

THE PROFESSIONAL GOLFERS' ASSOCIATION 2001 RETIREMENT AND DEATH BENEFITS SCHEME (THE "SCHEME")

ANNUAL CHAIR'S STATEMENT FOR YEAR ENDING 31 DECEMBER 2023

PREPARED IN ACCORDANCE WITH REGULATION 23 OF THE OCCUPATIONAL PENSION SCHEMES (SCHEME ADMINISTRATION) REGULATIONS 1996 (THE "REGULATIONS")

1. Annual statement regarding governance

- 1.1 Under legislation set out in regulation 23 of The Occupational Pension Schemes (Scheme Administration) Regulations 1996 as amended by The Occupational Pension Schemes (Charges and Governance) Regulations 2015, as Chair of the Trustees of the Professional Golfers' Association 2001 Retirement and Death Benefit Scheme, I am pleased to present this statement (the "Statement") on governance for inclusion in the Trustees' annual report.
- 1.2 This Statement covers the year to 31 December 2023 and will be published on a publicly available website (www.pga.info) and the information with regards to cost disclosures will be signposted in the annual benefit statements.

2. Default Investment Arrangement

- 2.1 A Statement of Investment Principles, prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005, and signed on 1 December 2023, is attached. This incorporates details of the default investment option and the other fund options available to members. The objectives in relation to the investments, including the default, are as follows:
 1. To provide a default investment option for members until they make their own investment decisions.
 2. To make available a range of investment funds that is expected to enable members to select an investment strategy that meets their own individual needs and preferences.
 3. Offer access to lifestyle strategies which facilitate diversification and are expected to achieve long term capital growth.
 4. Offer funds and lifestyle strategies that enable members to reduce investment risk in the run-up to retirement.
 5. Offer funds which mitigate the impact of sudden and sustained reductions in capital values or rises in the cost of providing benefits at retirement (cash, annuity purchase or drawdown).
- 2.2 The last formal investment strategy review took place on 3 December 2021. No changes were implemented following this review and the investment objectives were confirmed as appropriate for the membership. The review included analysis of the membership and projections of potential member pot sizes to support recommendations. The next investment strategy review will be undertaken in Q4 2024.
- 2.3 The Trustees decided to maintain the default, which is designed for members who intend to take their savings from the Scheme as cash at retirement. The default investment option is the Aviva My Future 'Target Cash Lump Sum' Option. This option offers greater diversification in the growth phase, with return not solely reliant on equity markets and a more appropriate asset allocation for most members at retirement. The Trustees have delegated the day-to-day management and asset allocation decisions underlying the strategy to Aviva.
- 2.4 The Trustees are comfortable that the default option is consistent with the objectives stated in the Statement of Investment Principles. There have been no material changes to the membership during the year and the Trustees were of the view that no changes were required. The objectives were also reviewed and remain unchanged.
- 2.5 The Trustees have established a more focused range of funds for members, as detailed below:
 - My Future 'Target Cash Lump Sum' Option;

- My Future 'Target Annuity' Option;
- My Future 'Target Drawdown' Option;
- Aviva Pension BlackRock (50:50) Global Equity Index Tracker Fund;
- Aviva Pension BlackRock UK Equity Index Tracker Fund;
- Aviva Pension Managed Fund;
- Aviva Pension Stewardship Managed Fund;
- Aviva Pension Property Fund;
- Aviva Pension BlackRock Over 15 Year Corporate Bond Index Tracker Fund;
- Aviva Pension Pre Retirement Fixed Interest Fund;
- Aviva Pension BlackRock Over 5 Year Index-Linked Gilt Index Tracker Fund;
- Aviva Pension Cash Fund;
- Aviva FP With Profits Fund (NGP Pre Demutualisation)
- Aviva FP With Profits Fund (NGP Series 1)
- Aviva FP With Profits Fund (NGP Series 3)

2.6 The With-Profits Funds are closed to new investment but included for monitoring purposes as members still have saving invested in them. These were included in the last formal investment strategy review and the Trustees are aware that there are several challenges to disinvesting these assets earlier than a member's retirement date.

2.7 The default lifestyle strategy has a Total Expense Ratio (TER) of 0.65% p.a., which is below the charge cap of 0.75% p.a. These member charges do not include transaction costs, which are discussed in more detail in section 4. The Trustees assessed the competitiveness of the charge level as part of the investment strategy review and in the annual value for members' assessment and will negotiate charges further with Aviva given the outcome of the 2024 value assessment, taking into account wider considerations in relation to pension strategy.

2.8 The default investment option is structured as follows:



3. Core Financial Transactions

3.1 As required by regulation 24 of the Regulations, the Trustees must ensure that core financial transactions are processed promptly and accurately. This includes:

- Investment of contributions paid to the Scheme;
- Transfers of members' assets into and out of the Scheme;

- Transfers of members' assets between different investment options available in the Scheme; and
- Payments from the Scheme to, or in respect of, members.

3.2 The requirements of the Regulations have been met and core financial transactions have been processed promptly and accurately.

- The Trustees have appointed a professional third party administrator, which is Aviva.
- Service levels from Aviva are monitored by the Trustees and a report is received annually from Aviva. The overall SLA achievement in the period from 1 January 2023 to 31 December 2023 (for both financial & non-financial demands) is 96%. For core financial transactions only, the overall SLA achieved was 100%.
- There was a change in the volume of demands of 1% from 1 January 2023 to 31 December 2023, and this is not considered to be a significant change. The top three demands this year by volume of service were:
 - customer amendments, with c.67% of demands completed within 1 day and c. 96% completed within 5 days;
 - new entrants/joiners, with c.86% being completed within 1 day and c.99% completed within 5 days;
 - general administration, with c.25% being completed within 1 day and c.55% completed within 5 days.
- There were 3 complaints received by Aviva on behalf of members with 2 being closed during June 2023. Aviva confirmed all complaints were based around timings issues. The Trustees continue to challenge Aviva in relation to any concerns during the year and this remains an ongoing discussion at Trustees' meetings with a granular review undertaken at the Q4 2023 Trustees' meeting where Aviva present their annual governance report.
- Service from Aviva remained positive with a 67% Net Promotor Score; 94% Customer Satisfaction Score and an 85% First Point Resolution Score.
- The Trustees discuss cases of retirement and transfers regularly at Trustees' meetings to ensure cases are progressed on time and any barriers are overcome.
- There are close working links between internal Finance, Human Resources and Payroll teams as well as the Trustees' advisers, Mercer, and Aviva in order to respond to the member queries when they are raised.
- The Trustees consider individual cases at each Trustees' meeting to verify that leavers and retirement requests have been processed promptly and accurately. Cases where this has not occurred have been limited and have been highlighted by the Trustees. The Trustees seek to verify where members are requesting transfers to ensure, as far as possible, that they are not victims of pension scam activity.
- The Trustees also appoint an independent auditor to carry out an annual audit of the Scheme, including the core financial transactions that have taken place during the Scheme year.

4. Charges and Transaction Costs

4.1 As required by regulation 25 of the Regulations, the Trustees are required to report on the charges and transaction costs for the investments used in the default and non-default arrangements and their assessment of the extent to which the charges and costs represent good value for members.

4.2 We note that while transaction costs and charges are an important consideration, they are not the only criteria the Trustees assess. A number of other qualitative and quantitative factors are also considered in a holistic manner when making strategic decisions in relation to investment strategy with good outcomes for members being the ultimate goal for the Scheme.

5. Return on Investments

- 5.1 The charges (represented by the Total Expense Ratio “TER”) applicable to the default arrangements during the period are 0.65% p.a. The charge cap introduced by regulations, of 0.75% p.a., applies solely to the default investment option and is adhered to.

Under the current fund range, all funds have a member charge of 0.65% p.a.

- 5.2 Details of the funds as at 31 December 2023 that are component parts of the default option or other prominent funds, and the associated charges are shown in the table below:

Fund	Annual Management Charge (p.a.)	Total Expense Ratio (p.a.)	£ as at 31 Dec 2023 (£000s)
Aviva Pension BlackRock (50:50) Global Equity Index Tracker	0.65%	0.65%	70.6
Aviva Pension BlackRock Over 15 Year Corporate Bond Index Tracker	0.65%	0.65%	0.7
Aviva FP With Profits Fund (NGP Pre Demutualisation)	0.65%	0.65%	27.2
Aviva FP With Profits Fund (NGP Series 1)	0.65%	0.65%	1,279.3
Aviva FP With Profits Fund (NGP Series 3)	0.65%	0.65%	20.1
Aviva Pension BlackRock UK Equity Index Tracker	0.65%	0.65%	45.4
Aviva Pension BlackRock Over 5 Year Index-Linked Gilt Index Tracker	0.65%	0.65%	0.3
Aviva Pension Managed	0.65%	0.65%	23.5
Aviva Pension My Future Cash Lump Sum	0.65%	0.65%	153.4
Aviva Pension My Future Consolidation	0.65%	0.65%	913.2
Aviva Pension My Future Growth	0.65%	0.65%	2,358.8
Aviva Pension Stewardship Managed	0.65%	0.65%	76.2
Aviva Pension Property	0.65%	0.65%	11.0

Source: Aviva as at 31 December 2023.

- 5.3 In addition to investment management charges and the additional fund expenses included in the TER, investment funds are subject to other implicit costs, such as the investment manager’s expenses associated with trading a fund’s underlying securities, including commissions and stamp duty. These expenses are not explicitly deducted from the fund but are captured by a reduction in investment returns.
- 5.4 The Financial Conduct Authority has provided guidance (PS17/20) to investment managers regarding calculations and disclosures of transaction costs which comply with the updated regulations. The Trustees have requested this information from the underlying fund managers, through the Scheme’s investment provider where applicable, and have made this information accessible to members on a publicly available website and the link to this website is include on member statements.

Illustrative examples of the cumulative effects over time of the relevant costs and charges on the value of members’ benefits, as well as details on the aggregate transaction costs incurred by each fund, can be found below to comply with the legislation.

Charges and Transaction Cost Illustrations

Using the charges and transaction cost data provided by the relevant parties and in accordance with regulation 23(1)(ca) of the Regulations, as inserted by the 2018 Regulations, the Trustees have prepared an illustration detailing the impact of the costs and charges typically paid by a member of the Scheme on their retirement savings pot. The statutory guidance has been considered when providing these examples.

The illustrations that follow take into account the following elements:

- An assumed starting pot size of zero;
- Contributions, where applicable;
- Real terms investment return gross of costs and charges;
- Adjustment for the effect of costs and charges; and
- Time.

Illustration of effect of costs and charges for the default arrangement and a range of funds within your scheme – The Professional Golfers Association 2001 Retirement and Death Benefits Scheme						
	My Future Target Cash		Av BlackRock Over 5 Year Index-Linked Gilt Index Tracker-FPILGX_P		Av BlackRock UK Equity Index Tracker-FPEQIX_P	
	Default Investment Programme		Lowest charge fund		Highest charge fund	
	Assumed growth rate 4.3%		Assumed growth rate 3%		Assumed growth rate 6.5%	
	Assumed costs and charges 0.71%		Assumed costs and charges 0.65%		Assumed costs and charges 0.85%	
At end of year	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken
1	£1,200	£1,190	£1,190	£1,190	£1,210	£1,210
2	£2,420	£2,400	£2,390	£2,370	£2,470	£2,450
3	£3,660	£3,620	£3,590	£3,550	£3,780	£3,730
4	£4,930	£4,860	£4,790	£4,730	£5,140	£5,050
5	£6,220	£6,110	£6,010	£5,910	£6,550	£6,400
10	£13,000	£12,600	£12,200	£11,800	£14,500	£13,800
15	£20,500	£19,400	£18,500	£17,600	£24,100	£22,500
20	£28,700	£26,600	£24,900	£23,300	£35,700	£32,500
25	£37,700	£34,300	£31,500	£29,000	£49,800	£44,100
30	£47,500	£42,400	£38,300	£34,700	£66,900	£57,500
35	£58,300	£50,900	£45,300	£40,300	£87,500	£73,200
40	£70,100	£59,900	£52,400	£45,900	£113,000	£91,300
45	£83,100	£69,500	£59,700	£51,400	£143,000	£112,000
50	£95,200	£78,000	£67,200	£56,900	£179,000	£137,000

How we worked out the figures in the tables

It's important to understand the difference that costs and charges make to your pension pot, but we can't predict exactly what will happen in the future so we've had to make some assumptions. The values shown are estimates and are not guaranteed.

These assumptions are:

1. We've assumed someone doesn't have anything in their pension pot when they start saving. Contributions are assumed to be paid £100 monthly increasing in line with assumed earnings inflation of 2.5% each year.
2. The figures illustrate the pension pot value in 'today's money' which means they take inflation into account by discounting values at 2.5% a year. Seeing the figures in this way shows you what they could be worth today. It's important to note that inflation reduces the worth of all savings and investments. The effect of this is shown in the illustration and could mean the fund may reduce as well as grow in 'today's money'.
3. Transaction costs may not have been included where data was not available from the fund managers.
4. As your scheme's default investment option moves your investments to lower risk funds when you're approaching retirement, the growth rate and charges within the investment option may change. We've modelled these expected changes within the projections. The growth rate and charges shown in the default investment programme illustration are weighted averages and are for information only. Full details of the individual funds that make up the default investment programme are shown in table 2.

Some important things to remember

Your section of the scheme will offer other funds to those illustrated, with different growth potential and different costs and charges, and may also offer other lifestyling investment options. If you have selected another lifestyling investment option your pension pot will automatically be moved into different funds as you approach your retirement date and your scheme literature will provide details of how this works. As the individual funds used in a lifestyling approach have different growth potential and different charges, the overall growth rate and overall charge will change over time.

For these reasons, we have shown a range of funds with a range of charges which are available to you and which could apply to your pension pot during the life of your plan. A personal projection of your pension pot is included in your annual benefit statement and you should read that to get an individual view of your projected pension benefits. You'll also find details of the actual charges applicable to you in your scheme literature.

The figures shown here:

- Shouldn't be used to make investment decisions, so if you need to do that, we recommend that you take financial advice.
- May not be relevant to your personal circumstances. Your money may be invested in different funds, for example.

List of funds included in the Default Investment Option		
Fund name	Total Cost and Charge (p.a.)	Growth Rate (p.a.)
Av My Future Consolidation-FPMFCONP	0.71%	4.40%
Av My Future Cash Lump Sum-FPMFCLSP	0.70%	3.50%
Av My Future Growth	0.00%	0.00%

Source: Aviva, as at 31 December 2023.

Illustration of effect of costs and charges for typical funds within your scheme – The Professional Golfers Association 2001 Retirement and Death Benefits Scheme

	Av FP With Profits Fund (NGP Series 1)-FPPROF1P		Av FP With Profits Fund (NGP Pre Demutualisation)-FPPROF_P		Av BlackRock Over 5 Year Index-Linked Gilt Index Tracker-FPILGX_P		Av BlackRock UK Equity Index Tracker-FPEQJK_P	
	Default Fund 1		Default Fund 2		Lowest charge fund		Highest charge fund	
	Assumed growth rate 5.1%		Assumed growth rate 5%		Assumed growth rate 3%		Assumed growth rate 6.5%	
	Assumed costs and charges 0.75%		Assumed costs and charges 0.75%		Assumed costs and charges 0.65%		Assumed costs and charges 0.85%	
At end of year	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken
1	£1,200	£1,200	£1,200	£1,200	£1,190	£1,190	£1,210	£1,210
2	£2,440	£2,420	£2,430	£2,410	£2,390	£2,370	£2,470	£2,450
3	£3,700	£3,660	£3,700	£3,650	£3,590	£3,550	£3,780	£3,730
4	£5,000	£4,920	£4,990	£4,910	£4,790	£4,730	£5,140	£5,050
5	£6,330	£6,210	£6,310	£6,190	£6,010	£5,910	£6,550	£6,400
10	£13,500	£13,000	£13,400	£12,900	£12,200	£11,800	£14,500	£13,800
15	£21,600	£20,400	£21,500	£20,200	£18,500	£17,600	£24,100	£22,500
20	£30,800	£28,500	£30,500	£28,200	£24,900	£23,300	£35,700	£32,500
25	£41,300	£37,300	£40,700	£36,800	£31,500	£29,000	£49,800	£44,100
30	£53,100	£46,900	£52,300	£46,200	£38,300	£34,700	£66,900	£57,500
35	£66,500	£57,400	£65,300	£56,400	£45,300	£40,300	£87,500	£73,200
40	£81,700	£68,900	£79,900	£67,500	£52,400	£45,900	£113,000	£91,300
45	£99,000	£81,400	£96,500	£79,500	£59,700	£51,400	£143,000	£112,000
50	£118,000	£95,100	£115,000	£92,600	£67,200	£56,900	£179,000	£137,000

How we worked out the figures in the tables

It's important to understand the difference that costs and charges make to your pension pot, but we can't predict exactly what will happen in the future so we've had to make some assumptions. The values shown are estimates and are not guaranteed.

These assumptions are:

1. We've assumed someone doesn't have anything in their pension pot when they start saving. Contributions are assumed to be paid £100 monthly increasing in line with assumed earnings inflation of 2.5% each year.
2. The figures illustrate the pension pot value in 'today's money' which means they take inflation into account by discounting values at 2.5% a year. Seeing the figures in this way shows you what they could be worth today. It's important to note that inflation reduces the worth of all savings and investments. The effect of this is shown in the illustration and could mean the fund may reduce as well as grow in 'today's money'.
3. Transaction costs may not have been included where data was not available from the fund managers.

Some important things to remember

Your section of the scheme will offer other funds to those illustrated, with different growth potential and different costs and charges, and may also offer some form of lifestyle investment approach. If you have selected the lifestyle investment approach your pension pot will automatically be moved into different funds as you approach your retirement date and your scheme literature will provide details of how this works. As the individual funds used in a lifestyle approach have different growth potential and different charges, the overall growth rate and overall charge will change over time.

For these reasons, we have shown a range of funds with a range of charges which are available to you and which could apply to your pension pot during the life of your plan. A personal projection of your pension pot is included in your annual benefit statement and you should read that to get an individual view of your projected pension benefits. You'll also find details of the actual charges applicable to you in your scheme literature.

The figures shown here:

- Shouldn't be used to make investment decisions, so if you need to do that, we recommend that you take financial advice.
- May not be relevant to your personal circumstances. Your money may be invested in different funds, for example.

Source: Aviva, as at 31 December 2023.

6. Return on Investments

6.1 The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') introduced new requirements for trustees of 'relevant' occupational pension schemes.

6.2 From 1 October 2021, trustees of all relevant pension schemes have been required to calculate and state the return on investments from their default and self-select funds, net of transaction costs and charges. This information must be recorded in the annual chair's statement and published on a publicly accessible website.

6.3 The tables below show performance, net of all charges and transaction costs, of all funds available to members during the Scheme year.

Default lifestyle strategy	Annualised returns to 31 December 2023 (%)	
	1 year	5 years (% p.a.)
Age of member		
25	13.6	9.3
45	13.6	9.3
55	10.5	2.8

Source: Aviva as at 31 December 2023

Performance shown net of all charges and transaction costs. Performance has been calculated based on a fixed weighted average of underlying fund performance in the lifestyle, with the weightings as at the ages shown.

Self-select fund	Annualised returns to 31 December 2023 (% p.a.)				
	1 year	5 years	10 years	15 years	20 years
Aviva Pension BlackRock (50:50) Global Equity Index Tracker	10.5	8.2	7.2	8.9	7.8
Aviva Pension BlackRock Over 15 Year Corporate Bond Index Tracker	8.4	-2.3	1.9	4.2	3.6
Aviva Pension BlackRock Over 5 Year Index-Linked Gilt Index Tracker	-1.1	-5.7	1.3	3.2	3.8
Aviva Pension Managed	6.8	5.0	4.5	6.2	5.7
Aviva Pension Stewardship Managed	10.5	8.3	8.0	9.2	7.7
Aviva FP With Profits Fund (NGP Pre Demutualisation)	3.3	4.4	4.5	5.4	5.1
Aviva FP With Profits Fund (NGP Series 1)	3.3	3.0	4.3	5.3	5.0
Aviva FP With Profits Fund (NGP Series 3)	3.3	3.0	4.3	5.3	5.0
Aviva Pension My Future Cash Lump Sum**	5.0	0.2	-*	-*	-*
Aviva Pension My Future Consolidation**	7.7	2.4	3.6	-*	-*

Aviva Pension My Future Growth**	13.6	9.3	8.1	-*	-*
Aviva Pension BlackRock UK Equity Index Tracker	7.2	6.0	4.7	7.6	6.4
Aviva Pension Property	-0.4	0.8	4.0	5.6	4.2

Source: Aviva as at 31 December 2023

Performance shown net of all charges and transaction costs. Performance has been calculated based on a fixed weighted average of underlying fund performance in the lifestyle, with the weightings as at the ages shown.

*Performance data not available for these time periods due to inception date of funds.

** Part of the default lifestyle strategy

Aggregate transaction costs

The next table shows the aggregate transaction costs based upon the information supplied by Aviva. Transaction costs below represent averages of the 5 year costs as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023, considering the years for which data was provided.

Fund Name	Administration Cost	Total Transaction Cost	Buying and Selling Transaction Cost	Lending and Borrowing Transaction Cost	External Transaction Cost Data Missing	Slippage Cost methodology not used	Comments/ Additional Information
Av FP With Profits Fund (NGP Pre Demutualisation)-FPPROF_P	0.65%	0.0890%	0.0890%	0.0000%	0%	0%	The transaction costs for this fund were provided for 2020, 2021, 2022 and 2023 only.
Av FP With Profits Fund (NGP Series 1)-FPPROF1P	0.65%	0.0890%	0.0890%	0.0000%	0%	0%	The transaction costs for this fund were provided for 2020, 2021, 2022 and 2023 only.
Av FP With Profits Fund (NGP Series 3)-FPPROF3P	0.65%	0.0890%	0.0890%	0.0000%	0%	0%	The transaction costs for this fund were provided for 2020, 2021, 2022 and 2023 only.
Aviva Pension BlackRock UK Equity Index Tracker	0.65%	0.0747%	0.0701%	0.0046%	0%	0%	The costs provided represent those incurred by the underlying fund in buying and selling its holdings and do not include those incurred by the Aviva fund in buying and selling units in the underlying fund(s).
Aviva Pension Pre-retirement Fixed Interest	0.65%	0.0454%	0.0454%	0.0000%	0%	0%	
Aviva Pension Stewardship Managed	0.65%	0.2043%	0.2043%	0.0000%	0%	0%	
Aviva Pension My Future Growth	0.65%	0.0701%	0.0673%	0.0028%	0%	0%	
Aviva Pension BlackRock Over 15 Year Corporate Bond Index Tracker	0.65%	0.1758%	0.1749%	0.0009%	0%	0%	
Aviva Pension Managed	0.65%	0.1073%	0.1067%	0.0006%	0%	100%	
Aviva Pension My Future Consolidation	0.65%	0.0563%	0.0506%	0.0057%	0%	0%	
Aviva Pension BlackRock Over 5 Year Index-Linked Gilt Index Tracker	0.65%	0.0203%	0.0149%	0.0054%	0%	0%	
Aviva Pension Cash	0.65%	0.0098%	0.0098%	0.0000%	0%	100%	
Aviva Pension BlackRock (50:50) Global Equity Index Tracker	0.65%	0.0477%	0.0440%	0.0037%	0%	0%	

Aviva Pension My Future Cash Lump Sum	0.65%	0.0501%	0.0460%	0.0041%	0%	0%
Aviva Pension Property*	0.65%	0.0995%	0.0995%	0.0000%	0%	0%

Source: Aviva, 5 years averages based on costs as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023, considering the years for which data was provided.

* Required underlying data is not available for the 5 years so data for maximum available period used.

6.4 The Trustees fully support transparency of costs for members. While costs and charges are an important consideration, they are not the only criteria the Trustees assess. A variety of factors are typically considered in a holistic manner when making strategic decisions in the best interests of the Scheme's members.

7. Asset Allocation Disclosure

7.1 The Occupational Pension Schemes (Administration, Investment, Charges and Governance) and Pensions Dashboards (Amendment) Regulations 2023 ("the 2023 Regulations") introduced new requirements for trustees and managers of certain occupational pension schemes

7.2 For the first scheme year that ends after 1 October 2023, trustees or managers of relevant occupational pension schemes, are required to disclose their full asset allocations of investments from their default arrangements.

7.3 There are currently no performance-based fees being charged for the Scheme as at 31 December 2023.

My Future Target Cash Lump Sum	Percentage allocation average 25 years (%)	Percentage allocation average 45 years (%)	Percentage allocation average 55 years (%)	Percentage allocation average 65 years (%)
Listed Equities	76.2%	76.2%	49.8%	0.0%
Corporate Bonds	15.1%	15.2%	21.9%	54.9%
Government Bonds	8.7%	8.7%	25.3%	25.0%
Other Bonds*	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	3.0%	20.1%
Private Equity	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%
Property/Real Estate	0.0%	0.0%	0.0%	0.0%
Private Debt/Credit	0.0%	0.0%	0.0%	0.0%
Other**	0.0%	0.0%	0.0%	0.0%

Source: Aviva as at 31 December 2023.

Notes:

Normal Retirement Date for the Plan is age 65, members have the option of selecting their own retirement date.

The following describes the types of investments covered by the above asset classes:

Listed Equity – Shares in companies that are listed on global stock exchanges. Owning shares makes the Plan a part owner of the company, entitled to a share of the profits (if any) payable as dividends.

Bonds – Loans made to the bond issuer, usually a government or a company, to be repaid at a later date.

Cash – Cash and assets that behave similarly to cash e.g. treasury bills. It only includes invested cash and not the cash balance held by the Plan.

Private Equity – Unlisted equities that are not publicly traded on stock exchanges. Encompasses a broad range of investment styles, including for example: Venture Capital, Growth Equity, Buyout funds.

Infrastructure – Physical structures, facilities, systems, or networks that provide or support public services including water, gas and electricity networks, roads, telecommunications facilities, schools, hospitals, and prisons

Property – Real estate, potentially including offices, retail buildings which are rented out to businesses.

Private Debt – Other forms of loan that do not fall within the definition of a 'Bond'.

Other – Any assets that do not fall within the above categories.

8. Value for Money

- 8.1 The Trustees have assessed the extent to which the charges and transaction costs set out above represent good value for members. This view is underpinned by a formal value for members' assessment, carried out with the assistance of the Scheme's advisers for the year ending 31 December 2023. This assessment covered the following aspects:
- Member-borne charges and transaction costs, assessed comparatively with three other DC arrangements.
 - Net investment performance of the Scheme's investment options, assessed comparatively with three other DC arrangements.
 - An assessment of the Scheme's administration and governance offering against seven key metrics.
- 8.2 The Trustees are of the view that the Scheme currently provides **good** value for its members overall:
- The Trustees have assessed the Scheme as offering reasonable to poor value from a costs and charges perspective. Pricing in the market continues to develop and the review has demonstrated that more competitive charge are more feasible than they were before. The Trustees will seek to undertake further negotiations on the matter.
 - The Trustees have assessed the Scheme as offering good value from a net investment performance perspective. Performance of the default arrangement has been mainly positive once compared with those of the three comparator schemes and also positive in absolute terms, contributing to improving member outcomes.
 - Self-select returns have been mixed returns compared with those of similar funds within the comparator arrangements. The number of members self-selecting investments is relatively small.
 - The Trustees have assessed the Scheme as offering good value from a governance and administration perspective, having assessed activity against a number of underlying sections covering these headline aspects.
- 8.3 The Trustees held four Trustees' meetings during the year to effectively govern over the Scheme and the costs for these meetings, including any adviser fees, are borne by the Association.

9. Trustee Knowledge and Understanding

9.1 In accordance with sections 247 and 248 of the Pensions Act 2004, the Trustees are required to maintain an appropriate level of knowledge and understanding which, together with professional advice which is available to them, enables them to properly exercise their functions and duties in relation to the Scheme.

9.2 Trustees training is of high importance to the good running of the Scheme. The Trustees acknowledge how vital it is that they maintain their knowledge of pension law, trust law, investment principles and are conversant with the Scheme documentation including the Trust Deed and Rules, SIP and Scheme Policies.

9.3 For new Trustees, when they are appointed, they are given an initial introduction by the HR team and are required to undertake and complete The Pensions Regulator's Trustee Toolkit course within six months of taking up the position. Attendance at Trustees' meeting during this time also support them to build knowledge and understanding of specific issues to the Scheme.

9.4 Training

In order to maintain this level of knowledge, the Trustees have procedures and policies in place to ensure that the Trustees take personal responsibility for keeping up to date with relevant developments:

- Trustees undertake training to ensure that they keep up to date with changes in legislation, current issues and the latest developments relating to DC schemes;
- Trustees note the importance of logging any training that the Trustees have undertaken;
- Training for the full board is provided during quarterly meetings and Trustees attend external Trustee training courses when appropriate, which are logged at Trustees' meetings.

Over the course of last year, the Trustees have demonstrated their continuous commitment to learning by undertaking the following training:

- 3 March 2023 – Training on the new requirements for implementation statements and the most significant votes disclosure requirements
- 8 September 2023 – training on the new requirements for inclusion of a policy on illiquids in the Statement of Investment Principles
- 8 September 2023 – training on market developments and value for members

9.5 Examples Demonstrating TKU

The Trustees undertook a number of activities over the past year which demonstrates how they have a working knowledge of pension and trust law and funding and investment principles. These activities include:

- The rules within the Trust Deed have been applied in relation to member transfer requests;
- The production of the implementation statement for the Scheme demonstrates how the Trustees have implemented the policies with the Statement of Investment Principles and have documented their actions to evidence compliance

9.6 Utilising Advisors

The Trustees believe that the best run schemes utilise the combined skill and knowledge of both the Trustees and their professional advisors. The relevant skills and experience of those advisors are key criteria when evaluating advisor performance and selecting new advisors. Additionally, the following measures have applied during the period:

- The Trustees' professional advisors attend their formal meetings;
- The Trustees receive briefings from their advisors on all legislative and regulatory developments at each meeting.
- Aviva has provided relevant updates for support that members can access with them.

- Aviva provides relevant updates directly to the Trustees, covering developments in their proposition.

9.7 Assessing Effectiveness

The Trustees understand that having knowledge on the Board and professional advice available needs to be used effectively in order for the Trustees to act properly. The Trustees have arrangements for ensuring the individual Trustees take responsibility for keeping up to date with relevant developments. Trustees take individual responsibility and have completed the relevant module from the Regulator's toolkit. The Secretary to the Trustees also logs training on a regular basis and is documented in the meeting minutes.

Taking account of actions taken individually and as a group of Trustees and the professional advice available to them, the Trustees consider they are able to exercise their function as Trustees appropriately, having the required knowledge and skills.

I confirm that the above statement has been produced by the Trustees to the best of their knowledge.

Signed for and on behalf of the Trustees of the Professional Golfers' Association 2001 Retirement and Death Benefits Scheme

Signed by:



Name in block letters:

ROBERT SPENCER-SMITH

Title or Position:

CHAIR OF TRUSTEES

Date:

19TH JULY 2024