

Tomkins 2008 Pension Scheme (the 'Scheme')

Annual Governance Statement by the Chair of the Trustee for the Scheme year ending on 5 April 2023

Under legislation set out in regulation 23 of The Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the 'Administration Regulations'), (as amended), the Chair of the Trustee of the Tomkins 2008 Pension Scheme (the 'Trustee') is required to publish this statement (the 'Statement') on governance in the annual report.

The Trustee is pleased to present the Trustee's annual statement on Defined Contribution ('DC') governance for inclusion in the Report and Accounts for the Scheme, covering the period 6 April 2022 to 5 April 2023. This statement describes how the Trustee seeks to make sure that the Scheme is well-managed and delivers excellent services to members. In doing so, we provide the various statutory disclosures required by legislation. This statement covers six key areas:

1. The Scheme's default investment arrangement;
2. The processing of core financial transactions;
3. Net returns on investments;
4. Charges and transaction costs within the Scheme, including the additional requirements in relation to the disclosures of costs and charges;
5. Value for members; and
6. The Trustees' compliance with the statutory knowledge and understanding (TKU) requirements.

This statement relates to the Pegler DC Section of the Main Section of the Scheme and the Additional Voluntary Contributions ('AVCs') arrangements, which are overseen by a sole professional Trustee, Capital Cranfield Trustees Limited ('Capital Cranfield').

Default investment arrangement

[Review of the default investment strategy](#)

There are two Default Arrangements in relation to the Scheme:

- Lifestyle - DC Members with DB Benefits
- Lifestyle - DC Only Members

For members who have not accrued DB benefits in the Main Section, the Default Arrangement is a lifestyle strategy which automatically moves members' assets from growth seeking assets to index linked gilts and cash.

For members who have accrued DB benefits in the Main Section, the default is a lifestyle strategy, which automatically moves their assets from growth seeking assets to cash.

Pegler DC Section

The Trustee, with input from its Investment Consultant, Mercer Limited, reviews the default strategy and performance of the default arrangement regularly at meetings and at least every three years, with the last review carried out in September 2020. The review included:

- Membership analysis, to understand the membership profile, the number of members making active fund choices, as well as what protection against significant drops in the capital value of funds or large falls in bond yields, members have. This will help to determine the needs of the members and is in line with regulatory guidance;
- Membership projections, to project members' current holdings in the default strategy out to retirement, to provide a better understanding of what such members will likely be able to use their retirement savings for;

- Consideration of market trends;
- A review of the default objective and whether the defaults remain appropriate;
- A review of the structure of the growth phase and at-retirement phase; and lastly,
- A review of the switching period and the length of time over which a member's investment arrangements should be de-risked.

As a result of this review, no changes were made to the default arrangements on the basis that the components were performing in line with expectations and the objective of the defaults was appropriate for the relevant members.

During the Scheme year, the Tomkins Retirement Benefits Plan (the "Plan") has completed a buy-in to secure its DB assets with an insurance company and it was subsequently merged into the Scheme. By 31 March 2023, the assets were transferred from the Plan to the Scheme, including the Plan's AVC Funds which were novated into the Scheme.

The next investment strategy review will be undertaken in the next Scheme year and consider any impact from the Plan being merged with the Scheme.

AVCs

As at 5 April 2023, the Scheme held With-Profits policies with Aviva and Standard Life, one Unit-Linked fund with Standard Life and Unit Linked arrangements with Royal London. [Might be worth mentioning what happened to the RBP's AVC Funds here?]

In order to rationalise the AVC policies within the Scheme, a number of funds were transferred without member consent during the previous Scheme year. Guidance released by the Department for Work & Pension in April 2018 highlights that when members' funds are moved within a scheme without consent, that fund should be classed as a default arrangement (technical default). We are therefore reporting the following funds as technical defaults within the Scheme:

- Royal London Managed Pension Fund
- RLP/BlackRock Aquila Global Equity Index (50:50) Fund; and
- RLP Deposit Fund.

Statement of Investment Principles

In accordance with the Administration Regulations, the Trustee has appended the latest copy of the Statement of Investment Principles (the 'SIP') prepared for the Pegler DC Section of the Scheme in compliance with Section 35 of the Pensions Act 1995 and regulation 2 / regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005, dated September 2020.

This statement was updated to reflect the technical defaults noted above and relates to the Trustee Board's objective, which is to make available a range of investment funds which serve to meet the varying investment objectives and risk tolerances of the members of the Pegler DC Section and those with AVCs. The latest version of the SIP was signed on 25 September 2020 and can be viewed online at: <https://capitalcranfield.com/wp-content/uploads/2022/02/Tomkins-2008-Pension-Scheme-2020-SIP.pdf> and the SIP in respect of the default investment options is available at: <https://capitalcranfield.com/wp-content/uploads/2022/02/Tomkins-2008-Pension-Scheme-2020-SIP-DC-Default.pdf>.

Following the year end, the SIP was reviewed and signed in September 2023. Those versions are available at: <https://capitalcranfield.com/wp-content/uploads/2023/09/Tomkins-2008-Pension-Scheme-2023-SIP.pdf> and <https://capitalcranfield.com/wp-content/uploads/2023/09/Tomkins-2008-Pension-Scheme-2023-SIP-DC-Default.pdf>.

Requirements for processing core financial transactions

As required by the Administration Regulations, the Trustee must ensure that "core financial transactions" are processed promptly and accurately. Core financial transactions include (but are not limited to):

- Investment of contributions made to the Scheme by members and their employer(s);
- Transfers into and out of the Scheme of assets relating to members;
- Switches of members' investments between different funds within the Scheme; and
- Payments from the Scheme to or in respect of members (e.g. payment of death benefits).

The Scheme is closed to further DC and AVC contributions and, as a result, there are no contributions to monitor or invest. During the Scheme year, the following arrangements have been made to ensure that core financial transactions are processed promptly and accurately:

- The services provided by the AVC policy providers, Aviva Plc, Standard Life and Royal London are not subject to a formal Service Level Commitment ('SLC'). The Scheme's administrator, Buck, are however subject to a formal Service Level Agreement ('SLA') and this is monitored within the quarterly administration reports that are produced by Buck and provided to the Trustee for review. These were presented to the Trustee during the 12 October 2022 and 29 March 2023 meetings.
- The expected service standards are:

Task	SLA (days)
Death – Notification	5
Death – Finalisation	5
Retirement – Quote	15
Retirement – Finalisation	15
Transfer Out – Quotes	15
Transfer Out – Finalisation	20

- The Trustee operates a system of internal controls aimed at monitoring the Scheme's administration and management and ensuring Buck meets the service levels. Included in this system are mechanisms for ensuring the prompt and accurate processing of financial transactions, including core transactions such as the transfer of member assets into and out of the Scheme and the payment of benefits on retirement.
- During the period between March 2022 to March 2023, Buck achieved an average of 91.3% of SLAs against a 90% target. Where there is any failure of service levels, this is challenged by the Trustee at meetings.
- The Buck administration team has a peer review process in place, which means that each member transaction is performed by one team member and reviewed by another. Where there is a complex case, there will be a third level of review. The Scheme's Risk Register outlines the risks to Scheme members in relation to financial transactions that are monitored and reviewed on a regular basis.
- The Trustee also monitors the accuracy of the Scheme's common data regularly.
- The Scheme Auditor tests a sample of financial transactions for accuracy and timeliness as part of the annual audit process.
- The Buck Quality Assurance team also provides regular reviews and undergoes the annual AAF audit.
- Buck produces an AAF 01/20 internal controls report.

There were no material issues identified during the Scheme year and the Trustee is comfortable that core financial transactions were processed promptly and accurately throughout the Scheme year. The administration report includes any potential complaints/errors and omissions and further actions taken to address those and also discretionary benefits and decisions taken for ratification.

Net returns on investments

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') introduced new requirements for trustees of 'relevant' occupational pension schemes.

From 1 October 2021, trustees of all relevant pension schemes, regardless of asset size, are required to calculate and state the return on investments from their default and self-select funds, net of transaction costs and charges.

The tables below set out annualised net performance for the 1 and 5 year periods for the lifestyle arrangements (for age 25, 45, and 55) and for the self-select fund range.

Default arrangements

DC only Default	Annualised returns to 31 March 2023 (%)	
	1 year	5 years
Age of member		
25	0.7	6.3
45	0.7	6.3
55	0.7	2.8

DC and DB Default	Annualised returns to 31 March 2023 (%)	
	1 year	5 years
Age of member		
25	0.7	6.3
45	0.7	6.3
55	0.7	4.5

Source: Royal London and Mercer.

Self-Select Funds

Fund	Annualised returns to 31 March 2023 (%)			
	1 year	5 years	10 years	15 years
BlackRock Aquila Global Equity Index (50:50)	0.7	6.3	7.4	7.2
RLP Index Linked	-25.3	-3.0	1.7	3.8
RLP Deposit	1.8	0.3	0.1	0.4
RLP Managed	-5.2	4.6	6.0	6.2
RLP Property	-12.4	1.5	5.3	3.5
RLP Long (15yr) Gilt	-20.8	-4.0	1.0	3.4
RLP Long (15yr) Corporate Bond	-21.0	-3.1	2.3	4.9
RLP Long (15yr) Index Linked	-18.7	-1.2	1.5	3.7
RLP Global High Yield Bond	-8.0	1.1	3.0	-
RLP Short Duration Global High Yield	-0.4	1.3	2.4	-
RLP Commodity	-10.3	6.6	-	-
RLP BlackRock ACS Global Blend	-2.6	6.7	7.7	-

RLP Absolute Return Government Bond	4.1	1.4	-	-
RLP Fixed Interest	-14.9	-2.6	0.6	2.5
RLP Medium (10yr) Corporate Bond	-15.2	-1.7	2.3	4.5
RLP Medium (10yr) Gilt	-13.3	-2.4	0.6	3.0
RLP Medium (10yr) Index Linked	-9.7	0.2	1.5	3.4
RLP Sustainable Leaders	-0.8	9.6	7.9	7.4

Source: Royal London.

Performance shown net of all charges and transaction costs. Performance of standalone self-select options is independent of age, therefore performance is shown in a different format to the lifestyle performance above.

AVC Funds

Self-select funds	Annualised returns (%)			
	1 year	5 years	10 years	15 years
Standard Life - Pension With-Profits One Fund ^{a)}	-	-	-	-
Aviva - With-Profits Guaranteed Pension Standard ^{b)}	-0.3	3.3	6.5	4.5
Standard Life - International Equity Pension Fund	-3.0	7.9	9.1	8.6

Source: Aviva as at 5 April 2023 and Standard Life as at 31 March 2023.

Performance shown net of all charges and transaction costs. Performance of standalone self-select options is independent of age, therefore performance is shown in a different format to the lifestyle performance on the previous page.

a) Standard Life was not able to provide accurate returns for this fund.

Standard Life was not able to provide annualised net returns as per request but provided a guide with the asset mix for the With-Profits One Fund and the investment returns for the last five calendar years. Recent investment returns are best estimates and do not allow for tax, charges, expenses or the effects of any smoothing and have been rounded down. The Trustee adviser has continued to chase for this information on a regular basis

Charges and transaction costs

The Trustee is required by the Administration Regulations to report on the charges and transaction costs for the investments used in the default investment options as well as the wider fund range and assess the extent to which the charges and costs represent good value for members.

The charges (quoted in the following table as “TER” – Total Expense Ratio) and transaction costs applicable to the assets held with Royal London during the period are detailed below. This includes all of the Pegler DC Section’s investment funds and those used by members with AVCs invested within Royal London. The funds highlighted in bold form part of the default investment strategies available or are classed as technical defaults within the Scheme.

All funds comprise of an annual charge of 1%, rebated by bonus units of 0.48%, which is well below the Government’s imposed charge cap of 0.75% for default arrangements used for auto enrolment (noting the Scheme is not used for automatic enrolment purposes).

Fund Name	TER ¹ (% p.a.)	Transaction Costs (% p.a.)
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BlackRock Aquila Global Equity Index (50:50)		0.005
RLP Index Linked		0.000
RLP Deposit		0.053
RLP Managed		0.060
RLP Property		0.068
RLP Long (15yr) Gilt		0.000
RLP Long (15yr) Corporate Bond		0.000
RLP Long (15yr) Index Linked		0.000
RLP Global High Yield Bond		0.000
RLP Short Duration Global High Yield	0.52	0.000
RLP Commodity		0.010
RLP BlackRock ACS Global Blend		0.009
RLP Absolute Return Government Bond		0.311
RLP Fixed Interest		0.030
RLP Medium (10yr) Corporate Bond		0.000
RLP Medium (10yr) Gilt		0.000
RLP Medium (10yr) Index Linked		0.000
RLP Sustainable Leaders		0.146

Source: Royal London. TER data is as at 5 April 2023 and Transaction Cost data is as at 31 December 2022, as more up to date data will only be available later in 2023.

¹TERs include the Annual Management Charge (“AMC”) for Royal London’s administration and investment services plus their additional expenses associated with trading the funds (which will vary slightly from time to time).

The following table provides information on the charges and transaction costs applicable to the funds used within the AVC Section of the Scheme during the year:

Provider	Fund Name	AMC (% p.a.)	TER (% p.a.)	Transaction Costs (% p.a.)
Aviva	With Profits	0.9	0.9	0.039
Standard Life ¹	Standard Life Pension With Profits One Fund	*	*	0.029
	Standard Life International Equity Pension Fund ¹	1.0	1.0	0.175

Sources: Aviva and Standard Life as at 31 March 2023.

¹ There is a scheme discount of 0.40% for members depending on their individual circumstances. ..

* There is no explicit fund management charge for the Standard Life Pension With-Profits One Fund.

Where charges and transaction costs have not been provided, in reference to both the Pegler DC Section and the AVCs, the Trustee’s advisers are continuing to request this information from investment managers so it can be shared with members.

Reporting of Costs and Charges

Using the charges and transaction cost data provided by each of the providers and in accordance with regulation 23(1)(ca) of the Administration Regulations, as inserted by the 2018 Regulations, the Trustee’s advisers have prepared an illustration on behalf of the Trustee detailing the impact of the costs and charges typically paid by a member of the Scheme on their retirement savings pot. The statutory guidance provided has been considered when providing these examples.

Due to a lack of information available from Royal London, we have represented the membership with broad estimates for the following elements:

- Savings pot size;
- Real terms investment return gross of costs and charges;
- Adjustment for the effect of costs and charges; and

- Age of member.

No allowance has been made for future contributions as the Scheme is closed to further DC and AVC contributions.

Illustration 1: A typical member's pot as it changes over time

This illustration shows the projected change in the pot size of a typical member invested in Royal London funds (including both members of the Pegler DC Section and members holding AVCs) from now until the member's normal retirement age, which for this Scheme is assumed to be 65.

Age	Global PN Retirement Investment Strategy (DC Only)		Global PE Retirement Investment Strategy (DC with DB benefits)		Sustainable Leaders (Highest cost fund)		Long (15yr) Gilt (Lowest cost fund)	
	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
58	£3,631	£3,612	£3,632	£3,613	£3,658	£3,630	£3,599	£3,580
59	£3,698	£3,659	£3,701	£3,661	£3,759	£3,701	£3,639	£3,601
60	£3,760	£3,701	£3,764	£3,704	£3,862	£3,774	£3,679	£3,622
61	£3,816	£3,736	£3,823	£3,741	£3,969	£3,848	£3,719	£3,642
62	£3,867	£3,766	£3,877	£3,773	£4,078	£3,924	£3,760	£3,663
63	£3,913	£3,790	£3,925	£3,800	£4,190	£4,001	£3,802	£3,684
64	£3,952	£3,808	£3,968	£3,820	£4,305	£4,080	£3,843	£3,706
65	£3,985	£3,819	£4,005	£3,834	£4,424	£4,160	£3,886	£3,727

Age	Royal London Managed Pension Fund (Technical fund)		BlackRock Aquila Global Equity Index (50:50) Fund (Technical fund)		RLP Deposit Fund (Technical fund)	
	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
58	£3,641	£3,619	£3,649	£3,630	£3,593	£3,573
59	£3,724	£3,680	£3,741	£3,701	£3,627	£3,587
60	£3,809	£3,741	£3,834	£3,774	£3,661	£3,600
61	£3,896	£3,804	£3,930	£3,848	£3,695	£3,614
62	£3,985	£3,867	£4,029	£3,924	£3,730	£3,627
63	£4,076	£3,932	£4,130	£4,001	£3,765	£3,641
64	£4,169	£3,997	£4,233	£4,080	£3,800	£3,655
65	£4,264	£4,064	£4,339	£4,160	£3,836	£3,668

We have shown in the table seven current investment options available in the Scheme, as outlined in the most recent Statement of Investment Principles (SIP) and Investment Policy Implementation Document (IPID). These seven options are the Scheme's two default investment strategies and five self-select options (which comprise the two defaults):

In order to represent the range of funds available to members we are required to show the effect on a member's savings of investment in the following (with the Scheme's relevant funds/strategies listed in brackets):

- The default for DC only members of the Scheme: Global PN Retirement Investment Strategy
- The default for DC members with DB benefits: Global PE Retirement Investment Strategy
- The most expensive fund (Sustainable Leaders)
- The least expensive fund (Long (15yr) Gilt)

- The technical funds:

- Royal London Managed Pension Fund
- RLP/BlackRock Aquila Global Equity Index (50:50) Fund; and
- RLP Deposit Fund.

Due to the number of investors in the Aviva and Standard Life With-Profit Funds and with lack of clarity on the charging structure and the make-up of the funds, it was deemed to not be representative of the membership to illustrate either of these funds.

Notes

- Values shown in pounds (£) and are estimates at end of each year and are not guaranteed.
- Projected pension pot values are shown in today's terms.
- To make this analysis representative of the membership, the Trustee has based this assumed member on data sourced from Royal London The assumed member is age 57, with a normal retirement age of 65, using a starting pot size of £3,560. The member is assumed to be making no further contributions to the Scheme.
- Inflation is assumed to be 2.5% per annum.
- Charges, transaction costs and estimated growth rates are assumed as follows:

	TER	Transaction costs	Growth rate assumptions
Global PN Retirement Investment Strategy – the default for DC only members of the Scheme	0.52% p.a. from growth phase until retirement phase.	0.01% p.a. from growth phase until retirement phase-	4.50% p.a. before inflation for members 7 years from retirement, falling to 3.33% p.a. before inflation for members at retirement.
Global PE Retirement Investment Strategy – the default for DC members with DB benefits	0.52% p.a. from growth phase until retirement phase.	0.01% p.a. for members within 8 years of retirement and 0.04% p.a. at retirement	4.52% p.a. before inflation for members 7 years from retirement, falling to 3.40% p.a. before inflation for members at retirement.
Sustainable Leaders	0.52% p.a.	0.25% p.a.	5.00% p.a. before inflation
Long (15yr) Gilt	0.52% p.a.	0.00% p.a.	3.60% p.a. before inflation
Royal London Managed Pension Fund	0.52% p.a.	0.08% p.a.	4.70% p.a. before inflation
RLP/BlackRock Aquila Global Equity Index (50:50) Fund	0.52% p.a.	0.005% p.a.	5.00% p.a. before inflation
RLP Deposit Fund	0.52% p.a.	0.04% p.a.	3.40% p.a. before inflation

Charge, costs figures and growth rate assumptions provided by Royal London. The Regulations require that where possible the transaction costs assumed in these illustrations are based on an average of the previous five years' transaction costs for each fund, where available. As Royal London was unable to provide historic transaction costs for these funds, the transaction costs shown above are an average of the costs provided for the 3 year period to 31 March 2023, noting that the last year transaction costs are at 31 December 2022.

Illustration 2: The youngest deferred member

Age	Global PN Retirement Investment Strategy (DC Only)		Global PE Retirement Investment Strategy (DC with DB benefits)		Sustainable Leaders (Highest cost fund)		Long (15yr) Gilt (Lowest cost fund)	
	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
48	£2,563	£2,549	£2,563	£2,549	£2,569	£2,549	£2,528	£2,514
50	£2,693	£2,650	£2,693	£2,650	£2,712	£2,650	£2,583	£2,543

53	£2,900	£2,810	£2,900	£2,810	£2,942	£2,810	£2,670	£2,587
55	£3,047	£2,922	£3,047	£2,922	£3,107	£2,922	£2,729	£2,617
58	£3,250	£3,067	£3,252	£3,068	£3,370	£3,097	£2,820	£2,663
60	£3,365	£3,142	£3,370	£3,146	£3,559	£3,220	£2,882	£2,693
61	£3,416	£3,173	£3,423	£3,178	£3,657	£3,284	£2,914	£2,709
62	£3,461	£3,198	£3,471	£3,205	£3,757	£3,348	£2,946	£2,724
63	£3,502	£3,218	£3,514	£3,227	£3,861	£3,414	£2,978	£2,740
64	£3,537	£3,233	£3,553	£3,244	£3,967	£3,481	£3,011	£2,756
65	£3,566	£3,243	£3,586	£3,256	£4,076	£3,550	£3,044	£2,771

Age	Royal London Managed Pension Fund (Technical fund)		BlackRock Aquila Global Equity Index (50:50) Fund (Technical fund)		RLP Deposit Fund (Technical fund)	
	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
48	£2,557	£2,542	£2,563	£2,549	£2,523	£2,509
50	£2,675	£2,627	£2,693	£2,650	£2,571	£2,528
53	£2,862	£2,761	£2,900	£2,810	£2,644	£2,557
55	£2,994	£2,854	£3,047	£2,922	£2,693	£2,576
58	£3,204	£2,999	£3,282	£3,097	£2,770	£2,605
60	£3,352	£3,100	£3,448	£3,220	£2,822	£2,625
61	£3,428	£3,152	£3,535	£3,284	£2,848	£2,635
62	£3,506	£3,204	£3,623	£3,348	£2,875	£2,645
63	£3,586	£3,258	£3,714	£3,414	£2,902	£2,654
64	£3,668	£3,312	£3,807	£3,481	£2,929	£2,664
65	£3,752	£3,367	£3,903	£3,550	£2,957	£2,674

Notes

1. Values shown are estimates at end of each year and are not guaranteed.
2. Projected pension pot values are shown in today's terms.
3. To make this analysis representative of the membership, the Trustee has based this assumed member on data sourced from Royal London The assumed member is age 47, with a normal retirement age of 65, using a starting pot size of £2,500. The member is assumed to be making no further contributions to the Scheme.
4. Inflation is assumed to be 2.5% per annum.
5. Charges, transaction costs and estimated growth rates are assumed as follows:

	TER	Transaction costs	Growth rate assumptions
Global PN Retirement Investment Strategy – the default for DC only members of the Scheme	0.52% p.a. from growth phase until retirement phase	0.00% p.a. from growth phase, 0.01% p.a. for members within 9 years of retirement and 0.04% p.a. at retirement	5.00% p.a. before inflation for members 10 or more years from retirement, falling to 3.33% p.a. before inflation for members at retirement.
Global PE Retirement Investment Strategy – the default for DC members with DB benefits	0.52% p.a. from growth phase until retirement phase.	0.00% p.a. from growth phase, 0.01% p.a. for members within 9 years of retirement and 0.04% p.a. at retirement	5.00% p.a. before inflation for members 10 or more years from retirement, falling to 3.40% p.a. before inflation for members at retirement.
Sustainable Leaders	0.52% p.a.	0.25% p.a.	5.00% p.a. before inflation

Long (15yr) Gilt	0.52% p.a.	0.00% p.a.	3.60% p.a. before inflation
Royal London Managed Pension Fund	0.52% p.a.	0.08% p.a.	4.70% p.a. before inflation
RLP/BlackRock Aquila Global Equity Index (50:50) Fund	0.52% p.a.	0.005% p.a.	5.00% p.a. before inflation
RLP Deposit Fund	0.52% p.a.	0.04% p.a.	3.40% p.a. before inflation

Charge, costs figures and growth rate assumptions provided by Royal London. The Regulations require that where possible the transaction costs assumed in these illustrations are based on an average of the previous five years' transaction costs for each fund, where available. As Royal London was unable to provide historic transaction costs for these funds, the transaction costs shown above are an average of the costs provided for the 3 year period to 31 March 2023, noting that the last year transaction costs are at 31 December 2022.

Value for members

In accordance with regulation 25(1)(b), the Trustee undertakes a review of the charges and transaction costs incurred by members in order to ascertain whether or not the DC and AVC arrangements in place represent good value for members, relative to peers and alternative arrangements that are available.

In August 2023, the Trustee has carried out an assessment of the "value for members" of the arrangements for managing the DC Section and the AVCs, covering the Scheme year to 5 April 2023. There is no legal definition of "good value", so the process of determining good value is a subjective one. "Value" is not a straightforward concept to quantify and can be open to broad interpretation.

The Tomkins 2008 Pension Scheme's value for members assessment considers the current charges, the administration and investment services, as well as online and other communication services. The review concluded that the Scheme overall represents **good value for money** in comparison to the costs payable by members. The reasons underpinning this conclusion include:

- The DC Section funds in use are all provided by Royal London with both the Annual Management Charge (AMC) and Total Expense Ratio (TER) of 0.52% p.a.. The assessment identified nine funds which lie in the mid-upper and upper quartile range of the relevant Mercer peer group, based on prudent assumptions regarding the administration costs. This view has been taken, noting the size of the scheme and level on contributions and balanced by the costs of change. Two of the three in the upper quartile range of the relevant peer group are components of the default strategy.
- The Scheme's current default investment arrangements (including technical defaults) comply comfortably within the charge cap of 0.75% per annum.
- The performance of the funds has also been reviewed, with all funds but two performing well in absolute and relative terms over the longer term.
- Administration - the Pegler DC Section of the Scheme is a bundled arrangement whereby members bear the cost of investment fees, administration and other general running costs, however, the Company pays for an independent trustee to govern the Scheme's arrangements and provide oversight on behalf the members' best interests, and also pays for Trustee advisory services.
- Members of the DC Section have access to a member portal provided by Royal London, which provides online access to DC accounts and engagement tools.

Trustee knowledge and understanding

The Scheme is run by a sole Professional Trustee, Capital Cranfield Trustees Limited ('Capital Cranfield'). Capital Cranfield is a leading professional pension trusteeship and governance firm. They act for many pension schemes that range in type and size from multi-billion pound DB schemes to master trusts and sole trusteeships.

Capital Cranfield, as the Trustee, is represented by Christopher Clayton. Christopher has worked for Capital Cranfield since 2011 and has extensive experience of advising pension scheme trustees and sponsoring employers. His background is in corporate finance and he has over 30 years' experience advising companies in the UK and overseas on mergers and acquisitions and fund raising. He also spent a period on secondment at the Pensions Regulator.

Christopher is an Accredited Member of the Association of Professional Pension Trustees (AMAPPT). He is supported by other representatives of Capital Cranfield including Tova Docherty who is also an AMAPPT.

Capital Cranfield requires that each of the Professional Trustees is professionally qualified and undertakes a minimum level of CPD each year, maintaining an adequate level of knowledge and understanding of the law relating to pensions and trust. All of which is logged individually as testament to the continued training on relevant issues.

In accordance with sections 247 and 248 of the Pensions Act 2004, the Trustee is required to maintain an appropriate level of knowledge and understanding that, together with professional advice available to them, enables them to properly exercise their functions and duties in relation to the Scheme.

The Trustee must also be conversant with the Scheme's own documentation. These are described in legislation as the Trustee's Memorandum and Articles of Association, trust deed and rules and the statement of investment principles. The Trustee must also be conversant with any other document recording current policy relating to the administration of the Scheme generally. The Pensions Regulator interprets 'conversant' as having a working knowledge of those documents such that the Trustees are able to use them effectively when they are required to do so in the course of carrying out their duties as Trustees.

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

The table below shows how these requirements have been met during the year.

Requirement	How met
Trustees must describe how, through the scheme year the trustees have demonstrated a working knowledge of the trust deed and rules.	The Trustee is conversant with, and has demonstrated a working knowledge of, the Trust Deed and Rules by having access to the documents on an online directory (Global Vision) and providing decisions in line with the Rules. If there are any ambiguities over the interpretation of the Rules legal advice is sought from the Scheme's Lawyers (Hogan Lovells). Christopher has worked on the Scheme for five years and has built up a working knowledge of the Scheme documents over that period.
Trustees must describe how, through the scheme year the trustees have demonstrated a working knowledge of the current SIP.	<p>The Trustee is conversant with, and has a working knowledge of, the current SIP which has been updated in order to incorporate ESG and sustainability matters into the SIP.</p> <p>A SIP Implementation Statement has been prepared for the year ended 5 April 2023 and will be presented at the October 2023 meeting.</p> <p>The SIP will be reviewed and updated to reflect the merger of the Tomkins Retirement Benefits Plan into Tomkins 2008 Pension Scheme.</p>
Trustees must describe how, through the scheme year the trustees have demonstrated a working knowledge of all documents setting out the trustees' current policies.	The Trustee is conversant with, and has demonstrated a working knowledge of the Scheme documents which has been achieved through the maintenance of a business plan, which is reviewed at each Trustee meeting and covers any review required or statutory reporting requirements. During the Scheme year, the Trustee held meetings on 12 October 2022 and 29 March 2023.

<p>Trustees must describe how, through the scheme year the trustees have demonstrated that they have sufficient knowledge and understanding of the law relating to pensions and trusts.</p>	<p>Capital Cranfield work for a broad range of clients and is familiar with the law relating to pensions and trusts. This can be demonstrated through the qualifications held by the Trustee and their continued involvement with many pension schemes.</p> <p>Mercer attends meetings as required and gives the Trustee an overview of market and legislative developments, including the Trustee's duties and requirements for strong governance. In addition, Mercer provide specific training on any relevant aspect ahead of any scheme reviews or new legal requirements.</p> <p>In addition, and as noted above, the Trustee has access to legal advice through Hogan Lovells.</p>
<p>Trustees must describe how, through the scheme year the trustees have demonstrated that they have sufficient knowledge and understanding of the relevant principles relating to the funding and investment of occupations schemes.</p>	<p>The Trustee reviews its training needs on a regular basis. Christopher attended various training sessions throughout the year in order to maintain sufficient knowledge and understanding of the relevant principles relating to the funding and investment of occupational schemes. Training sessions have been provided by Capital Cranfield and leading professional consultants in the pensions industry.</p> <p>In the 12 months to 5 April 2023, Christopher and Tova completed the required 25 hours of training for the Association of Professional Pension Trustees.</p>
<p>Trustees must describe how, through the scheme year the trustees have demonstrated that their combined knowledge and understanding, together with available advice, enable them to properly exercise their functions.</p>	<p>The Trustee receives professional advice from Mercer and Buck to support it in reviewing the performance of the Scheme and in governing the Scheme in line with the Trust Deed and Rules and the relevant skills and experience of those advisers is a key criterion when evaluating adviser performance or selecting new advisers. The advice received by the Trustee along with the experience of its representatives allows the Trustee to properly exercise its function as Trustee.</p> <p>At all Trustee meetings, there are attendees from Mercer and Buck as required. In addition, at the 12 October 2022 and 29 March 2023 meetings, there were also attendees from Hogan Lovells to discuss Current Issues in Pensions, Pension Schemes Act and Notifiable Events.</p>

The Trustee also reviews and assesses, on an ongoing basis, whether the systems, processes and controls across key governance functions are consistent with those set out in the Pensions Regulator's Code of Practice 13.

The Trustee reviews its training needs and maintains an individual training log. There is an agreed process to ensure that the Trustee meets the requirements of the legislation, appropriate for the circumstances of the Scheme. In addition, as part of annual Trustee business planning, training requirements for the year ahead are considered to support specific Trustee business needs and where applicable, are delivered at the regular Trustee meetings by their professional advisors.

This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 as amended by the Occupational Pension Schemes (Charges and Governance) 2015 (together 'the Regulations') and I confirm that the above statement has been produced by the Trustee to the best of my knowledge.

Signed for and on behalf of the Trustee of the Tomkins 2008 Pension Scheme