

**S.I.T.A. (GB) National Staff Scheme (the "Scheme")**  
**Annual governance statement for the Scheme year ending 5 April 2024**

**1. Introduction**

As Trustee of the Scheme, we have reviewed and assessed that our systems, processes and controls across key governance functions are consistent with those set out in the Pensions Regulator's:

- code of practice 13: governance and administration of occupational trust-based schemes providing money purchase benefits (the "**DC code**"); and
- regulatory guidance for defined contribution schemes ("**DC regulatory guidance**").

Based on our assessment, the Trustee continues to work towards adopting the standards of practice set out in the DC code and DC regulatory guidance.

As at the date of this statement there are 93 deferred members of the Scheme. 19 members have passed their normal retirement dates.

**2. Governance of the Default Arrangement**

The Scheme's assets are invested in unit-linked funds held in a policy initially issued by The Equitable Life Assurance Society but now managed by Utmost Life and Pensions ("**Utmost Life**"). Utmost Life is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The Trustee has prepared a statement of investment principles ("**SIP**") in relation to the Scheme.

**Objectives of the Scheme's default approach**

Utmost Life does not operate a default arrangement for members of the Scheme.

**3. Core Financial Transactions**

The Trustee has a duty to ensure that core financial transactions (including the investment of contributions, transfer of member assets into and out of the Scheme, transfers between different investments within the Scheme and payments to and in respect of members) relating to the Scheme are processed promptly and accurately. The Trustee delegates the processing of some of these transactions to Utmost Life and then retains responsibility for processing the remaining transactions itself.

So far as the Trustee acts as administrator in respect of those transaction, an independent auditor undertakes an external audit of the Trustee's administrative processes and controls (AAF 02/07) on an annual basis. In addition, the Trustee has internal controls policies and a Scheme specific risk register in place to mitigate potential risks relating to core financial transactions. This is reviewed by the Trustee at least annually.

Open Trustees Limited was appointed as sole trustee of the Scheme on 15 February 2024. As we were appointed to act as Trustee shortly before the year end being reported on in this statement we cannot comment on whether the former trustees identified any issues in terms of the processing of core financial transactions during the Scheme year. However, we have not been made aware of any since our appointment. Additionally, following our appointment we are keeping the processing of core financial transactions under regular review and will report on it as part of our annual audit process

## Charges and Transaction Costs

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the "**Administration Regulations**") require the Trustee to make an assessment of charges and transactions costs borne by the Scheme members and the extent to which those charges and costs represent good value for money for members.

Following our appointment as Trustee of the Scheme, we wrote to Utmost Life to request details of the charges and transaction costs borne by the Scheme members in order to make this assessment. In response, Utmost Life has confirmed by email that members' benefits are invested in the following unit-linked funds:

| <b>Fund name</b>                         | <b>Annual fund charge</b> | <b>Transaction costs</b> | <b>Total charge</b> |
|------------------------------------------|---------------------------|--------------------------|---------------------|
| Utmost Multi-Asset Moderate Pension Fund | 0.75%                     | 0.31%                    | 1.06%               |
| Utmost Multi-Asset Cautious Pension Fund | 0.75%                     | 0.39%                    | 1.14%               |
| Utmost Managed Pensions Fund             | 0.75%                     | 0.30%                    | 1.05%               |

The annual fund charges are deducted directly from the fund on a daily basis before the unit prices are calculated. Transaction costs are also deducted directly from the fund when they occur. Both the annual fund charges and transaction costs are therefore reflected in the unit prices. There are no other costs or charges borne by the members

The Scheme does not benefit from guaranteed annuity rates or guaranteed minimum pensions.

### Illustrations

In accordance with the Occupational Pension Schemes (Administration and Disclosure) Amendment Regulations 2018 and relevant statutory guidance, the Trustee has set out at Appendix 1 to this Statement illustrative examples provided to it for these purposes by Utmost Life. To produce the illustration, Utmost Life has

- used the median pot size of the Scheme;
- used the mean regular contribution;
- illustrated based on the age of the youngest member of the Scheme; and
- used an average of the transaction costs over the period for which they are available.

### Conclusions

Given that the Scheme is in the process of being wound up and the charges are in line with market standards for this type of policy, the Trustee is sufficiently comfortable that the charge and costs referred to by Utmost Life in respect of the Scheme represent good value for money for the members. The Trustee, therefore, has concluded that the Scheme's assets should remain invested in their current funds until the Scheme is wound up.

#### 4. **Trustee Knowledge and Understanding ("TKU")**

Section 248 of the Pensions Act 2004 requires the Trustee to possess, or have access to, sufficient knowledge and understanding to run the Scheme effectively.

The Trustee takes training and development responsibilities seriously and each member of the board of directors of the Trustee maintains a record of all training completed during the Scheme year. This record is reviewed annually in order to identify any gaps in knowledge and understanding and a training plan is then put in place over the course of the following Scheme year.

Each of the members of the board of directors is a UK qualified lawyer, either specialising in UK pensions law or insolvency and restructuring law. The Trustee combines the knowledge and understanding of the members of the board, together with the advice which is available to them through their consultants and advisers, to enable them to properly exercise their function as Trustee of the Scheme.

Over the course of the Scheme year, members of the board of directors have attended a number of training sessions relating to pensions law and practice relevant to the Scheme.

Additionally, each of the members of the board of directors also have access to the Scheme's governing documents, in order to ensure they are conversant with those documents.

Signed:

Date:

Director of Open Trustees Limited (Chair of Trustees)

## Appendix 1

### Illustrations of charges and transaction costs prepared by Utmost Life

#### Cost and Charges Reporting

The following table shows the impact of charges for each fund invested. Each fund is projected over several years and shown before and after cost and charges have been deducted. The first column shows the total funds.

| Term | MULTI-ASSET GROWTH |                                  | MULTI-ASSET MODERATE |                                  | MULTI-ASSET CAUTIOUS |                                  | INVESTING BY AGE |                                  |
|------|--------------------|----------------------------------|----------------------|----------------------------------|----------------------|----------------------------------|------------------|----------------------------------|
|      | Before Charges     | After Costs and Charges Deducted | Before Charges       | After Costs and Charges Deducted | Before Charges       | After Costs and Charges Deducted | Before Charges   | After Costs and Charges Deducted |
| 1    | 1,034              | 1,025                            | 1,015                | 1,005                            | 1,015                | 1,005                            | 1,015            | 1,005                            |
| 3    | 1,106              | 1,077                            | 1,045                | 1,016                            | 1,045                | 1,014                            | 1,045            | 1,016                            |
| 5    | 1,183              | 1,132                            | 1,075                | 1,026                            | 1,075                | 1,024                            | 1,075            | 1,026                            |
| 10   | 1,399              | 1,281                            | 1,156                | 1,053                            | 1,156                | 1,049                            | 1,156            | 1,052                            |
| 15   | 1,655              | 1,450                            | 1,243                | 1,080                            | 1,243                | 1,074                            | 1,243            | 1,078                            |
| 20   | 1,957              | 1,642                            | 1,337                | 1,109                            | 1,337                | 1,100                            | 1,337            | 1,104                            |
| 25   | 2,315              | 1,858                            | 1,438                | 1,138                            | 1,438                | 1,126                            | 1,438            | 1,131                            |
| 30   | 2,738              | 2,103                            | 1,546                | 1,167                            | 1,546                | 1,153                            | 1,509            | 1,137                            |
| 35   | 3,239              | 2,381                            | 1,663                | 1,198                            | 1,663                | 1,181                            | 1,508            | 1,101                            |
| 40   | 3,831              | 2,695                            | 1,788                | 1,229                            | 1,788                | 1,210                            | 1,472            | 1,048                            |

#### Notes:

- 1) Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
- 2) The starting pot size for each fund is assumed to be £1,000
- 3) Inflation is assumed to be 2.5% p.a.
- 4) Values shown are estimates and are not guaranteed
- 5) The projected growth rate for each fund are as follows:
  - Unit-Linked Equity 7% p.a. (European Equity, Fund of Investment Trusts)
  - Unit-Linked Equity 6% p.a. (Managed, FTSE All Share Tracker, UK Equity, Asia Pacific, US Equity, Global Equity)
  - Unit-Linked Equity 4% p.a. (Property)
  - Multi-Asset Growth 6% p.a.
  - Multi-Asset Moderate 4% p.a.
  - Multi-Asset Cautious 4% p.a.
  - Sterling Corporate Bond 4% p.a.
  - UK Government Bond 4% p.a.
  - Unit-Linked Cash 2% p.a. (Money Market)