CHAIR'S ANNUAL STATEMENT
WILLIAM T EDEN PLC RETIREMENT BENEFITS SCHEME
for the year ended 30 April 2020

Governance requirements apply to Defined Contribution ("DC") pension arrangements, to help members achieve a good outcome from their pension savings. The Trustee is pleased to provide this Statement which gives you information about the governance of the Defined Contribution ("DC") section of the William T Eden PLC Retirement Benefits Scheme ("the Scheme") and explains how the governance requirements have been met in relation to:

- The investment options in which members' funds are invested (this means the "default arrangement" and other funds members can select or have assets in, such as self-select or "legacy" funds;
- The requirements for processing financial transactions;
- The charges and transaction costs borne by members;
- An illustration of the cumulative effect of these costs and charges;
- A 'value for members' assessment; and
- Trustee knowledge and understanding.

This statement covers the period from 1 May 2019 to 30 April 2020.

PTL Governance Ltd ("PTL"), an organisation which provides independent professional trustee services, is the Trustee of the Scheme. A key role for PTL is to manage the Scheme's investments in the best interests of the members.

This Statement has been prepared to comply with the requirements of the law and the guidance published by the Pensions Regulator.

Investment

PTL is also responsible for the Scheme's investment governance, which includes setting and monitoring the investment strategy for the Scheme's default arrangements. PTL documents its approach to investment within its Statement of Investment Principles ("SIP"). A copy of the latest SIP dated 22 September 2020 that details the objectives and the Trustee policies regarding the default arrangement is attached to this Chair's Statement and available at www.ptluk.com/Statement-of-investment-principles/.

The following funds, all managed by Legal & General ("L&G"), are available to members of the Scheme and are used in the default strategy and alternative investment strategies.

1. Legal & General Investment Management Global Equity (50:50) Index Fund.

2. Legal & General Investment Management AAA-AA-A Corporate Bond – All Stocks – Index Fund

3. Legal & General Investment Management Cash Fund

4. Legal & General Global Equity 70:30

5. Legal & General 15 Year Gilts

6. Legal & General Investment Management UK Equity Index Fund

7. Legal & General Investment Management Over 5 Year Index Linked Gilts

8. Legal & General Investment Management Diversified Growth Fund

In addition there is one member in the Scheme who holds Additional Voluntary Contributions (AVCs) which are invested in the following funds:

1. Standard Life European Equity Pension Fund
2. Standard Life Japanese Equity Pension Fund
3. Standard Life North American Equity Pension Fund
4. Standard Life Asia Pacific ex Japan Equity Pension

The Scheme is not used as a Qualifying Scheme for auto-enrolment.

Default strategy

The Trustee completed a review of the default strategy for the Scheme in January 2019 and made an amendment to the default strategy which was communicated to members in March 2019. During this Scheme year no changes have been made to the default strategy.

The default strategy is described in the SIP as Option G – Target Cash at Retirement. Historically, Option A and Option D have both been used as the default strategy.

Upon adopting Option G, any members who had actively selected their current investment strategy plus any members within 5 years of their Normal Retirement Age were not automatically transferred into the new default strategy. Before the switch occurred, all members were given the option to adopt an alternative investment strategy and to confirm the age they intend to retire. If a member is invested in the default strategy, their pension account will be invested as follows:

- Up to 10 years before a member's selected retirement age - 75% in the Global Equity (50:50) Index Fund and 25% in the L&G Diversified Growth Fund
- From 10 years before a member's selected retirement age - Investments are gradually switched so that by the selected retirement age the member's pension account is invested 100% in the Cash Fund.

The objective of the default strategy is to "cater for the needs of an individual who wishes to take the entirety of their fund as cash at retirement".

Investment options

Over the course of the year, members were able to choose one of the five options detailed below. Each of the funds referred to is managed by Legal & General Investment Management ("LGIM"):

Option A – 10 Year Lifestyling
The pension account will be invested 75% in the Global Equity (50:50) Index Fund and 25% in the Corporate Bonds Fund until age 55. In the 10 years before retirement, investments are gradually switched so that by age 65 the pension account is invested 25% in the Cash Fund and 75% in the Corporate Bonds Fund.

Option B – 5 Year Lifestyling
The pension account will be invested 100% in the Global Equity (50:50) Index Fund until age 60. In the 5 years before retirement investments are gradually switched so that by age 65 the pension account is invested 25% in the Cash Fund and 75% in the Corporate Bonds Fund.

Option C – Self Select Option
A member can choose his / her own asset allocation from the following funds:

- Global Equity Fund (50:50)
- Corporate Bonds Fund
- Cash Fund
- Global Equity Fund (70:30)
- Over 15 Year Gilts Fund
- UK Equity Index Fund
- Over 5-year index-linked Gilt Fund
- Diversified Fund

Option D – 15 Year Lifestyling
The pension account will be invested 100% in the Global Equity (70:30) Index Fund until age 50. In the 15 years before retirement investments are gradually switched so that by age 65 the pension account is invested 25% in the Cash Fund and 75% in the Over 15 Year Gilts Index Fund.

Option G – Target Cash at Retirement
The pension account will be invested 75% in the L&G Global Equity (50:50) Index Fund and 25% in the L&G Diversified Growth Fund until age 55. In the 10 years before retirement investments are gradually switched so that by age 65 the pension account is invested 100% in the Cash Fund.

Review of investment strategy

No changes have been made to the Default Strategy during this Scheme Year. In September 2020 the Trustees considered the Statement of Investment Principles and made some amendments to their policies on Environmental, Social and Governance factors and on stewardship. The changes to the SIP are to give effect to the requirements of Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 as amended with effect from 1 October 2020.

Advice was taken in respect of the DC SIP on 15 September 2020. In carrying out this review, the Trustee took advice from Andrew Allsopp at Quattro Pensions and consulted the Scheme employer.

Review of investment performance

Over the year, the Trustee has reviewed the performance of all of the available funds on a six-monthly basis. The Trustee has done this by assessing the performance of the funds against their agreed benchmark. The Trustee can confirm that the funds have performed in line with their benchmarks and, as a result, the Trustee is comfortable that each fund has met its objective. There were no changes made off the back of reviewing the performance of the funds. The Trustee also considered the overall objective for the lifestyle strategies and the retirement choice they are designed to support. The Trustee took advice on the lifestyle strategy objectives as part of the investment strategy review. The Trustee will continue to keep the performance under review.

Core Financial Transactions

The Trustee delegates the administration of the DC section of the Scheme to Quattro Pensions, a professional pensions administration provider. There is a contract in place between Quattro and the Trustee, clearly setting out the services that they will provide and the cost for these services. The Trustee has received assurance from Quattro and has taken steps to try and ensure that there were adequate internal controls to ensure that core financial transactions relating to the Scheme were processed promptly and accurately during the Scheme Year. This includes the investment of contributions, processing of transfer in and out of the scheme, transfers of assets between different investments within the scheme, and payments to members/beneficiaries.

The Trustee has agreed Service Level Agreements ("SLAs") for the work undertaken which covers the accuracy and timeliness of all core financial transactions, and performance against these SLAs are reported to the Trustee in administration reports. The SLAs are as follows

Admin process	**Service Level Agreement**
Investment of employee contributions	Within five working days of receipt in bank
Death acknowledgement	Two working days
Return original certificates	Two working days
Retirement quotation	Ten working days of request or at least four months prior to normal retirement date as per DC Disclosure Regulations
DC retirement settlement	Two working days from receipt of disinvestment
Transfer quotation	Ten working days
DC transfer out payment	Two working days from receipt of disinvestment

Throughout the Scheme Year, the Trustee monitored the performance of Quattro and continues to monitor the performance on an ongoing basis. It does this by receiving administration reports from Quattro on a six-monthly basis detailing the work undertaken and the timeliness of the delivery of these tasks. Outside of the reporting period, the Trustee has regular dialogue with Quattro on the running of the Scheme to ensure that no issues arise. Quattro notifies the Trustee if there are any member issues. No issues arose throughout the Scheme year.

The Trustee is comfortable that all core financial transactions have been carried out promptly and accurately, including:

- *Investment of contributions* – contributions have been invested correctly on a monthly basis within the required timescales. These contributions were processed, on average, within two working days.
- *Transfer of members' assets to and from the Scheme* – there was one DC transfer out during the period which was processed within two working days.
- *Switching between investments within the Scheme* – lifestyle switching takes place monthly over the Scheme year. Switches take place monthly and are processed in line with the investment of contributions. The investment of contributions and switching between investments are processed on average, within three working days from when the contributions are received.

- *Payments out of the Scheme to members* – there have been no DC payments in the period.

Over the year to 30 April 2020 the percentage of tasks completed within SLA was as follows:

- Number of cases completed within statutory timescales – 100%.
- Disclosure breaches – None.
- Percentage of DC member cases completed within target SLA – 100%.
- Percentage of DC tasks completed within internal SLA – 100%.

The administrator has adopted a number of processes to ensure core financial transactions are processed promptly and accurately:

- Processes and procedures are in place to ensure all work is done within any agreed SLA in place, or to Quattro's internal service levels (generally, 10 working days for most events) where there is no SLA.
- Quattro employs a workflow management system to ensure that tasks are completed on time and that nothing gets missed
- That a full checking process is followed before any tasks are completed. The checking process involves all automated calculations being checked by an administrator and then reviewed by a senior administrator who is independent of the doing stage.
- Monthly SLAs are reported to the administration manager who in turn reports back to the Board of Directors at Quattro each month. Some work will also be selected for audit on a sampling basis. Quattro annually conducts a quality audit, performed by a person of appropriate seniority, who chooses a selection of cases at random from across its schemes, for detailed second-checking. The quality audit is also reported to the Directors of Quattro.
- Quattro is aware of the requirement to complete core financial transactions promptly and accurately and therefore these items are given higher priority than other events.
- Directors of Quattro will ensure a sample of work is audited to ensure compliance with the SLA, internal standards and external legislative requirements. Quattro's ISO9001 accreditation requires it to carry out monthly audits to ensure its quality controls are in place and correctly adhered to. The quality controls are also audited on an annual basis by an accredited, independent company.
- To ensure the work undertaken is accurate, the Trustee receives Quattro's AAF01/06 report on an annual basis to check their controls have been operating effectively throughout the period.
- The administration report also contains reconciliations between the investment manager and the units held on the administration system.
- The Administrator monitors the bank account on a daily basis.
- Two members of staff process the contributions each month.

The Trustee also reviews member complaints and any breaches to ensure service is being delivered in line with expectations. The Trustee has not received any member complaints and there have been no breaches during the Scheme year.

The Trustee has a close working relationship with the administrator and is able to escalate any issues to a senior member of staff to ensure that any issues arising are dealt with promptly if they were to arise.

Charges and Transaction Costs

The Trustee is required to set out the on-going charges borne by member 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"). The TER is paid by the members and is reflected in the unit price of the fund. LGIM have provided details of the annual fund management charges and we are not aware of any custody costs involving the funds this year. The Scheme meets the Trustee, investment advice, administration and audit costs. The employer pays a fixed contribution to the Scheme which is set at a level that is expected to cover these expenses. The contribution rate is detailed in the schedule of the contributions agreed on 31 July 2020.

L&G Funds

The charges consist of a Annual Management Charge (AMC) which is a yearly charge or fee that you have to pay in respect of management of the investment funds that you are invested in. This charge is based on the value of your own fund. There are eight available funds and the Annual Management Charges are calculated according to the scales published below:

Fund	**Annual Management Charge**
CP- Global Equity Fixed Weights (50:50) Index Fund	0.165%
EG- AAA-AA-A Corporate Bond – All Stocks – Index Fund	0.15%
H- Cash	0.125%
AS – UK Equity Index Fund	0.10%
All Stocks Index Linked Gilts Index Fund	0.10%
MAAB – Diversified Growth Fund	0.30%
AK - Global Equity (70:30) Index Fund	0.16%
AM – Over 15 Year Gilts Index Fund	0.10%

L&G have advised that there were no transaction costs levied on the funds during the period. We have been provided with details of the transaction costs of any trading undertaken by the Trustee such as investing contributions and investment switches.

The default arrangement is made up of the L&G Global Equity (50:50) Fund, the L&G Diversified Growth Fund and the L&G Cash Fund. As the proportion of a members' pension account in each of these funds will change depending on a member's age, the level of overall charges will also change based on a member's age. For example, the AMC will range from 0.30% up to age 55 and 0.125% at age 65.

On 6 April 2015 rules came into force imposing a duty on the governance bodies of DC workplace pension schemes to request and report on the level of charges and transaction costs in their schemes on an annual basis.

On 20 September 2017 the Financial Conduct Authority made rules (PS17/20) placing an equivalent duty on asset managers to provide the necessary information about charges and transaction costs and specified a detailed methodology for calculating transaction costs. These rules came into force on 3 January 2018.

Transaction costs arise as a result of buying and selling the funds' underlying investments in order to achieve their investment objective or to raise or invest cash. Transaction costs are comprised of both explicit and implicit components and include payments such as stockbroker commissions, custodian fees, and transaction taxes such as stamp duty. During the year further information has been provided on how transaction costs should be disclosed.

LGIM's approach is to sweep up all elements of transaction costs into a "single swinging price" mechanism, which is set by the net flow of assets into the individual fund. If there is a net inflow, the price of units in a fund will be based on the offer price – if there is a net outflow, the price will be based on the bid price. All deals, whether sales or purchases of a particular fund, will be carried out at this single price on that day. The size of the swing (the spread) reflects the level of transaction costs due to activity within the fund. This approach means that the level of transaction costs cannot be predicted with certainty in advance.

The information collected to date from LGIM relates to the monetary amount of transaction costs incurred over the Scheme year to 30 April 2020:

Type	Costs
Disinvestments	£1.20
Investments	£8.51
Switches In	£12.11
Switches Out	(£40.86)
TOTAL	**£(19.04)**

Standard Life Additional Voluntary Contribution (AVC) Funds

There is currently one member in the Scheme who holds AVCs with Standard Life. Details of the funds the member is invested in together with the applicable Total Expense Ratio (TER) is provided below:

Standard Life European Equity Pension Fund (AVC)	1.015%
Standard Life Japanese Equity Pension Fund (AVC)	1.025%
Standard Life North American Equity Pension Fund (AVC)	1.009%
Standard Life Asia Pacific ex Japan Equity Pension (AVC)	1.145%

The TER provided includes a flat 1% AMC which is levied across all funds. Standard Life have also confirmed that the plan holders benefit from a 0.4% discount which is credited by way of a creation of units that gets added back into each fund.

The total assets held in the DC section is £351,065 (as at 30 April 2020).

The Trustee is comfortable it has received the information required from LGIM and will continue to seek transaction costs from Standard Life.

The Trustee is required to provide members with information on the effect of costs and charges on their pension pot. This information is publically available on the following websites https://meyertimber.com/pensions-regulations or www.ptluk.com/chairs-annualstatementss/williamteden and members are directed towards this information in their annual benefit statements.

We have illustrated the cumulative effect of charges over time on a pot size of £50,000 for the default arrangement and the three funds for whom the majority of members are invested. We have complied with the statutory guidance in producing these examples.

Projected Pension Pot in Today's Money								
	Default Strategy		L&G Global Equity 50:50		L&G Corp Bonds		L&G Cash	
Years	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted	Before charges	After all charges & costs deducted
1	49,131	49,068	51,463	51,379	49,854	49,779	49,024	48,963
3	48,118	47,923	54,520	54,251	49,562	49,340	47,130	46,953
5	48,029	47,686	57,758	57,283	49,273	48,904	45,309	45,026
10	51,935	51,101	66,720	65,627	48,556	47,832	41,057	40,547
15	59,638	58,100	77,072	75,187	47,849	46,784	37,205	36,514
20	68,483	66,057	89,031	86,139	47,153	45,759	33,714	32,881
25	78,641	75,104	102,845	98,686	46,467	44,756	30,551	29,610

Notes to be included with the table above

1. The starting pot size is assumed to be £50,000
2. The projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
3. Inflation is assumed to be 2.5% each year.
4. It is assumed that no future contributions will be paid
5. Values shown are estimates and are not guaranteed
6. The projected growth rate for each fund is as follows:

- Equities: 3% pa above inflation
- Bonds: 0.3% pa below inflation
- Cash: 2% pa below inflation
- DGF: 2.5% pa above inflation

7. The default arrangement shown assumes that assets will be invested as follows:

- For the period more than 10 years prior to retirement:
    - 75% in the Global Equity 50:50 fund
    - 25% in the Diversified Growth Fund
- Switching gradually over the 10 year period prior to retirement, so that by age 65 the investment strategy is:
    - 100% in the Cash Fund

Value for Money Assessment

The Trustee has undertaken a value for money assessment during the year as part of preparing this DC Chairs Statement by comparing the charges paid by the member against the benefits provided by the Scheme. The Trustee recognises that low cost doesn't necessarily mean good value. The Trustee has undertaken their assessment by looking at the benefits provided from the Scheme including administration, investments, communications and support at retirement. The level of service in these areas has been compared against the charges taken from members' pension accounts. At this stage, transaction costs have not been included as part of this assessment.

Criteria	Comments	Concerns	Actions
Investments	The members have a range of different investment options available to them. The fund choices are limited to 8 funds – 7 of which are index linked and one diversified growth fund. The default strategy currently targets members taking 100% cash at retirement. There are other options available to members who wish to target alternative benefits. Advice was taken on the suitability of the default strategy in January 2019. Self select options and the performance of funds is reviewed biannually in Trustee meetings. If there are any concerns with fund performance then action is taken with Quattro to review this.	Despite there being additional options available, members have not taken these up. The Trustee has written to members to inform them of the investment choices in the previous Scheme Year and that these should be aligned with their preferred retirement options.	The Trustee will continue to monitor the suitability of the default fund.

Communications	Members receive statutory money purchase illustration statements on an annual basis. The Trustee issues separate communications when required. A communication was issued on 21 April 2020 to the membership in respect of COVID19 implications and what members should consider.	Limited engagement from the membership. There are no online tools or modellers available to members. Members can use L&G's modelling tools if required.	Consider communication plan to try to engage membership.
Administration	Quattro provides a high quality administration service and the Trustee reviews the SLAs on a biannual basis at Trustee meetings. Phone support is provided to members if they require it. This has been maintained through COVID.	None	
Retirement options	Members are able to purchase an annuity or take full cash commutation with the Scheme. If flexible drawdown is required then members need to transfer away from Scheme. The Trustee has decided that, due to size of membership, offering flexible drawdown within the Scheme is not a viable option.	None	
Governance and scheme management	Sole professional trustee oversees Scheme alongside support from Quattro, the Scheme's lawyers and auditors. Governance framework in place to ensure compliance with regulations and legislation. Employer inputs into strategy when required.	None	

Costs			
Criteria	**Comments**	**Concerns**	**Actions**
Annual management charge	Low charges for investment costs. Members do not pay their own administration charge. This is met by the employer.	None	
Transaction costs	LGIM has provided details of transaction costs for the transactions carried out. These appear reasonable given the size of the assets.	Standard Life unable to provide transaction costs.	Continue to request transaction cost information from Standard Life.

The Trustee has concluded that the Scheme offers value for money to members. Members only pay for their investment costs and therefore pay a low level of fee for the benefits offered.

Trustee Knowledge and Understanding

The sole Trustee of the Scheme is PTL Governance Ltd ("PTL"), a professional trustee organisation. All client directors of PTL have a professional qualification appropriate to pension schemes and have completed the Pensions Regulator's e-learning toolkit. There were no changes to the Trustee over the year.

Kim Nash is the Trustee Director managing the Scheme supported by Matt Riley as Scheme Secretary and other members of the PTL team who provide support and peer review functions. Kim is a qualified actuary and so, has an in depth understanding of the funding and investment issues related to the Scheme. Kim is also subject to CPD requirements of the actuarial profession and met the CPD requirements. Subsequent to the Scheme Year end Kim became an accredited Professional Trustee with the Association for Professional Pension Trustees. This required completion of technical and soft skills exams along with references and CPD requirements. Kim has undertaken regular training throughout the year including:

- Retirement saving guidelines
- Future pensions policy and political influences
- Responsible investment
- Market Outlook
- Managing Trustee Board

Kim is a leading DC professional trustee and has significant experience in running stand alone DC Trusts, hybrid Trusts and Master Trusts. She is able to challenge the status quo to seek ensure the best outcomes for members.

Kim is familiar with the issues relating to the Scheme and all governance records are held on PTL's electronic document storage system and can be accessed at any time.

PTL have a training program for all of its staff and are subject to independent audit on their controls and processes through the AAF02/07 reporting. All staff have completed the training program. As part of the AAF process the Trustee is required to confirm that the current team have appropriate level of knowledge and understanding to be able to represent PTL as Trustee of the Scheme. The annual review process within PTL identifies training needs for each individual and has a requirement for a minimum of 25 hours Continuing Professional Development (CPD) to be completed each year. All staff met the CPD requirement and no gaps in knowledge were identified during the Scheme Year. Each Director is shadowed by another Client Director and calls take place on a three monthly basis to provide a peer review to the work undertaken and challenge the Director running the matter. All key decisions are subject to peer review by the shadow Client Director or another Director. All client facing staff have completed the TPR Trustee Toolkit. Kim Nash reviewed the Trustee Toolkit during the Scheme Year to ensure completion which was achieved. Kim Nash also holds the Pensions Management Institute (PMI) Certificate in Trusteeship (Defined Contribution and Defined Benefit Schemes) and the PMI Certificate in DC Governance. In addition, Kim Nash has received accreditation from the Association of Professional Pension Trustees.

The Trustee is conversant with, and has demonstrated a working knowledge of the trust deed and rules and all documents setting out the Trustee's policies by having access to the documents on its online directory and making decisions in line with the rules and policies. If there are any ambiguities over the interpretation of the rules, legal advice is sought from the Scheme's lawyers, Squire Patton Boggs. The Trustee confirms that the current team has an appropriate level of knowledge and understanding and Scheme specific understanding to be able to represent PTL as the Trustee of the Scheme.

The Trustee works 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 its continued involvement with many pension schemes. Regular training is undertaken on current regulatory change and policy requirements.

The Trustee is conversant with, and has a working knowledge of, the current SIP which has recently been revised. The Trustee undertakes regular training on investment matters and is a regular commentator in the wider DC market. Training is undertaken on market outlook and responsible investing. The Trustee has sufficient knowledge of investment matters to be able to challenge its advisors.

PTL operates a governance framework which includes policies on how the Trustee will deal with conflicts, manage risks, ensure key tasks are completed on time and deal with member complaints and queries. The Trustee reviews these documents on an annual basis to ensure they are still suitable and makes any changes as required. The Trustee also undertook a maintains review of the DC section against the Code of Practice 13 requirements checklist detailing how the Scheme complies with the requirements this is reviewed at least triennially.

The Trustee with its knowledge and understanding of pension schemes, the issues faced and their governance framework when working alongside its advisors is able to properly exercise its functions to act properly and effectively in members' best interest with a view to delivering good member outcomes for the contributions made.

This statement has been prepared in accordance with regulation 23 of The Occupational Pension Schemes (Scheme Administration) Regulations 1996 (inserted via The Occupational Pension Schemes (Charges and Governance) Regulations 2015), as amended by The Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018).

Signed

Kim Nash
on behalf of PTL Governance Ltd

Date: 19 November 2020

Trustee of the William T Eden PLC Retirement Benefits Scheme

APPENDIX 1 DC STATEMENT OF INVESTMENT PRINCIPLES

The William T Eden Plc Retirement Benefit Scheme –

DC Section

Statement of Investment Principles

November 2019

CONTENTS

1. INTRODUCTION

1.1 This document outlines the statement of investment principles ("SIP") that governs the investment policy of the Trustee in relation to the defined contribution section of the William T Eden Plc Retirement Benefit Scheme ("the Scheme"). The Scheme also has a defined benefit section, and a separate Statement of Investment Principles exists for that section.

1.2 This document has been prepared in order to comply with the requirements of the Legislation, in particular:

- Section 35 of the Pensions Act 1995
- The Occupational Pension Schemes (Investment) Regulations 2005.
- The Occupational Pension Schemes (Investment) (Amendment) Regulations 2010.
- The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018

1.3 Sections 1-4 of this Statement of Investment Principles apply to both the Scheme as a whole and to the default investment strategy for the Scheme. Additional features of the default strategy in isolation are described in Section 5 of this document.

1.4 In preparing this Statement the Trustee has taken appropriate written advice from Andrew Allsopp FIA, of Quattro Pensions, an Exempt Professional Firm authorised and Regulated by the Institute and Faculty of Actuaries in respect of a range of regulated investment business. The Trustee has also consulted with the sponsoring employer. The advice and consultation process considered the suitability of the Trustee's investment policy for the Scheme.

1.5 The Scheme is a Registered Pension Scheme for the purposes of the Finance Act 2004. There is no employer-related investment, and none is intended. The employer intends to remit all relevant contributions to the Trustee within the relevant timescales.

1.6 The Trustee will set general investment policy but will delegate responsibility for the selection of specific investments to an appointed investment manager or managers, which may include an insurance company or companies. The Trustee will ensure that any person to whom such responsibility is delegated is authorised under the Financial Services and Markets Act 2000. A copy of this Statement will be provided to the investment manager appointed.

1.7 The Trustee will review this document every three years, or sooner if the Trustee considers a review is necessary for other reasons. A copy of this Statement is available for inspection by Scheme members.

2. DIVISION OF RESPONSIBILITIES

2.1 The Trustee's responsibilities include, but are not limited to the following tasks:

- Reviewing the content of this document and amending if necessary, in consultation with the employer and taking advice from appropriately qualified individuals.
- Reviewing the investment policy from time to time.
- Appointment of investment managers.
- Assessing the quality of performance of investment managers.
- Ensuring the compliance of the investment arrangements with the principles outlined in this document.

2.2 The Investment Managers' responsibilities include:

- To use their discretion to invest the assets of the Scheme as they deem appropriate, but always within the guidelines contained in this document and in accordance with fund choices made by members.
- To provide the Trustee with regular statements describing the investment performance of funds under their management, as well as comparable figures from benchmark indices.

2.3 The Scheme Administrator's responsibilities include:

- Advising the Trustee of the cash required to meet benefit payments as and when they fall due.
- Payment of benefits and transfer values.
- Communication of investment options to members.
- Ensuring that life-styling occurs in line with the option selected by the member.
- Ensuring that members' selected investment options are implemented.
- ensuring that contributions are invested properly and promptly.
- ensuring that switches are actioned promptly.

3. INVESTMENT POLICIES

Objectives

3.1 The Trustee's investment objectives are as follows:

- To provide a range of funds which broadly satisfies the differing risk profiles of all members.
- To provide a suitable default investment option for members who do not select their own funds, designed to be appropriate for what the Trustees believe to be a typical scheme member.
- To operate a range of life-styling options to cater for members' different needs and timescales.

3.2 Additional objectives apply to the default arrangement specifically, as described in Section 5.

3.3 The Trustee has delegated to the investment managers the discretion over the day to day management of their funds, including short-term asset allocation and stock selection within each fund.

Risk identification and mitigation

3.4 The Trustee recognises that, in a defined contribution arrangement, members assume the investment risks. The Trustee further recognises that members are exposed to different types of risk at different stages of their working lifetimes. The Trustee will therefore choose a range of investment funds and provide a range of investment options to cater for the different risk tolerance of different members. Investment risks include:

- Inflation risk – the risk that investments do not provide a return at least in line with inflation, so that the purchasing power of the ultimate fund available to provide benefits is not maintained at retirement.
- Opportunity cost risk - the cost of investing too conservatively for long-term growth.
- Capital risk – the risk that the monetary value of a member's account falls.
- Pension conversion risk – the risk that the value of a member's account does not reflect the change in the cost of purchasing an annuity at retirement where members wish to secure pension in that way.
- Manager risk – the risk that the chosen investment manager underperforms its benchmark.

Suitability

3.5 The Trustee has taken advice from Quattro Pensions in relation to the suitability of the investment policy given the liability profile of the Scheme.

Liquidity

3.6 The Trustee will monitor the cash flow requirements of the Scheme regularly. The Trustee's policy is to ensure that the assets invested are sufficiently realisable to enable the Trustee to meet their obligations to provide benefits as they fall due.

Custody Risk (actions by the custodian)

3.7 Investment in pooled funds gives the Trustee a right to the cash value of the units rather than to the underlying assets. The managers of the pooled fund are responsible for the appointment and monitoring of the custodian of the fund's assets.

Financially material considerations (including ESG)

3.8 The Trustee believes that good stewardship and environmental, social and governance ("ESG") issues may have a material financial impact on investment returns.

3.9 The Trustee has given each individual fund manager their full discretion when evaluating ESG issues and in exercising rights, engagement activities[1], and stewardship obligations attached to the Scheme's investments. However, the extent to which these factors are taken into account by the fund managers in the selection, retention and realisation of investments is considered by the Trustee as part of the process of selecting organisations with which to invest. The Trustee reserves the right to request from the manager information regarding their actions.

3.10 The Trustee has taken into consideration the Financial Reporting Council's UK Stewardship Code, and the investment managers all have stated corporate governance policies which comply with these principles.

3.11 The Trustee does not take any non-financial[2] matters into account in the selection, retention and realisation of investments.

[1] Under the Legislation "Engagement activities" include the methods by which, and the circumstances under which, trustees would monitor and engage with relevant persons about relevant matters. "Relevant matters" includes (but is not limited to) matters concerning an issuer of debt or equity, including their performance, strategy, risks, social and environmental impact and corporate governance. "Relevant persons" includes (but is not limited to) an issuer of debt or equity, an investment manager or another holder of debt or equity.

[2] Under the Legislation, "non-financial matters" means the views of the members and beneficiaries including (but not limited to) their ethical views and their views in relation to social and environmental impact and present and future quality of life of the members and beneficiaries of the trust scheme

Delegation of Voting Rights

3.12 Similarly, the Scheme's voting rights are exercised by each fund manager in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code. The Trustee reserves the right to request from the manager information regarding their voting record.

Manager Monitoring

3.13 The Trustee will assess the performance of the investment managers and review their appointments regularly, and at least once every three years. When reviewing the investment managers, the Trustee may consider the following:

- Performance relative to any relevant benchmark and objectives
- The management fees levied
- The alignment of the manager’s strategy with the Trustee’s policies
- The level of transaction costs incurred
- How financially material considerations are taken into account by the manager
- The manager’s voting record
- Any other factors which the Trustee deem relevant

4. MEMBER INVESTMENT OPTIONS

4.1 Members can choose one of the five options detailed below. Each of the funds referred to is managed by Legal and General Investment Managers (L&G).

Option A – 10 Year Lifestyling

The pension account will be invested 75% in the Global Equity (50:50) Index Fund and 25% in the Corporate Bonds Fund until age 55. In the 10 years before retirement investments are gradually switched so that by age 65 the pension account is invested 25% in the Cash fund and 75% in the Corporate Bonds Fund

Option B – 5 Year Lifestyling

The pension account will be invested 100% in the Global Equity (50:50) Index Fund until age 60. In the 5 years before retirement investments are gradually switched so that by age 65 the pension account is invested 25% in the Cash fund and 75% in the Corporate Bonds Fund.

Option C – Self Select Option

A member can choose his / her own asset allocation from the following funds:

- Global Equity Fund (50:50)
- Corporate Bonds Fund
- Cash Fund
- Global Equity Fund (70:30)
- Over 15 Year Gilts Fund
- UK Equity Index Fund
- Over 5-year index-linked gilt fund
- Diversified Fund

Option D – 15 Year Lifestyling

The pension account will be invested 100% in the Global Equity (70:30) Index Fund until age 50. In the 15 years before retirement investments are gradually switched so that by age 65 the pension account is invested 25% in the Cash fund and 75% in the Over 15 Year Gilts Index Fund.

Option G – Target cash at retirement (Default)

The pension account will be invested 75% in the Global Equity (50:50) Index Fund and 25% in the L&G Diversified Growth Fund until age 55. In the 10 years before retirement investments are gradually switched so that by age 65 the pension account is invested 100% in the Cash fund.

4.2 The funds available within each of these options are as follows:

L&G Global Equity 50:50
The Fund provides access to the UK and overseas equity markets via index funds and aims to capture global equity market returns. It is invested 50% in UK equities, and 50% in overseas equities. The 50% invested in overseas equity markets is divided 17.5% in Europe (excluding UK), 17.5% in North America, 8.75% in Japan and 6.25% in the Pacific Basin region (excluding Japan). The Fund is likely to be of interest to members who are willing to take a higher degree of risk with their investments in pursuit of better performance, and have medium to long-term investment horizons.

L&G Bonds AAA-AA-A
The Fund aims to capture the returns available on high-quality corporate bonds, primarily sterling-denominated AAA, AA and A rated corporate bonds paying a fixed rate of interest. Bonds offer greater security than equities because their price tends to be less volatile. However, although bond prices are expected to be less volatile than equities their capital value is linked to interest rates and will fall when interest rates are rising and rise when interest rates fall. Corporate bonds also carry some additional investment risk due to the possibility of the issuer of the bond defaulting on the loan or other factors, such as higher than expected inflation eroding the value of the bond, corporate events and market perception. Generally, this type of investment would be considered medium risk, but reduced risk means a lower return and bond returns have historically been lower than equity returns over the long-term, although this is not necessarily always the case and there have been some time periods where bonds have outperformed equities.

L&G Cash
The Fund aims to deliver competitive rates of return by investing in cash deposits and other short-term investments. It is likely to be of specific interest to investors who want to provide for a cash sum on their pension date. Unlike equities the capital value is not affected by changes in stock market levels. The Cash Fund therefore provides protection against stock market falls but sacrifices the potential for long-term growth from equity type investments. Periods of high inflation can erode the value of the funds held.

L&G Global Equity 70:30
The Fund provides access to the UK and overseas equity markets via index funds, and aims to capture global equity market returns. It is broadly invested 70% in UK equities and 30% in overseas equities with the overseas regional weightings reflecting the way the average UK pension scheme invests. The Fund is likely to be of interest to members who are willing to take a higher degree of risk with their investments in pursuit of better performance, and have medium to long-term investment horizons.

L&G 15 Year Gilts
The Fund is invested wholly or predominantly in UK Government fixed interest securities. The objective of the Fund is to hold a portfolio of securities designed to match the return of the FTSE Actuaries UK Conventional Gilts (Over 15 Year) Index within a specified tolerance. Although gilt prices are expected to be less volatile than equities their capital value is linked to interest rates and will fall when interest rates are rising and rise when interest rates fall. Generally, this type of investment would be considered low risk, but reduced risk usually means a lower expected return and gilt returns have historically been lower than equity returns over the long-term, although this is not necessarily always the case and there have been some time periods where gilts have outperformed equities. Investors should also be aware of the risk that higher than expected inflation could erode the value of investing in a fixed interest product. Investing in this fund would offer some protection against changes in annuity prices as you approach your pension date, as annuity prices are generally linked to gilt prices.

L&G UK Equity Index Fund
The Fund is invested wholly or predominantly in ordinary shares that are constituents of the FTSE All-Share Index. The objective of the Fund is to hold a portfolio of securities designed to match the return of the index within a specified tolerance. The Fund is likely to be of interest to members who are willing to take a higher degree of risk with their investments in pursuit of better performance, and have medium to long-term investment horizons.

L&G Over 5 Year Index Linked Gilts
The Fund is invested wholly or predominantly in UK Government index-linked securities. The objective of the Fund is to hold a portfolio of securities designed to match the return of the FTSE Actuaries UK Gilts Index-Linked (Over 5 Year) Index within a specified tolerance. Although gilt prices are expected to be less volatile than equities their capital value is linked to interest rates and expectations of future inflation. Generally, this type of investment would be considered low risk, but reduced risk usually means a lower expected return and gilt returns have historically been lower than equity returns over the long-term, although this is not necessarily always the case and there have been some time periods where gilts have outperformed equities. Investing in this fund would offer some protection against changes in annuity prices as you approach your pension date, as annuity prices are generally linked to gilt prices. This fund would also provide protection against rising inflation.

L&G Diversified Growth Fund

The Fund will hold between 20 - 50% in bonds, and the remaining 50-80% will be held in a range of assets which may include equities, property, commodities and shares of infrastructure, private equity and global real estate companies. Exposure to each asset class will primarily be through investing in passively managed funds, although active management may be used for some asset classes where LGIM believes there is an advantage in doing so. The investment objective of the Fund is to provide long-term investment growth through exposure to a diversified range of asset classes. The diversified nature of the Fund means that it is expected to have less exposure than a pure equity fund to adverse equity market conditions, and is therefore expected to have lower volatility than a pure equity fund. However, the Fund may perform less strongly than a pure equity fund in benign or positive market conditions.

4.3 The annual management charge of each of the funds above is as follows:

Fund	Annual Management Charge
Global Equity (50:50)	0.165%
Corporate Bonds	0.15%
Cash	0.125%
Global Equity (70:30)	0.16%
Over 15 Year Gilts	0.10%
UK Equity Index Fund	0.10%
Index linked Gilt Fund	0.10%
Diversified Growth Fund	0.30%

5. DEFAULT ARRANGEMENTS

5.1 A member who does not choose their own investment strategy will have their money invested and managed in line with the Scheme's default investment strategy, referred to above as "Option G – Target cash at retirement". The objectives and policies described in Sections 1-4 above apply to the default strategy, except as amended or expanded on below.

5.2 Option G was adopted by the Trustee as the default investment strategy in 2019. Historically, Option A and Option D have both been used as the default strategy at different times. Upon adopting Option G only members who had not previously selected any of the existing options and did not elect to retain on their existing strategy were transferred to the new default strategy.

5.3 The specific objective of the default strategy is to cater for the needs of an individual who wishes to take the entirety of their fund as cash at retirement. In selecting this objective, the Trustee has considered the following factors:

5.3.1 The purpose of the Scheme since its inception has historically been to provide retirement income for its members. At the point in time at which Scheme members signed up to the Scheme the most commonly accepted way to provide retirement income from a defined contribution pension pot was to purchase an annuity.

5.3.2 However, since new Legislation was introduced on 6 April 2005 allowing Scheme members the opportunity to receive all of their pension savings as cash, the majority of retiring members have taken the entirety of their fund as cash.

5.3.3 The Trustee has therefore selected a default strategy which aims to maximise the cash available to members at retirement whilst using diversification and lifestyling to reduce the risks of poor investment returns.

5.3.4 The Trustee has adequately catered for the needs of members who do not wish to take the entirety of their fund as cash at retirement, such as members who wish to purchase an annuity, by providing a range of alternative options, as described in Section 4 of this Statement.

5.4 The Scheme's Normal Retirement Age has always been age 65, and annual statements for members have always been issued showing a plan for retirement at age 65 (unless the member requests otherwise). Members have received clear and regular statements alerting them to the option to amend this plan, and therefore, where a member has not selected any different retirement age, the Trustee believes it is appropriate for the default strategy to plan for members to retire at age 65.

5.5 The Trustee believes that in order to achieve its objective the default investment strategy needs to target investment growth, to provide a good level of benefits, whilst managing volatility near to retirement.

5.6 The Trustee's policy for achieving investment growth is that the default strategy will, for members more than 10 years from their assumed retirement age, be invested primarily (75%) in UK and global equities, with 25% invested in a diversified growth fund to provide some diversification to limit the risk of investment in equities.

5.7 To limit the volatility just before retirement the default strategy will automatically and gradually switch the investment strategy to 100% cash over the ten years prior to retirement.

5.8 The Trustee believes that the default strategy is in the best interests of the majority of members who, experience has shown, take the entirety of their pension fund as cash at retirement. The Trustee further believes that members who have different interests have sufficient alternative options available to them to satisfy any other such requirements. The Trustee will issue annual statements that make it clear how money is being managed on a member's behalf, with a clear statement of the alternative options available, so that the Trustee can reasonably expect that members who do not choose their own investment strategy must have their best interests fairly represented by the default.

This statement has been agreed by the Trustee on 25 November 2019.

Signed on behalf of the Trustee by

Name: Kim Nash Signature: 

APPENDIX A

23 August 2019

The Trustee of the William T Eden Plc Retirement Benefit Scheme
c/o Kim Nash
Director
Pitmans Trustees Limited
by email

Dear Kim

The William T Eden Plc Retirement Benefit Scheme
Defined contribution section (the "Scheme")

Investment Strategy

As required by Section 35 (5) of the Pensions Act 1995 I am pleased to provide you with written advice as to the suitability of the investment strategy you have in place with respect to the Scheme. The purpose of this letter is to consolidate the advice previously given by my firm and to act as a single point of reference for the Statement of Investment Principles (SIP).

I give this advice in my capacity as a representative of Quattro Pensions who are licensed by the Institute and Faculty of Actuaries to provide a limited range of investment advice.

I can confirm that I believe the investment strategy described in the SIP to which this letter is attached is, in my opinion, suitable to the needs of the Scheme and in line with your objectives.

I recommend the investment strategy is reviewed at least every three years.

Yours sincerely

Andrew Allsopp FIA

William T Eden PLC Retirement Benefits Scheme (the "Scheme")
Defined contribution section

Addendum to Statement of Investment Principles

September 2020

This document updates the Trustees' Statement of Investment Principles (SIP), and should be read in tandem with that document. Its purpose is to:

- set out further details of the Trustees' policies in relation to the stewardship of the Scheme's assets,
- describe the arrangements that exist between the Trustees and the asset managers, and
- to ensure the SIP remains compliant with the relevant legislation:
    - Section 35 of the Pensions Act 1995
    - Section 244 of the Pensions Act 2004
    - The Occupational Pension Schemes (Investment) Regulations 2005
    - The Pension Protection Fund (Pensionable Service) and Occupational Pension Scheme (Investment and Disclosure) (Amendment and Modification Regulations 2018)
    - The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

Monitoring the capital structure of investee companies

The Trustees delegate the responsibility for monitoring the make-up and development of the capital structure of investee companies to their Investment Manager.

Managing conflicts of interest

The Trustees have a formal conflict of interest policy and register, which is reviewed at each Trustee meeting. These documents record any actual or potential conflicts of interest in relation to investee companies or the Investment Manager, while also setting out a process for the management of any such conflict of interest.

Incentivising asset managers

The Trustees will select Investment Managers who are primarily remunerated via an agreed fixed annual percentage of the asset value for each underlying fund. The Trustees may also agree to pay a performance related fee to its fund managers.

The Trustees do not directly incentivise the Investment Manager to align its investment strategy and decisions with the Trustees' policies and objectives. Neither do the Trustees incentivise the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.

However, the Trustees will review their Investment Managers from time to time and will select funds that they believe operate in line with the Trustees' policies and objectives, and will meet the Trustees' return requirements overall.

Evaluation of the asset manager's performance and remuneration

The Trustees will review the Investment Manager's remuneration and performance relative to the market costs and performance of managers with similar strategies.

Monitoring portfolio turnover

The Trustees expect the Investment Manager to change underlying holdings only to an extent required to meet their investment objectives. The reasonableness of such turnover will vary by fund and change according to market conditions.

The Trustees therefore do not set a specific portfolio turnover target for their strategy or the underlying funds.

The Investment Manager is expected to provide information on portfolio turnover and associated costs to the Trustees so that this can be a factor in the Trustees' review process.

The duration of the arrangement with the asset manager

The Trustees will consider on a regular basis whether or not the Investment Manager and AVC provider remain appropriate to continue to manage the Scheme's investments and AVCs. The Trustees expect the Investment Manager to supply the Trustees with sufficient information each quarter to enable them to monitor financial and non-financial performance.

Frequency of review

The Trustees will review Investment Managers' performance via the managers' own reports twice per annum and will conduct a fuller review to consider all of the matters referred to above at least once every three years.

Date: 22 September 2020