Statement of the Chair of the Trustee for the NFER Retirement Savings Plan for the year ending 5 April 2021

Introduction and Background

The NFER Retirement Savings Plan ("the Plan") is a Defined Contribution (DC) pension scheme. This means the level of benefits members will receive when they retire is not guaranteed, but instead depends on factors such as the amount of employer and employee contributions paid, and the investment returns earned on those contributions. How members choose to withdraw their benefits when able to, will also have a bearing on their income during retirement.

Since 2015, trustees of DC pensions schemes such as the Plan, have been required to produce an annual statement, signed by the Chair of the trustees, setting out how they have met with required governance standards as they relate to their management of their DC scheme. The aim of these requirements is to help members achieve a good outcome from their pension savings

I hereby confirm that I, Lynne Stewart, on behalf of PAN Trustees UK LLP (the Plan Trustee), have been appointed as Chair of the Trustee for the purpose of completing this statement and I am authorised to sign this statement on behalf the Trustee. This is the Trustee's second such statement, following the de-merger from the Federated Retirement Savings Plan and resulting establishment of the Plan, with effect from 5 April 2019.

This statement is produced in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the Regulations) and describes how the Trustee has met the statutory governance standards, covering:

1. The default investment strategy, including its governance;
2. Requirements for processing financial transactions;
3. Assessment of charges and transaction costs; and
4. The requirement for trustee knowledge and understanding.

This statement also contains a 'Value for Members Assessment' - an assessment of the Plan in terms of whether and how it represents Value for Members, along with details of charges and transaction costs borne by members and illustrations of the cumulative impact of those charges and costs on member funds.

This statement covers the period from 6 April 2020 to 5 April 2021. A copy has been incorporated into the Trustee's annual report and accounts, which is available on request to members and beneficiaries of the Scheme and members' appointed representatives.

1. The default investment strategy

"The Trustee regards the provision of a default investment arrangement that increases the likelihood of members experiencing good outcomes in retirement as one of their most important responsibilities".

Introduction

The Plan is used as a 'Qualifying Scheme' for 'auto-enrolment' and as such, the Trustee is required to operate a 'default investment strategy' – a strategy that will automatically apply to a member's existing fund and any contributions that are made, in the absence of a member making active investment decisions.

In operating a default investment strategy, the Trustee also recognises that its ultimate objective is to help ensure that the members of the Scheme can retire on a reasonable level of pension savings, taking account of the contributions paid into their individual accounts, the timescale over which those contributions are invested and a level of investment risk which is appropriate to most members who do not make active investment choices.

The default investment strategy is designed and monitored by the Trustee, after having taken suitable investment advice.

Statement of Investment Principles

Details of the default investment strategy can be found within the most recent Statement of Investment Principles ("SIP") dated 15 September 2020, a copy of which can be found in Appendix D.

The statement explains the Trustee's approach to investment governance, objectives and strategy and provides detailed information on the default investment strategy and alternative 'self-select' investment options available to members. The statement also takes account of the Trustee's views on Social, Environmental Governance ('ESG') considerations (including but not limited to climate change) and the stewardship in the selection, retention and realisation of their investments (including how any voting rights are exercised). This incorporates details of the arrangements in place with the Plan's investment managers. This includes monitoring and assessing:

- their philosophy for assessing and engaging with the businesses and institutions they invest in;
- the stewardship of those investments, including exercising of rights (including voting rights) attaching to investments;
- the ongoing costs and frequency of trading;
- their approach to Environmental, Social and Governance (ESG) policies.

Implementation Statement

The Trustee is also required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the Scheme's Statement of Investment Principles during the previous Scheme year. This is referred to as the Implementation Statement. The statement also includes details of any reviews of the statement during the year, any changes that were made and reasons for the change.

A description of the voting behaviour during the year, either by or on behalf of the Trustee, or if a proxy voter was used, is also included within this statement.

A copy of the Trustee's Implementation Statement, covering the period from 6 April 2020 to 5 April 2021 has been incorporated into the Trustee's annual report and accounts.

Investment Options

The 'Default Lifestyle Option' (the Plan's default investment strategy) is a 'lifestyled' strategy targeting an 'annuity' or pension benefit outcome at retirement. Members can choose to remain in this strategy, or as they approach retirement, invest in one of two alternative lifestyle strategies that target different benefit outcomes at retirement – 'encashment', or 'drawdown'.

During the 'growth phase' of the Default Lifestyle Option, which spans the time from a member joining the Plan until 8 years from their target retirement date (age 65 in the absence of selecting a different age), the primary objective is to maximise returns over the long term at an acceptable level of risk. During this period the member's personal account will be invested in the Growth Fund.

During the 'consolidation phase' (the 8 years leading up to a member's target retirement date), the member's personal account and contributions are gradually switched, initially into the Consolidation Fund and then into the Pre-Retirement Fund. This switching process is aimed at both reducing risk whilst also targeting an 'annuity' benefit outcome at retirement and can be summarised by the following table:

Years from retirement	9+	8	7	6	5	4	3	2	1	0
Switching Period (in years)	0	1	2	3	4	5	6	7	8	9
Growth Fund	100%	80%	60%	40%	20%	0%	0%	0%	0%	0%
Consolidation Fund	0%	20%	40%	60%	80%	80%	60%	40%	20%	0%
Pre-Retirement Fund	0%	0%	0%	0%	0%	20%	40%	60%	80%	100%

Each of the three lifestyle strategies invest in the same funds until 5 years prior to a member's target retirement age, at which point each strategy will diverge and begin to invest in line with its target benefit outcome.

For members that that don't feel that either the Default Lifestyle Option, or the alternative lifestyle strategies are right for them, a range of individual funds are also available on a 'self-select' basis.

Further information on the investment Plan's investment options can be found in the Explanatory Guide dated May 2019.

Investment Reviews

The Trustee is required to formally review the default investment strategy at least every three years or immediately following any significant change in investment policy or the Plan's member profile.

A review of the investment options made available to members was last undertaken by the Trustee (based on advice from its investment adviser, Jagger & Associates Limited) in 2019.

As part of its review, the Trustee carried out a demographic analysis of the membership. This analysis had the following objectives:

- To improve the Trustee's understanding of the demographic profile of the Plan's membership.
- To help the Trustee design an appropriate investment strategy; and
- To help the Trustee design an appropriate member communication strategy.

These objectives combined, would help to ensure the structure and design of the Plan's investment proposition reflects the membership profile (and the member needs), where practical to do so.

As a result of the review, the Trustee introduced the alternative ('encashment' and 'drawdown') lifestyle investment strategies outlined above, as well as introducing some changes to the individual funds available on a self-select basis. The Trustee wrote to members in March 2020 to explain the changes and how members can change their personal investment strategy.

The Trustee has not considered necessary to undertake a review of the Plan's investment options, during the period covered by this statement.

Investment Monitoring

In addition to undertaking regular strategy reviews, the Trustee also regularly reviews the performance of the current default investment strategy and the wider investment options. This review includes an analysis of fund performance and member activity to check that the risk and return levels meet expectations.

On a regular basis, the Trustee receives, and reviews performance monitoring reports produced by the Trustee's investment adviser and / or investment platform provider. These are formally reviewed at scheduled Trustee meetings.

The Trustee can confirm it has considered the returns of the default investment strategy and these are consistent with the Trustee's current aims and objectives for that strategy, as set out within the Statement of Investment Principles.

2. Requirements for processing financial transactions

"Reliable internal controls are essential to the security of members' benefits and the provision of a first-class member experience".

Service Levels and Service Monitoring

The core financial transactions, including investment of contributions, transfers in and out of the Plan to members and / or their beneficiaries, and transfers / switches of assets between different investments in the Plan, have generally been processed promptly and accurately as evidenced by administration reporting, provided by Capita, the Plan administrator. Administration reports are prepared for the Trustee on a quarterly basis.

Agreed service levels (SLAs) are in place between the Trustee and Capita, with each administration report requested providing a full reconciliation of work undertaken and timescales achieved against agreed service levels for each ‘job type’. These typically cover, but are not limited to, ensuring that the following activities are processed promptly and accurately:

- Contribution receipts and subsequent investment of contributions.
- Benefit / retirement quotations.
- Transfers out of the Plan.
- Leaver Statements.
- Investment switches.
- General enquiries and data changes.

Each administration activity is allocated based on job type and age profile. This means, any case where information has returned from a third party will be prioritised and progressed in a timely manner. The prioritisation process ensures key dates are met, sensitive and urgent cases are treated as such, and member experience is protected, particularly where the processing of financial transactions are involved.

We are pleased to be able to report, that for the period covered by this statement, average performance against agreed SLAs has been 98.5% (98% for the period from 1 April 2019 to 31 March 2020).

The Trustee is not aware of any material issues that negatively impacted the processing of core financial transactions and that where service levels in this area have not been met, for most cases the timescales achieved have fallen shortly outside the agreed SLA or mitigating circumstances have prevented the SLA from being met. For activities completed outside of the agreed service level, specific details of cause and actions taken, and resolution are reviewed, and remedial action taken where required.

Capita has reported to the Trustee that no complaints were received from members for the period covered by this statement.

The timeliness of contribution receipts and subsequent investment of contributions received is also monitored. During the period covered by this statement, all contributions were received and invested, within statutory deadlines.

The Trustee has not sought to benchmark the Scheme’s SLAs against other Capita clients or against other pension schemes which are not administered by Capita.

Internal Controls

In accordance with the ongoing administration reporting arrangements, controls are in place to monitor and ensure that core financial transactions are and continue to be processed promptly and accurately. This includes regular monitoring of bank accounts and 'four eyes' checking of investments and banking transactions.

These controls, along with service levels and any service issues are reviewed at each Trustee meeting. This includes utilisation of a workflow management system to monitor Plan and member related activities and related performance against service levels and forward planning of regular annual activities and events.

The monitoring of administration and core financial transactions is also reflected in the Plan's Risk Register and is a standing item on the agenda for Trustee meetings. The Trustee also reviews Capita's most recent Internal Controls report (AAF 01/06) on an annual basis.

On behalf of the Trustee, Capita also review the processes in place to identify potential 'pension scams' and clear information on how to spot a scam is included in all relevant member communications.

In support of the administrator being able to correctly calculate and process member benefits, the Trustee regularly assesses the quality of the Plan's data, by reference to the Pension Regulator's 'common' and 'conditional' data requirements. Where data gaps are identified, the Trustee has taken appropriate remedial action.

Further scrutiny of transactions and also reporting and controls can be found within the Plan's Annual Report & Accounts. As part of the annual audit process the auditor included testing of a sample of financial transactions for accuracy and timeliness.

The Trustee is confident that the processes and controls in place with the administrator are robust and will ensure that the financial transactions which are important to members are dealt with properly. The Trustee continue to focus on the monitoring of this area.

3. Assessment of charges and transaction costs

"The Trustee believes that good value is about demonstrating that the Plan's services represent a good use of resources versus comparable alternatives available to the Trustee."

The Trustee is required to set out the on-going charges borne by members in this statement, which are annual fund management charges plus any additional fund expenses, such as custody costs, but excluding transaction costs. This is also known as the 'total expense ratio' ('TER') or Ongoing Charges Figure ('OCF'). The OCF is paid by the members and is reflected in the unit price of the funds that members choose to invest in.

The Trustee is also required to separately disclose transaction cost figures that are borne by members. In the context of this statement, transaction costs are those costs incurred when the Plan's fund managers buy and sell assets within investment funds. In last year's statement the Trustee was unable to provide details of these costs, as the managers were not been able to disclose them within the timeframe required. We are pleased to be able to report that this year, the Trustee has been able to source transaction cost details.

Aside from investment management charges and investment transaction costs, all other costs associated with running the Plan, are borne by the sponsoring employer and therefore have no bearing on member charging. However, for completeness we have referred to these as part of our assessment of Value for Members, which can be found in Appendix A.

The charges and transaction costs for each fund that comprises the default investment strategy are recorded in Appendix B. The same information is also provided for each individual fund that members can 'self-select' and in which assets relating to members are invested.

Examples of the cumulative effect of costs and charges on member funds are set out in Appendix C.

In preparing Appendices B and C of this Statement, the Trustee has had regard to statutory guidance published by the Department for Work and Pensions and have not deviated from that guidance.

We are pleased to be able to say, the Ongoing Charges Figure applicable to the default investment strategy and alternative lifestyle strategies, as well as funds available on a self-select basis fall significantly below the Charge Control cap of 0.75% required by pension scheme regulations. Transaction costs are generally minimal or negative.

The Trustee is comfortable that the member borne charges are competitive, offer value for money and are kept under regular review.

4. The requirement for trustee knowledge and understanding

The Trustee spends an appropriate amount of time running the Plan in relation to the size and complexity of the arrangements and in doing so is also required to maintain an appropriate level of knowledge and understanding, which together with professional advice enables them to properly exercise their functions and duties in relation to the Plan. During the period covered by the statement, the Trustee held two formal meetings.

The Plan's Trustee is required to maintain appropriate levels of knowledge and understanding to run the Plan effectively. Each designated member of the Trustee must:

- Be conversant with the Trust Deed and Rules of the Plan, the Plan's Statement of Investment Principles and any other document recording policy for the time being adopted by the Trustee relating to the administration and management of the Plan generally. The Trustee will refer to the Trust Deed and Rules as part of considering and deciding to make any changes to the Plan and where relevant, deciding individual member cases.

- Have, to the degree that is appropriate for the purposes of enabling the individual properly to exercise his or her functions as a designated member of the Trustee, knowledge and understanding of the law relating to pensions and trusts and the principles relating to investment the assets of occupational pension schemes.

The Trustee has measures in place to comply with the legal and regulatory requirements regarding conversance and knowledge and understanding.

All the designated members of the Trustee are familiar with and have access to copies of the current Plan governing documentation, including the Trust Deed & Rules (together with any amendments), the statement of investment principles and key policies and procedures.

Further, each designated member considers that they 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 to fulfil their duties, supplemented where appropriate in specialist areas by delegation to/support from their legal advisers, their auditors, administrators, and investment advisers.

PAN Trustees UK LLP, as sole Trustee of the Plan, is represented by two of its longest standing LLP members, Lynne Stewart and Steve Delo. Individually, both are experienced professional independent trustees who have been Accredited by the Pensions Management Institute and have between them 45 years of trusteeship experience and over 70 years of pensions industry experience, including long term DC experience. Both have been deemed fit and proper persons to act as Trustees of Authorised Master Trusts and have extensive practical experience of DC pension arrangements. Lynne and Steve have worked together for over two years and between them their collective knowledge and experience covers the areas critical to the governance of the Plan, including understanding trust law and DC pensions, investment strategy setting, governance approaches, risk management, communication / engagement methods, member options and behavioural finance.

By combining these perspectives with appropriate support by advisory organisations with skills in DC advice, collectively the Trustee can make effective decisions on most issues that emerge. Any areas of weakness or knowledge gaps can therefore be readily identified enabling appropriate training and/or advice to further support decision-making in that area to be sought.

Both Lynne and Steve carry out significant continuing professional development (CPD) in respect of their role, which is formally recorded centrally. CPD during the year included structured training, wide reading of pensions industry materials and news developments, face to face engagement with industry participants and thought leaders, advisory sessions, conferences and seminars and on-line training.

To help achieve the above, each representative of PAN Trustees UK LLP All is expected to ensure that he or she meets the Pension Regulator's (TPR) Trustee Knowledge and Understanding requirements. This includes completing TPR's Trustee Toolkit. The Trustee Toolkit is an online learning program aimed at trustees of occupational pension schemes. It contains modules and resources on the law relating to pensions and trusts, and the principles relating to the funding and investment of occupational pension schemes. It is designed to help trustees meet the minimum level of knowledge and understanding required under the Pensions Act 2004.

A formal review of the effectiveness of the Trustee Board, both on an individual and collective basis, will take place in 2021.

PAN Trustees UK LLP is also able to draw on the extended experience of the full Board of LLP members. Each such member is an experienced pension professional and trustee.

The Trustee is also cognisant of the necessity to take advice as and when required and in particular would seek legal advice from the Plan's legal advisers in any contentious cases/situations or if they are unclear in any aspect of the operation of the Trust Deed and Rules. The Trustee can confirm that there were no contentious cases to consider in the Plan year and therefore we did not seek any legal advice concerning these matters in this period.

Taking into account the knowledge and experience of the Trustee with the specialist advice received from the appointed professional advisers the Trustee is confident it is well placed to exercise its function as Trustee to the Plan, both properly and effectively and is satisfied it has sufficient knowledge and understanding of all subject areas required.

Summary

The Trustee has considered how the Plan has been governed, by reference to Sections 1. – 4. above. This includes service standards being provided in terms of scheme administration (including processing core financial transaction, scheme records and scheme governance), member communication, investment proposition and investment returns. The Trustee has also considered the type and level of charges borne by members, as well as how the Plan's costs and charges compare to similar and alternative pension schemes.

It is our view that the Plan, including member borne costs and charges, represents Value for its Members. Our Value for Members Assessment and Statement is set out in Appendix A.

Signed for and on behalf of the Plan Trustee by Lynne Stewart in my capacity as Chair of the Trustee of the NFER Retirement Savings Plan.

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Lynne Stewart, Chair of the Trustee for the Plan

Date……28th October 2021……

Appendix A: Value for Members Assessment and Statement

Value for Members Assessment

To assess the Plan in terms of how it represents Value for Members, the Trustee has considered the following evidence:

- Statement of Investment Principles dated 15 September 2020.
- 2019 Investment strategy review, including members analysis.
- Investment performance monitoring reports.
- Plan Guide dated May 2019.
- Quarterly administration reports.
- Trustee's Annual Business Plan.
- Trustee's Risk Register.
- The commentary from our independent auditors contained within the Plan Report & Accounts.

Also, the Trustee has taken account of the following:

1. The costs of the Plan are predominantly borne by the sponsoring employer, leaving only investment costs which are borne by Plan members. Details of these charges are set out in Appendix B.

2. The Annual Management Charges applicable to the funds that comprise the default investment strategy and the alternative lifestyle strategies fall significantly below the Charge Control cap of 0.75%. The charges for all funds available on a self-select basis are also below the 0.75% charge cap.

3. The Trustee has gained an evidenced understanding of the nature and 'needs' of Plan members by carrying out analysis of the Plan's demographic profile.

4. The investment reviews carried out in 2019 used the findings of the above analysis to inform the design of an appropriate portfolio of investment options.

5. Furthermore, this analysis, along with the Trustee's broad knowledge of the membership of the Plan is used to inform targeted member communication campaigns as and when required.

6. The Trustee is comfortable that its investment design, twinned with access to relevant member communications, ensures that ongoing appropriateness of the Plan for its members.

7. Appointed Investment managers and investment returns are assessed by the Trustee in liaison with their investment advisers on a regular basis, using performance reports prepared by the Trustee's investment adviser and / or investment platform provider.

The Trustee has also taken in to account the Pensions Regulator's Code of Practice No.13 (Governance and administration of occupational trust-based schemes providing money purchase benefits) (DC benefits).

Costs borne by Plan members

The Trustee has obtained from Mobius Life, details of ongoing charges and transaction costs that applied (or may have potentially applied) to the investment funds available to members. Actual and potential transaction costs would include (but may not be limited to):

- Transaction taxes
- Broker commission
- Implicit costs
- Entry/exit charges
- Other transaction costs
- Indirect transaction taxes
- Indirect broker commission
- Indirect implicit costs
- Indirect entry/exit charges
- Indirect other transaction costs
- Indirect transaction costs - external funds
- Anti-dilution offset
- Indirect anti-dilution offset

Details of the ongoing investment charges and transaction costs disclosed by Mobius Life, are set out in Appendix B. The cumulative effect of costs and charges on member funds are set out in Appendix C.

Costs borne by the sponsoring employer:

As mentioned elsewhere in this statement, in carrying out this assessment, the Trustee has taken the view that costs borne by the sponsoring employer will have a positive effect on Value for Members who are only paying investment charges. The employer-borne costs which have been taken into consideration are as follows:

1. Administration costs

2. Cost of running the Trustee Board

3. Cost of advice/suppliers of professional services

Value for Members Statement

There is no legal definition of “good value” and so the process of determining good value for members is a subjective one. The Trustee also notes that value for money does not necessarily mean the lowest fees or costs, and the overall service and quality of the service received has also been considered in this assessment.

The Trustee believes the Plan represents value for Plan members. The reasons for this are based on the evidence listed above and include, but are not limited to, the following:

- The oversight and governance of the Trustee, including ensuring the Plan is compliant with relevant legislation, such as the charge cap, and holding regular meetings to monitor the Plan and address any material issues that may impact members.

- The Trustee is comfortable with the quality and efficiency of the administration processes, including processing of financial transactions.

- Members of the Plan pay only investment charges and transaction costs, with the sponsoring employer bearing most of the costs of running the Plan.

- The investment charges borne by members compare favourably with similar schemes and for all investment funds available to members, fall well below the 0.75% charge cap.

- The fund charges are competitive for the types of fund available to members.

- The investment options offered to members (including the default investment strategy) have been designed to reflect members' needs according to third party data analysis of the Plan's demographic profile.

- The investment choices offered to Plan members are subject to regular review to ensure the investment options continue to meet member needs and that they account for the range of benefit options available to members.

- Both the investment manager and the funds under management are assessed by the Trustee in liaison with their investment advisers on a regular basis and at each Trustee meeting.

- The returns on the investment funds members can choose during the period covered by this statement have been consistent with the Trustee's stated investment objectives.

- The Trustee ensures ongoing communications and engagement activities provide ample information, learning and engagement activities to encourage Plan members to make informed decision and changes to their investment options and retirement planning, if this is an appropriate course of action to suit their circumstances.

The Trustee recognises that Members are not currently able to manage their pension accounts online. Whilst member engagement with online management can generally be low, the Trustee accepts this position detracts from the Plan's value.

In reaching this opinion, the Trustee has chosen to not apply any weightings to the factors considered and supporting documentation outlined.

Appendix B: Member Charges

Charges for funds within the default investment strategy for the Plan year ending 5 April 2021:

Fund	Total Expense Ratio (TER)*	Transaction Costs**
Growth Fund[1]	0.158%	-0.140%
Consolidation Fund[2]	0.276%	0.098%
Pre Retirement Annuity Fund[3]	0.130%	0.050%

Notes for Appendix B

[1]*A blended fund 'of funds' that forms part of the growth stage of the default investment strategy. These include a Global Equity 60/40 Fund (80%) and a Corporate Bond Fund (20%).*

[2]*A blended fund 'of funds' that forms part of the consolidation stage of the default investment strategy. These include a Global Equity 60/40 Fund (40%), a Corporate Bond Fund (20%), and a Diversified Growth Fund (40%).*

[3]*A blended fund 'of funds' that forms part of the pre-retirement stage of the default investment strategy. These include a Pre-Retirement Fund (75%) and a Cash Fund (25%).*

**Total Expense Ratio (TER) includes the Annual Management Charge (AMC), plus various other expenses – e.g., legal fees, administration, marketing, regulation, auditing.*

*** Transaction costs that applied (or may have potentially applied) to the investment funds available to members. Note that a negative transaction cost can refer to things like anti-dilution measures put in place by the manager to protect existing investors. It is effectively a 'saving' to existing members and reduces the impact of other charges. As it is an implicit, calculated cost, it would ordinarily be reflected within the unit price.*

The total transaction costs for each fund are made up of two elements, the transaction costs incurred by the underlying fund when buying and selling its underlying assets, plus the costs incurred by Mobius Life when buying or selling the underlying fund. The various fund managers supplied their transaction cost data for the period in various formats; EMT (European MIFID II Template), DCPT (DC Workplace Pensions Template), or EPT (European PRIIPS Template), and Mobius aggregated them accordingly.

Actual and potential transaction costs include those set out in Appendix A.

All charges and transaction costs have been provided by Mobius Life.

Charges for funds within the Drawdown investment strategy for the Plan year ending 5 April 2021:

Fund	Total Expense Ratio (TER)*	Transaction Costs**
Growth Fund[1]	0.158%	-0.140%
Consolidation Fund[2]	0.276%	0.098%
Pre Retirement Drawdown Fund[3]	0.217%	0.056%

[1]*A blended fund 'of funds' that forms part of the growth stage of the investment strategy. These include a Global Equity 60/40 Fund (80%) and a Corporate Bond Fund (20%).*

[2]A blended fund 'of funds' that forms part of the consolidation stage of the investment strategy. These include a Global Equity 60/40 Fund (40%), a Corporate Bond Fund (20%), and a Diversified Growth Fund (40%).

[3]A blended fund 'of funds' that forms part of the pre-retirement (drawdown) stage of the investment strategy. These include a Global Equity 60/40 Fund (25%), a Corporate Bond Fund (20%), a Diversified Growth Fund (25%), and a Cash Fund (30%).

** & ** Please refer to notes above.*

Charges for funds within the Cash investment strategy for the Plan year ending 5 April 2021:

Fund	Total Expense Ratio (TER)*	Transaction Costs**
Growth Fund[1]	0.158%	-0.140%
Consolidation Fund[2]	0.276%	0.098%
Cash Fund[3]	0.120%	-0.002%

[1]A blended fund 'of funds' that forms part of the growth stage of the investment strategy. These include a Global Equity 60/40 Fund (80%) and a Corporate Bond Fund (20%).

[2]A blended fund 'of funds' that forms part of the consolidation stage of the investment strategy. These include a Global Equity 60/40 Fund (40%), a Corporate Bond Fund (20%), and a Diversified Growth Fund (40%).

[3]A fund that forms part of the pre-retirement (encashment) stage of the investment strategy. This includes a Cash Fund (100%).

** & ** Please refer to notes above.*

Charges for all funds members can invest in, on a self-select basis, for the year ending 5 April 2021:

Fund	Total Expense Ratio (TER)*	Transaction Costs**
Global Equity 60/40 Index Fund	0.156%	-0.001%
Corporate Bond Fund	0.165%	-0.063%
Long Gilts Fund	0.154%	-0.070%
Diversified Growth Fund	0.450%	0.039%
Annuity Purchase Fund	0.130%	0.050%
Cash Fund	0.120%	-0.002%

* & ** Please refer to notes above.

Appendix C: Projected Fund Values

Default investment strategy – projected pension pot showing effect of charges produced in accordance with DWP guidance

Projected pension fund in today's money We have assumed a starting value of £30,000, a salary of £35,000, combined contributions of 16%, and a 40yr old member, but other ages can be assessed using the following table		
Default Investment Strategy		
Years	Before costs and charges deducted	After charges deducted
1	£36,314.00	£36,270.81
3	£49,396.40	£49,236.21
5	£63,108.92	£62,787.91
10	£100,349.87	£99,409.19
15	£142,238.52	£140,312.01
20	£188,218.33	£184,404.90
25	£224,973.22	£218,112.93

Notes (for the above and the following tables)

1. *Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.*
2. *The starting pot size is assumed to be £30,000, which is approximately the average value of a representative younger member within the Scheme.*
3. *The average salary is assumed to be £35,000, and combined contribution rate of 16% has been used – both of which are representative for the average younger member.*
4. *Inflation is assumed to be 2.5% each year.*
5. *The charges used to generate the projections are the fund Total Expense Ratios.*

Values shown are estimates and are not guaranteed.

Alternative lifestyle investment strategies – projected pension pot showing effect of charges produced in accordance with DWP guidance.

Projected pension fund in today's money		
Alternative Investment Strategy – Drawdown Lifestyle		
Years	Before costs and charges deducted	After charges deducted
1	£36,314.00	£36,270.81
3	£49,396.40	£49,236.21
5	£63,108.92	£62,787.91
10	£100,349.87	£99,409.19
15	£142,238.52	£140,312.01
20	£188,218.33	£184,398.71
25	£231,080.19	£223,625.75

Projected pension fund in today's money		
Alternative Investment Strategy – Cash Lifestyle		
Years	Before costs and charges deducted	After charges deducted
1	£36,314.00	£36,270.81
3	£49,396.40	£49,236.21
5	£63,108.92	£62,787.91
10	£100,349.87	£99,409.19
15	£142,238.52	£140,312.01
20	£188,218.33	£184,404.90
25	£223,189.36	£216,637.70

Self-select funds – funds that members can self-select – projected pension pot showing effect of charges produced in accordance with DWP guidance.

Projected pension fund in today's money		
Global Equity 60/40 Index Fund (Gross Accumulation Rate = 5.5%)		
Years	Before costs and charges deducted	After charges deducted
1	£36,314.00	£36,270.81
3	£49,396.40	£49,236.21
5	£63,108.92	£62,787.91
10	£100,349.87	£99,409.19
15	£142,238.52	£140,312.01
20	£188,218.33	£184,404.90
25	£224,973.22	£218,112.93

Projected pension fund in today's money		
Corporate Bond Fund (Gross Accumulation Rate = 2.40%)		
Years	Before costs and charges deducted	After charges deducted
1	£35,570.00	£35,539.50
3	£46,693.30	£46,585.00
5	£57,794.36	£57,585.99
10	£85,450.02	£84,894.92
15	£112,967.68	£111,929.58
20	£140,348.02	£138,692.72
25	£167,591.74	£165,187.06

Projected pension fund in today's money		
Long Gilts Fund (Gross Accumulation Rate = 1.55%)		
Years	Before costs and charges deducted	After charges deducted
1	£35,315.00	£35,289.83
3	£45,794.00	£45,705.99
5	£56,074.85	£55,907.88
10	£80,934.45	£80,503.89
15	£104,635.45	£103,854.43
20	£127,231.84	£126,022.59
25	£148,775.09	£147,068.23

Projected pension fund in today's money		
Diversified Growth Fund (Gross Accumulation Rate = 4.14%)		
Years	Before costs and charges deducted	After charges deducted
1	£36,092.00	£35,960.21
3	£48,577.36	£48,096.17
5	£61,475.61	£60,525.31
10	£95,618.27	£92,927.74
15	£132,653.98	£127,322.70
20	£172,827.88	£163,832.73
25	£216,405.88	£202,587.89

Projected pension fund in today's money		
Annuity Purchase Fund (Gross Accumulation Rate = 2.06%)		
Years	Before costs and charges deducted	After charges deducted
1	£35,468.00	£35,408.60
3	£46,331.93	£46,122.51
5	£57,100.46	£56,700.15
10	£83,609.94	£82,559.38
15	£109,541.32	£107,604.17
20	£134,907.21	£131,860.17
25	£159,719.93	£155,352.24

Projected pension fund in today's money		
Cash Fund (Gross Accumulation Rate = 1.50%)		
Years	Before costs and charges deducted	After charges deducted
1	£35,300.00	£35,264.56
3	£45,741.53	£45,617.75
5	£55,975.27	£55,740.72
10	£80,677.50	£80,074.19
15	£104,169.07	£103,077.36
20	£126,509.32	£124,822.94
25	£147,754.68	£145,379.70

Appendix D: Statement of Investment Principles

The NFER Retirement Savings Plan

Statement of Investment Principles

This is the Statement of Investment Principles made by the Trustee of The NFER Retirement Savings Plan ("the Plan") in accordance with the Pensions Act 1995. It is subject to periodic review by the Trustee.

The attached appendix is an integral part of, and should be read in conjunction with, this statement.

In preparing this statement the Trustee consulted with the principal employer of the Plan and has taken advice from Jagger & Associates, who have also undertaken a review of this document.

The Trustee reviews the investment performance, investment strategy and manager arrangements from time to time taking advice as required.

The Trustee's investment advisers are authorised and regulated by the IFoA regulated under the DPB regime

1. INVESTMENTS

1.1 Socially Responsible Investment and Corporate Governance

The Trustee believes that good stewardship, environmental, social and corporate governance ("ESG") issues can have a positive impact on investment returns.

Having considered the views of Trustee Directors the Trustee has resolved that ESG should form part of any investment manager's investment selection and ongoing involvement regarding the portfolio.

The Trustee has delegated responsibility for the selection, retention and realisation of investment securities to each of its appointed investment managers and included within this each manager is required to advise the Trustee of its ESG policy and update the Trustee on an annual basis.

As part of the initial ESG policy introduction the Trustee has considered the ESG policies of the various managers and where passive funds are used emphasis is concentrated on the Governance aspect of ESG.

It is not the policy of the Trustee to impose restrictions on the managers. However having considered the various manager ESG policies the Trustee is confident that ESG factors are taken into account when assessing sustainability in the exercise of their delegated duties.

The Trustee excludes other non-financial matters in the selection, retention and realisation of investments.

1.2 Voting policy

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to its appointed investment managers as part of the delegated duties under its ESG policy.

As the Trustee uses pooled funds, their asset managers are not incentivised to align their investment strategy and decisions with the Trustee's policies, nor are they incentivised to make decisions based on assessments about medium to long-term performance of an issuer of debt or equity, nor to engage with those issuers in order to improve their performance. However, the managers may make such decisions and/or engage of their own accord.

Performance monitoring, manager remuneration and duration of manager appointments are covered elsewhere in this Statement or in the Trustee's Report & Accounts. As the Trustee uses pooled funds, there is no targeted portfolio turnover or turnover range.

As the Trustee uses pooled funds, they do not need to have an engagement policy in relation to monitoring the capital structure of companies they invest in, or any associated potential conflicts of interest.

The scheme invests in a unit linked life trustee investment policy. Funds established through this policy invest in underlying pooled funds.

The Trustees expect the life company and their sub fund managers to adhere to the UK Stewardship Code and for the sub fund managers to be signatories to the Principles for Responsible Investment (PRI) Association. The Trustees will also consider how any sub fund managers exercise their rights (including voting rights) in relation to the underlying investments they hold in line with the UK Stewardship code.

2. MONITORING OF INVESTMENT ADVISERS AND MANAGERS

2.1 Investment adviser

The Trustee measures the performance of its advisers on an on-going basis in a qualitative way.

2.2 Investment managers

The appointment of the investment managers will be reviewed by the Trustee, based on the results of its monitoring of performance and considerations of suitability.

2.3 Investment Objectives

The Trustee recognises that members of the Plan have differing investment needs and attitudes to risk that may change during the course of their working lives. They therefore aim to offer members a range of 'self-select' funds that, taken together, satisfy their needs for real long-term growth, inflation protection, capital stability and tracking of annuity costs. However, in order to maintain simplicity and to help moderate administration workloads, the Trustee believes that the number of investment options available should be limited to a core range of funds.

Included in the self-select range are three different pre-set investment strategies that target above inflation returns during members' younger years and then switch into assets that target preferred methods of withdrawing benefits in later years.

The Trustee recognises that many members may not wish or consider themselves able to make investment decisions. As such, they make available a default investment strategy. This aims to provide real long-term investment growth in the early and middle part of members' working lives but then, over the 9 years approaching age 65, switches gradually into funds that are more suited to the member requirements at retirement. To ensure members give careful selection to their retirement needs the Trustee advises members in advance of retirement of the various investment options open to them in the latter years of their membership. If a member does not make a selection the Trustee has selected the Annuity Lifestyle as the default option.

The Trustee has delegated to its investment managers the discretion over the day to day management of assets, including short-term asset allocation and stock selection, subject to the requirements of the Statement.

All contributions are invested via the Mobius Life Platform.

The details of the funds offered and their expected returns are detailed in the Appendix.

The Trustee believes the default lifestyle strategy is in the best interests of members and beneficiaries, by its addressing the four main risk types faced by members, which are outlined for them in the member materials.

3. TRUSTEE'S POLICIES

3.1 Types of investments to be held and diversification

After obtaining and considering investment advice, pooled funds have been chosen by the Trustee as the appropriate vehicle for the investment of the Plan members' assets for the following reasons:

- To achieve greater diversification and easier access to markets compared to investing directly into these markets;
- Simplification of administration;
- Obtaining competitive charges.

The Trustee has adopted a fund range so as to meet member needs for long-term growth, inflation protection, capital preservation and annuity conversion protection. This range provides growth funds aimed at providing long term returns in excess of price and average earnings inflation and defensive funds aimed primarily at members who are approaching retirement. The Trustee periodically reviews the fund range to ensure an appropriate mix between growth and defensive assets in both the default and self-select strategies such that members have sufficient investment opportunities to achieve good outcomes at retirement.

3.2 Risk measurement and risk management processes

The Trustee has considered risk from a number of perspectives, both in relation to the default investment arrangements and self-select fund choices. These include:

a) The risk that future investment returns over members' working lives do not exceed inflation and therefore undermine members' efforts to achieve an adequate retirement income. This is measured by examining periodically the long-term performance of different assets relative to inflation. It is managed by investing in growth assets that are expected to produce returns that exceed long term inflation within the default strategies and making such funds available under the self-select range of funds.

b) The risk that unfavourable market movements in the years just prior to retirement lead to a substantial reduction in the levels of members' retirement savings. This is managed primarily by making available three different pre-set lifestyle strategies that switch members' funds from growth oriented assets to less volatile assets over the nine years prior to the member's Target Retirement Age.

c) The risk of there being insufficient investment options available to allow members to meet their specific risk/return requirements. This is managed by the Trustee engaging with the Employer Consultative Committee and periodically reviewing members' investing patterns as well as market innovations and emerging best practices.

d) The risk that the funds in which monies are invested under-perform in comparison to the investment managers' stated objectives. This is measured by the Trustee receiving quarterly reports on fund managers' performance against benchmark and managed by obtaining professional advice on what actions might be appropriate. Also, investing predominantly in passive funds helps to reduce this risk.

e) The risk that the cost of an annuity increases by more than the value of investments as members approach retirement. This is managed by making available an annuity purchase fund that targets changes in annuity prices and by also making available a pre-set lifestyle strategy that switches members' funds from growth assets into the annuity purchase fund over the years prior to Target Retirement Age.

3.3 Realisation of investments

The Trustee's policy is that there should be sufficient investments in liquid or readily realisable assets to meet cash flow requirements, including the payment of benefits when due.

Members' Retirement Accounts are held in funds that can be realised to provide pension benefits on retirement, or earlier on transfer to another pension arrangement. All of the pooled funds used within the DC Section operate daily dealing cycles.

The Trustee has delegated responsibility for the selection, retention and realisation of individual investment securities to the investment managers.

3.4 Suitability of investments

The Trustee has taken advice from its investment advisor to satisfy the aim that the default investment arrangement and self-select fund range reflect its aims and objectives and are suitable for members' needs.

The Trustee reviews the suitability of its default investment arrangement at least every three years having regard to factors such as membership demographics and how it expects members to withdraw benefits at retirement.

4. ADDITIONAL DISCLOSURES RELATING TO THE DEFAULT INVESTMENT ARRANGEMENTS

The 'Main Default Strategy' is an annuity purchase arrangement.

In addition, there are two 'self-select' funds which are offered to members as they approach retirement to accommodate members who wish to take the proceeds of their account in cash or transfer to a drawdown option.

4.1 Objectives of the Main Default Strategy

The Trustee's objectives in relation to the Main Default Strategy and the ways in which it seeks to achieve these are detailed below:

- To generate returns in excess of inflation during the “growth” phase.

  The Main Default Strategy’s growth phase invests 80% of members’ Retirement Account in passively managed equities and 20% in corporate bonds. These investments are expected to provide long term growth with some protection against inflation erosion.

- To provide a strategy that reduces investment risk for members as they approach retirement.

  As a member’s Retirement Account grows, investment risk will have a greater impact on retirement outcomes. Therefore, the Trustee believes that a default strategy that seeks to reduce investment risk as the member approaches retirement is appropriate. From 9 years before the default retirement age (age 65), investment in growth assets gradually reduces and gilts, corporate bonds and other fixed income assets are introduced.

- To offer members a mix of assets at retirement that is broadly appropriate for withdrawing tax free cash at retirement, purchasing an annuity or moving to a drawdown policy. Members are provided with the option to select a pathway suited to their requirements.

4.2 Members’ interests

Based on the Trustee’s understanding of members’ needs, the Main Default Strategy’s targeting an annuity and a tax-free cash lump sum (up to 25% of a member’s Retirement Account) at retirement is expected to be broadly appropriate to meet a typical member’s requirements for income in retirement.

Taking into account the demographics of the Plan’s membership and the Trustee’s views of how the membership might behave at retirement, the Trustee believes that the Main Default Strategy is appropriate in the medium term and will continue to review it regularly. A more formal review of the suitability of the default arrangements will be carried out at least triennially, or after significant changes to the Plan’s demographic profile, if sooner.

The Trustee reviews investment performance and risk on a quarterly basis, and takes professional advice as appropriate.

This statement will be made available via the NFER website

The Trustee is aware that they must prepare a statement setting out how they have implemented their investment policies and explaining and giving reasons for any change made to them. It will also cover engagement policy, outlining how the various governance requirements have been followed during the year, and describes the voting behaviours of the asset managers on their behalf. They will include this implementation statement in the annual report and will ensure that the link included in the annual benefit statement sent to members also refers to this implementation statement.

On behalf of the trustee of the Plan

15 September 2020

Appendix – Investment Manager Information

Individual Fund Options

Note that under the new arrangements, each fund has been given a simplified name that better describes the purposes of the fund. The table below shows the new name and the actual fund that is used.

Fund name	Actual Fund used	Active/ Passive	Fund charge	Fund objectives
Global Equity Index Fund	BlackRock Equity (60:40) Fund	Passive	0.15% p.a.	This fund aims to capture the returns of the UK and overseas stock markets. The fund is split approximately 60% in the UK share markets and 40% in overseas markets.
Long Gilts Index Fund	BlackRock Long Gilts Index Fund	Passive	0.15% p.a.	This fund invests in over 15 year gilts and is aimed at reducing volatility as a member approaches retirement.
Long Corporate Bond Index Fund	BlackRock Long Corporate Index Fund	Passive	0.15% p.a.	This fund aims to reduce volatility and is invested in over 15 year corporate bonds.
Diversified Growth Fund	50% Baillie Gifford Multi Asset Fund, 50% L&G Diversified Fund	Active	0.40% p.a.	This fund aims to provide long-term investment growth up to and during retirement, and to facilitate the drawdown of retirement income. It invests globally in a range of different asset classes, including equities.
Annuity Purchase Fund	Legal & General Pre-Retirement Fund	Active	0.13% p.a.	This fund invests in Over 15 year gilts and highly rated corporate bonds. The mix of assets in the fund is determined by L&G and reflects the investments underlying a typical non-inflation linked annuity product
Cash Fund	Legal & General Cash Fund	Active	0.12% p.a.	This fund invests in short term cash deposits and money market instruments.

Lifestyle strategies

The Plan offers members a choice of three lifestyle strategies, each one targeting a different way of withdrawing benefits at retirement. They work by changing the type of investments that are held in members' Retirement Accounts as they get closer to retirement. When members are younger, their Retirement Accounts are invested in growth assets (the 'Growth Phase'). However in order to consolidate gains and reduce the risk of significant falls in investment as retirement approaches, the Retirement Accounts are gradually switched out of growth assets and into less volatile assets (the 'Consolidation Phase'). This gradual switching continues until the member's Target Retirement Age (the 'Retirement Phase'). The Retirement Phase has three routes, annuity, drawdown or cash as selected by the member. Full details of the lifestyle switching matrices can be found in the member booklet and "Lifestyle Specification" document.