

Annual governance statement by the Chair of Trustees – April 2021

Fruit Advisory Services Team LLP Retirement & Death Benefits Scheme

Scheme reference – E22307

Victoria Watson is confirmed as Chair of Trustees as a Partner of the Corporate Trustee, FAST LLP.

Introduction

The purpose of this statement is to inform members of the scheme how the Trustees are meeting certain governance standards. It also provides the members with useful information, such as details of the default fund and the costs and charges of the available funds.

Where possible, we believe that we have adopted the standards of practice set out in the defined contribution code and regulatory guidance.

Review of the Chair Statement

As before, this year's statement now includes details of the costs and charges incurred by any members in the default fund and includes a representative illustration to show the effect of these costs and charges over different periods of time.

There is also an assessment of value for members of the scheme.

This statement will shortly be available on our website.

Subsequent updates to this statement will also be available in the same location.

Core Financial Transactions

Contribution requests are delegated to the Aviva scheme administrators. Contributions are paid monthly by direct debit to Aviva. Aviva issue annual statements each year to the Trustees for onward transmission to the members.

Default Investment Strategy

The scheme, whilst very old and therefore not flexible, is not a Qualifying Workplace pension scheme that complies with Workplace Pension Reforms. Therefore, whilst possibly not suitable for the pension schemes of the modern world, the Trustees have kept this plan continuing for the existing members who wished to stay in the scheme and retain some of the guarantees it offers. Other more modern personal pension arrangements are completed elsewhere for new employees and those wishing to transfer out.

The only investment option is a with-profits fund. Whilst this limited choice of investments may be deemed unsuitable for members joining a new scheme today, members are offered an annual opportunity to review their scheme membership with an independent financial adviser. With an alternative Group Personal Pension Scheme available, members have the option to diversify their investments by joining this scheme.

Costs and Charges

Product Costs and Charges

The annual management charge (AMC) for this scheme does not apply where the chosen investment is the Aviva With-Profit fund. As that is the only investment available for this scheme, there are no product costs and charges.

Fund Costs and Charges

Full details of the costs and charges that apply to the with-profits fund can be found in Appendix A. Below is a summary of the costs and charges for this fund;

Type of Cost	Annual percentage
Investment expenses and administration costs	0.615%
Transaction Cost	0.12%
Total Annual Charge	0.735%

The With-Profits management costs represent the assumed cost of administering your policy and professionally investing your scheme's money in the FPLAL With-Profits Sub Fund in which you are invested. It is assumed the current costs continue to apply throughout the projections. These costs are Aviva's current view of the costs applicable to your policy which are reflected in the With-Profits declared bonuses.

Illustrations

Details of the assumptions that have been made are included in Appendix B.

Assuming <u>NQ</u> further contributions				
Assumed current pension pot		£50,000	Assumed current pension pot	
			£100,000	
Duration (years)	Projected Fund assuming no charges	Projected Fund assuming 0.735% a year costs	Projected Fund assuming no charges	Projected Fund assuming 0.735% a year costs
5	£51,500	£49,700	£103,000	£99,300
10	£53,000	£49,300	£106,000	£98,700
15	£54,600	£49,000	£109,000	£98,000
20	£56,200	£48,700	£112,000	£97,400
25	£57,900	£48,400	£116,000	£96,700
30	£59,600	£48,100	£119,000	£96,100

Assuming further conventional With-Profits contributions				
Assumed current pension pot		£50,000	Assumed current pension pot	
			£100,000	
Assumed monthly contribution*		£70	Assumed monthly contribution*	
			£170	
Duration (years)	Projected Fund assuming no charges	Projected Fund assuming 0.735% a year costs	Projected Fund assuming no charges	Projected Fund assuming 0.735% a year costs
5	£55,800	£53,900	£114,000	£110,000
10	£62,200	£58,200	£128,000	£120,000
15	£69,100	£62,700	£144,000	£131,000
20	£76,500	£67,600	£162,000	£143,000
25	£84,600	£72,900	£181,000	£156,000
30	£93,400	£78,600	£201,000	£170,000

* contributions assumed to increase at 3.5% a year.

Trustee Knowledge

FAST LLP has been a long-standing Corporate Trustee. The trustees utilise professional advisers and e-reads accordingly from The Pensions Regulator website.

Assessment of Value for Members

The Trustees feel that, alongside FAST LLP's alternative pension scheme, the scheme offers members great value.

The scheme has reasonable charges, with no product charges and a competitive fund charge of 0.735%. The lack of fund choices in the scheme is where there is not a lot of value. If there was not an alternative option, this scheme in isolation would not offer significant value.

However, with a second pension scheme available to members and the availability of employer funded financial advice, the scheme offers those who wish to remain in a with-profits investment significant value.

Victoria Watson
Chair of Trustees

Date: