

# Comshare Retirement and Death Benefits Plan: DC Section

## Chair's Statement - 30 September 2023

In accordance with the requirements of the Occupational Pension Schemes (Charges and Governance) Regulations 2015 ('the Regulations'), the Trustee is required to provide a statement relating to the governance of the defined contribution ('DC') Section of the Comshare Retirement and Death Benefits Plan ('the Plan'). This Statement covers the period from 1 October 2022 to 30 September 2023 and has been prepared on behalf of the Trustee.

In accordance with the requirements of the Regulations, Christopher Wheeler, representing BESTrustees Limited as sole independent Trustee, has been appointed as Trustee Chair.

This Statement has been published on the following website: <https://www.infor.com/en-gb/resources/comshare-limited-retirement-and-death-benefits-plan> and the members are directed to this in their annual benefit statement.

### Background to Plan's DC benefits

The DC Section of the Plan is not designated as a qualifying scheme for the purposes of auto-enrolment and contributions ceased on 31 March 2007. The DC Section of the Plan is operated as an unbundled trust based defined contribution arrangement. This means that separate service providers supply investment management and administration services.

The Plan has a sole independent trustee whose charges are paid by the employer.

Investment management is undertaken by Legal & General Investment Management ('LGIM'), Prudential and State Street. Annual management charges and transaction costs are deducted from the value of the investments.

The Plan is administered by First Actuarial, who are also the investment adviser. Osborne Clarke are the legal adviser and Assure UK are the auditor, with the fees of all advisers being paid by the employer.

The options available to members on retirement are:

- to purchase a pension using the full fund value
- to take part as a tax-free lump sum amount in cash and purchase a pension using the reduced fund value,
- to take a Small Lump Sum where appropriate, or
- to transfer their fund to a suitable alternative vehicle where the member could, if they wish, utilise further flexible retirement options.

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## Governance of the DC investments

As of 30 September 2023, the DC funds under management were as follows:

Fund	Amount
L&G Cash	£4,272
L&G Over 15 Year Gilts Index	£246,184
L&G Overseas Consensus Index	£582,512
L&G Retirement Income Multi-Asset (RIMA)	£4,117
L&G UK Equity Index	£302,824
Prudential Deposit *	£149,098
Prudential With Profits **	£1,411,555
State Street MPF Balanced Consensus Index	£814,033
<b>Total</b>	<b>£3,514,595</b>

\* Any interest is declared monthly and once added is guaranteed. Withdrawals from this fund are not subject to an MVR.

\*\* Includes reversionary and terminal bonuses

The surrender value of the Prudential With Profits fund as at 30 September 2023 would have been £1,342,613 i.e. a Market Value Reduction ('MVR') of £68,941 or 4.88% would have been applied.

None of the funds were designated as a default fund. When members joined the DC Section of the Plan, they were free to choose any of the Trustee selected funds available. However, there is a Lifestyling strategy that members will be switched into that de-risks their portfolio when they are within five years of retirement. The switching takes place annually into the L&G Cash and RIMA funds, and at retirement, 25% will be invested in Cash and 75% in the RIMA fund. Members can switch between funds without charge and opt out of the Lifestyle strategy if they wish.

The Trustee adopted a Statement of Investment Principles (SIP) in September 2019 which was last updated with an addendum in September 2020. A new SIP is due to be agreed shortly and a copy will be available on request. The SIP includes views regarding Environmental, Social and Governance aspects in relation to the Plan investments covering the Plan and DC Section.

## Value for members

Under the Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021, trustees of schemes providing DC benefits are required to carry out an assessment of their scheme's value for members.

A value for member assessment was completed in the 2022 Plan year and concluded that the DC Section of the Plan did not meet the full requirements laid down by The Pensions Regulator.

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As a result, the Trustee has agreed that the DC Section of the Plan should be wound up and steps are being taken to begin this process including the communication to members and triggering of the wind up itself. Given this, a value for member assessment has not been completed for the current Plan year.

### Costs and Charges

The employer pays the cost of the Plan services and the only charges borne by members are the investment fund annual management charges ('AMCs') and transaction costs detailed below.

The ongoing annual charges levied by the investment manager and deducted from members' investments depend on the funds used and the table below shows these charges.

In addition to explicit AMCs, members also incur transaction costs. Transaction costs are defined in regulations as the costs incurred as a result of buying, selling, lending or borrowing investments and they can have a significant impact on members' fund values.

Transaction costs are typically categorised as explicit costs or implicit costs. Explicit costs are directly observable e.g. taxes such as stamp duty. Implicit costs cannot be observed in the same way but will result in a reduction in the total amount of money invested e.g. buying and selling spreads and market movements. These can have an impact on net returns.

Due to the methodology used in calculating transaction costs, these costs may be negative, therefore having a positive impact on the fund. The transaction costs incurred as disclosed by the providers are shown in the table below.

Fund	AMC	Transaction costs	Total charges
L&G Cash	0.21%	0.08%	0.29%
L&G Over 15 Year Gilts Index	0.19%	0.04%	0.23%
L&G Overseas Equity Consensus Index	0.35%	0.03%	0.38%
L&G Retirement Income Multi-Asset	0.49%	0.07%	0.56%
L&G UK Equity Index	0.28%	-0.01%	0.27%
Prudential Deposit	n/a	n/a	n/a
Prudential With Profits	0.89%	n/a	0.89%
State Street MPF Balanced Consensus Index	0.15%*	0.05%	0.20%

\*Please note that this charge is paid by the employer on a quarterly basis and is not deducted from member funds.

The L&G AMC charges are reflected in the unit price and are based on the average value of the holdings.

The Prudential With Profits Fund has an implicit charge of 0.65% made through the declared bonus plus other charges of approximately 0.24% (total of 0.89%). The charges include an



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<b>State Street MPF Balanced Consensus Index</b>	<b>13.00%</b>	<b>4.70%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<i>Benchmark **</i>	<i>13.45%</i>	<i>4.62%</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>

\* Includes reversionary bonuses / includes reversionary and terminal bonuses.

\*\*Benchmark is constructed as follows; 65% International (Developed 75% Hedged) ESG Screened Index Equity; 15% UK ESG Screened Index Equity; 5% UK Conventional Gilts All Stocks Index; 10% Sterling Non-Gilts All Stocks ESG Screened Index; 5% UK Index Linked Gilts Index.

A formal review of the appropriateness of the investments and the value they provide to members was undertaken by the Trustee as part of the 2022 value for member assessment.

### Core financial transactions

There are currently no active members contributing to the DC Section of the Plan. First Actuarial holds the members' data and deals with members when they wish to amend their details, take or transfer their benefits, or make any changes to their investment choices. The Trustee has a Service Level Agreement in place with the First Actuarial as the Administrator which covers the accuracy and timeliness of all core transactions.

The percentage of transactions in the period that have met the Service Level Agreement in place is 87.1%.

The Trustee receives and reviews reports from our administrator on a quarterly basis to monitor and ensure that core financial transactions are processed promptly.

These include:

- transfers of members' assets out of the DC Section of the Plan;
- switching between investments within the DC Section of the Plan; and
- payments from the DC Section of the Plan to, or in respect of, members.

Whilst noting the reduction of the service level performance from the previous Plan year, the Trustee is satisfied that most core transactions have been processed promptly and accurately.

### Trustee Knowledge & Understanding

The sole trustee of the Plan is BESTrustees Limited, a professional trustee. BESTrustees Limited is an active member of The Association of Corporate Trustees ('TACT') and was one of the founding members of the Association of Professional Pension Trustees Ltd ('APPT'), helping to deliver its code of practice.

BESTrustees Limited is represented by Christopher Wheeler, who is both a Fellow of the Institute of Chartered Accountants of England and Wales and a Fellow of the Chartered

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Institute of Personnel and Development. Christopher has completed the TPR's e-learning trustee toolkit and undertakes Continuous Professional Development ('CPD').

During the Plan year, Christopher completed an extensive number of training sessions across a wide range of topics including DC provider selection process and methodology. The Trustee has a copy of all relevant Plan documents and policies and is familiar with their terms.

The Trustee is supported by independent and professional advisers who ensure that the latest legislative, regulatory and market developments that apply to the Plan are considered when relevant. These advisory appointments are also periodically reviewed.

Given the combination of these factors it enables the Trustee to properly exercise its functions as Trustee of the Plan.

### Member Communications

Communications are issued by First Actuarial, and these are tailored for the Plan. Communication is primarily paper based, with the main regular communication being the annual benefit statement, including the Statutory Money Purchase Illustration. Members also receive the annual Summary Funding Statement which includes comments on the DC Section. When dealing with individual members, email is also available.

There is currently no online access for members. At retirement members receive the Money Helper leaflet "Your Pension Your Choices" and are sign posted to the Pension Wise service. They can also speak to an administrator on the telephone to discuss the options available.

### How to contact the Trustee

If you have any further queries regarding the DC Section of the Plan, please contact:

First Actuarial LLP  
9th Floor  
Network House,  
Basing View,  
Basingstoke  
RG21 4HG  
Tel: 01256 297 700  
Email: [basinstoke.admin@firstactuarial.co.uk](mailto:basinstoke.admin@firstactuarial.co.uk)

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Christopher Wheeler

BESTrustees Limited

Trustee Chair of the Comshare Retirement and Death Benefits Plan (DC Section)

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## Appendix – Cumulative impact of costs and charges

The illustrative example of the cumulative effect over time of the costs and charges

The tables below show the cumulative effect over time of the impact of costs and charges on a member's benefits (as set out in the main body of this Statement). The examples assume member investment in the Prudential With Profits Fund, the L&G RIMA Fund or the Prudential Deposit Fund.

The Trustee has taken account of the statutory guidance when preparing these illustrations:

Projected pension pot in today's money						
Years	Prudential With Profits Fund (most assets)		L&G Retirement Income Multi Asset Fund (highest charges)		Prudential Deposit Fund (lowest charges)	
	Before charges	After all costs and charges	Before charges	After all costs and charges	Before charges	After all costs and charges
1	£37,878	£37,553	£37,530	£37,325	£37,112	£37,112
3	£40,570	£39,533	£39,462	£38,819	£38,159	£38,159
5	£43,454	£41,617	£41,493	£40,372	£39,235	£39,235
10	£51,591	£47,322	£47,039	£44,533	£42,059	£42,059
15	£61,251	£53,808	£53,327	£49,122	£45,087	£45,087
20	£72,721	£61,184	£60,456	£54,184	£48,333	£48,333
25	£86,338	£69,571	£68,538	£59,769	£51,812	£51,812
30	£102,506	£79,108	£77,700	£65,928	£55,542	£55,542
35	£121,700	£89,952	£88,087	£72,723	£59,540	£59,540
40	£144,489	£102,282	£99,862	£80,217	£63,826	£63,826

Assumptions:

1. Projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation
2. The starting pot size is assumed to be £36,600
3. Inflation is assumed to be 2.5% each year
4. No future contributions are assumed
5. Values shown are estimates and are not guaranteed
6. The projected growth rate for each fund are as follows:

Prudential With Profits	3.49% above inflation
L&G Retirement Income Multi Asset	2.54% above inflation
Prudential Deposit Fund	1.40% below inflation