

Introduction

Governance requirements apply to defined contribution ("DC") pension arrangements, to help members achieve a good outcome from their pension savings. This statement covers the requirements set out in the Occupational Pension Schemes (Scheme Administration) Regulations 1996 ("the Administration Regulations"). It also incorporates the requirements relating to the disclosure and publication of the level of charges and transaction costs within the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 [SI 2018/233] ("the 2018 Regulations"), which amends the Administration Regulations to reflect these new requirements.

The Trustees of the Uni-Mill Engineering Limited Retirement Benefits Plan (the "Scheme") are required to produce a yearly statement (which is signed by the Chair of Trustees) to describe how these governance requirements have been met in relation to:

- the investment options in which members' funds are invested (this means the "default arrangement" and other funds members can select or have assets in, such as self-select or "legacy" funds);
- the requirements for processing financial transactions;
- the charges and transaction costs borne by members;
- an illustration of the cumulative effect of these costs and charges;
- a 'value for members' assessment; and
- Trustee knowledge and understanding.

This statement covers the period from 6 April 2022 to 5 April 2023.

This Statement is available online at <http://www.uni-mill.com/>

You can find the information in the section headed 'Uni-Mill Engineering Ltd RBP'. We can provide the information on request in hard copy form.

If you would like this information please contact Uni-Mill Engineering Limited, Rivermead Drive, Rivermead Industrial Estate, Westlea, Swindon SN5 7EX.

Default investment arrangement

Since the Scheme is closed and no member contributions have been paid in the period since the new regulations came into force on 6 April 2015, there is **no "default arrangement"** as defined by the Occupational Pension Schemes (Investment) Regulations 2005, as amended by the Occupational Pension Schemes (Charges and Governance) Regulations 2015. The Scheme is not being used as a qualifying scheme for automatic enrolment purposes.

Fund selection

There is no investment choice under the Scheme and all members can only invest in the Zurich Assurance Limited 90:10 With Profits fund.

Members hold monies in the Zurich Assurance 2 EP and 2a EP Unitised With-Profits funds. An underlying bonus guarantee of 4% per annum applies to the 2 EP fund and 1% per annum guarantee for the 2a EP fund (contributions paid since 1 July 2003 were paid into this fund). A final bonus may be payable at maturity.

As the Scheme has fewer than 100 members, there is no requirement for a Statement of Investment Principles (SIP) to be in place for the Scheme.

Processing core financial transactions

The Trustee has a specific duty to secure that core financial transactions relating to the money purchase assets (including the transfer of member assets out of the Scheme, transfers between different investments within the Scheme and payments to and in respect of members/beneficiaries) are processed promptly and accurately. The Scheme is closed and therefore no contributions or transfers are received into members' money purchase accounts.

The only financial transactions undertaken by the Scheme's administrator, Zurich Assurance, are the processing of any transfers out of the Scheme and payments to members/beneficiaries. From the information provided by the administrator it is evident that all core financial transactions have been processed promptly and accurately during the Scheme year and no material issues in relation to the payment of member/beneficiaries' benefits arose during the year.

The Trustee therefore considers that the requirements for processing core financial transactions specified in the Administration Regulations have been met, that there have been no material administration errors, and that all core financial transactions have been processed promptly and accurately during the Scheme year.

When preparing this section of the statement the Trustee has taken account of the relevant statutory guidance.

Member-borne charges and transaction costs (value for members)

The Trustee is required to set out the ongoing charges borne by members in this statement, which are annual fund management charges plus any additional fund expenses, such as custody costs, but excluding transaction costs. This is also known as the total expense ratio ("TER"). The TER is paid by the members and is reflected in the unit price of the funds.

For investments in the Zurich Assurance 90:10 With Profits fund, there are no explicit annual fund management charges but the expense of managing the fund is one of the factors that will influence the amount of a final bonus when the plan value is paid out. In recent years Zurich Assurance advises that the deductions from the fund have been less than 1% a year. For the purposes of the illustrations, Zurich Assurance has assumed a fund manager charge of 1% per annum.

The Trustee is also required to separately disclose transaction cost figures that are borne by members. Transaction costs are the costs incurred in buying and selling assets in the fund. Zurich Assurance has shown costs for the year to 31 March 2023. Assumed transaction costs are the charges that are assumed to apply in the illustrations.

Details of how Zurich Assurance manages the With Profits fund can be found at this link: <https://www.zurich.co.uk/with-profits/90-10-with-profits-fund-explained>

The charges and transaction costs have been supplied by Zurich Assurance when preparing this section of the statement the Trustee has taken account of the relevant statutory guidance.

Current investments

Fund	Fund Manager Charge	Transaction costs	Assumed future transaction costs
With Profits 2 / 2A	See note below	0.06% per annum	0.08% per annum

Illustration of charges and transaction costs

Over a period of time, the charges and transaction costs that are taken out of a member's pension savings can reduce the amount available to the member at retirement.