

## **F M CONWAY LTD NO. 2 RETIREMENT & DEATH BENEFITS SCHEME**

### **CHAIR'S STATEMENT**

**For the Year Ended 5 April 2025**

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The Trustees of the F M Conway Ltd No. 2 Retirement & Death Benefits Scheme (the "Scheme") are required under legislation effective from April 2016 to prepare an annual Chair's Statement. This statement has been prepared in accordance with the relevant statutory requirements and guidance published by The Pensions Regulator (TPR). Its purpose is to provide transparency on the governance, administration, investment arrangements, and charges associated with the Scheme, ensuring members are informed about the stewardship of their pension savings.

The Scheme has been closed to new members since April 1992 and has no active members.

#### **Trustee Knowledge and Understanding**

The Trustees recognise the importance of maintaining sufficient knowledge and understanding to properly exercise their functions. The Scheme is a hybrid arrangement, previously contracted out on a Guaranteed Minimum Pension (GMP) basis until April 1997. The Trustees actively monitor the additional complexity arising from the GMP underpin, including ongoing work on GMP equalisation, and will inform members if this results in any changes to benefits.

The Trustees maintain their knowledge and understanding through:

- Completion of the TPR Trustee Toolkit
- Attendance at relevant seminars and workshops
- Receipt of professional advice from advisers

A training log is maintained and reviewed periodically to ensure coverage of key areas, including investment, administration, governance, and legislation. The Trustees consider that they collectively have sufficient knowledge and understanding to properly exercise their functions.

#### **Administration and Core Financial Transactions**

The Trustees are responsible for ensuring the Scheme is administered efficiently and that core financial transactions — including benefit payments, receipt of contributions, and investment of funds — are processed accurately and promptly.

Administration is primarily carried out by Aptia UK Limited, with support from Hanover Pensions Ltd, under the oversight of the Trustees. The Trustees review administration through:

- Periodic reconciliation of member records
- Review of administration reports from Mercer Limited and Aptia UK Limited
- Monitoring of service level agreements (SLAs) and error reporting

During the year, the Trustees are satisfied that core financial transactions have been processed promptly and accurately. There were no material issues identified, and no complaints were received from members regarding the operation of the Scheme.

## Member Communications

The Trustees are committed to providing members with clear, relevant, and timely information, including annual benefit statements, to help them understand their benefits at retirement or in the event of death. Communications are regularly reviewed to ensure clarity and appropriateness.

## Investment Governance

The Scheme's default arrangement is the Friends Life Managed Fund (previously known as the Balanced Mixed Fund). This fund is a multi-asset portfolio, predominantly invested in equities and bonds, designed to provide long-term growth while managing risk.

### Objectives of the Default Arrangement

- Deliver growth consistent with members' likely retirement needs
- Manage risk through diversification across asset classes
- Provide an appropriate balance between income and capital growth

The default arrangement is reviewed at least annually to ensure it remains suitable for the Scheme's membership. Historical annual Investment Returns (Net of Charges) have been:

Period	Net Investment Return (%)
1 year	1%
3 years	0%
5 years	7%

The Trustees compare performance against appropriate benchmarks and are satisfied that, over the long term, the fund aligns with its objectives.

The purchase of members' benefits at retirement is now outsourced to TOMAS, providing comprehensive services to members. The Trustees continue to monitor this arrangement and will make changes if necessary.

The Trustees also consider Environmental, Social, and Governance (ESG) factors in the selection of underlying fund managers where appropriate.

## Charges and Transaction Costs

Members bear the following charges:

Charge Type	Percentage	Description
Annual Management Charge (AMC)	1.5%	Deducted from members' fund
Commission on Contributions	4%	Deducted from contributions before investment
Small Scheme Charge	£5,350 per annum	Imposed by Mercer
Transaction Costs	0.2% (estimate)	Costs of buying/selling underlying investments

## Illustration of Cumulative Effect of Charges

Assuming a £10,000 fund, the cumulative effect of charges over time (based on TPR methodology) would be approximately:

Period	Effect of Charges (£)
1 year	150
3 years	443
5 years	728

The Trustees review all charges annually to ensure that members continue to receive value for money, taking into account the services provided, investment performance, and administration.

### **Value for Members Assessment**

The Trustees have considered the overall value for members by reviewing:

- Investment performance of the default fund
- Administration quality and responsiveness
- Charges and transaction costs
- Member communications and accessibility of information

On balance, the Trustees consider that the Scheme provides reasonable value for members, given the size of the Scheme, the services offered, and the historical performance of investments.

### **Trustee Statement**

The Trustees confirm that, to the best of their knowledge:

- The Scheme is being run in accordance with its trust deed and rules, legislation, and regulatory guidance
- Core financial transactions have been processed promptly and accurately
- Charges and transaction costs are transparent and reviewed regularly
- Members are provided with appropriate communications and illustrations to support informed decisions

Signed on behalf of the Trustees:



**M S Goldsworthy**

Chair

21 October 2025