MARLOWE HOLDINGS LIMITED DC PENSION SCHEME (THE "SCHEME")

ANNUAL GOVERNANCE STATEMENT FOR THE SCHEME YEAR ENDING 31 MARCH 2024

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

1. Introduction

1.1 Under legislation set out in Regulation 23 of The Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the 'Administration Regulations'), as amended by the Occupational Pension Schemes (Charges and Governance) Regulations 2015, the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 (SI 2018/233); and the Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') the Trustees of the Marlowe Holdings Limited DC Pension Scheme (the 'Scheme') is required to prepare a statement (the 'Statement') on DC governance standards within the annual report.

1.2 The statement covers the following core areas:

1. *The default investment arrangement*
2. *Core financial transactions*
3. *The net return on investments experienced within the Scheme*
4. *The underlying asset allocations of the default investment option*
5. *Charges and transaction costs met by members*
6. *An illustration of the cumulative effect of these costs and charges*
7. *Value for Members assessment, and*
8. *The Trustees' compliance with the statutory knowledge and understanding (TKU) requirements.*

As Chair of the Trustees, it is my pleasure to report to you on how the Trustees have embedded these standards over the period from 1 April 2023 to 31 March 2024.

This Statement does not contain advice in respect of actions that members should take and is not intended to be used for that purpose. If members need advice, they can visit the Money Helper website for help in finding and choosing a financial adviser: https://www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser.

If you choose to use a financial adviser, please be sure to check their area of expertise. The adviser will inform you of any charges that apply in return for their advice.

A copy of this Chair's Statement and the latest Statement of Investment Principles are available online, see:

https://www.marloweholdings.co.uk/wp-content/uploads/2023/11/SIP-Marlowe-November-2023-for-website.pdf

We have also notified members of this as part of issuing their annual benefit statements.

2. Default Investment Arrangement

2.1 A copy of the Scheme's latest Statement of Investment Principles ("SIP") dated November 2023 is attached as an Appendix to this Statement. The SIP has been prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005 and subsequent legislation. The SIP covers our aims and objectives in relation to the default investment arrangements as well as our policies relating to matters such as risk and diversification. In addition to the default funds and the wider fund range, the SIP covers alternate investment choices under the Scheme, covering a range of funds that our members can choose, designed with their needs in mind.

2.2 The Trustees' objectives in relation to the default investment strategy are:

- To generate returns in excess of inflation during the "growth" phase of the strategy whilst managing downside risk;
- To provide a strategy that reduces investment risk for members as they approach retirement, and;
- To offer to members a mix of assets at retirement that is broadly appropriate for an individual planning to drawdown an income through retirement.

The default strategy was last reviewed in October 2022, as part of the triennial investment review. The investments (fund type, management style and asset allocation) used in the default investment strategy were reviewed as part of this exercise. The investment review concluded that the current default investment strategy, a lifestyle strategy targeting income drawdown at retirement, remains suitable for the Scheme's membership and is performing in line with the Trustees' stated aims and objectives.

In line with regulatory requirements, the Trustees have drafted a SIP Implementation Statement for the Scheme year ended 31 March 2024. The SIP Implementation Statement sets out how the policies within the SIP have been followed during the Scheme year along with a summary of the voting activity of the investment managers and details of "Significant Votes", with Significant Votes defined as ones that are linked to the Scheme's stewardship priorities/themes or for other reasons such as the size of the holding. A copy of the SIP Implementation Statement can be found in the 2024 Annual Report and Accounts or at https://www.marloweholdings.co.uk/

The default investment arrangement currently follows a pre-set investment route that transitions members' savings over the 8 years prior to the specified retirement date from the initial investment of 50% in the Passive Global Equity Fund and 50% in the Active Diversified Growth Fund to a mix of cash (25%), and the Diversified Retirement Income Fund (75%) at retirement.

The default lifestyle path's growth phase invests predominantly in equities, with allocations to property, bonds and cash via a diversified growth fund. Overall these investments are expected to provide long term (above inflationary) growth with some protection against inflation erosion, albeit with some volatility. Long-term returns, in excess of earnings inflation, with levels of volatility are generally required for members attaining an adequate income in retirement. Younger members can usually withstand the potential downside volatility of equities as they have sufficient time for markets to recover, and benefit from the upside volatility.

2.3 As a member's invested fund grows, investment risk will have a greater impact on member outcomes. Therefore, the Trustees believe that a strategy that seeks to reduce risk, by progressively moving away from investing in equities, as the member approaches retirement is appropriate. This is achieved via automated lifestyle switches over the 8 year period prior to a member's retirement date. In addition, falls in the values of equity investments could potentially inflict significant losses to members' savings at a time when they have insufficient years of accumulation remaining to recover from such losses, particularly if they choose to make early withdrawals from savings.

2.4 The Trustees review the performance of all funds available to members and risk-based reviews are reported on a quarterly basis. Investment is a standing agenda item at the main Trustee meetings.

2.5 The Scheme also offers members the choice of two further lifestyle investment strategies. One of these targets annuity purchase at retirement and the other a cash lump sum. Both of these lifestyles are the same as the default during the growth phase.

2.6 The annuity targeting lifestyle gradually transfers a member's investments to the Annuity Targeting Pre-Retirement Fund and Cash and Money Market Fund over the eight years prior to a member's target retirement date. At this point a member's savings would be invested 75% in the annuity targeting fund and 25% in the money market fund.

2.7 The cash targeting lifestyle initially transfers a member's investments from the Passive Global Equity Fund to a Passive Corporate Bond Fund before transferring the remaining investments to the Cash and Money Market Fund in the two years before a member' target retirement date.

3. **Core Financial Transactions**

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

- Investment of contributions paid to the Scheme;
- Transfer 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 Payment Schedule sets out timescales for all participating employers to remit monthly contributions to the Scheme in accordance with legislative requirements. Once received, contributions are invested in accordance with the timescales set out in the administration agreement with Aptia (the Scheme's Administrators). All contributions were received within the statutory deadline during the year.

3.3 For most of the Scheme year administration services were delivered by Mercer. On 1 January 2024, Mercer transferred its administration business to Aptia who will be the ongoing administrator for the Scheme.

3.4 The Trustees receive administration reports produced by the Administrator, which are reviewed by the Trustees on a regular basis that outline the administrator's performance against the agreed service levels, enabling the Trustees to monitor if the requirements for the processing of financial transactions are being met. The Trustees also receive regular data quality reports from the administrator. Regular calls are held between the administrator and the employer's in-house pensions team to identify and resolve any outstanding administration issues.

3.5 The service level agreements with the Administrator set out the approach (including timescales) regarding the transfer of members' assets into and out of the Scheme, the transfer of members' assets between different investment options available in the Scheme and payments from the Scheme to, or in respect of, members. The service level agreements in place with the administrator are shown in the table below. Note that the service level agreement is unchanged following the transfer to Aptia.

Job Description	SLA (in working days)
Data change	20
Death Quotations	2
Death Settle	2
Divorce Basic Information	20
Divorce Quote	20
DWP	20
General Queries	5
Individual Member Switch	3
Leavers	End of month following withdrawal
Retirement Quotations	10
Retirement Settles	15

Job Description	SLA (in working days)
Transfer in Quotations	10
Transfer in Settle	10
Transfer Out Quotations	20
Transfer Out Settles	20

3.6 From 1 April 2023 to 31 March 2024 an overall service level of 99.7% was achieved. The service level standards are reviewed quarterly to ensure they remain appropriate and meet legislative requirements.

3.7 As a wider review of the Scheme Administrator in general, the Administrator employs an independent auditor, KPMG UK LLP, to prepare an annual report on their internal controls (AAF01/06/ ISAE 3402) which the Trustees have access to.

3.8 The Trustees appoint an independent auditor, RSM UK Audit LLP, to carry out an annual audit of the Scheme, including the material financial transactions that have taken place during the Scheme year. The auditors carry out spot checks to ensure that contributions to the Scheme or payments made by the Scheme are paid in accordance with the Scheme's rules. Based on the above, the Trustees are satisfied that the Scheme's core financial transactions have been processed promptly and accurately during the period to which the Statement relates.

3.9 The Trustees maintain a business plan that sets out key dates and considerations for the Trustees, and helps its overall monitoring of the Scheme.

4. Net Return on Investments

The Trustees are required to report on the net investment returns for the Scheme's default arrangement(s) and for each fund which Scheme members are, or have been able to, select, and in which members are invested during the Scheme year. Net investment returns refer to the returns on funds minus all transaction costs and charges.

The tables below set out annualised net performance for the 1 and 5 year periods for the lifestyle arrangements (for age 25, 45, and 55) and for the self-select fund range.

<u>Lifestyles</u>

Lifestyle Strategies Income Drawdown Strategy / Annuity Strategy/ Cash Strategy *	Annualised returns to 31 March 2024 (%p.a.)	
Age of member at start of period	**1 year**	**5 years**
25	14.4	6.6
45	14.4	6.6
55	14.4	6.3

Source: Scottish Widows and Mercer.

*The growth phase of the lifestyle strategies are the same across strategies at the ages for reporting investment performance. Each strategy adopts a different de-risking approach over the eight years before a member's target retirement date. 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.

The Diversified Retirement Income Fund was introduced to the strategy on 10 January 2020. Prior to this, the strategy used a corporate bond fund in the same role as part of the de-risking phase of the lifestyle strategy. As such, returns for the corporate bond fund have been used to calculate returns for the period up to the end of 2019, and then the Diversified Retirement Income Fund returns are used after this point.

Self-Select Funds

Self-Select Funds	Annualised returns to 31 March 2024 (%p.a.)	
	1 year	5 years
Legacy Passive Global Equity	13.6*	8.6
Passive Global Equity	19.6*	9.9
HSBC Islamic	30.1	-
LGIM – Passive Ethical Global Equity	23.6	-
Active Diversified Growth	9.5*	3.3
Passive Over 15 Year Fixed Interest Gilt	-4.8	-8.3
Passive Corporate Bond	6.3	-0.5
Passive Over 5 Year Index-Linked Gilt	-7.7	-6.8
Annuity Targeting Pre-Retirement	4.1*	-3.4
Diversified Retirement Income	6.7*	-
Active Property	0.3	1.4
Cash and Money Market	5.0	1.5

Source: Scottish Widows and Mercer.

**There was a price swing on the Legacy Passive Global Equity Fund that understated the fund performance by 0.3% p.a. over the one year period.*

**There was a price swing on the Passive Global Equity Fund that understated the fund performance by 0.2% p.a. over the one year period.*

**There was a price swing on the Annuity Targeting Pre-Retirement Fund that overstated the fund performance by 0.7% over the one year period.*

**There was a price swing on the Diversified Retirement Income Fund that understated performance by 0.3% over the one year period.*

5. Asset allocation disclosure

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.

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.

In order that members invested in the Scheme's default arrangement can see how their savings were being invested as at 31 March 2024, the table below shows the percentage of each of the main asset classes held by the Target Drawdown Lifestyle (default) for members at different ages.

	Growth Phase	Drawdown Lifestyle
	Allocation for members more than 8 years away from retirement (members aged 25, 45 and 55 years)	Allocation for members at age 65 and 1 day prior to State Pension Age (assumed to be at age 66)
Cash	0.7%	0.0%
Bonds	16.8%	50.3%
Listed Equity	74.4%	42.2%
Private Equity	0.3%	0.0%
Property	1.2%	3.7%
Infrastructure	0.7%	2.6%
Other	5.9%	1.2%

Source: Scottish Widows for underlying fund allocations as at 31 March 2024, Mercer calculations.

Notes:

- Normal Retirement Date for the Scheme is age 65, members have the opportunity of selecting their own retirement date.
- The following describes the types of investments covered by the above asset classes:
  - 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.
  - Bonds – Loans made to the bond issuer, usually a government or a company, to be repaid at a later date.
  - 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.
  - Private Equity – Unlisted equities that are not publicly traded on stock exchanges. Encompasses a broad range of investment styles, including:
    - Venture Capital – Small, early stage businesses that may have high growth potential, albeit at significant risk.
    - Growth Equity – Relatively mature companies that are going through a transformational event with potential for growth.
  - 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.
  - Other – Any assets that do not fall within the above categories.

6. **Charges and Transaction Costs**

6.1 As required by the Administration Regulations, the Trustees are required to report on the charges and transaction costs for the investments used in the default investment strategy as well as funds available as self-select options to members, and assess the extent to which the charges and costs represent good value for members.

6.2 The range of the levels of charges and transaction costs applicable to the default arrangement during the period are detailed in this section. In relation to transaction costs, the Trustees recognise that when buying and selling investments, transaction costs can be incurred. Transaction costs are not explicitly deducted from a fund but are captured in its investment performance (in other words, the higher the transaction costs, the lower the returns produced by a fund).

6.3 Charges relating to investment management are deducted from members' funds. The Scheme is used as a qualifying arrangement for auto enrolment and as such must comply with regulations on charge controls introduced from April 2015. The Trustees can confirm that the default investment arrangement remains below the charge cap of 0.75% p.a.

6.4 The tables below show the total expense ratio (TER) and transaction costs in each of the funds within the Scheme's default lifestyle arrangement. The overall charge being deducted from a member's fund, if in the default lifestyle arrangement, will reflect the member's allocations in each of the underlying funds. The TER is at its highest during the growth phase, falling during the 8 years prior to the Selected Retirement Age, to reflect the automated transition of assets into less expensive funds.

Lifestyle Strategies Income Drawdown Strategy / Annuity Strategy/ Cash Strategy *	Charges as at 31 March 2024 (%p.a.)	
Age of member	**TER**	**Transaction Costs**
25	0.40	0.10
45	0.40	0.10
55	0.40	0.10

The following table provides information on the charges applicable to the other funds offered as self-select options (Source: Scottish Widows, TERs and Transaction costs are as at 31 March 2024).

Self-Select Funds	TER (% pa)	Transaction Cost (% pa)
Legacy Passive Global Equity	0.13	0.05
Passive Global Equity	0.18	0.07
HSBC Islamic	0.38	0.00
LGIM – Passive Ethical Global Equity	0.28	0.00
Active Diversified Growth	0.62	0.12
Passive Over 15 Year Fixed Interest Gilt	0.11	0.03
Passive Corporate Bond	0.11	0.01
Passive Over 5 Year Index-Linked Gilt	0.11	0.03
Annuity Targeting Pre-Retirement	0.14	0.00
Diversified Retirement Income	0.41	0.08
Active Property	0.74	0.00
Cash and Money Market	0.16	-0.05

Impact of Costs and Charges

6.5 In accordance with regulation 23(1)(ca) of the Administration 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 provided has been considered when providing these examples. The below illustration has taken into account the following elements:

- Savings pot size;
- Real terms investment return gross of costs and charges;
- Adjustment for the effect of costs and charges, and;
- Time.

6.6 To make this representative of the membership, the Trustees have based this on an average member age of 48, using a starting pot size of £18,540 and assumes an overall contribution level of 9%. An assumed starting salary of £28,290 has been used, with a 2.50% salary increase per year. Investment growth per annum is in line with that used for the annual benefit statements.

Projected DC Account in Today's Money (£)						
	Most Popular		Most Expensive Fund		Least Expensive Fund	
	The Default Investment Arrangement		Active Property		Passive Over 15 Year Fixed Interest Gilt	
Age	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
48	£18,540	£18,540	£18,540	£18,540	£18,540	£18,540
50	£24,795	£24,568	£25,189	£24,837	£25,628	£25,571
52	£31,644	£31,116	£32,582	£31,750	£33,641	£33,504
54	£39,134	£38,220	£40,784	£39,327	£42,679	£42,433
56	£47,311	£45,916	£49,868	£47,617	£52,850	£52,462
58	£56,227	£54,246	£59,912	£56,677	£64,275	£63,706
63	£79,565	£75,465	£89,792	£83,083	£99,216	£97,976
65	£89,210	£84,226	£103,905	£95,320	£116,151	£114,533

The TER and transaction costs for the default and most popular fund, the drawdown lifestyle strategy changes depending upon how close the member is to retirement. De-risking for Scheme members begins 8 years before retirement. The underlying asset allocation for the lifestyle option changes over the de-risking period at the end of each year end prior to a member's target retirement date.

Notes:

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation
2. Starting pot size is assumed to be £18 540 and future contributions of 9% have been assumed
3. Starting salary is assumed to be £28 290 with an assumed increase of 2.50 % per year.
4. Transaction costs used within the calculation are an average over the last five years.
5. Values are estimates and are not guaranteed
6. Where quoted transaction costs for a fund are negative, they have been assumed to be zero as a prudent assumption for these illustrations.
7. The projected growth rates for each fund are as follows:
    a. Drawdown Strategy (Default arrangement): between 2.5% and 1.50% p.a gross real return above inflation.
    b. Active Property Fund (Most Expensive Fund): 3.50% p.a. gross expected real return above inflation.
    c. Passive Over-15 year Fixed Interest Gilt Fund (Least Expensive Fund): 4.50% p.a. gross expected real return above inflation.

The Trustees have presented a further illustration below to reflect the position for younger members of the Scheme.

This is based on a member age of 21, using a starting pot size of £1,900 and assumes an overall contribution level of 11%. An assumed starting salary of £20,500 has been used, with a 2.50% salary increase per year.

Projected DC Account in Today's Money (£)						
	Most Popular		Most Expensive Fund		Least Expensive Fund	
	The Default Investment Arrangement		**Active Property**		**Passive Over 15 Year Fixed Interest Gilt**	
Age	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
21	£1,900	£1,900	£1,900	£1,900	£1,900	£1,900
23	£6,622	£6,569	£6,697	£6,615	£6,781	£6,768
25	£11,591	£11,435	£11,837	£11,592	£12,113	£12,073
27	£16,820	£16,506	£17,342	£16,845	£17,935	£17,852
31	£28,115	£27,301	£29,556	£28,240	£31,240	£31,012
36	£43,957	£42,113	£47,389	£44,327	£51,535	£50,981
41	£61,956	£58,538	£68,568	£62,736	£76,836	£75,728
46	£82,405	£76,753	£93,722	£83,803	£108,376	£106,399
51	£105,639	£96,953	£123,598	£107,912	£147,694	£144,411
56	£132,037	£119,353	£159,081	£135,502	£196,708	£191,520
61	£159,694	£141,890	£201,223	£167,076	£257,810	£249,905
65	£178,354	£156,273	£240,564	£195,587	£317,375	£306,524

The TER and transaction costs for the default and most popular fund, the default lifestyle strategy changes depending upon how close the member is to retirement. De-risking for Scheme members begins 8 years before retirement. The underlying asset allocation for the lifestyle option changes over the de-risking period at the end of each year end prior to a member's target retirement date.

Notes:

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation
2. Starting pot size is assumed to be £1,900 and future contributions of 11% have been assumed
3. Starting salary is assumed to be £20,500 with an assumed increase of 2.50 % per year.
4. Transaction costs used within the calculation are an average over the last five years.
5. Values are estimates and are not guaranteed.
6. Where quoted transaction costs for a fund are negative, they have been assumed to be zero as a prudent assumption for these illustrations.
7. The projected growth rate for each fund are as follows:
    a. Drawdown Strategy (Default arrangement): between 2.50% and 1.50% p.a gross real return above inflation.
    b. Active Property Fund (Most Expensive Fund): 3.50% p.a. gross expected real return above inflation.
    c. Passive Over-15 year Fixed Interest Gilt Fund (Least Expensive Fund): 4.50% p.a. gross expected real return above inflation.

6.7 The Trustees acknowledge the requirement to publish these illustrations on a website and members' benefit statements include the web address so that members are kept informed about where they can access this information.

7. **Value for Members**

7.1 In accordance with regulation 25(1) (b), the Trustees are required to consider the extent to which the investment options and the benefits offered by the Scheme represent good value for members when this is compared to other options available in the market.

7.2 The Trustees have assessed the extent to which the charges set out above represent good value for members and has concluded, following receipt of a report from their DC advisers, that the Scheme offers **reasonable** value for money relative to peers including other pension Schemes of a similar size and nature (using data from Mercer, the Pensions Regulator and other public surveys) and relative to options available to the Trustees with alternative investment managers and providers.

7.3 The Trustees conducted a detailed Value for Money assessment in order to arrive at this conclusion, incorporating consideration of:

- Annual management charges;
- Investment platform and other charges;
- Net cost of performance;
- The fund range available to members;
- Investment manager and platform provider ratings, and;
- Additional services available to members, including at-retirement options, services and member tools.

7.4 The reasons underpinning this conclusion include:

- 4 of the 12 funds used by the Scheme were assessed as providing **good** value when considering price, the rest were rated a providing reasonable or poor value.;
- Of those funds that were rated as providing reasonable value;
    - The Active Diversified Growth, Passive Over 15 Year Fixed Interest Gilt Fund, Passive Over 5 Year Index-Linked Gilt Fund and the Cash and Money Market Fund are all broadly in line with the median of the universe in which they are measured against, (only above by 0.1%).
    - The Ethical Global Equity Fund and Active Property Fund are all within the median to upper quartile range. The Passive Global Equity Fund is the only 'poor' rated fund as it is in the upper quartile of charges for similar funds.
    - The HSBC Islamic Global Equity Fund is unrated. The fund's charges are higher than that of similar global equity funds. However, it should be noted that in practice this fund has a very specific aim of being Shariah compliant and there is a lack of direct comparators in the market that also provide this.
- 9 of the 12 funds used by the Scheme are assessed as providing **good** value when considering performance.
- For the other 3 funds:
    - The Active Diversified Growth and the Diversified Retirement Income funds (which both have absolute returns targets) have continued to lag their benchmarks over the 3 year period due to the funds suffering in an environment such as 2022 when equities and bonds significantly sold off in tandem with each other.
    - The Annuity Targeting Pre-Retirement Fund which has failed to track the benchmark within its tracking error, although this fund has largely delivered against its strategic objective of reflecting changes in annuity pricing for members who plan to purchase an annuity in retirement.
- All of the Scheme's funds are highly rated from an investment research perspective by the Scheme's investment advisors (the Property fund is highly rated but has a 'watch' rating).

- The transaction costs provided by the Scheme's fund managers appear to be reflective of the costs expected of the various asset classes and markets that the Scheme invests in, although there is not yet an 'industry standard' that the Trustees can compare against

7.5 In other areas, the assessment found that the Scheme offers reasonable value for money across the range of additional features for members, including scheme governance and management, administration, and communications.

7.6 Additionally, the Company pays for administration and member communication costs associated with operating the Scheme, which further enhances the value that members receive.
The non-financial benefits of membership were also considered and included (amongst other things): the efficiency of administration processes and the extent to which Mercer as administrator met its service level agreements for the year; the communications delivered to members; and the quality of Scheme governance. The Trustees are working closely with the administrator to resolve issues regarding members' actual experience versus the timescales reported in the Administrator's reporting.

7.7 The Trustees will continue to monitor the administration and performance of the Scheme's investment funds.

8. Trustee Knowledge and Understanding

8.1 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.

8.2 The Trustee meetings held in the period covered by this statement were attended by the Scheme's advisers. Training and advice delivered as part of the business at these meetings is incorporated by the Trustees into their decision making processes.

8.3 The Trustees are conversant with, and has a working knowledge of, the Scheme documents such as the Trust Deed and Rules. Trustee Directors are also aware of the powers available to them through trust law. The Trustees have demonstrated conversance through:

- Exercising its discretionary power relating to a number of death cases and transfers into the Scheme over the Scheme year.
- Incorporating a new Company's employees into the Scheme, and completing the actions associated with that, demonstrating knowledge of the Scheme's documents and Trust law.

If there are any ambiguities over the interpretation of the Rules, legal advice is sought from the Scheme's legal advisers.

8.4 The Trustees are conversant with, and has a working knowledge of, the current SIP and investment matters within the industry. The Trustees undertakes regular training on investment matters and review the investments held by the Scheme at each meeting. The Trustees have sufficient knowledge of investment matters to be able to challenge their advisors.

8.5 The Trustees receive professional advice from Mercer to support them in reviewing the performance of the Scheme and in governing the Scheme in line with the Trust Deed and Rules, and the relevant skills and experience of Mercer is a key criterion when evaluating advisor performance or selecting new advisers. The advice received by the Trustees along with their own experience allows them to properly exercise their function as a trustee body. Furthermore, the Trustees have in place a number of strategic objectives for their investment advisers. The overall objective the Trustees has set is for the Scheme to "*provide members with the opportunity to save and invest towards an income in retirement that is both adequate and sustainable for their circumstances"*. The Trustees will monitor the performance of their investment adviser against its overall objective.

8.6 The Trustees are required to have a robust training programme in place for newly appointed Trustee Directors. For the Scheme, upon appointment, a Trustee is required to undertake completion of the Pensions Regulator's online training programme. The Trustee toolkit is expected to be completed within six months of appointment.

8.7 The Trustees believe that the best run pension schemes utilise the combined skill and knowledge of both the Trustee 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 Trustee board contains trustees with wide ranging skills and experience
- The Trustees receive briefings from their advisors on all legislative and regulatory developments at each meeting;

This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 as amended by the Occupational Pension Schemes (Charges and Governance) 2015 (together 'the Regulations') and I confirm that the above statement has been produced by the Trustees to the best of my knowledge.

Signed for and on behalf of the Marlowe Holdings Limited DC Pension Scheme

Date 28 October 2024

Roger Goddard
Chair of the Trustee