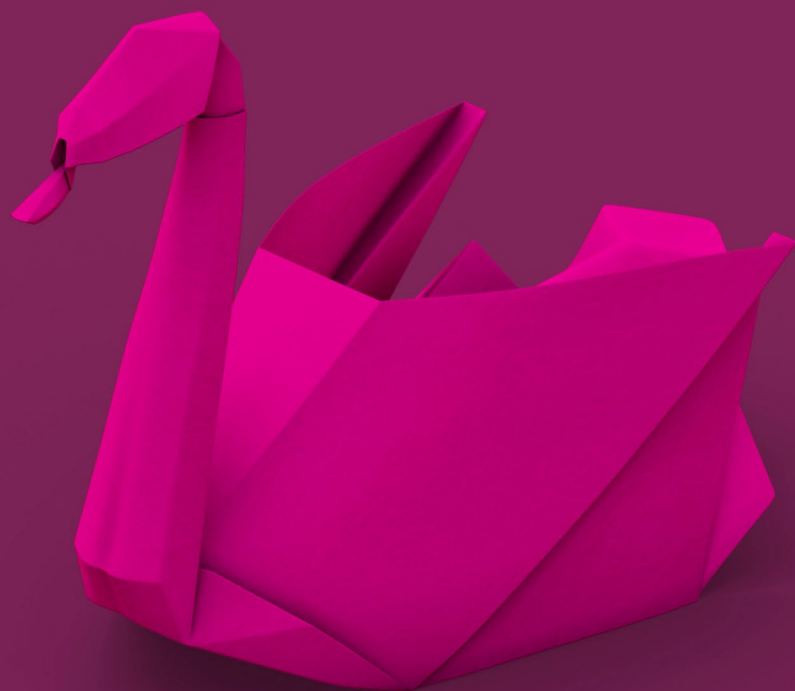


Pioneer Hi-Bred (UK) Ltd Pension Plan Chair's Statement 2024



Dalriada.
A better way

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Signatory of:



This statement sets out how the Pioneer Hi-Bred (UK) Ltd Pension Plan ("the Scheme") has complied with the DC governance requirements introduced in April 2015 under Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996, between 1st July 2023 and 30th June 2024 (the 'scheme year').

In preparing this Statement, information has been gathered from the following organisations:

- Phoenix Life.

Consideration has also been given to the Pensions Regulator's 'A quick guide to the chair's statement' and to the Department for Work and Pensions guide on 'Reporting of costs, charges and other information', both published in September 2018.

During the year in question the Scheme has been governed by a Trustee Board ("the Trustee"), which comprised the following Trustees:

Dalriada Trustees Limited ("Dalriada", "we"), appointed 17th August 2023.

We have completed this Chair's Statement on a best endeavours basis, as some of the information needed has yet to be provided by Phoenix and understand that the platform on which the Scheme assets are invested was originally established with the Life Association of Scotland, which is now part of Phoenix Life Limited.

A copy of this statement is placed in the public domain, in the following location:

2 Default Arrangement

Description of Default Investment Arrangement

A default investment arrangement is designed for and offered to members of the Scheme who do not choose an alternative investment option.

Phoenix Life has stated that the Scheme does not have a default investment arrangement. However as at 8th February 2024, 100% of members' pension savings, prior to their Normal Retirement Date, were invested in the Phoenix Alba Managed Pension IG fund. Phoenix then has a process to automatically switch the investment to the Phoenix Alba Building Society Pension IG fund on the members' Normal Retirement Date, if the benefits are not taken and the fund continues to be invested.

Although Phoenix Life has stated that the Scheme does not have a default investment arrangement, with the automated switch to the Building Society fund and with no members having chosen an alternative investment, the Trustee considers this to be the Scheme's default investment arrangement.

N.B. Correspondence received from Phoenix refers to the Phoenix Alba Managed Pension IG fund under the following names: Phoenix Alba LASIA Managed Pension and the Managed Pension Fund.

Correspondence received from Phoenix refers to the Phoenix Alba Building Society Pension IG fund under the following names: Phoenix Alba LASIA Money Market Pension, Building Society Pension Fund and the Cash Deposit Fund-IG.

In correspondence dated 9th May 2024, Phoenix Life has stated that the Phoenix Alba Managed Pension IG fund and the Phoenix Alba Building Society Pension IG fund are relatively new funds. Prior to the appointment of Dalriada, it is unclear who the Trustees of the Scheme were and Phoenix Life has yet to comment on who authorised the investment in these relatively new funds. Phoenix Life has also yet to provide a fund fact sheet for these two funds, therefore it is not possible at this time to describe the default investment arrangement, its aims and objectives, and the factors that the previous trustees took into account when designing the default investment arrangement.

Review of Strategy and performance of Default Arrangement

At least every 3 years and without delay after any significant change in investment policy or demographic of membership, the trustee should carry out a formal strategic review of the default arrangement.

Dalriada has yet to receive all of the necessary information from Phoenix to review the default arrangement and does not believe that it was reviewed during the Scheme year prior to our appointment. We therefore believe that the default arrangement was not reviewed during the scheme year.

Statement of Investment Principles

The Scheme has less than 100 members and is not required to have a Statement of Investment Principles.

Self Select Funds

The Trustee recognises that no single default investment strategy can be designed to suit the needs of all Scheme members. To help members make investment decisions based on their individual circumstances, Phoenix Life has a range of 12 funds for members to invest in. The alternative choices to the Phoenix Alba Managed Pension IG fund and the Phoenix Alba Building Society Pension IG fund are:

- Phoenix Alba LASIA European Pension Fund
- Phoenix Alba LASIA Far Eastern Pension
- Phoenix Alba LASIA Fixed Interest Pension
- Phoenix Alba LASIA International Pension Fund
- Phoenix Alba LASIA Japan Pension Fund
- Phoenix Alba LASIA Property Pension Fund
- Phoenix Alba LASIA UK Equity Pension Fund
- Phoenix Alba LASIA North American Pension Fund
- Phoenix Alba LASIA With-Profits Fund
- Phoenix Alba LASIA Pension With-Profits Fund

3 Core Financial Transactions

- Typically a service supplier will provide a contract for services, including a service level agreement (SLA) covering the accuracy and timeliness of all core financial transactions, together with a brief summary of those requirements. The service supplier then also typically provides regular reports during the scheme year to help Trustees monitor that the SLAs and governance standards have been met.
- For the Scheme, Phoenix has stated:

Although we would expect there to have been a service agreement when these arrangements were setup, the actual services provided will have changed over the years. We are not in possession of a formal service agreement for this product type. In terms of a servicing contract, then it appears you are looking for a formal administration contract which outlines the services we agreed to provide to the Trustees and/or the members. We are mindful that any servicing agreement that may have been issued when the scheme was setup is unlikely to be applicable today.

Phoenix has also confirmed that it does not provide Scheme Reports and therefore does not provide scheme governance data. However, the Trustee has noted that a 'payment statement' for active members and a 'fund switch statement' for any investment switches are included in each member's annual benefit statement.

The Trustee has a duty to ensure that "core financial transactions" are processed promptly and accurately, and that the controls in place are reported to members.

Core financial transactions include, but are not limited to:

- Investment of contributions
- Transfer of member assets into and out of the Scheme
- Transfers between different investments within the Scheme
- Payments to and in respect of members and beneficiaries

The previous Trustees had, in accordance with their powers under the rules of the Scheme, delegated the day-to-day administration of the Scheme, including the processing of core financial transactions, to the Scheme administrator, Phoenix Life.

The employer pays its own contributions and those of members into the Scheme no later than the 19th day of the month following the deduction of member contributions from salaries, via a Direct Debit payment. The employer is able to monitor payments and Phoenix provides some monitoring, in order to avoid any contribution breaches.

The current Trustee has noted some governance activity in respect of core financial transactions during the scheme year: On 17/12/23 Phoenix issued a late payment notification to the employer, noting an outstanding amount of £1,021.35. However, the employer provided the Trustee with evidence of the payment, with contributions paid via the Direct Debit, and therefore it is Phoenix which directly takes the funds from the company's account. The employer confirmed the direct debit took place correctly on the 1st December 2023, thus there was no delay in payment of contributions.

BOARD'S ASSESSMENT OF CORE FINANCIAL TRANSACTIONS

As mentioned above, Phoenix does undertake activity in this area, although one error has been noted. The Trustee is therefore continuing to request information from Phoenix to be satisfied that it is performing core financial transactions promptly and accurately. The 'payment statement' for active members and 'fund switch statement' included in each member's Annual Benefit Statement are helpful, although only available to the members sometime after the end of the reporting year.

ADDITIONAL DISCLOSURES

In addition, acknowledging that the Trustee needs accurate member data for the processing of member benefits, on behalf of the Trustee, Phoenix has carried out analysis of 'common data' and 'scheme specific data' (as defined by the Pensions Regulator). This helps the Trustee ensure the integrity of member data that is processed by the Scheme administrator.

The common data' and 'scheme specific data' scores for the Scheme are good in the vast majority of areas, with some member addresses and dates of leaving for deferred members being the main areas for data improvement. The Trustee will be working with the employer on the dates of leaving and using tracing services to identify the missing addresses.

4 Net performance, charges and Transaction Costs

From 1 October 2021 pension schemes have been required to report past investment performance (net returns). The Trustee also has a duty to inform the members about the member borne charges and transactions costs for the investments used in the default arrangement and the self-select funds, and to assess the extent to which these charges and costs represent good value for money for members. In order to comply with these requirements, the Trustee needs to be provided with the information by Phoenix.

Net performance

Phoenix has confirmed that all members are currently either invested in the Phoenix Alba Managed Pension IG or the Phoenix Alba Building Society Pension IG funds and the annualised net returns for 1, 3 and 5 year period up to 30 June 2023 are:

	Phoenix Alba Building Society Pension IG	Phoenix Alba Managed Pension IG
1 year	2.30%	4.03%
3 year	0.79%	2.92%
5 year	0.48%	1.56%

Phoenix has not provided past investment performance (net returns) data for the self-select funds. However, other than the North American Pension Fund, Phoenix has provided the SEDOL code for each of the self-select funds. SEDOL stands for Stock Exchange Daily Official List and are unique to each investment fund.

Although Phoenix has not provided past investment performance (net returns) data, for best endeavours, the Trustee has used the SEDOL code to obtain performance data available in the public domain.

Net investment returns should be shown as an 'annual geometric average' - the annual net return which, when compounded over time, delivered the return shown. However, the information in the public domain is only available on a (bid to bid) basis and doesn't take into account fees and expenses which are specific to individual plans.

Fund name on Phoenix POLICY FACTSHEET	SEDOL	Benchmark / comparison	1 year net return Cumulative performance	3 year net return Cumulative performance	5 year net return Cumulative performance
Phoenix Alba LASIA European Pension Fund	0233970		7.6%	17.8%	42.3%
		Europe excluding UK Equities	7.2%	17.9%	46.5%
Phoenix Alba LASIA Far Eastern Pension	0234393		2.4%	-9.1%	12.3%
		Asia Pacific including Japan Equities	4.6%	-3.2%	21%
Phoenix Alba LASIA Fixed Interest Pension	0233895		1.5%	-20.9%	-15.2%

Fund name on Phoenix POLICY FACTSHEET	SEDOL	Benchmark / comparison	1 year net return Cumulative performance	3 year net return Cumulative performance	5 year net return Cumulative performance
		Sterling Fixed Interest	1.9%	-20%	-12.7%
Phoenix Alba LASIA International Pension Fund	0233862		12.9%	14.7%	45.5%
		Global Equities	13.7%	20%	51.9%
Phoenix Alba LASIA Japan Pension Fund	0233925		16.2%	13.1%	31.3%
		Japanese Equities	15.5%	14.5%	37%
Phoenix Alba LASIA Managed Pension Fund	0233851		7.4%	7.4%	16.5%
		Mixed Investment 40-85% Shares	7.4%	6.2%	22.8%
Phoenix Alba LASIA Property Pension Fund	0233873		-2.7%	-1.7%	-4.7%
		UK Direct Property	-1.4%	1.4%	-1.3%
Phoenix Alba LASIA UK Equity Pension Fund	0233903		6.9%	22.1%	23.1%
		UK All Companies	4.9%	9.8%	17.1%
Phoenix Alba LASIA Money Market Pension Fund	0233884		4.3%	6.1%	6.1%
		Money Market	4.5%	6.3%	7%
Phoenix Alba LASIA With-Profits Fund	0129563		4%	12.4%	21.7%
		With-profits	3.8%	9.3%	16.3%
Phoenix Alba LASIA Pension With-Profits Fund	0129574		0.5%	1.5%	4.9%
		With-profits	3.8%	9.3%	16.3%

Source: Trustnet, Factsheets as at : April 23, 2024

Charges

Appendix 1 to this Chair's Statement is the Policy Factsheet for Group Pension Plan, provided by Phoenix for the Scheme. Phoenix has explained that the funds on this list are available for members to self-select, should they wish, together with the charges and transaction costs.

However, there are a few points of note:

All members are currently either invested in the Phoenix Alba Managed Pension IG or the Phoenix Alba Building Society Pension IG funds, both of which are not included in the Policy Factsheet. In correspondence dated 18th October 2024, Phoenix has stated that: The TERs [Total Expense Ratios] on the Phoenix Alba Managed Pension IG fund and the Phoenix Alba Building Society Pension IG fund are 0.98% and 1% respectively. Transaction costs are 0.069% for the Phoenix Alba Managed Pension IG fund and 0.006% for the Phoenix Alba Building Society Pension IG fund.

The TER should be expressed as an annual charge and so the Trustee has assumed that the above charges are annual charges.

The Trustee also understands that the Phoenix Alba LASIA Managed Pension Fund and the Phoenix Alba LASIA Money Market Pension Fund listed on the Policy Factsheet are not available for members to self select, as they were replaced by the Phoenix Alba Managed Pension IG or the Phoenix Alba Building Society Pension IG funds respectively.

The Policy Factsheet refers to a 'policy fee' under plan/policy charges. Separately, in correspondence, Phoenix has confirmed that a policy fee does not apply to the Scheme.

The Policy Factsheet also refers to DSS contributions, which the Trustee interprets as contributions paid where a scheme was previously contracted out of the state pension. The DSS was replaced by the Department for Work and Pensions in 2001 and contracting out for Defined Contribution pensions was abolished in April 2016. This historic data indicates Phoenix is using legacy communications, which could confuse members.

TOTAL EXPENSE RATIO (TER)

This is an estimate of the administration expenses and management charges incurred directly or indirectly in the fund and it includes any annual management charges (AMC) as well as costs incurred in the administration of the fund.

The Annual Benefit Statements provided to the members contains a section 'What have you been charged?', which Phoenix states details of all charges deducted over the period.

The charges in the year 2 July 2022 to 1 July 2023 are expressed in the members' Annual Benefit Statements as:

- Managed Pension Fund (Charge Capped) TER 0.99% in the year.
- Cash Deposit Fund (Charge Capped) TER 1.00% in the year.

In correspondence dated 18th October 2024, Phoenix has stated that: The TERs on the Phoenix Alba Managed Pension IG fund and the Phoenix Alba Building Society Pension IG fund are 0.98% and 1% respectively. Transaction costs are 0.069% for the Phoenix Alba Managed Pension IG fund and 0.006% for the Phoenix Alba Building Society Pension IG fund.

Importantly, the Department for Work and Pensions (DWP) introduced a charge cap of 0.75% p.a. of funds under management within the default arrangement, or an equivalent combination charge, in April 2015.

Phoenix has stated that the Scheme does not have a default arrangement, which probably enables Phoenix to charge more than the DWP charge cap. However, with 100% of members' pension savings being invested in the Phoenix Alba Managed Pension IG fund, prior to their Normal Retirement Date, and an automatic process to switch the investment to the Phoenix Alba Building Society Pension IG fund on the members' Normal Retirement Date, the Trustee considers this to be the Scheme's default investment arrangement.

It is also important to note that the fund names used by Phoenix in the members' Annual Benefit Statements; Managed Pension Fund (Charge Capped) and Cash Deposit Fund (Charge Capped), are not the same as the fund names confirmed by Phoenix as the funds the members are invested in; the Phoenix Alba Managed Pension IG or the Phoenix Alba Building Society Pension IG funds.

In addition, the TER noted above for the Managed Pension Fund (Charge Capped) and Cash Deposit Fund (Charge Capped) are well above the DWP charge cap of 0.75% p.a. From the correspondence received from Phoenix dated 18th October 2024, the Trustee understands the reference to 'Charge Capped' is the 1% p.a. maximum charge that was introduced in 2001, and not the 0.75% p.a. charge cap that was introduced in April 2015.

In addition, the TER usually contains all of the charges incurred. However, Phoenix separately lists the transaction costs and states in the Policy Factsheet that the TER does not include any costs incurred as a result of transacting in the fund's investments.

TRANSACTION COSTS

Transaction costs are costs which fund managers incur when buying, selling, borrowing or lending the assets that make up the investment funds. In addition, investment and disinvestment costs are paid when members buy and sell funds. These costs are paid by members.

As noted above, the transaction costs are 0.069% for the Phoenix Alba Managed Pension IG fund and 0.006% for the Phoenix Alba Building Society Pension IG fund. The transaction costs for the self-select funds are noted in the Policy Factsheet – see Appendix 1.

ILLUSTRATION OF COSTS AND CHARGES OVER TIME

The Trustee has a duty to provide an illustrative example of the cumulative effect over time of the application of charges and costs on the value of members benefits. The following illustrations were prepared by Phoenix in line with guidance issued by the Department for Work and Pensions: Reporting of costs, charges and other information: guidance for trustees and managers of relevant occupational schemes (September 2018) and provided by Phoenix.

The following is based on a starting fund of £15,142.85, the mid growth rate of 4.5% p.a., inflation of 2% p.a., Transaction Costs of 0.121% p.a.(assume allowed for in growth rate) and a TER of 0.9872% deducted from the growth rate.

Paid up (no ongoing contributions), Managed Pension

Years saving	Fund value before costs and charges	Fund value after costs and charges
1	£15,500.00	£15,300.00
3	£16,300.00	£15,800.00
5	£17,100.00	£16,200.00
10	£19,500.00	£17,500.00
15	£22,100.00	£18,800.00
20	£25,100.00	£20,300.00
25	£28,500.00	£21,800.00

Ongoing contributions, (allowing for the median premium of £1964.13 pm), Managed Pension

Years saving	Fund value before costs and charges	Fund value after costs and charges
1	£40,700.00	£40,400.00
3	£92,300.00	£90,600.00
5	£144,000.00	£140,000.00
10	£279,000.00	£263,000.00
15	£422,000.00	£385,000.00
20	£574,000.00	£507,000.00
25	£737,000.00	£629,000.00

The following is based on a starting fund of £15,142.85, the mid growth rate of 4% p.a., inflation of 2% p.a., Transaction Costs of 0.005% p.a.(assume allowed for in growth rate) and a TER of 1.0% deducted from growth rate.

Paid up (no ongoing contributions), Cash Pension

Years saving	Fund value before costs and charges	Fund value after costs and charges
1	£15,400.00	£15,200.00
3	£16,000.00	£15,500.00
5	£16,600.00	£15,800.00
10	£18,300.00	£16,600.00
15	£20,200.00	£17,500.00
20	£22,300.00	£18,400.00
25	£24,600.00	£19,300.00

Ongoing contributions, (allowing for the median premium of £1964.13 pm), Cash Pension

Years saving	Fund value before costs and charges	Fund value after costs and charges
1	£40,500.00	£40,200.00
3	£91,400.00	£89,800.00
5	£142,000.00	£138,000.00
10	£270,000.00	£256,000.00
15	£401,000.00	£369,000.00
20	£535,000.00	£479,000.00
25	£675,000.00	£586,000.00

5 Value for Members (VFM)

Certain Defined Contribution (DC) schemes with a scheme year end falling after 31 December 2021 must carry out a more detailed Value for Members (VfM) assessment and include the findings in the annual Chair's Statement and submit these findings as part of the Annual Scheme Return.

Schemes such as the Pioneer Hi-Bred (UK) Ltd Pension Plan that meet certain criteria are required to perform the detailed assessment. The criteria are detailed below:

- Less than £100 million total assets
- Operated for at least three years
- A scheme year-end that falls after 31 December 2021.

The VfM assessment involves self-assessing the quality of the administration and governance with reference to seven key metrics and comparing the scheme's costs and charges, and net returns, against at least three other comparator schemes.

The three schemes which have been chosen to provide comparison against are NEST, The People's Pension and the Legal & General Master Trust. Aviva, Legal & General and Standard Life were asked to provide terms for their Master Trust based on the scheme membership but declined due to the value of the scheme assets and membership demographics not meeting their minimum requirement. The L&G comparison scheme is therefore based on terms applicable to another pension scheme (for which client consent was obtained). The guidance requires that the scheme performing the assessment must have had discussions with at least one of the comparator schemes about transferring – were the scheme to wind up. The Trustee of the Pioneer Hi-Bred (UK) Ltd Pension Plan confirms that such a discussion has taken place.

NEST

The National Employment Savings Trust (NEST) is a not-for-profit Defined Contribution (DC) workplace pension scheme. NEST is as an authorised Master Trust, which is a trust-based pension scheme that is used by multiple non-associated employers and run by a single trustee (NEST Corporation). NEST was selected for comparison purposes for the following reasons:

- it would likely accept all members were the scheme to wind up
- it has an obligation to accept all employers
- published investment performance data is available
- standard charging basis which is publicly available
- it is a different style of pension scheme.

The People's Pension

The People's Pension is an authorised Master Trust which was selected for comparison purposes for the following reasons:

- it could be a potential option should the scheme wind up (will generally accept bulk transfer of assets from this type of scheme but possibly subject to an employer upfront fee)
- investment performance data is publicly available
- standard charging basis which is publicly available
- it is a different style of pension scheme.

Legal & General Master Trust

The Legal & General Master Trust is an authorised Master Trust which was selected for comparison purposes for the following reasons:

- Terms were disclosed by the scheme adviser - with the consent of the client
- Suitable default fund with easy access to past performance data via analytical tools
- it is a different style of pension scheme and is used for auto-enrolment compliance.

Sources of Comparison Data

Comparisons should be made against information contained in published disclosures from the comparators. It is noted that in some cases, equivalent disclosures from comparators may not be available. In such instances, the Trustee may wish to request data from the providers, obtain data from other schemes (if available), or use commercially available information.

The following data has been used to perform the assessment of investment returns:

NEST data has been collated using the NEST published data, based on their standard default fund

The People's Pension data has been collated using the Financial Analytics Express analysis tool, based on their standard default fund

Legal & General Master Trust data has been obtained using the Financial Analytics Express analysis tool, based on the comparator scheme default fund

Pioneer Hi-Bred (UK) Ltd Pension Plan past performance data was provided by Phoenix Life.

The performance figures used for both the Pioneer Hi-Bred (UK) Ltd Pension Plan and the three comparators has been collated as at 30 June 2023.

COMPARISONS

When carrying out the VfM assessment, trustees must consider 3 factors: Costs and Charges; Net investment returns; and Administration and Governance.

FACTOR 1: COSTS AND CHARGES

When assessing the Costs and Charges for VfM purposes, the Trustee should consider the most up to date charges/transaction costs available on the scheme funds and those of the comparators.

When assessing VfM, total charges/transaction costs for the default arrangement should be given greater weight than those for self-select funds.

Good Performance

Poor Performance

Costs and charges for the scheme are closely comparable with or lower than the average for comparator schemes

Costs and charges for the scheme are higher than those of the comparators, and no justification is provided

Higher scheme costs and charges can be justified where substantially higher investment returns have been achieved

The results of the costs and charges comparison is outlined in the table below (the default arrangement for the Pioneer Hi-Bred (UK) Ltd Pension Plan in the table is the Phoenix Alba Managed Pension IG fund):

Member aged 25 in 2023	TER	Transaction Costs	Total
Pioneer Hi-Bred (UK) Ltd Pension Plan	0.98%	0.069%	1.049%
NEST	0.30%	0.064	0.364%
The People's Pension	0.50%	0.05%	0.55%
Legal & General Master Trust	0.29%	0.09%	0.38%
Member aged 35 in 2023	TER	Transaction Costs	Total
Pioneer Hi-Bred (UK) Ltd Pension Plan	0.98%	0.069%	1.049%
NEST	0.30%	0.064%	0.364%
The People's Pension	0.50%	0.05%	0.55%
Legal & General Master Trust	0.29%	0.09%	0.38%
Member aged 45 in 2023	TER	Transaction Costs	Total
Pioneer Hi-Bred (UK) Ltd Pension Plan	0.98%	0.069%	1.049%
NEST	0.30%	0.064%	0.364%
The People's Pension	0.50%	0.05%	0.55%
Legal & General Master Trust	0.29%	0.07%	0.36%
Member aged 55 in 2023	TER	Transaction Costs	Total
Pioneer Hi-Bred (UK) Ltd Pension Plan	0.98%	0.069%	1.049%
NEST	0.30%	0.049%	0.349%
The People's Pension	0.50%	0.043%	0.543%
Legal & General Master Trust	0.29%	0.08%	0.37%

Conclusion

The analysis confirms that the scheme costs and charges are significantly higher than all three comparators. The Trustee notes that this does not demonstrate Value for Members and that more competitive charging may be available in an alternative arrangement. The costs and charges will be included in any review of the investment strategy or tender process (should a decision be made to wind up the scheme).

FACTOR 2: NET INVESTMENT RETURNS

As part of the VfM assessment, the Trustee should compare the investment returns of funds offered through their scheme with funds offered through comparators. The Trustee should place more weight on investment returns than on costs and charges.

Investment returns achieved by default funds should be given more weight than self-select funds.

The Trustee should compare the returns of their default fund against comparison default funds. It is not necessary for each default to have a similar asset allocation.

Self-select funds should be compared with the nearest funds available from the comparison arrangements selected.

Assessed	Good Performance	Poor Performance
Default/Single Fund	Majority of net returns are closely comparable with/better than the average for comparator funds	Majority of net returns are worse than the average for comparator funds
Overall Scheme	Net returns across a majority of funds offered by the scheme are closely comparable with/better than the average for comparator funds (whilst greater weight is given to the default fund)	Net returns across a majority of funds offered by the scheme are worse than the average for comparator funds (whilst greater weight is given to the default fund)

Performance Comparisons

The results of the investment performance comparisons are detailed below. Figures detailed are average annualised net performance to 30 June 2023. It was not possible to go back any further than 5 years due to the limited information provided by Phoenix Life for the scheme past performance returns. The default arrangement for the Pioneer Hi-Bred (UK) Ltd Pension Plan in the following table is the Phoenix Alba Managed Pension IG fund:

Member aged 25 in 2023	1 Year	3 Years	5 Years
Pioneer Hi-Bred (UK) Ltd Pension Plan	4.03%	2.92%	1.56%
NEST	-5.40%	9.80%	6.10%
The People's Pension	5.01%	5.60%	4.44%

Member aged 25 in 2023	1 Year	3 Years	5 Years
Legal & General Master Trust	5.44%	5.36%	4.27%
Member aged 35 in 2023	1 Year	3 Years	5 Years
Pioneer Hi-Bred (UK) Ltd Pension Plan	4.03%	2.92%	1.56%
NEST	-5.40%	9.80%	6.10%
The People's Pension	5.01%	5.60%	4.44%
Legal & General Master Trust	4.61%	4.48%	4.19%
Member aged 45 in 2023	1 Year	3 Years	5 Years
Pioneer Hi-Bred (UK) Ltd Pension Plan	4.03%	2.92%	1.56%
NEST	-5.40%	9.80%	6.10%
The People's Pension	5.01%	5.60%	4.44%
Legal & General Master Trust	2.77%	2.57%	3.25%
Member aged 55 in 2023	1 Year	3 Years	5 Years
Pioneer Hi-Bred (UK) Ltd Pension Plan	4.03%	2.92%	1.56%
NEST	-4.40%	7.70%	5.10%
The People's Pension	0.27%	-0.03%	1.50%
Legal & General Master Trust	0.07%	1.02%	2.38%

Conclusion

When assessing the results of the Performance Comparisons, the Trustee has taken account of the following:

- The scheme asset allocation
- Recent volatilities in the markets and the impact on comparison investment returns over the periods reviewed
- The implications of there being no pre-retirement de-risking strategy in the scheme and how this impacts investment returns

The scheme investment returns have broadly underperformed the comparison products over most of the periods reviewed. The comparison default funds are either target date funds or strategies which include a de-risking lifestyle profile. These funds typically become more cautious as members travel through their retirement savings journey.

When considering whether the scheme is providing Value for Members in relation to investment performance, the Trustee has also considered the following points:

The periods under review have been impacted by market volatilities resulting from the effects of the Covid pandemic on equity markets and also the turbulence experienced in the Gilt Markets following Kwasi Kwarteng's 2022 budget. It can therefore be difficult to draw any meaningful conclusions from short term performance data over this period.

The Trustee is aware of the significant equity exposure within the scheme assets for members up to normal retirement age 60. The fund used for these assets is a Managed fund which can typically hold equity exposure of up to 85%. On attaining age 60, members benefits are moved from a Managed fund to a Cash fund – where they remain until accessed. The lack of any de-risking strategy in the period prior to normal retirement age results in members potentially being subject to volatility risks as they approach normal

retirement age. Cash holdings may not be a suitable investment strategy for members who have already reached age 60 and not accessed benefits, due to the impact of inflation on real returns. Should the scheme continue, the default investment strategy should be reviewed with the aim of implementing de-risking in the run up to age 60 and adopting a suitable alternative investment solution for funds from age 60 onwards.

The Trustee deems that the past performance review does not necessarily demonstrate Value for Members. The Trustee will therefore liaise with the Employer and consider whether it is prudent to wind the scheme up or alternatively implement a revised default investment strategy to ensure that members have access to a strategy suited to their needs.

FACTOR 3: ADMINISTRATION AND GOVERNANCE

There are 7 key metrics of Administration and Governance which must be considered and assessed by the Board:

1. Promptness and accuracy of core financial transactions (in particular, payment in and investment of member and employer contributions, transfers between schemes, transfers and switches between investments within a scheme, payments out of the scheme to beneficiaries)

As noted in section 2: Core Financial Transactions, although Phoenix would expect there to have been a service agreement when this Scheme was setup, it not in possession of a formal service agreement for this product type and that any servicing agreement that may have been issued when the Scheme was setup is unlikely to be applicable today. Importantly Phoenix has not offered to enter into any new servicing agreement.

Phoenix has also confirmed that it does not provide Scheme Reports and therefore does not provide scheme governance data. However, the Trustee has noted that a 'payment statement' for active members and a 'fund switch statement' for any investment switches are included in each member's annual benefit statement.

The error noted in section 3 of this statement, Core Financial Transactions, does not provide the Trustee with comfort that the core financial transactions processed by Phoenix are prompt or accurate, although the prompt and accurate reporting from the employer is reassuring for the active members' contributions.

2. Quality of Record Keeping (including security of data)

Phoenix Life has produced an assurance report on Internal Controls AAF 01/20 & ISAE 3000, dated 30th June 2023, in respect of client of Phoenix Corporate Investment Services. The Trustee believes this to be the appropriate assurance report for the Scheme and its assets but has yet to receive confirmation from Phoenix.

Hillier Hopkins LLP independently audited certain control activities in the AAF 01/20 & ISAE 3000 report and reported and noted no relevant exceptions.

3. Appropriateness of the default investment strategy

Although Phoenix Life has stated that the Scheme does not have a default investment arrangement, with the automated switch to the Building Society fund and with no members having chosen an alternative investment, the Trustee considers this to be the Scheme's default investment arrangement.

As noted in the net investment return comparisons, there is a significant equity exposure within the Scheme's default investment arrangement for members up to normal retirement age 60. The fund used for these assets is a Managed fund which can typically hold equity exposure of up to 85%. On attaining age 60, members benefits are moved from a Managed fund to a Cash fund – where the assets remain invested until accessed. The lack of any de-risking strategy in the period prior to normal retirement age results in members potentially being subject to volatility risks as they approach normal retirement age. In addition,

cash holdings may not be a suitable investment strategy for members who have already reached age 60 and have not accessed benefits, due to the impact of inflation on real returns.

The Trustee believes the default funds available from the comparators would be more appropriate.

4. Quality of Investment Governance

The AAF 01/20 report notes that Phoenix produces 172 bespoke each quarter, which are available to clients within 30 working days of the quarter end. Fund fact sheets are available for the Schemes funds, although the fund names in the fact sheets can differ from other reporting that Phoenix has provided, which the Trustee believes is likely to be confusing for members. For example, the fund fact sheet for the 'Phoenix Alba LASIA Managed Pension' fund is reported as the 'Phoenix Alba Managed Pension IG' fund in the net performance returns. As evidence that these funds are the same, Phoenix has sighted the SEDOL number, which is the same, despite the difference in the fund names used.

With this and the overall lack of clear information the Trustee has been able to obtain from Phoenix, the Trustee currently does not have enough comfort to be satisfied in the investment governance of the funds available on the Scheme's platform.

5. Level of trustee knowledge, understanding and skills to operate the pension scheme effectively (including whether sufficient time is spent running the scheme, diversity of trustee board in terms of background, experience and skills, quality of leadership and effectiveness of board decision making, trustee continuous learning and development, quality of working relationships with employer/third parties)

The Scheme's Trustee is a Professional Corporate Sole Trustee, with 50 fully accredited professional trustees. In considering the comparator schemes, which typically have no more than 6 trustees, the Trustee considers the Scheme to have a greater level of trustee knowledge, understanding, skills and diversity to operate the pension scheme effectively, than the comparator schemes. However, the Trustee must note its conflict in providing this view.

6. Quality of communication with scheme members

From 1st June 2022 the Trustee is required to give members a stronger nudge to book a free Pension Wise appointment when accessing their savings. The new regulations are to ensure members have either received or have actively made the choice to opt out of taking Pension Wise guidance or regulated financial advice before accessing their pension. The Trustee is satisfied that the member communications inserts include this important information, together with the FCA scams information November 2022 leaflet.

The member annual benefit statements include the minimum requirements and provide additional helpful information such as the change in the minimum pension age and the annual allowance.

The Policy Factsheet however, includes data on unavailable funds, does not include data on available funds and contains out of date references. Also, as noted above, Phoenix also uses a number of different names for the same investment fund, which is likely to be confusing for members. The Comparator schemes have on-line functionality for ease of obtaining appropriate and up to date information, together with a facility for members to update records, such as their expression of wish for death benefits. Therefore when considering the comparator schemes, the Trustee considers the Scheme to have a lower quality of communication with scheme members.

7. Effectiveness of management of conflicts of interest

The Scheme's Trustee is a Sole Professional Trustee. It is arguable that this is less conflicted than the comparator schemes that may have, or could have in the future, trustees who are employed by the pension provider.

The trustees have concluded that the scheme is not offering value for members. To improve the value for members within the current scheme the Trustee is continuing to correspond with Phoenix. In addition, the Trustee is exploring a transition to an alternative arrangement. This may lead to the wind-up the Scheme, although with some active members, the Trustee first needs to understand the employer's view for the future of this workplace pension. The Trustee is aiming to agree the future of the Scheme with the employer by the end of 2024.

6 Trustee Knowledge and Understanding (TKU)

The Trustee of the Scheme is Dalriada Trustees Limited, a professional trustee company. The individuals representing Dalriada Trustees Limited who provide the Trustee services are professional trustees accredited by the Association of Professional Pension Trustees (APPT). Each year the trustees submit their training schedules to the APPT and complete the Pensions Regulator’s Fitness and Propriety declaration. Dalriada Trustees Limited also comply with the APPT Code of Practice for Professional Trustee firms, meaning that a minimum of two fully accredited trustees are required to make a decision.

The individual trustees at Dalriada are supported by the Dalriada knowledge management framework and have an escalation policy in place, in order to refer key decisions to relevant experts within Dalriada.

The Trustee therefore has measures in place to ensure compliance with the requirements regarding its knowledge and understanding including investment matters, pension and trust law. This, together with the advice available from service providers, enables the Trustee to exercise its functions and run the Scheme Plan properly and effectively.

Taking into account the knowledge and experience of the Trustee, together with the specialist advice received from the appointed professional advisors (including the investment consultants, and legal advisers), the Trustee believes it is well placed to properly exercise its functions as Trustee of the Plan.

The Trustee must be conversant with the Scheme’s own documentation including the Trust Deed and Rules and Statement of Investment Principles. The Trustee must also be conversant with any other document recording current policy relating to the Scheme generally. The Pensions Regulator interprets ‘conversant’ as having a working knowledge of those documents such that the Trustee is able to use them effectively when they are required to do so in the course of carrying out their duties on behalf of the Trustee.

This requirement has been met during the course of the Scheme year as the Trustee has undertaken ongoing training, both as a group and individually to keep abreast of relevant developments. During the year, the Trustee completed the following:

Requirement	How met
Trustees must have appropriate knowledge and understanding of the law relating to pensions and trusts and the funding and investment of the assets	<p>The Trustee considers its annual training plan on a regular basis, which includes specific consideration of whether any further training is required in respect of these statutory areas.</p> <p>In addition, the trustee receives updates throughout the year to keep abreast of recent developments in these areas. They are also required to complete The Pension Regulator’s Trustee Tool Kit and any new/revised relevant modules released.</p> <p>During the year the Trustee undertook ongoing training both as a group and individually.</p>
Trustees must be conversant with the Scheme’s own documentation including the Trust Deed and Rules, Statement of Investment Principles and current policies	<p>The Trustee undertakes an annual evaluation of training requirements, which includes specific consideration of whether any further training is required in respect of these documents.</p> <p>The 2012 CIMP rules are the prevailing rules and the trustee is obtaining legal advice on any updates necessary.</p>

Requirement	How met
Knowledge and resources generally	The Trustee comprises individuals with diverse professional skills and experiences, reflecting the varied nature of the issues that may arise in respect of DC pensions.

The table above shows how these duties have been fulfilled and how the combined knowledge and understanding, together with the advice which is available to the Trustee enables them to properly exercise their duties and responsibilities.

POLICY FACTSHEET for Group Pension Plan

AVAILABLE INVESTMENT FUNDS AND MEMBER-BORNE CHARGES as of 30 June 2023

Fund Charges

Fund Name	Unit Series	Annual Management Charge (AMC) Initial Units	Annual Management Charge (AMC) Ordinary Units	Total Expense Ratio (TER)	Transaction Costs (TCs)	Percentage of TCs Not Available	Bid/Offer Spread
Phoenix Alba LASIA European Pension Fund	01	4.3%	1%	1.040%	0.14%	0%	5%
Phoenix Alba LASIA Far Eastern Pension	01	4.3%	1%	1.036%	0.03%	0%	5%
Phoenix Alba LASIA Fixed Interest pension	01	4.3%	1%	1.034%	0.08%	0%	5%
Phoenix Alba LASIA International Pension Fund	01	4.3%	1%	1.021%	0.08%	0%	5%
Phoenix Alba LASIA Japan Pension Fund	01	4.3%	1%	1.015%	0.07%	0%	5%
Phoenix Alba LASIA Managed Pension Fund	01	4.3%	1%	1.017%	0.11%	0%	5%
Phoenix Alba LASIA Property Pension Fund	01	4.3%	1%	1.00%	0.50%	0%	5%
Phoenix Alba LASIA UK Equity Pension Fund	01	4.3%	1%	1.02%	0.14%	0%	5%
Phoenix Alba LASIA North American Pension Fund	01	4.3%	1%	1.01%	0.01%	0%	5%
Phoenix Alba LASIA Money Market Pension Fund	01	4.3%	1%	1%	0.004%	0%	5%
Phoenix Alba LASIA With Profits Fund	N/A – Expenses are accounted for within the annual bonus declaration.			1%	0.04%	0%	N/A
Phoenix Alba LASIA Pension With Profits Fund	N/A – Expenses are accounted for within the annual bonus declaration.			1%	0.04%	0%	N/A

Other On-Going Charges

Type of Charge	Charge and Description																		
Allocation rate	<table><tr><th colspan="3">Regular Contributions</th></tr><tr><th>Amount of Contribution (Annual)</th><th>1st 5 years</th><th>Contribution Paid Thereafter</th></tr><tr><td>£1,000+</td><td>105%</td><td>110%</td></tr><tr><td>£500 - £990</td><td>103%</td><td>110%</td></tr><tr><td>£300 - £499</td><td>100%</td><td>110%</td></tr><tr><td>Less than £300</td><td>95%</td><td>105%</td></tr></table> <ul style="list-style-type: none">• Contribution amount is employer and employee for each member separately• Allocation rates reduced by 2% for monthly contributions• During first two years of plan, and first two years of subsequent increments, Initial units are purchased, thereafter, all contributions allocated to accumulation units.• Similar % apply to increase in contributions, based on the amount of the increase• Single contributions have allocation rate of 99% before deduction of policy fee• DSS contributions have allocation rate of 100%. (Policy fee is applied first if no regular contributions are being made.)	Regular Contributions			Amount of Contribution (Annual)	1st 5 years	Contribution Paid Thereafter	£1,000+	105%	110%	£500 - £990	103%	110%	£300 - £499	100%	110%	Less than £300	95%	105%
Regular Contributions																			
Amount of Contribution (Annual)	1st 5 years	Contribution Paid Thereafter																	
£1,000+	105%	110%																	
£500 - £990	103%	110%																	
£300 - £499	100%	110%																	
Less than £300	95%	105%																	

Plan/Policy Charges

	Annual premium	Monthly Premium	Single Premium	Rate of Charge Increase
Policy Fee – GPP1	£5.90 p.m	£5.90 p.m	N/A	AWE
Policy Fee – All Others	£6.60 p.m	£6.60 p.m	N/A	AWE
Policy Fee – Single Premium (paid alongside regular contributions)	N/A	N/A	£80.00	N/A

Premium Charges

Premium Bands	Single %	Monthly %	Quarterly %	Half Yearly %	Annual %
First £5,000 p.a	N/A	N/A	N/A	N/A	N/A
Excess over £5,000 p.a	N/A	N/A	N/A	N/A	N/A

Member Charges

Type of Charge	Increase By (RPI/AWE/Other)	Annual Charge	Monthly Charge
Active Member	N/A	N/A	N/A
Paid-Up Member	N/A	N/A	N/A

Event Based Charges

Type of Charge	Charge and Description
Fund Switch Charge	Contractually 1 free switch per member per contract year is allowed. However, by concession, 10 free switches per member per contract year are available. Subsequent switches in a contract year are £15 per switch. Switches into With-Profits are available only at our discretion.
Redirection of Contributions Charge	There is currently no charge for redirecting future regular contributions into different funds.
Market Value Reduction	If a member's account contains investments in either the Phoenix Alba LASIA With Profits Fund or Phoenix Alba LASIA Pension With Profits Fund, and part or all of that investment is cancelled before the member's normal retirement date, a Market Value Reduction (MVR) may be levied on the value. MVRs are levied to safeguard the interests of the remaining policyholders where the value of the underlying investment in the relevant Account falls below the value of all policyholders' investment in the Phoenix Alba LASIA With Profits Fund or Phoenix Alba LASIA Pension With Profits Fund (or both), including any entitlement to bonus

	<p>interest or bonus. The size of any reduction cannot be stated in advance and will depend on a number of factors, including the size of the shortfall and the volume of surrenders from the relevant Account. No MVR will be levied on a disinvestment made on:</p> <ul style="list-style-type: none"> • the member's death, or • the member taking benefits on or after normal retirement date, or • the member taking benefits before normal retirement date, provided: <ul style="list-style-type: none"> - it is in the period of 30 days before normal retirement date, or - the member has already reached the age of 65 years, or - the member is taking benefits because of serious ill-health (where the member's life expectancy is less than 12 months).
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Fund charges – explanation of terms

AMC: The Annual Management Charge is a charge paid annually for managing the investments in a fund.

TER: The Total Expense Ratio is an estimate of the administration expenses and management charges incurred directly or indirectly in the fund over a year. It includes any (AMC) as well as costs incurred in the administration of the fund, such as custody fees, audit fees and legal expenses for example. The TER is shown as a percentage of the fund, to give an estimate of the impact that the charges and expenses have had on the value of the fund over a year. The figure does not include any costs incurred as a result of transacting in the fund's investments.

TCs: The Transaction Costs are the costs incurred as a result of the buying, selling, lending or borrowing of investments. These costs mainly arise as a result of delivering a fund's target investment return where a passive or active investment approach is used. As an example, a fund may need to buy or sell assets when customers pay money into or take money out of a fund. These actions will incur costs.

Transaction costs arise as a result of participating in a financial market and so are separate from any product level administration charges and any annual management charges (AMC). The transaction cost for buying and selling an investment includes all costs incurred from the point an order to transact is received, to the point at which the transaction completes. These costs include all charges, commissions, taxes and other associated payments incurred directly or indirectly. These costs are ultimately borne by assets of the arrangement or of any investment in which the arrangement is directly or indirectly invested. Of these costs, some are easily identifiable as specific costs incurred, but some are less identifiable and may rely on judgement.

The transaction costs are expressed as a percentage of the fund, to give an estimate of the impact that the costs have had on the value of the fund over a year.

We are required by our regulator to calculate transaction costs for some transactions using an approach called the slippage cost methodology. Under this approach one of the components of the overall cost is the difference between the market price of a trade when an order is placed (the arrival price) and the actual price achieved for the trade (the execution price). This "cost" can be negative when markets rise. For example, suppose a trade to sell a stock were placed when the price was £1.00 per share. By the time the stock is actually sold in the market, the prices have gone up and are £1.02 per share. Under the slippage cost methodology, there is a negative cost of 2p per share. In some cases, this can mean that we report negative transaction costs overall for a fund.

Percentage of TCs Not Available: This is the percentage of underlying investments for which transaction cost data has not been available during the period. The missing cost data includes costs incurred in trading the underlying assets as well as costs incurred by the underlying assets if they are unit linked.

You are advised to refer to the Policy Terms and Conditions for further detailed information regarding Funds, Charges and available options.

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