

Annual governance statement by the Chair of Trustees – April 2022

Produced in line with the latest information available to the Trustees at October 2022.

Fruit Advisory Services Team LLP Retirement & Death Benefits Scheme

Scheme reference – F28876

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

Following the introduction of new legislation surrounding the content of the annual chair statement, there have been some significant changes to this year's statement.

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 schemes, whilst very old and therefore not flexible, are not Qualifying Workplace pension schemes that comply with Workplace Pension Reforms. Therefore, whilst possibly not suitable for the pension schemes of the modern world, the Trustees have kept these plan's continuing for the existing members who wished to stay in the schemes and retain some of the guarantees they offer. Other more modern personal pension arrangements are completed elsewhere for new employees and those wishing to transfer out.

The default investment option is a managed fund which aims to invest in a diversified portfolio of assets, of which 40%-85% is invested in shares. There are a number of other options available with varying levels of risk. Members are offered an annual opportunity to review their fund selection and 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

All available investments are Aviva unit trusts. As such, the product charge is built in to the annual management charge of each fund and no additional product fee is charged in addition to the fund annual management charges detailed below.

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 charges applicable to the available funds, with the default fund in bold;

Fund name	Administration cost	Transaction cost
Aviva Pension Cash	0.76%	0.0032%
Aviva Pension European	0.77%	0.4375%
Aviva Pension Fixed Interest	0.77%	0.0739%
Aviva Pension Global Equity	0.77%	0.1340%
Aviva Pension Index-Linked	0.77%	0.0128%
Aviva Pension Managed	0.77%	0.0399%
Aviva Pension North American	0.77%	0.4620%
Aviva Pension Pacific Basin	0.81%	0.0738%
Aviva Pension Pre-retirement Fixed Interest	0.76%	0.0000%
Aviva Pension Property	0.75%	0.1327%
Aviva Pension Stewardship	0.76%	0.0878%

Aviva Pension Stewardship Managed	0.77%	0.1358%
Aviva Pension UK Equity	0.76%	0.2015%
Aviva Pension UK Index Tracking	0.81%	0.1791%
Aviva With-Profit	0.615%	0.1200%

Administration cost – This is the fund’s administration cost for the scheme

Transaction cost – This is the cost incurred in buying and selling units in the Aviva insured fund and the costs incurred by the fund in buying and selling it’s holdings.

Illustrations

Illustrations for the scheme have not been made available by the scheme’s administrator. As soon as these are available, they will be included in the statement.

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 default fund charge of 0.77%. 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