

AMG UK GROUP 2006 PENSION PLAN: MRA SECTION CHAIR'S ANNUAL STATEMENT REGARDING DC GOVERNANCE

Governance Summary

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 (“the Administration Regulations”) require the Trustee to prepare an annual statement regarding governance, which should be included in the annual Trustees report and accounts.

This Governance Statement has been produced by AMG UK Group Pension Trustee Limited (the “Trustee”) and covers the period 1 January 2022 to 31 December 2022. It explains how the Members’ Retirement Account Section of the AMG UK Group 2006 Pension Plan (‘the Plan’) is meeting the governance standards and charges disclosures that apply to occupational pension schemes that provide defined contribution (‘DC’) benefits. It also confirms the position in relation to AVC holdings with Utmost Life and Pensions (‘Utmost’, formerly Equitable Life), Santander and Aviva.

On 29th June 2022 the Employer signed a participation agreement with The Aon MasterTrust. On 6th December 2022 a bulk transfer took place which transferred all existing accrued DC pension assets to The Aon MasterTrust.

The Plan is managed by AMG UK Group Pension Trustee Limited (the “Trustee”) which ensures that the Plan is run in the best interests of the members, and in accordance with the Plan’s rules and the law.

The Trustee receives professional advice from Aon and typically holds 4 Trustee meetings a year, with Mercer as administrator present (3 full Trustee meetings and one Governance Sub-committee “GSC” meeting), as well as up to 3 further Trustee meetings, at which advisors are not present. Due to changes in working patterns resulting from the COVID-19 pandemic, meetings have converted back to in person meetings but with some attendees joining virtually. In 2022 the Trustee held 3 in person meetings with Aon, with Mercer in attendance virtually when required, and no Trustee only meetings. The Trustees have been involved in regular project meetings in relation to the transfer of actuarial, investment and administration services within the year and the transfer of the DC pension provision to The Aon MasterTrust.

At the Trustee meetings, the high level operational framework of the Plan is set, monitored and managed, so that the Plan continues to be run within relevant codes of practice and best practice, and evolved over time as appropriate.

Oversight and monitoring of the day to day activity and performance of the Plan is also undertaken at these Trustee meetings to check that the Plan is operating effectively.

The GSC meeting specifically covers, amongst other things, governance matters including data protection, data integrity, defined contribution (DC) governance, the Plan’s Risk Register and the monitoring of third parties. The Trustee-only meetings oversee the progress of actions from the full Trustee meetings, enable issues that arise to be addressed, and also allow the Trustee to review the performance of its advisers.

This Chair’s Statement sets out the actions the Trustee has undertaken over the Scheme Year in addressing key areas of Governance; including investment, charges, administration, communications, as well as in relation to Additional Voluntary Contributions paid by members.

This provides a framework for the Trustee to consider whether the Plan provides value for members. This is addressed later in this Statement.

The Trustee has created a website: <https://amgukgrouppensions.com>, which it encourages members to visit to find out more information about the Plan.

This Statement includes information about costs and charges in relation to members’ investments, as well as a cumulative projection as required by the regulations. This information is available online at <https://amgukgrouppensions.com> and this has been notified to members as part of communications that were issued in 2021 and will be reconfirmed in future communications and annual benefit statements.

Investment of the Member Retirement Account (MRA) Section funds

The Plan's investment strategy is designed to be appropriate for a majority of the members and to meet the changing investment needs of a typical pension investor, as they progress through life towards retirement. This is known as a Default Investment Strategy. If a member does not wish to be part of the Default Investment Strategy, they have the option to make their own investment choices by investing in a selection of funds made available to members by the Trustee. The investment performance of the optional funds is monitored by the Trustee on a regular basis.

Following the pension reforms announced in the 2014 Budget the Trustee undertook a review of the Default Investment Strategy to ensure members can continue to invest their pension savings in line with the new 'Pension Freedoms'. Following the review, the Trustee changed the default investment strategy in 2016 to the MRA Lifestyle Strategy described below and revised the self-select range of funds in which members can choose to invest.

The Trustee commenced a further review at the Trustee meeting on 27 September 2019. The conclusions of this review were that the MRA Lifestyle Strategy was delivering in line with the objectives that had been set, and that the self-select fund range remained appropriate, although selective additions could be considered.

A further review was conducted in late 2021 / early 2022, where the Employer and Trustee identified some key areas where members would benefit from changes to the pension arrangements. These included:

- Providing members with more flexibility in how they take their pension, without having to transfer their benefits to another arrangement
- Giving members access to higher quality communication materials including on-line functionality and pre-retirement guidance
- Providing members with access to updated investment fund options
- Providing better administration services for members
- Reducing the charges that members pay in the default investment fund.

The Employer and the Trustee believed these changes would be best implemented by moving the pension provision to a master trust. A consultation period ran from mid-April through to mid-June where the Employer and the Trustee proposed transferring the pension provision to The Aon MasterTrust. Following a positive consultation period by the Employer with its employees, it was agreed that the future pension provision would be delivered through The Aon MasterTrust.

Default Arrangement

Defined contribution schemes place the investment risk with the member. As mentioned above, the Trustee has assumed responsibility (in conjunction with written advice from Mercer) for designing the MRA Lifestyle Strategy, which aims to provide a broad level of protection against the key investment related risks, and for offering a suitable range of alternative funds in which members can invest.

The Plan's default strategy, the MRA Lifestyle Strategy has been designed to provide opportunity for long term investment growth. There will be short term volatility, but it is expected to be less than investing in the stock market. It provides some de-risking as members approach their selected retirement date, but it assumes that members are likely to leave the bulk of their pensions savings invested in some form of drawdown arrangement for the longer term and therefore continues to take a balanced approach to managing short term risk and long term return potential.

The MRA Lifestyle Strategy invests in The MRA Diversified Fund and the LGIM Sterling Liquidity Fund. The percentage shareholdings of each of these investments is dependant upon the member's years to retirement.

The MRA Diversified Fund currently invests in three underlying Diversified Growth Funds (DGFs), and will always invest in two or more underlying funds. Each of the DGFs individually provides members access to a diversified range of investments, with the aim of providing long term investment growth, but with lower short term volatility than equity markets. By allocating to three DGFs, this increases the level of diversification even further. Furthermore, the members benefit from the oversight provided by the Trustee, with advice from Mercer, and the Trustee's ability to take advice from Mercer and replace the underlying managers if appropriate.

More information about the MRA Lifestyle Strategy and a list of the self-select funds and their fees is set out in this Statement.

Additional Default Funds Making changes without member consent to either the funds within the MRA Section results in the relevant funds also being determined to be 'default' arrangements requiring additional disclosures.

Following this principle, the Trustee recognises an additional default fund as follows:

Investment Funds	Date of Change	Reason
LGIM Sterling Liquidity Fund*	July 2020	Fund used on a temporary basis by the MRA Section when the LGIM Managed Property Fund was temporarily closed, or in the event that other funds are temporarily closed in future.

*As the LGIM Managed Property fund reopened in November 2020 and all member contributions were reinvested accordingly, this fund was not in use as a default fund over the Plan year.

More information about these additional default funds is set out in the Scheme's Statement of Investment Principles.

Monitoring Investment Performance

Up until 6 December 2022 (the date of the transfer to Aon MasterTrust) the assets of the MRA were invested through Mobius Life Limited ("Mobius"). Mobius is a UK authorised insurance company, providing an institutional investment platform for UK pension schemes.

The Trustee receives performance monitoring reports from Mobius on a quarterly basis and reviews these, to check that performance is in line with expectations.

Performance information up to 6 December 2022 (the date of the transfer), net of fees, for the MRA funds invested in is set out in the table below:

Fund	1 Year (%)	3 Years (%p.a.)	5 Years (%p.a.)
MRA Diversified Fund	-4.9%	3.8%	3.9%
LGIM Sterling Liquidity Fund	1.1%	0.5%	0.5%
LGIM AAA-AA-A Corporate Bond	-33.0%	-10.4%	-4.3%
LGIM Over 5 Year Index-Linked	-34.7%	-8.6%	-4.1%
LGIM Over 15 Year Gilts Index	-34.4%	-11.6%	-5.0%

Fund	1 Year (%)	3 Years (%p.a.)	5 Years (%p.a.)
LGIM Ethical Global Equity Index	-5.6%	9.2%	9.5%
LGIM Asia Pacific (ex Japan)	-5.7%	6.1%	4.9%
LGIM Japan Equity Index Fund	-6.7%	2.0%	2.4%
LGIM UK Smaller Companies	-14.4%	4.0%	3.5%
LGIM North America Equity Index	-8.0%	11.1%	11.8%
LGIM Europe (ex UK) Equity Index	-8.0%	5.3%	5.0%
LGIM UK Equity Index Fund	1.3%	2.7%	3.0%
LGIM Managed Property Fund	-13.1%	0.7%	1.5%
LGIM Global Equity Fixed Weights (50:50) Index Fund	-3.0%	4.9%	5.1%

Source: Based on unit prices from Mobius. Performance periods are from 1 January 2022, 1 January 2020 and 1 January 2018.

Performance information up to 6 December 2022 (the date of the transfer), net of fees, for the MRA Lifestyle Investment Strategy by member age at the start of the period, is set out in the table below:

Member Age	1 year	3 years (p.a.)	5 years (p.a.)
55 and under	-4.9%	3.8%	3.9%
60	-4.7%	3.8%	3.6%

Source: Based on information from Mobius. Performance periods are from 1 January 2022, 1 January 2020 and 1 January 2018. For calculation purposes, lifestyling transition assumed to occur annually.

The table illustrates the return achieved for members invested in the MRA Lifestyle Strategy of ages 55 and under, and 60 at the start of the period.

The Trustee is satisfied that over the period to 6 December 2022, investment performance for all the MRA's funds was in line with expectations, given financial market conditions.

The Trustee communicates investment performance to members on a semi-annual basis.

Statement of Investment Principles

The MRA Section's investment strategy is described in detail in the Plan's Statement of Investment Principles (SIP), which was last updated in September 2020. The SIP is available to members via the website (<https://amgukgroupspensions.com>) and included within the Trustee's Report and Financial Statements (which is available on request).

The MRA Section's investment strategy was reviewed in the year as part of the transfer to the Aon MasterTrust.

The next update of the SIP is scheduled for September 2023.

Core Financial Transactions / Administration

The Trustee has responsibility for ensuring the sound administration of the Plan, including a specific duty to ensure that core financial transactions (including the investment of contributions, transfer of member assets into and out of the Plan, transfers between different investments within the Plan and payments to and in respect of members) relating to the Plan are processed promptly and accurately.

These transactions have been undertaken by the Trustee, in conjunction with the Employer, Mercer (which provides administration services), and Mobius (the investment platform provider).

The Plan's core financial transactions are governed by the contracts in place between the Trustee and Mercer, and are subject to Service Level Agreements (SLA) provided by Mercer and set out in the quarterly Administration Reports presented at full Trustee meetings. The following are examples of the SLA requirements for the processing of these core financial transactions:

- Investment of contributions – investment instructions are issued to the appropriate investment manager(s) within five working days of receipt of final contributions. An investment cycle is made every month.
- Transfers of members' assets out of the Plan – disinvestment instructions for the member designated account are issued within ten working days of receipt of completed transfer out documentation.

Other payments from the Plan to, or in respect of, members - a disinvestment instruction for the member's designated account should in normal course of events be issued up to ten working days prior to normal retirement date, or up to ten working days after receipt of written confirmation from the member. A disinvestment will not be made until confirmation has been received from the member. This should enable the lump sum to be paid in a timely manner. This will allow an annuity purchase to be finalised following receipt of the final contribution in respect of their service. Payments in relation to death benefits are treated in a similar manner to retirements, but a disinvestment instruction is issued five working days after confirmation.

At each full Trustee meeting, the Trustee reviews the latest Mercer Administration Report, which reports on core financial transactions. This report enables the Trustee to monitor delivery against the agreed SLAs and member expectations.

The Trustee also maintains a Financial Management Policy that governs contributions and cash management, the operation of the Trustee bank account, and the Plan's investment and disinvestment policy.

Members will also approach the Trustee Directors from time to time if they have questions about their benefits, or concerns or issues with the Plan's administration. Feedback from members therefore provides a good independent check that the Plan is being operated in line with members' expectations.

The Trustee also reviews the latest internal controls report for Mercer and for Mobius, which review processes and controls implemented.

Taking the above into consideration, the Trustee is satisfied that it carries out appropriate checks and monitoring of the administration services to the Plan.

Over 2021, following continuing concerns with the administration service being provided by Mercer, the Trustee commissioned a review of alternative providers. The result of this review was that the Trustee agreed to appoint Aon as the administrator, and full service provider to the Plan. A contract was signed with Aon on 16th May 2022 with administration services transitioning at a later date to be agreed between the trustees, Mercer and Aon. Aon took responsibility of the administration services from 29th May 2023.

Taking all matters into consideration, the Trustee is satisfied that there were no material issues highlighted that aren't being appropriately addressed and which would negatively impact members.

In the light of the above, the Trustee considers that the requirements for processing core financial transactions specified in the Administration Regulations have been met.

Costs and Charges

The law requires the Trustee to disclose the charges and transaction costs borne by DC scheme members and to assess the extent to which those charges and costs represent good value for money for members. These transaction costs are not limited to the ongoing charges on member funds, but should also include trading costs incurred within such funds.

The table below shows a summary of the funds available for members of the MRA Section to invest in along with their respective charges. All the funds are invested in through the Mobius Investment Platform, and the charges below include all the investment management fees.

Below are the details of the Annual Charge (Total Expense Ratio) and transaction costs for the funds within the MRA Lifestyle Strategy:

Investment Fund	Annual Charge (% p.a.)	Transaction Costs (%)
MRA Diversified Fund	0.631	0.183
LGIM Sterling Liquidity Fund	0.090	0.057

Annual charge (effective March 2022). Transaction costs are based on the year ending 31 December 2022 and have been provided by Mobius Life Limited, the Platform provider. A positive number indicates a cost. Sometimes the methods used in calculating the implicit transaction costs can appear to give rise to a profit. On the grounds of prudence, these have been shown as nil.

The MRA Diversified Fund currently invests in three underlying Diversified Growth Funds (DGFs), and will always invest in two or more underlying funds. Its charge will vary depending on the funds held. The Trustee chooses the underlying funds in conjunction with their advisers and designs the MRA Diversified Fund so that the total charge will typically be in the range between 0.60% and 0.75% per annum and will be less than the charge cap of 0.75% per annum. In making this assessment, it is important to note that the charge cap assessment is made against total ongoing fund costs but before allowance for transaction costs.

As described above, the funds used within the MRA Lifestyle Strategy vary depending on term to retirement. Up to 5 years from retirement default members funds are invested 100% in the MRA Diversified Fund. From 5 years to retirement 25% of members' investments are gradually transferred to the LGIM Sterling Liquidity Fund over a 5 year period. The annual charges that apply for the MRA Lifestyle Strategy are therefore an average of the funds that are invested in at any given time, but as the charge for each fund will be less than the charge cap, the overall charge at each age will also be less than the 0.75% per annum charge cap.

In addition to the MRA Lifestyle Strategy, the Plan also makes a range of funds available to members. Below is the list of funds in which members are invested, along with the accompanying annual charge and transaction costs:

Investment Funds	Annual Charge (TER) (% pa)	Transaction Costs (%)
LGIM Global Equity Fixed Weights (50:50) Index	0.080	0.060
LGIM UK Equity Index GBP	0.059	0.075
LGIM UK Smaller Companies Index	0.230	0.352
LGIM Ethical Global Equity Index	0.330	0.004

Investment Funds	Annual Charge (TER) (% pa)	Transaction Costs (%)
LGIM North America Equity Index	0.080	0.113
LGIM Europe (ex UK) Equity Index	0.080	0.107
LGIM Japan Equity Index	0.080	0.042
LGIM Asia Pacific (ex-Japan) Equity Index	0.105	0.133
LGIM Managed Property	0.710	0.211
LGIM Over 15 Year Gilts Index	0.068	0.194
LGIM Over 5 Year Index-Linked Gilts Index	0.068	0.210
LGIM AAA-AA-A Corporate Bond Over 15 Year Index	0.090	0.308

Annual charge (effective March 2022). Transaction costs are based on the year ending 31 December 2022 and have been provided by Mobius Life Limited, the Platform provider. A positive number indicates a cost. Where implicit transaction costs give rise to a credit, these have been shown as nil.

With the use of the Mobius Investment Platform, members benefit from a considerable discount to the standard investment charges that would be payable by most investors.

The Trustee is satisfied that the investment charges set out in this Statement represent reasonable value for money and in particular notes that the administration costs of running the Plan are paid by the Employer and not passed on to members. This means that members only pay the discounted investment charges and so receive better value for the charges they pay than for schemes where members also bear the administration costs themselves.

The total charges of the funds used within the default lifestyle strategy are below the charge cap of 0.75% per annum, as set out by the Regulator, though self-selected funds are not subject to the charge cap.

The Trustee notes that if the MRA Lifestyle Strategy were to invest the growth seeking assets in passive equities that the investment charges could be reduced compared to the current approach of investing in the MRA Diversified Fund. The Trustee believes that the diversification within the Plan's investment approach will provide more stable long term investment growth which will help to enhance members' experience of, and outcomes from the Plan.

The Trustee also notes that cheaper passive equity funds are available as self-select funds for members who would prefer to take on more volatility of fund values with lower investment charges.

Additional Voluntary Contributions (AVCs)

Members have historically been offered arrangements with Santander, Equitable Life (now transferred to Utmost Life and Pensions ["Utmost"]) and Aviva in which to invest their AVCs and some funds remain with these managers.

Members of the MRA may continue to pay AVCs, however they must be invested in the same way as their normal contributions. With Mobius Life, MRA members are able to pay additional contributions into the main range of funds detailed above within this statement. The charges for these funds are as described above.

Santander

The Santander arrangement is a deposit type approach which applies a rate of interest to members' accumulated funds and does not apply explicit charges.

The interest rates which have applied over the last 5 years are as follows:

- 30 September 2016 to 31 August 2018: 0.5%
- 1 September 2018 to 31 March 2020: 0.25%
- 1 April 2020 31 May 2022 0.0%
- 1 June 2022 to 30 June 2022: 0.25% pa
- 1 July 2022 to 31 August 2022: 0.50% pa
- 1 September 2022 to 30 September 2022: 1.00% pa
- 1 October 2022 to 30 November 2022: 1.50% pa
- 1 December 2022 to 31 December 2022: 2.25% pa
- 1 January 2023 to 28 February 2023: 2.75% pa
- 1 March 2023 to 31 March 2023: 3.25% pa
- 1 April 2023 current date: 3.50% pa

The Trustee wrote to these members in July 2022, informing them low rates of interest were being applied to their fund and reminding them of the alternative investment options available to them, including that they can choose to transfer their AVC holdings to the MRA funds with Mobius to benefit from the range of funds available within the Plan. No response was received from members to this communication.

Utmost

The charge for the UMMF is 0.5% p.a. and therefore, the Trustee notes that in the current market, with bank base rates being very low, performance has recently been negative (after taking into account the 0.5% p.a. annual management charge). However, this fund is expected to be considerably less volatile than alternative options. The charge for the Utmost Managed Fund is 0.75% p.a..

The UMMF and Utmost Managed Fund experienced transaction costs of 0.0203% and 0.0971% respectively over the 12 months to 31 December 2022.

Net performance for the funds over 1, 3 and 5 years has been;

Fund	1 Year (%)	3 Years (%p.a.)	5 Years (%p.a.)
Utmost Money Market Fund	0.9	0.1	0.2
Utmost Managed Fund	-5.9	1.6	2.5

Aviva

Aviva offers a range of unit linked funds; the Annual Management Charge for these is 0.65%p.a. in relation to regular contributions, and 0.55%p.a in relation to monies transferred in. The transaction costs in relation to the Aviva funds, as well as net performance for the unit linked funds to 31 December 2022 (based on the regular contribution charge of 0.65%p.a.) for 1, 3 and 5 years are set out below:

AVC Funds	Transaction Costs	1 Year (%)	3 Years (%p.a.)	5 Years (%p.a.)
Aviva Pension European	0.2717%	-10.4%	3.9%	2.9%

AVC Funds	Transaction Costs	1 Year (%)	3 Years (%p.a.)	5 Years (%p.a.)
Aviva Pension UK Equity	0.1400%	3.3%	2.2%	3.4%
Aviva Pension Fixed Interest	0.0806%	-21.8%	-6.9%	-3.0%
Aviva Pension Global Equity	0.3831%	-10.1%	10.4%	10.3%
Aviva Pension Index-Linked	0.0402%	-34.0%	-8.9%	-4.6%
Aviva Pension Managed	0.0191%	-11.4%	1.6%	2.1%
Aviva Pension North American	0.2945%	-10.0%	12.5%	11.9%
Aviva Pension Pacific Basin	0.1574%	-6.5%	2.6%	3.1%
Aviva Pension Pre-Retirement Fixed Interest	0.0271%	-28.3%	-9.3%	-4.2%
Aviva Pension Property	0.1916%	-10.2%	0.3%	1.5%
Aviva Pension Stewardship Managed	0.1443%	-13.4%	3.5%	5.7%
Aviva Pension Cash	0.0006%	0.7%	-0.1%	0.0%

Transaction costs information provided by Aviva.

All the AVC charges referred to above relate to the cost of the money purchase provider. The AVC benefits will be processed by Mercer's Administration Team, whose costs are met directly by the Employer and are therefore not borne by the members.

The Trustee notes that the charge cap of 0.75%p.a. does not apply to AVC arrangements, but this is still a useful reference measure.

The Trustee also notes that there is a range of AVC arrangements available and members could select other investment options at a lower charge, and that the administration cost is paid by the Employer.

Trustee Knowledge and Understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for trustees to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension schemes, investment of Plan assets and other matters to enable them to exercise their functions as trustees properly. This requirement is underpinned by guidance in the Pension Regulator's DC Code of Practice (13), paragraphs 41 to 50. The comments in this section relate to the Trustee as a body in dealing with the whole Plan and are not restricted to the DC section. The trustee's knowledge of its scheme documents have been utilised when deciding the payment of death benefits and during the strategic review of DC pensions.

The Trustee Directors are all experienced in their roles, with all5 being in place for over 5 years. They receive advice from professional advisors, who attend all full trustee meetings and the relevant skills and experience of those advisors is a key criterion when evaluating advisor performance or selecting new advisors.

The experience of the Trustee Directors and the assistance of the advisers, both at meetings, and outside meetings as required, helps the Trustee to make sure that the Plan is administered in accordance with its governing documents and policies, as well as the overriding pensions legislation, as well as the Statement of

Investment Principles. The Trustee Directors undertake continuous training and development, have an annual training plan and a training log is maintained and updated at each Trustee meeting to evidence this.

All Trustee Directors have completed the Pensions Regulator's Trustee Toolkit and new Trustee Directors are required to complete this within six months of taking up office, as set out in regulations 3 and 4 of the Occupational Pension Schemes Regulations 2006 and underpinned by guidance in the DC Code of Practice (13), paragraph 43.

The Chair of the Trustees has completed the Pensions Management Institute's Pension Trusteeship Examination and furthered their knowledge by successfully passing the Pensions Management Institute Certificate in DC Governance. Another trustee has also completed the Pensions Management Institute's Pension Trusteeship Examination.

In conjunction with their advisers, the Trustee Directors complete a Trustee Board assessment and effectiveness exercise on a periodic basis. One was last completed in September 2019 (previously 2016). The 2019 review concluded that the Trustee Board operates very well, has a good spread of experience and is effectively led. The Trustee Directors expect to conduct the next review in 2024.

Over the Scheme year, between them, the Trustee Directors received the following training:

- 17 May 2022 - Plan documentation storage training
- 12 September 2022 – Single Code Training 12 December
- 2022 - Triennial Valuation & Actuarial Factors Training

The Trustee Directors also received updates on legislative developments in the course of their regular meetings, with a Current Pensions Issues document from Mercer being included on the agenda at each Trustee meeting, so that the Trustee Directors can satisfy themselves that they are kept up to date with relevant developments.

Finally, several of the Trustee Directors have attended webinars and presentations from providers, including Mercer and their legal advisors Eversheds Sutherland.

Taking account of actions taken individually and as a Trustee body, and the professional advice available to them, the Trustee Directors consider that they are enabled properly to exercise their functions as Trustee Directors.

Value for Members

The Trustee is aware that for scheme years ending after 31 December 2021, hybrid schemes with an asset size under £100m have a regulatory requirement to carry out a detailed value for members assessment involving a comparison of reported costs and charges and fund performance (net investment returns) with three other DC arrangements, and a consideration of key governance and administration criteria.

The outcome of the assessment must be explained in the annual chair's statement, published on a publicly available website and reported to the Pensions Regulator (TPR) via the annual scheme return.

The purpose of the new 'comparative' element of the assessment is to help trustees determine whether members receive value in their scheme or if they would achieve better value in an alternative DC arrangement.

The transfer of the MRA Section members to the Aon MasterTrust was completed on 6 December 2022.

In making a decision to transfer the MRA members' benefits to The Aon MasterTrust the Trustee carried out a value for members' assessment and concluded that by transferring, the members would receive better value for money.

In making this assessment, the Trustee has taken into consideration the Plan's overall governance framework, competency of administration, default investment strategy and range of investment options, investment

performance, investment charges including transaction costs, member communications, including the Plan's website, as well as their own knowledge and understanding.

The Trustee reviewed these factors at its meeting of 21st July 2023 and concluded that it is satisfied that over the year ending 31 December 2022, the Plan provided Value for Members, albeit that members would receive better value in The Aon MasterTrust.

The review also re-iterated the conclusions drawn from recent reviews, that some of the funds in which members are invested may not be the most appropriate to generate long term above inflation returns.

The Trustee is satisfied that a sufficiently wide range of options is available to members and that these are well communicated to members. The Trustee therefore concludes that members receive value for money in relation to the AVCs provided by the Plan.

Chair's statement

As Trustee of the Plan, we have reviewed and assessed our systems, processes and controls across key governance functions and we are satisfied that the actions taken by the Trustee over the year are consistent with those expected by The Pensions Regulator.

This Chair's Statement regarding DC governance was approved by the Trustee on 21st July 2023 and signed on its behalf by Leonora Scaife as Chair of the AMG UK Group Pension Trustee Limited on 31st July 2023.