan service providers to);
- The Trustee feels that the knowledge and understanding of the Trustee Directors is improved by the insights into legislative / best-practice requirements that the advisers provide, but also feel able to challenge the advice and ask questions to broaden the understanding of the Trustee board; and
- The Trustee has, in the past, reviewed its TKU, its Board Effectiveness and its risk management framework and makes use of these to focus on areas that may need further attention to improve outcomes for members or address any issues.

#### **Follow-on actions and investigations**

The Trustee plans to perform further investigations, taking action where appropriate, over the year to 30 June 2024. The Trustee's focus will be on maintaining excellent value for money and identifying if further improvements can be made. Over the year to 30 June 2024, the Trustee will:

- Continue monitoring the impact of global conflicts and the cost of living crisis on the Plan, particularly on ongoing investment returns, administration standards and member support service levels of the administrators, Buck, and the ability of the Company to pay contributions on time and fulfil other financial obligations;
- Continue updating the Plan's website, skypensionplan.com, and other ways to engage members with the Plan;
- Continue reviewing the modelling tools and online services offered to members by the administrators, Buck, and the usage of (and feedback on) the Member Portal by Plan members, as well as monitoring the regular reporting on service levels and processing of financial transactions by Buck;
- Review how analysis or understanding of members (and their views/feedback) is obtained and fed into the Trustee's decision-making, over and above any insights gained from Tumelo;
- Consider reviewing the Plan's communications and engagement policy and plan (covering, for instance, the format and frequency of member communications, tailor communication messages/approaches to different segments of the membership, utilise alternative media, etc);
- Review the training plan for the Trustee Directors, ensure that the Trustee Toolkit is completed by the new Trustee Directors within six months of their appointment, utilise dedicated training time at quarterly Trustee meetings and continue to seek advice from the legal advisers on matters of interpretation;
- Build upon the governance improvements arising from the previous Board Effectiveness review and Business Plan by, for instance, considering reviewing and maintaining strategic and operational objectives and measuring performance against these objectives, undertaking another review of how the Plan complies with The Pensions Regulator's Code of Practice no.13 (or any new Code of Practice, once introduced) and supporting guidance, etc;

- Continue to review the performance of the current default investment strategy (the New Cash Lifestyle); and
- Continue to ensure that complete and accurate disclosure of transaction costs is provided, in line with FCA rules, and that this information is communicated clearly and consistently across all Plan documentation and communications.

The Trustee will also consider discussing this analysis with the Company to obtain their views.