XPS Pensions

RSPCA Pension Scheme

Chair's Statement

1 April 2020 to 31 March 2021

Contents

Disclaimers, confidentiality and non-disclosure

This note has been commissioned by the Trustee of the RSPCA Pension. The intended users of this note are the members. Its scope and purpose is to provide the Trustee with a report for members do demonstrate the governance of the scheme in line with legislation to publish an annual Chair's statement. In preparing this Statement and illustrations, the Trustee has had regard to relevant legislation including:

>The Occupational Pension Schemes (Scheme Administration) Regulations 1996;

>The Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018;

>The Pensions Regulator's Code of Practice number 13 on 'Governance and administration of occupational trust-based schemes providing money purchase benefits'; and

>The Pensions Regulator's quick guide to the Chair's Statement and the Technical Appendix.

Any advice has no wider applicability. It is not necessarily the advice that would be given to another client or third party whose objectives or requirements may be different.

XPS Pensions Consulting Limited, Registered No. 2459442. XPS Investment Limited, Registered No. 6242672. XPS Pensions Limited, Registered No. 3842603. XPS Administration Limited, Registered No. 9428346. XPS Pensions (RL) Limited, Registered No. 5817049. All registered at: Phoenix House, 1 Station Hill, Reading, RG1 1NB.

XPS Investment Limited is authorised and regulated by the Financial Conduct Authority for investment and general insurance business (FCA Register No. 528774).

01 **Introduction**

£52.02m

Total defined contribution funds in the Scheme.

This is the Chair's Statement for the RSPCA Pension Scheme, (the "Scheme") covering the period 1 April 2020 to 31 March 2021.

As Trustee Chair, I provide you with a yearly statement which explains what steps have been taken by the Trustee board, with help from our professional advisers, to meet the new governance standards. The law sets out what information has to be included in my Statement and this is designed to help members achieve a good outcome from their pension savings.

The aim of this statement is to provide members with details regarding the steps taken by the Trustee, to meet the governance standards that apply to the Scheme's Defined Contribution ('DC') pension arrangements.

The Scheme has two default investment arrangements and these are explained further in section 2. The Chair Statement and Statement of Investment Principles (SIP) can be found at the following website: https://www.psgovernance.com/communications/the-rspca-pension-scheme.html

01.01 Governance and Queries

The Scheme is managed and administered by the Trustee in accordance with the Scheme Rules and relevant legislation.

The Trustee is committed to having high governance standards and we meet regularly to monitor the controls and processes in place in connection with the Scheme's investments and administration.

I welcome this opportunity to explain what the Trustee does to help ensure the Scheme is run as effectively as it can be. If you have any questions about anything that is set out below, or any suggestions about what can be improved, please do contact: RSPCA Pension Scheme, XPS Pensions Group, Phoenix House, 1 Station Hill, Reading RG1 1NB Or via email: myRSPCApension@xpsgroup.com

The RSPCA Pension Scheme ("the Scheme") is governed by the Definitive Trust Deed, dated 8 June 1999, including subsequent amendments. I, Wayne Phelan, representing Punter Southall Governance Services, was appointed as the Chair of the Trustee on 15 December 2015 and am signing this Statement in that capacity.

02 Default Investment Strategy

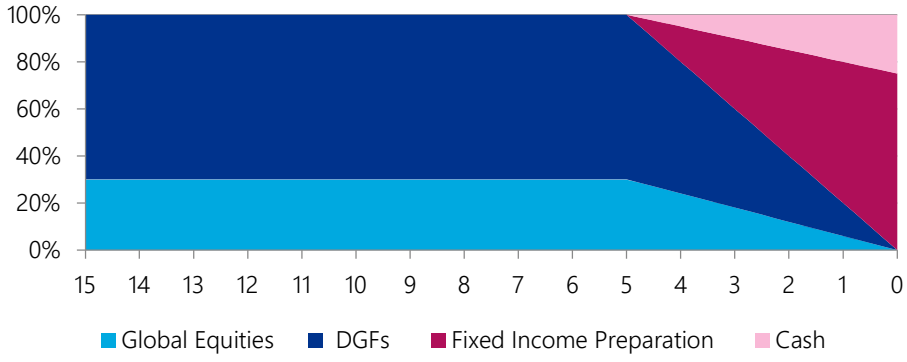
Statement of Investment Principles (SIP)

A copy of the SIP, which sets out the objectives for the Scheme's default investment arrangements, can be found in Appendix A

02.01 The default investment arrangements

During the period, the Scheme had two default arrangements.

1. If members do not make their own investment choices in the Scheme, their contributions are invested in the "default investment option".



The Scheme's default investment option is called the pension lifestyle strategy. The Trustee's long term objectives are to provide members with investment options that will enable them to optimise the real return on investments in order to build a fund which will be used at retirement to access their benefits as a lump sum, series of lump sums and/or purchase a secure income (annuity).

As stated above, the default arrangement is designed assuming members will take a tax-free cash lump sum of 25% of the fund value at retirement and purchase an annuity (retirement income) at retirement with the remaining 75% of the fund value.

The default pension lifestyle strategy uses passive global equities and a blend of multi-asset funds in the 'growth phase', transitioning to cash and bonds over the 5 year period prior to Normal Retirement Age.

When members are 5 or more years from target retirement date, the Pension Lifestyle Strategy has 30% invested in the Passive Equity fund and 70% invested in the Diversified Growth Fund.

Once members are within 5 years of target retirement date, investments within the Passive Equity and Diversified growth funds are gradually switched into the Cash Fund and Fixed Income Pension Preparation Fund until, at target retirement date, 25% of the investments are in cash and the remaining 75% remains in the Fixed Income Preparation Fund.

Within the period covered by this report, 97.4% of members had their contributions invested in this default arrangement. During the period covered, the Scheme was used as a Qualifying Scheme for auto-enrolment.

2. As a result of the COVID-19 pandemic, unit transactions for the Property Fund were suspended on 20 March 2020, meaning that any member who had self-selected the Property Fund would be unable to invest any additional contributions in that fund or disinvest from it whilst the fund remains suspended.

Following the closure of the Property Fund and based on subsequent advice received from their investment consultant, the Trustee agreed that until unit transactions in the Property Fund were reinstated, or a member confirmed an active investment decision in respect of such contributions, any new contributions which would otherwise be invested in the Property Fund would be held in cash. This action resulted in a new default arrangement being created to hold contributions that were due to be invested in the Property Fund. This new default arrangement was classified as a Temporary Holding Strategy and the investment strategy was to allocate 100% to the Cash Fund. In June 2020, the Trustee sent a targeted communication to the members affected informing them of that change.

The aim and objective of holding monies in the Cash Fund was to protect the value of members' contributions until such time as members make an active decision to move monies elsewhere; or until such time when the Property Fund was reopened.

This objective was different to using the Cash Fund in the first Default Arrangement. In the first Arrangement, the objective of using the Cash Fund was to provide diversification of risk; reduce the overall volatility of the members' fund value; and to provide a level of stability of the final amount of tax free lump sum that the member is able to take. Further information on the creation of the additional default can be found in section 03.02.

The Property Fund reopened on 17 September 2020, and contributions from members that had temporarily been placed in the Cash Fund (the "Temporary Holding Strategy") were re-directed from the Cash Fund back into the Property Fund from December 2020. Future contributions were also re-directed to the Property Fund.

In addition to the Pension Default Lifestyle, there are two other lifestyle options, suitable for members who either wish to take an uncrystallised funds pension lump sum (UFPLS) at retirement, or who wish to take a proportion of their Retirement Account when they retire with the balance remaining invested, but then 'drawdown' further amounts in future years. Although these lifestyle options are available to members within the Scheme, if they wish to undertake drawdown, they will have to transfer their Retirement Account to another s pension arrangement in order to do so

23 March 2021

The most recent review of the fund range and default arrangement's strategy and performance determined that a Master Trust would be put in place for future pension provision.

02.02 Reviewing the default investment arrangement

On 23 March 2021, XPS provided a high-level review of the current default strategy, highlighting key statistics of the membership, important factors to consider in the accumulation phase and the investment return required for members, given the profile of the Scheme and the asset classes at its disposal. The Trustee also reviews the Scheme's investment strategy and its performance against its objectives on a quarterly basis. For these funds, the majority of the active and blended Funds have outperformed their targets over a 12 month period (Appendix B) and the passive Funds performed broadly in line relative to their targets. More information on investment returns relative to the respective benchmarks is summarised in Appendix B.

In addition to the review carried out by XPS, the Society has also undertaken a review of the DC section of the Scheme and as a result, they are proposing to close the DC section and replace it with a new workplace pension scheme from 1 December 2021. The proposed new scheme is a Master Trust scheme operated by Legal & General. The Society is working closely with the Pension Trustee Directors of the Scheme on the proposed changes, with a

Joint Working Group established to identify the optimum solution for DC members. The Pension Trustee Directors are supportive of the Society's efforts to improve members' retirement choices and the value members receive from their DC pension savings. A Formal consultation process, with the employees affected by the proposal, began on 31 August 2021 and will run to 31 October 2021. The Society is expected to make a final decision after careful consideration of comments received during the consultation period.

03 Charges and transaction costs

Members may self-select their investment strategy, investing in any of these funds in whatever proportions they choose

03.01 Investment Manager Charges

The Trustee has selected a range of funds which they believe to be appropriate for members of the Scheme. All the funds, including the lifestyle strategies, are administered on a DC platform.

Members can choose to invest their contributions into in some or all the 9 Self-Select funds via the XPS administration online platform. However, if members invest in a Lifestyle option, they cannot invest in any of the Self-Select funds at the same time.

Transaction costs are costs associated with buying and selling of investments and include for example stamp duty and brokerage fees. Transaction costs are incurred when contributions are invested, on switching between funds and when selling investments to take benefits. The following table also indicates transaction costs incurred by each of the funds available for investment over assessment periods monitored by the investment manager.

The charges and transaction costs (over the last 3 years) applied to the default investment option (which are averaged across the membership based on the split of their investments), along with the other available lifestyle strategies and self-select funds available to members were:

Fund Name	Total Expense Ratio	Transaction Costs	Total Costs
RSPCA Active Equity Fund	0.791	0.21	1.001
RSPCA Cash Fund*	0.231	0.04	0.271
RSPCA Diversified Growth Fund*	0.766	0.27	1.036
RSPCA Ethical Equity Fund	1.041	0.07	1.111
RSPCA Fixed Income Pension Preparation Fund*	0.180	0	0.180
RSPCA Inflation Linked Pension Preparation Fund	0.170	0	0.170
RSPCA Passive Equity Fund*	0.173	0	0.173
RSPCA Property Fund	0.826	0.18	1.006
RSPCA Shariah Equity Fund	0.476	0.03	0.506

*Funds in the default

(Source: Scottish Widows Investment Managers)

For a list of all Self-Select Funds with invested Scheme monies please see Appendix C

The Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation, introduced in January 2018, aimed to help investors to better understand and compare the key features, risks, rewards, and costs of different investments through access to a short and consumer-friendly Key Information Document (KID).

In producing this statement, the costs and charges shown make reference to this Regulation and, where possible, amalgamate any underlying costs. As a result, the statement does not try to detail all the trades made in the management of the fund(s) but amalgamates this into the overall charges applicable. The TERs for the default arrangement vary depending on the period to retirement. This is because the default arrangement has been set up as a lifestyle approach, which means that members' assets are automatically moved between different investment funds as they approach their target retirement as outlined in Section 02.01 above and the level of charges and transaction costs will vary

depending on how close members are to their target retirement date. Over the Scheme year to 31 March 2021 the TER's as at specified anniversary dates were:

	TER (%)
More than 5 year to retirement	0.59%
5 years to retirement	0.59%
4.5 years to retirement	0.55%
4 years to retirement	0.51%
3.5 years to retirement	0.47%
3 years to retirement	0.43%
2.5 years to retirement	0.39%
2 years to retirement	0.35%
1.5 years to retirement	0.31%
1 year to retirement	0.27%
0.5 years to retirement	0.23%
At retirement	0.19%

All other costs associated with the services provided under the Scheme are met by the Society.

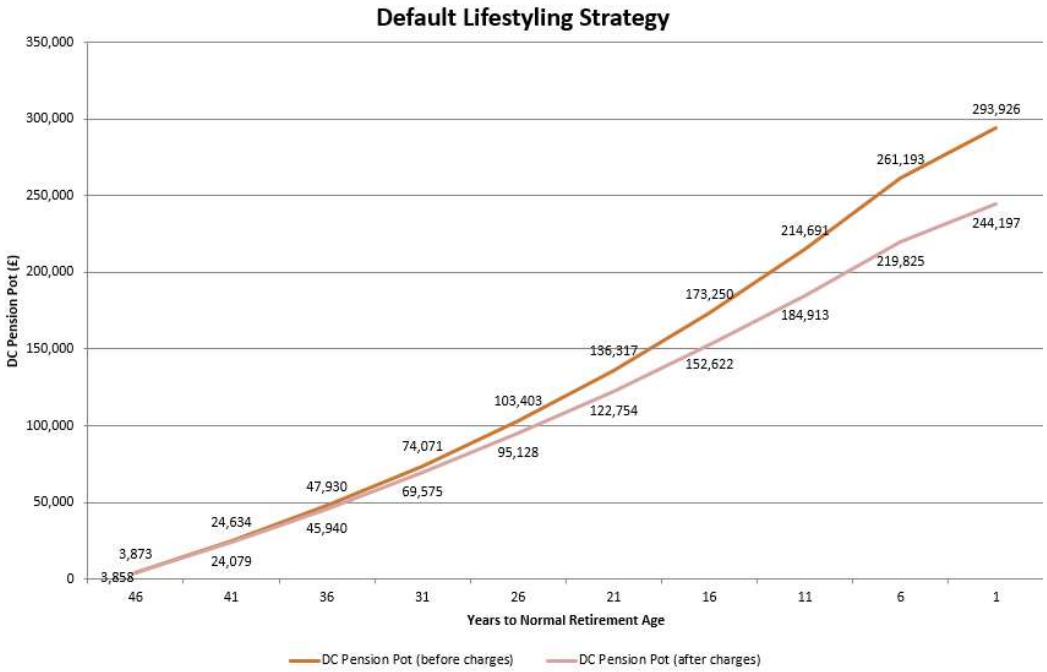
Charges and transaction costs for AVC vehicles have been included under Appendix B

03.02 Property Fund

On 20 March 2020, the Threadneedle Property Fund temporarily suspended dealing. This is due to the fact that their independent property valuer, CBRE, deployed a 'market uncertainty clause', which meant that they were unable to provide an accurate valuation of the Fund's assets in the exceptional market environment at that time. The Fund reopened on 17 September 2020, and contributions from members that had temporarily been placed in the Cash Fund (the "Temporary Holding Strategy") were re-directed from the Cash Fund back into the Property Fund from December 2020. Future contributions were also re-directed to the Property Fund.

03.03 An illustration of the charges levied on members

Below you can find an illustration of the effect of the Total Expense Ratio and transaction costs met by members on an example pension pot in the current default investment option over time.



This is for illustration purposes only. The actual returns received are likely to differ over time as will individual member's pension pot sizes. This illustration is based on:

> The Scheme's default investment option (as detailed in Section 2) – c.97.5% of members have investments in this option.

> A starting age of 19 years old – the age of the youngest member in the Scheme.

> A normal retirement age of 65.

> An initial pension pot of £0

> Contributions of 15.5% throughout the period, on earnings of £25,000 p.a. (increasing at 2.5% p.a.).

> Investment returns (net of charges) were estimated as 4.95% p.a. for the Passive Equity fund, 3.75% p.a. for the Diversified Growth fund (in which all monies are invested until 5 years from Normal Retirement Date – 'NRD'), -0.23% p.a. in the Cash fund and 1.81% p.a. for the Fixed Income Pension Preparation fund (funds are gradually switched into the Cash and Fixed Income Pension Preparation funds in the 5 years leading up to retirement).

> Inflation of 2.5% p.a.

Illustrations for the highest and lowest charging funds with monies invested, the fund with the most contributions (after the default) and the highest and lowest expected return funds. is shown in Appendix B of this Statement (active and deferred).

03.04 What are the assumptions based on?

In preparing these illustrations, the Trustee has had regard to:

> The Department for Work and Pensions' 'Reporting of costs, charges and other information: guidance for trustees and managers of relevant occupational schemes'.

> Actuarial Standards Technical Memorandum 1 (AS TM1 v4.2) issued by the Financial Reporting Council and

> The Financial Conduct Authority (FCA) Transaction cost disclosure in workplace pensions Policy Statement PS17/20.

04 Core financial transactions

04.01 Assessing Core Transactions

During the year, the Trustee ensured the requirements of Regulation 24 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 were met and that the Scheme's core financial transactions were processed promptly and accurately. For example:

> There is an agreement in place with XPS (as Scheme administrator), committing them to defined service level agreements ("'SLAs"') for all services. The SLAs in place with XPS during the period, covering core financial transactions are as follows.

Transaction	Service Level Agreement
Death Benefit settlement	2 days
Transfer in	5 days
Transfer out	5 days
Retirement settlement	5 days
Monthly contributions	5 days
Investment switches/disinvestments	5 days

Service level achievement over the period	
Q2 2020	80%
Q3 2020	83%
Q4 2020	84%
Q1 2021	86%

> XPS report on their performance quarterly against the SLAs above so that the Trustee can monitor that the SLAs are being met. Where agreed Service levels have not been achieved, the Trustee has worked with the administrator to understand why this has happened and where improvements can be made. Due to the transition of 100% remote working, XPS administration's service level over the period of this statement was below the target of 95%. Despite this, the Trustee is satisfied that the administrator controls to process transactions accurately, functioned well during the year.

> Contribution files received from the Society are checked and spot checks are also carried out to ensure that the appropriate contributions have been correctly and promptly invested into member's pension accounts.

> A contribution report is run and monitored, highlighting any members for whom contributions have not been received and the Society is contacted to resolve any discrepancies.

> The administrator produces audit reports on a daily, weekly, and monthly basis to show all switching activity that has taken place.

> Zurich and Utmost Life and Pensions administer AVCs on behalf of members. On an annual basis, these providers produce annual AVC statements which are forwarded to active and deferred members

The Scheme administrator carries out an annual audit to check that internal control procedures are being followed. Where any error or issue is identified, the administrator takes appropriate steps to resolve and act as required. The XPS Administration team is accredited against ISO9001:2008 and AAF 01/06 audit requirement.

We can confirm there were no material issues in the Statement period on which to report. As part of the journey-planning, a risk log is maintained in order minimise the occurrence of any issues and to understand any root cause.

The core financial transactions also include:

> **The investment of contributions** - The Scheme's administrator monitors the payment of contributions to the Scheme by the Society, ensuring that these are paid within statutory timescales. Any late payment outside these timescales is reported directly to the Trustee and appropriate action taken. The settlement of all DC funds is actioned promptly by the administrator and the Trustee monitors the service standards of the Scheme's administrator.

> **The transfer of assets relating to members into and out of the Scheme** – The Scheme's administrator maintains and reconciles comprehensive records of individual member's contributions and fund values. Contributions are invested within 5 working days of receipt. Any investments withdrawn or transferred to another scheme are processed within 5 working days following receipt of all relevant paperwork, subject to any investigations required where there is evidence of a pensions scam.

> **The transfer of assets relating to members between different investments within the Scheme** – The Scheme's administrator maintains and reconciles comprehensive records of individual member's contributions and fund values.

> **Monitoring of bank accounts** – There is a dedicated contribution processing team, checking investment and banking transactions.

> **Payments to members** – All payments out of the Scheme in respect of members' benefits are made in line with standard checks. This includes agreed processes and authorisation levels to ensure any payment made is calculated correctly and in line with the Scheme rules and legislation and complies with HMRC rules and guidance. In addition, every effort is made to check for possible pension scams.

Noting the requirement for accurate member data to process contributions and payments correctly, the Trustee take steps to continually review and where necessary, correct any problems with the member data which is held by the Scheme administrator. This is reported each year to the Pensions Regulator in the online scheme return.

04.02 Administration

The Trustee closely monitors the administration function to ensure the best service possible in order to provide good value for members. The Trustee has regular meetings with the current provider to assess the quality and levels of service to ensure that financial transactions are dealt with promptly and accurately. The administrator was operating appropriate procedures, checks and controls and operating within the agreed SLA; there have been no material administration errors in relation to processing core financial transactions; all core financial transactions have been processed promptly and accurately during the Scheme year

05 Value for Members

05.01 Assessment of Value

In its assessment of value, the Trustee is required to consider the extent to which the services that members pay for represent value. In the case of the Scheme, this is specifically, the costs and transaction charges associated with investment management since all other charges are met by the Society. In its review of investment strategy during the period, the Trustee observed the following:

- Whilst the investment options available to members are relatively diverse, the charges levied on members in the default could be lower;
- The scheme does not offer full flexibility in retirement choices. In particular, members are required to transfer to another arrangement if they wish to access drawdown;
- There are increasing obligations on trustees of DC pension arrangements and The Pensions Regulator is encouraging consolidation of smaller schemes into larger pension schemes so members can benefit from such matters as more sophisticated governance and wider choice at retirement for their pension savings.

In carrying out the assessment, the Trustee also considered the other benefits members receive from the Scheme, which include those detailed in the following sections.

05.02 Service Providers

The Trustee has a service level agreement in place with the service providers covering all expected tasks, with varying timescales for different tasks. The Trustee receives quarterly reports from the Scheme administrators that enable them to monitor the administration service and that agreed service levels are being met. The Trustee keeps providers' service levels under review and ensures that the services provided reflect the SLA and continues to meet the needs of the members. There have been no material errors in relation to the service providers and the administrator was operating appropriate procedures, checks and controls and operating within the agreed SLA.

05.03 Communications

The range of communication channels used, such as face-to-face, post, email and website

The Scheme is committed to producing clear and concise communication materials that are appropriate for its members.

Throughout the member's journey, the Scheme provides a range of statutory and non-statutory communications (i.e. new joiners, lifestyling and wake up packs) including information on costs and charges, on investment choices, and on when and how members can access their retirement savings. This information is designed to assist members in understanding the impact of their decisions. The Scheme's main communication channels are online or email, however the Scheme recognises that some members may not wish or be able to communicate with the Scheme in this way. The Scheme therefore allows members to elect for paper communications if they prefer or they can telephone the Scheme helpline.

The Trustee also provide members with an annual newsletter reminding them of the investment choices available in the Scheme alongside any current issues for members to be aware of. Members also receive an annual benefit statement and had access to an online modeller for part of the year. XPS are currently developing a new modeller for members of the Scheme which is due to be released by the end of 2021. Members can only update their target retirement date via phone, email, or post.

The Trustee will also provide additional communication should they consider it appropriate to do so.

05.04 Flexibility - accessing benefits

The range of options available to members increased since the introduction of the 'Freedom and Choice' legislation which came into effect from April 2015. This legislation affords members the opportunity to draw their benefits more flexibly than previously possible. The Trustee offers members, in addition to the Pension Default Lifestyle, two other lifestyle options suitable for members who wish to withdraw their entire fund as cash at retirement, as well as a drawdown lifestyle option for members who wish to take a proportion of their Retirement Account when they retire with the balance remaining invested, but then 'drawdown' in future years. Although these lifestyle options are available to members, if they wish to undertake drawdown, they will have to transfer their Retirement Account to another pension arrangement to do so. However, members of the Scheme are permitted to take an Uncrystallised Funds pension Lump Sum (UFPLS) at retirement. An UFPLS would be paid through XPS payroll,

5.05 Conclusion

Assessment of value for members is an ongoing process and the Trustee undertakes a review each year to ensure the Scheme continues to offer good value, and that any changes in legislation, market conditions or member views are reflected for benefits of members. Following this year's assessment of value and considering the output from the Joint Working Group's in depth review of the current pension provision, the Trustee has decided that although the current arrangement provides good value for members, better value could be obtained in key areas such as retirement flexibilities and up to date retirement tools/member engagement. These matters may be addressed following the outcome of the consultation to move to a Master Trust scheme.

06 Trustee Knowledge and understanding

06.01 Knowledge and understanding of the Trustee

The Trustee is satisfied that they have complied with the knowledge and understanding requirements set out in section 248 of the Pensions Act 2004.

The Trustee has knowledge of the law relating to pensions and trusts, principles of investment and the requirements for funding a pension scheme. This is evidenced by interaction with their advisers as shown in the Trustee meeting minutes and at which updates on current issues are provided by advisers, with ad-hoc advice provided in relation to any new requirements as a result of changes in regulation or legislation.

The Trustee board is currently made up of eight directors, with a range of professional backgrounds and experience, three of whom are member nominated Trustee Directors, two of whom are union nominated Trustee Directors and three Society nominated Trustee Directors. One of the Society appointed directors is a professional independent trustee from Punter Southall Governance Services (PSGS), represented by me, Wayne Phelan. PSGS also performs secretariat services which helps ensure that the meeting agendas cover those issues that need to be addressed to ensure the Scheme functions effectively.

The Trustee is conversant with key scheme documentation such as the Trust Deed and Rules the Statement of Investment Principles (SIP). During the year the Trustee worked with its investment advisors to draw up a revised Statement of Investment Principles (SIP) specifically relating to ESG and governance.

The Trustee receives professional advice from XPS and SPB LLP (legal advisers) to support them in reviewing the performance of the Scheme and in governing the Scheme in line with the Trust Deed and Rules. The relevant skills and experience of those advisers are key criteria when evaluating adviser performance or selecting new advisers. The advice received by the Trustee along with its own knowledge and experience, allows it to properly exercise its function as Trustee. If there are any ambiguities regarding the Trust Deed and Rules SPB LLP is asked to provide advice.

06.02 Trustee Training

In-house training is offered and use of the Pensions Regulator's (TPR's) online Trustee Toolkit is encouraged, and the Trustee directors attend external seminars and updates. Any new Trustee director would be expected to carry out this training and be fully conversant with the Scheme's documentation within 6 months. Punter Southall Governance Services (PSGS), in its capacity as Secretary to the Scheme, require that each of its Client Directors is professionally qualified and undertakes a minimum level of CPD each year, maintain an adequate level of knowledge and understanding of the law relating to pensions and trust. PSGS has significant experience in the DC market.

A log of participation in training is maintained, and the Trustee is regularly polled regarding the training that they would find most valuable and to identify any gaps in knowledge. The Trustee's advisers provide in-meeting training on new legislation and literature published by TPR. During the period covered by this Statement the Trustee Board attended three Trustee meetings in which they took part in several training sessions, covering the following areas:

> DC member queries investment training

> DC options training re master trust proposal

> Barnett Waddingham DC training course (for new MNTDs)

> XPS Trustee training - online session covering various including DC investment (e.g. default and self-select funds; benefit projections; governance structures)

The Trustee also makes use of a team of expert advisers. Investment advisers, representatives from the administrator, and other experts including legal advisers regularly attend meetings of the Trustee.

06.03 Conclusion

As a result of the training activities completed by the Trustee (both individually and collectively as a Trustee Board), and taking into account the professional advice available, I am confident that the combined knowledge and understanding of the Board has enabled the Trustee to exercise properly its functions.

07 **Conclusion**

The annual production of this Statement provides members with a narrative of how the Trustee looks after members' interests, especially in the areas of the 5 key elements within this Statement listed below.

> Default investment strategy

> Charges and transaction costs

> Core financial transactions

> Providing value for members

> Trustee Knowledge and understanding

The Trustee will continue to monitor these key areas and report to members both via the annual Chair's Statement and other communications as appropriate. In conclusion, with the continual monitoring and the reviews detailed here, I am pleased to be able to submit this report in accordance with the Chair's Statement requirements, in the belief that the Scheme was operated and governed appropriately during the reporting period.

Signature	**Date**
	18th October 2021

Name	**Qualification**
Wayne Phelan	Chair of Trustee

Appendix A
Statement of Investment Principles

01 Introduction

Purpose

This document constitutes the Statement of Investment Principles ('the SIP') required under Section 35 of the Pensions Act 1995 for the RSPCA Pension Scheme – DB Section ('the Scheme'). It describes the investment policy being pursued by the Trustee of the Scheme and is in accordance with the Government's voluntary code of conduct for Institutional Investment in the UK ("the Myners Principles"). This SIP also reflects the requirements of Occupational Pension Schemes (Investment) Regulations 2005.

Scheme details

The exclusive purpose of the Scheme is to provide retirement benefits and death benefits to eligible participants and beneficiaries. It qualifies as a registered pension scheme, registered under Chapter 2 of Part 4 of the Finance Act 2004.

Advice and consultation

Before preparing this Statement, the Trustee has sought advice from the Scheme's Investment Consultant, XPS Investment Limited. The Trustee has also consulted the Principal Employer. The Trustee will consult the Principal Employer on any future changes in investment policy as set out in this Statement.

Investment powers

The Scheme's Trust Deed and Rules set out the investment powers of the Trustee. This Statement is consistent with those powers. Neither this Statement nor the Trust Deed and Rules restrict the Trustee's investment powers by requiring the consent of the Principal Employer.

In accordance with the Financial Services and Markets Act 2000, the Trustee sets general investment policy but delegates responsibility for the selection of the specific securities and any financial instruments in which the Scheme invests to the Investment Managers.

Review of the Statement

The Trustee will review this Statement and its investment policy at least every three years in conjunction with each triennial valuation or immediately following any significant changes in investment policy. The Trustee will also review this Statement in response to any material changes to any aspect of the Scheme, its liabilities, finances and attitude to risk of either the Trustee or Principal Employer which it judges to have a bearing on the stated investment policy.

Definitions

Capitalised terms in this document mean the following:

Act - The Pensions Act 1995 (as amended by section 244 of the Pensions Act 2004);
AVCs - Additional Voluntary Contributions;
Investment Manager - An organisation appointed by the Trustee to manage investments on behalf of the Scheme
Principal Employer - The Royal Society for the Prevention of Cruelty to Animals (RSPCA);
Recovery Plan - The agreement between the Trustee and the Principal Employer to address the funding deficit;
Scheme - The RSPCA Pension Scheme;
Statement - This document, including any appendices, which is the Trustee's Statement of Investment Principles;
Technical Provisions - The amount required, on an actuarial calculation, to make provision for the Scheme's liabilities;
Trustee – RSPCA Pension Scheme Limited, the corporate entity responsible for the investment of the Scheme's assets and managing the administration of the Scheme;
Value at Risk - a technique which uses historical correlations of asset class returns and volatilities to estimate the likely worst case scenario loss for a given portfolio of assets.

02 Division of responsibilities

The Trustee is accountable for all aspects of the Scheme's investments, however, as permitted within the Trust Deed and Rules, the Trustee has delegated some of the decision making powers and other responsibilities as set below.

Trustee

The Trustee has retained the following responsibilities and powers for itself:

- The content and the reviewing of this Statement;
- Reviewing the investment policy;
- Appointing the Investment Managers and (where appropriate) the Custodian(s);
- Consulting with the Principal Employer when reviewing investment policy issues;
- Monitoring compliance of the investment arrangements with this Statement as appropriate;
- Assessing the performance and investment process of the Investment Managers.

In addition, the Trustee of the Scheme will make decisions relating to the Scheme's investments, including issues such as:

- The kinds of investments to be held;
- The balance between different kinds of investments;
- The level of risk to which the Scheme is exposed;
- The Investment Manager arrangements;
- The performance target of the Investment Managers.

Investment Consultant

The Investment Consultant's responsibilities include:

- Participating with the Trustee in regular reviews of this Statement and in the review of investment related issues as described in this Statement;
- Undertaking project work as required, including reviews of asset allocation policy and reviews or selection of Investment Managers;
- Advising the Trustee how any changes in the Scheme's benefits, membership and funding position may affect the way in which the Scheme's assets should be invested.

Investment Managers

Each Investment Manager's responsibilities will include:

- Investing in diversified portfolios of assets suitable for pension schemes in accordance with the mandate they have been given by the Trustee;
- At their discretion, but in accordance with the mandate they have been given by the Trustee; implementing changes in the asset mix and selecting individual securities and financial instruments within each asset class;
- Providing the Trustee with regular portfolio valuations and records of transactions, along with a reports when relevant on actions and future intentions, and any changes to the processes, objectives and guidelines applied to their management of the Scheme's assets to enable the Trustee to review the Investment Manager's activities;
- Exercising the rights attached to the shareholdings of the Scheme so as to protect and enhance the long-term value of a stock holding for the Scheme;
- Reporting in person at a meeting with the Trustee as requested or through documentation agreed between the two parties.

Custodian

Each custodian's responsibilities include some or all of the following:

- The safekeeping of all of the assets of the Scheme;
- Providing the Investment Managers with statements as required of the assets, cashflows and schedules of transactions;
- Undertaking all appropriate administration relating to the Scheme's assets;
- Processing all dividends and tax reclaims in a timely manner;
- Dealing with corporate actions.

For pooled assets, the custodian is invariably appointed by the Investment Managers with the above functions undertaken on behalf of the pooled fund as a whole. Record keeping of the Scheme's entitlement within the pooled fund is the responsibility of the pooled fund administrator or registrar.

03 Strategic investment policy and objectives

Choosing investments

The Trustee relies on professional Investment Managers for the day-to-day management of the Scheme's assets. However, the Trustee retains control over some investments. In particular, the Trustee makes decisions about pooled investment vehicles in which the Scheme invests and any AVC investment vehicles.

The Trustee's policy is to regularly review the investments over which it retains control and to obtain written advice about them when necessary. When deciding whether or not to make any new investments the Trustee will obtain written advice and consider whether future decisions about those investments should be delegated to the Investment Managers. The written advice will consider suitability of the investments, the need for diversification and the principles within this Statement. The Investment Consultant will have the knowledge and experience required under Section 36(6) of the Act.

Long-term objectives

The Trustee's long-term objectives are:

- The acquisition of suitable assets of appropriate liquidity which will generate income and capital growth to meet, together with contributions from the Principal Employer, the cost of the benefits which the Scheme provides, as set out in the Trust Deed and Rules;
- To limit the risk of the assets failing to meet the liabilities over the long term, in particular in relation to the Technical Provisions under Section 222 of the Pensions Act 2004, by considering the Scheme's liability profile when setting the asset allocation policy;
- To minimise the long-term costs of the Scheme by optimising the return on the assets whilst having regard to the objectives shown above;
- To adhere to the provisions contained within the Scheme's Statement of Funding Principles.

Expected returns

By undertaking the investment policy described in this Statement, the Trustee expects that future investment returns will at least meet the rate of return underlying the Recovery Plan.

Investment Policy

Following advice from the Investment Consultant, the Trustee has set the investment policy and objectives with regard to the Scheme's liabilities and funding level.

The Trustee intends to achieve these objectives through investing in a diversified portfolio of return seeking assets (e.g. equities and property) and liability matching assets (e.g. liability driven investments). The Trustee recognises that the return on return seeking assets, whilst expected to be greater over the long-term than that on liability matching assets, is likely to be more volatile. A mixture across asset classes should nevertheless provide the level of returns required by the Scheme to meet its liabilities at an acceptable level of risk (of underperforming the liabilities) for the Trustee, and an acceptable level of cost to the Principal Employer.

The investment policy the Trustee has adopted is detailed in Appendix I. The specific Investment Manager mandates against which performance of the assets will be assessed are specified in Appendix II.

Range of assets

The Trustee considers that the investment policy detailed in Appendix I and the specific mandates given to each Investment Manager will ensure that the assets of the Scheme include suitable investments that are appropriately diversified and provide a reasonable expectation of meeting the objectives. In setting out the mandates for the Investment Managers, the Trustee will ensure that it holds a suitably diversified range of securities in each category, avoiding an undue concentration of assets.

Based on the structure set out in Appendix I, the Trustee considers the arrangements with the Investment Managers to be aligned with the Scheme's overall strategic objectives. Details of each specific mandate are set out in agreements and pooled fund documentation with each Investment Manager.

The amounts allocated to any individual category or security will be influenced by the overall benchmark and objectives, varied through the Investment Managers' tactical asset allocation preferences at any time, within any scope given to them through asset allocation

parameters or guidelines set by the Trustee or governing the pooled funds in which the Scheme is invested.

The Trustee will ensure that the Scheme's assets are predominantly invested in regulated markets to maximise their security.

Investment Managers are incentivised to perform in line with expectations for their specific mandate as their continued involvement as Investment Managers as part of the Scheme's investment strategy – and hence the fees they receive – are dependent upon them doing so. They are therefore subject to performance monitoring and reviews based on a number of factors linked to the Trustee's expectations, including the selection / deselection criteria

The Trustee expects Investment Managers to make decisions in the long-term interests of the Scheme. The Trustee expects engagement with management of the underlying issuers of debt or equity and the exercising of voting rights in line with the investment mandate guidelines provided.

This expectation is based on the belief that such engagement can be expected to help Investment Managers to mitigate risk and improve long term returns.

As covered in more detail in this document, the Trustee expects the Investment Managers to take ESG factors and climate change risks into consideration within their decision-making as the Trustee believes these factors could have a material financial impact in the long-term. The Trustee therefore makes decisions about the retention of Investment Managers, accordingly.

04 Responsible investment

The Trustee recognises a number of risks involved in the investment of the assets of the Scheme. The Trustee measures and manages these risks as follows:

Solvency risk and mismatching risk - The risk that the assets do not respond to market changes in the same way as the liabilities, resulting in volatility in the funding position, is addressed through the strategic asset allocation and through ongoing triennial actuarial valuations. In setting the investment strategy, the Trustee will consider (for example) the Value at Risk.

Strategy risk - The risk that the Investment Managers' asset allocation deviates from the Trustee's investment policy is addressed through the periodic review of the asset allocation. In reviewing the investment strategy periodically, the Trustee will consider the current economic factors affecting the asset classes in which it is invested and the short to medium term outlook for performance by reference to e.g. current and historic yields, GDP growth forecasts and other relevant factors. The Trustee will also consider how far the actual asset allocation has drifted from the strategic asset allocation and take action to rebalance if necessary.

Liquidity risk - The risk that assets cannot be sold quickly enough to enable benefits to be paid or that the Trustee cannot exit a particular investment is addressed through the process by which the administrator estimates the monthly benefit outgo and ensures that sufficient cash balances are available, and through the Trustee's policy on realisation of assets (see below).

Inappropriate investments - The risk that an Investment Manager invests in assets or instruments that are not considered to be appropriate by the Trustee is addressed through the Trustee's policy on the range of assets in which the Scheme can invest (see section 3).

Counterparty risk – the risk that a third party fails to deliver cash or other assets owing to the Scheme is addressed through the Investment Managers' guidelines with respect to cash and counterparty management e.g. using a diverse range of counterparties and the daily posting of collateral of a high credit rating (e.g. gilts or bank deposits).

Fraud/Dishonesty – The risk that Scheme assets are reduced by illegal actions is addressed through restrictions applied as to who can authorise transfer of cash and the account to which transfers can be made.

Manager risk - The risk that an Investment Manager fails to meet their stated objective is addressed through the performance objectives. In monitoring the performance of the Investment Managers the Trustee measures the returns relative to benchmark and objective and the volatility of returns. In addition, as and when required, the Trustee will review each Investment Manager's approach to risk within each fund in order to highlight any unintended risk being taken. For example:

> for equities, the Trustee will consider the spread of assets across various geographic and industry sectors, the concentration of investments in individual stocks and the active positions taken by the Investment Managers;

> for property, risk will be reviewed through the weightings to specific sectors, level of gearing, void rates and the tenancy exposure;

> for multi asset funds (including any private market funds) the Trustee will consider the weightings within the fund to different asset classes, and will also consider the volatility of the fund both in absolute terms and in comparison to the volatility of traditional equity markets;

> for diversified credit, the Trustee will consider the volatility of each fund both in absolute terms and in comparison to the volatility of traditional credit markets. It will review the risks of the underlying bonds comprising the portfolios, the duration of the portfolios and how each fund operates within its own defined risk controls and limits;

> for dynamic Liability Driven Investment (LDI) funds, the Trustee will review risk through the type of instruments held and the risks associated with these investments.

Custodian risk - The risk that the custodian fails to provide the services expected is addressed through the agreement with the third party custodian and the monitoring of the custodial arrangements as and when required. In pooled arrangements this is invariably delegated to the Investment Managers.

Currency risk – The risk of losses through depreciation of non-sterling currencies. A proportion of the currency risk in relation to the European commercial property investment is hedged via a passive currency overlay. Similarly, a proportion of the dollar, yen and euro currency risks inherent within the global equity investment are also hedged via a passive currency overlay.

Political risk - The risk of an adverse influence on investment values from political intervention is reduced by diversification of the assets across many countries.

05 Risk measurement and management

The Trustee recognises a number of risks involved in the investment of the assets of the Scheme. The Trustee measures and manages these risks as follows:

Solvency risk and mismatching risk – The risk that the assets do not respond to market changes in the same way as the liabilities, resulting in volatility in the funding position, is addressed through the strategic asset allocation and through ongoing triennial actuarial valuations. In setting the investment strategy, the Trustee will consider (for example) the Value at Risk.

Strategy risk – The risk that the Investment Managers' asset allocation deviates from the Trustee's investment policy is addressed through the periodic review of the asset allocation. In reviewing the investment strategy periodically, the Trustee will consider the current economic factors affecting the asset classes in which it is invested and the short to medium term outlook for performance by reference to e.g. current and historic yields, GDP growth forecasts and other relevant factors. The Trustee will also consider how far the actual asset allocation has drifted from the strategic asset allocation and take action to rebalance if necessary.

Liquidity risk – The risk that assets cannot be sold quickly enough to enable benefits to be paid or that the Trustee cannot exit a particular investment is addressed through the process by which the administrator estimates the monthly benefit outgo and ensures that sufficient cash balances are available, and through the Trustee's policy on realisation of assets (see below).

Inappropriate investments – The risk that an Investment Manager invests in assets or instruments that are not considered to be appropriate by the Trustee is addressed through the Trustee's policy on the range of assets in which the Scheme can invest (see section 3).

Counterparty risk – the risk that a third party fails to deliver cash or other assets owing to the Scheme is addressed through the Investment Managers' guidelines with respect to cash and counterparty management e.g. using a diverse range of counterparties and the daily posting of collateral of a high credit rating (e.g. gilts or bank deposits).

Fraud/Dishonesty – The risk that Scheme assets are reduced by illegal actions is addressed through restrictions applied as to who can authorise transfer of cash and the account to which transfers can be made.

Manager risk – The risk that an Investment Manager fails to meet their stated objective is addressed through the performance objectives. In monitoring the performance of the Investment Managers the Trustee measures the returns relative to benchmark and objective and the volatility of returns. In addition, as and when required, the Trustee will review each Investment Manager's approach to risk within each fund in order to highlight any unintended risk being taken. For example:

- for equities, the Trustee will consider the spread of assets across various geographic and industry sectors, the concentration of investments in individual stocks and the active positions taken by the Investment Managers;
- for property, risk will be reviewed through the weightings to specific sectors, level of gearing, void rates and the tenancy exposure;
- for multi asset funds (including any private market funds) the Trustee will consider the weightings within the fund to different asset classes, and will also consider the volatility of the fund both in absolute terms and in comparison to the volatility of traditional equity markets;
- for diversified credit, the Trustee will consider the volatility of each fund both in absolute terms and in comparison to the volatility of traditional credit markets. It will review the risks of the underlying bonds comprising the portfolios, the duration of the portfolios and how each fund operates within its own defined risk controls and limits;
- for dynamic Liability Driven Investment (LDI) funds, the Trustee will review risk through the type of instruments held and the risks associated with these investments.

Custodian risk – The risk that the custodian fails to provide the services expected is addressed through the agreement with the third party custodian and the monitoring of the custodial arrangements as and when required. In pooled arrangements this is invariably delegated to the Investment Managers.

Currency risk – The risk of losses through depreciation of non-sterling currencies. A proportion of the currency risk in relation to the European commercial property investment is hedged via a passive currency overlay. Similarly, a proportion of the dollar, yen and euro currency risks inherent within the global equity investment are also hedged via a passive currency overlay.

Political risk – The risk of an adverse influence on investment values from political intervention is reduced by diversification of the assets across many countries.

06 Realisation of assets and investment restrictions

Realisation of investments

In recognition of the fact that funds may need to be realised for a number of unanticipated reasons at any time, and the desirability of retaining as high a degree of flexibility as possible to cater for unexpected changes in circumstances, the Trustee will consider closely the extent to which any assets not readily realisable are held by the Investment Managers and will limit such assets to a level where they are not expected to prejudice the proper operation of the Scheme.

The Trustee has considered how easily investments can be realised for the types of assets in which they are currently invested. As such, the Trustee believes that the Scheme currently holds an acceptable level of readily realisable assets. The Trustee will also take into account how easily investments can be realised for any new investment classes they consider investing in, to ensure that this position is maintained in the future.

The Trustee will hold cash to the extent they consider necessary to meet impending anticipated liability outflows. A bank account and institutional cash fund are used to facilitate the holding of cash awaiting investment or payment.

Investment Restrictions

The Trustee has established the following investment restrictions:

> The Trustee may not hold in excess of 5% of the Scheme's assets in investments related to the Principal Employer;

> Whilst the Trustee recognises that borrowing on a temporary basis is permitted, this option will only be utilised where it is deemed absolutely necessary or where the Trustee has received advice from the Investment Consultant that the Scheme's overall exposure to risk can be reduced through temporary borrowing, e.g. during an asset transfer;

> Investment in derivative instruments may be made only insofar as they contribute to the reduction in risk or facilitate efficient portfolio management.

The Investment Managers impose internal restrictions that are consistent with their house style. In some instances the Trustee may impose additional restrictions and any such restrictions would be specified in the mandate provided to each Investment Manager.

07 Investment Manager Arrangements and fee structure

Delegation to Investment Manager(s)

In accordance with the Act, the Trustee has appointed one or more Investment Managers and delegated to them the responsibility for investing the Scheme's assets in a manner consistent with this Statement.

The Investment Managers are authorised and regulated to provide investment management services to the Scheme. Within the UK, the authorisation and regulation of the Investment Managers falls under the Financial Conduct Authority (FCA). Specific products in which the Scheme invests may also be regulated by the Prudential Regulatory Authority (PRA). For non-UK Investment Managers, authorisation and regulation is undertaken by the home state regulator.

Where Investment Managers are delegated discretion under section 34 of the Pensions Act 1995, the Trustee expects the Investment Managers to exercise their investment powers in line with the mandate given to them. . In particular, the Investment Managers must have regard to the suitability and diversification of the investments made on behalf of the Scheme.

The Investment Managers will ensure that suitable internal operating procedures are in place to control individuals making investments for the Scheme.

Performance objectives

The individual benchmarks and objectives against which each Investment Manager mandate is assessed are given in Appendix II.

Review process

Appointments of Investment Managers are expected to be long-term, but the Trustee will review the appointment of the Investment Managers in accordance with its responsibilities. Such reviews will include analysis of each Investment Manager's performance and processes and an assessment of the diversification of the assets held by the Investment Manager. The review will include consideration of the continued appropriateness of the mandate given to the Investment Manager within the framework of the Trustee's investment policy.

The Trustee will receive regular performance monitoring reports from the Investment Consultant which consider performance over the quarter, one and three year periods. In addition, any significant changes relating to the Trustee's selection and deselection criteria that the Investment Consultant is aware of will be highlighted, which may lead to a change in the Investment Consultant's rating for a particular mandate. These ratings help to determine an Investment Manager's ongoing role in implementing the investment strategy. If there are concerns, the Trustee may carry out a more in-depth review of a particular Investment Manager. Investment Managers will also attend Trustee meetings as requested.

Where appropriate, the Investment Consultant has also carried out a review of how well the Trustee's guidelines in relation to ESG factors are incorporated into each Investment Manager's processes and the Trustee will re-assess progress on ESG issues periodically.

Fund manager remuneration is considered as part of the manager selection process. It is also monitored as appropriate with the help of the Investment Consultant to ensure it is in line with the Trustee's policies and with fee levels deemed by the Investment Consultant to be appropriate for the particular asset class and fund type.

(De) Selection criteria

The criteria by which the Trustee will select (or deselect) the Investment Managers include:

> Parent – Ownership of the business;
> People – Leadership/ team managing the strategy and client service;
> Product – Key features of the investment and the role it performs in a portfolio;
> Process - Philosophy and approach to selecting underlying investments including operational risk management and systems;
> Positioning - Current and historical asset allocation of the fund;
> Performance – past performance and track record;
> Pricing - The underlying cost structure of the strategy;
> ESG - Consistency and extent to which ESG analysis is incorporated into the process of selecting underlying investments.

An Investment Manager may be replaced, for example (but not exclusively), for one or more of the following:

> The Investment Manager fails to meet its performance objectives;

> The Trustee believes that the Investment Manager is not capable of achieving the performance objectives in the future;
> The Investment Manager fails to comply with this Statement.

Investment Managers' fee structure

The Investment Managers are remunerated by receiving a percentage of the Scheme's assets under management. In addition, a performance related fee may be payable. Details of the fee arrangements in place for each Investment Manager are available in Appendix II.

It is felt that this method of remuneration provides appropriate incentives for the Investment Managers to target the agreed level of outperformance whilst adhering to the level of risk specified by the Trustee.

Portfolio turnover

The Trustee expects the Investment Managers to report on actual portfolio turnover, including details of the costs associated with turnover, how turnover compares with the range that the Investment Manager expects and the reasons for any divergence.

Investment Consultant's fee structure

The Investment Consultant is remunerated for work completed on a fixed fee basis or via a project-fee on a time-cost arrangement.

It is felt that this method of remuneration is appropriate because it enables the Investment Consultant to provide the necessary advice and information to facilitate the Trustee undertaking its responsibilities as described in Section 2.

08 Additional Voluntary Contributions

Provision of AVCs

The Scheme provides a facility for members to pay additional voluntary contributions (AVCs) to enhance their benefits at retirement. Members are offered a choice of funds in which to invest their AVC payments. The Trustee's objective is to provide vehicles that enable existing members to generate suitable long-term returns, consistent with their reasonable expectations.

The Trustee considers that, in making a number of funds available, it has provided these members with sufficient options to meet their reasonable expectations.

The investment funds are provided by Zurich.

A closed arrangement with Utmost (formerly Equitable Life) also exists with no new contributions being paid into this policy.

Review Process

The appointment of the AVC providers and the choice of AVC funds offered to members will be reviewed by the Trustee in accordance with its responsibilities, based on the result of their monitoring of performance and process. The Trustee will review the appointment of the AVC providers as appropriate.

Where possible, performance of the AVC providers will be measured relative to the individual benchmarks and objectives for the funds offered and/or to other providers offering similar fund options as measured in industry AVC surveys.

09 Compliance Statement

Confirmation of advice

Before a Statement of Investment Principles, as required by the Pensions Act 1995, is prepared or revised by the trustees of a pension scheme, they must have consulted with the principal employer and obtained and considered the written advice of a person who is reasonably believed by it to be qualified by his ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of the investments of such schemes.

The Investment Consultant hereby confirms to the Trustee that they have the appropriate knowledge and experience to give the advice required by the Act.

Trustee's declaration

The Trustee confirms that this Statement of Investment Principles reflects the Investment Strategy it has decided to implement. The Trustee acknowledges that it is its responsibility, with guidance from the Advisers, to ensure the assets of the Scheme are invested in accordance with these Principles.

Signatures

On behalf of XPS Investment Limited:

Adam Gillespie FIA

Partner – Investment

Date: 28 September 2020

On behalf of the Trustee:

Wayne Phelan

Date: 29 September 2020

Structure and type of funds available

The Trustee has appointed Scottish Widows Limited as the Investment Platform Provider.

The Trustee has decided to offer the following investment options via the platform:

- Self-select options, as shown; Passive Equity, Active Equity, Ethical Equity, Shariah Equity, Diversified Growth, Property, Fixed Income Pension Preparation, Inflation-Linked Pension Preparation and Cash.
- 3 lifestyle approaches; Pension, Drawdown and Cash, which phase quarterly on a predetermined matrix as outlined in the tables below

The Default Arrangement should a member not wish to make their own investment is a pension lifestyle option, which is invested as follows:

Pension Lifestyle

Months to Normal Retirement Age	Passive Equity Fund	Diversified Growth Fund	Cash Fund	Fixed Income Pension Preparation Fund
60+	30.0%	70.0%	0.0%	0.0%
57	28.5%	66.5%	1.3%	3.8%
54	27.0%	63.0%	2.5%	7.5%
51	25.5%	59.5%	3.8%	11.3%
48	24.0%	56.0%	5.0%	15.0%
45	22.5%	52.5%	6.3%	18.8%
42	21.0%	49.0%	7.5%	22.5%
39	19.5%	45.5%	8.8%	26.3%
36	18.0%	42.0%	10.0%	30.0%
33	16.5%	38.5%	11.3%	33.8%
30	15.0%	35.0%	12.5%	37.5%
27	13.5%	31.5%	13.8%	41.3%
24	12.0%	28.0%	15.0%	45.0%
21	10.5%	24.5%	16.3%	48.8%
18	9.0%	21.0%	17.5%	52.5%
15	7.5%	17.5%	18.8%	56.3%
12	6.0%	14.0%	20.0%	60.0%
9	4.5%	10.5%	21.3%	63.8%
6	3.0%	7.0%	22.5%	67.5%
3	1.5%	3.5%	23.8%	71.3%
0	0.0%	0.0%	25.0%	75.0%

Drawdown Lifestyle

Months to Normal Retirement Age	Passive Global Equity Fund	DGF Blend Fund	Cash Fund
60+	30.0%	70.0%	0.0%
57	28.5%	70.3%	1.3%
54	27.0%	70.5%	2.5%
51	25.5%	70.8%	3.8%
48	24.0%	71.0%	5.0%
45	22.5%	71.3%	6.3%
42	21.0%	71.5%	7.5%
39	19.5%	71.8%	8.8%
36	18.0%	72.0%	10.0%
33	16.5%	72.2%	11.3%
30	15.0%	72.5%	12.5%
27	13.5%	72.7%	13.8%
24	12.0%	73.0%	15.0%
21	10.5%	73.2%	16.3%
18	9.0%	73.5%	17.5%
15	7.5%	73.7%	18.8%
12	6.0%	74.0%	20.0%
9	4.5%	74.2%	21.3%
6	3.0%	74.5%	22.5%
3	1.5%	74.7%	23.8%
0	0.0%	75.0%	25.0%

Cash Lifestyle

Months to Normal Retirement Age	Passive Equity Fund	Diversified Growth Fund	Cash Fund
60+	30.0%	70.0%	0.0%
57	28.5%	66.5%	5.0%
54	27.0%	63.0%	10.0%
51	25.5%	59.5%	15.0%
48	24.0%	56.0%	20.0%
45	22.5%	52.5%	25.0%
42	21.0%	49.0%	30.0%
39	19.5%	45.5%	35.0%
36	18.0%	42.0%	40.0%
33	16.5%	38.5%	45.0%
30	15.0%	35.0%	50.0%
27	13.5%	31.5%	55.0%
24	12.0%	28.0%	60.0%
21	10.5%	24.5%	65.0%
18	9.0%	21.0%	70.0%
15	7.5%	17.5%	75.0%
12	6.0%	14.0%	80.0%
9	4.5%	10.5%	85.0%
6	3.0%	7.0%	90.0%
3	1.5%	3.5%	95.0%
0	0.0%	0.0%	100.0%

Appendix B Projections

The chart shows in monetary terms the accumulative effect of charges taken from a member's fund over time.

Default Lifetime Investment Strategy (Active Member)

Years from Now	*Pension Pot (before Charges)*	*Pension Pot (after charges)*	Years from Now	*Pension Pot (before Charges)*	*Pension Pot (after charges)*
1	£3,873	£3,858	24	£122,695	£111,444
2	£7,836	£7,777	25	£129,428	£117,055
3	£11,892	£11,758	26	£136,317	£122,754
4	£16,042	£15,801	27	£143,367	£128,543
5	£20,288	£19,907	28	£150,582	£134,422
6	£24,634	£24,079	29	£157,964	£140,394
7	£29,081	£28,316	30	£165,519	£146,460
8	£33,632	£32,619	31	£173,250	£152,622
9	£38,289	£36,990	32	£181,160	£158,880
10	£43,054	£41,430	33	£189,256	£165,237
11	£47,930	£45,940	34	£197,540	£171,694
12	£52,920	£50,521	35	£206,017	£178,252
13	£58,027	£55,173	36	£214,691	£184,913
14	£63,252	£59,899	37	£223,568	£191,679
15	£68,599	£64,699	38	£232,652	£198,552
16	£74,071	£69,575	39	£241,947	£205,533
17	£79,670	£74,527	40	£251,459	£212,623
18	£85,400	£79,557	41	£261,193	£219,825
19	£91,264	£84,667	42	£271,153	£227,140
20	£97,264	£89,856	43	£279,539	£233,311
21	£103,403	£95,128	44	£286,202	£238,252
22	£109,686	£100,482	45	£291,025	£241,896
23	£116,116	£105,920	46	£293,926	£244,197

Assumptions

Projected pension pots are shown in today's terms and do not need to be reduced further for the effects of inflation. The assumed investment returns before the effect of inflation are:*

Before Charges: 4.89% pa 5 or more years before retirement gradually reducing to 2.18% pa at retirement.

After charges: 4.11% pa 5 or more years before retirement gradually reducing to 1.86% pa at retirement.

The assumed level of inflation is 2.5% pa

Pension Pot Value at Start: £0

Active Member with a total contributions rate of 15.5% and pensionable salary of £25,000

* *The figures illustrated above are only examples and are not guaranteed - they are not minimum or maximum amounts*

Appendix B Projections continued

The chart shows in monetary terms the accumulative effect of charges taken from a member's fund over time.

Default Lifetime Investment Strategy (Deferred Member)

Years from Now	*Pension Pot (before Charges)*	*Pension Pot (after charges)*	Years from Now	*Pension Pot (before Charges)*	*Pension Pot (after charges)*
1	£15,350	£15,236	14	£20,710	£18,373
2	£15,707	£15,475	15	£21,193	£18,662
3	£16,073	£15,719	16	£21,686	£18,956
4	£16,448	£15,966	17	£22,192	£19,254
5	£16,831	£16,217	18	£22,709	£19,557
6	£17,224	£16,472	19	£23,238	£19,864
7	£17,625	£16,731	20	£23,780	£20,176
8	£18,036	£16,994	21	£24,334	£20,494
9	£18,456	£17,262	22	£24,901	£20,816
10	£18,887	£17,533	23	£25,317	£21,143
11	£19,327	£17,809	24	£25,572	£21,360
12	£19,777	£18,089	25	£25,660	£21,461
13	£20,238	£15,236	26	£25,579	£21,444

Assumptions

Projected pension pots are shown in today's terms and do not need to be reduced further for the effects of inflation. The assumed investment returns before the effect of inflation are:*

Before Charges: 4.89% pa 5 or more years before retirement gradually reducing to 2.17% pa at retirement.

After charges: 2.18% pa 5 or more years before retirement gradually reducing to 2% pa at retirement.

The assumed level of inflation is 2.5% pa

Pension Pot Value at Start: £15,000

Deferred Member with a no further contributions.

** The figures illustrated above are only examples and are not guaranteed - they are not minimum or maximum amounts*

Appendix B Projections continued

The chart shows in monetary terms the accumulative effect of charges taken from a member's fund over time.

Ethical Equity Fund (Active Member)

Years from Now	*Pension Pot (before Charges)*	*Pension Pot (after charges)*	Years from Now	*Pension Pot (before Charges)*	*Pension Pot (after charges)*
1	£3,877	£3,856	24	£126,300	£110,050
2	£7,854	£7,769	25	£133,405	£115,526
3	£11,932	£11,740	26	£140,693	£121,083
4	£16,114	£15,769	27	£148,166	£126,722
5	£20,403	£19,857	28	£155,831	£132,444
6	£24,802	£24,006	29	£163,691	£138,250
7	£29,313	£28,216	30	£171,752	£144,142
8	£33,940	£32,487	31	£180,020	£150,120
9	£38,684	£36,822	32	£188,499	£156,186
10	£43,551	£41,220	33	£197,194	£162,342
11	£48,541	£45,683	34	£206,112	£168,588
12	£53,659	£50,212	35	£215,258	£174,927
13	£58,908	£54,808	36	£224,637	£181,358
14	£64,291	£59,471	37	£234,256	£187,884
15	£69,811	£64,203	38	£244,121	£194,507
16	£75,473	£69,004	39	£254,239	£201,226
17	£81,280	£73,876	40	£264,614	£208,045
18	£87,234	£78,820	41	£275,255	£214,964
19	£93,342	£83,837	42	£286,169	£221,985
20	£99,605	£88,927	43	£297,361	£229,109
21	£106,028	£94,093	44	£308,839	£236,339
22	£112,615	£99,334	45	£320,610	£243,674
23	£119,371	£104,653	46	£332,683	£251,118

Assumptions

Projected pension pots are shown in today's terms and do not need to be reduced further for the effects of inflation. The assumed investment returns before the effect of inflation are:*

Before Charges: 5.12% p.a. to retirement.

After charges: 4.01% p.a. to retirement

The assumed level of inflation is 2.5% pa

Pension Pot Value at Start: £0

Active Member with a total contributions rate of 15.5% and pensionable salary of £28,000

* *The figures illustrated above are only examples and are not guaranteed - they are not minimum or maximum amounts*

Appendix B Projections continued

The chart shows in monetary terms the accumulative effect of charges taken from a member's fund over time.

Ethical Equity Fund (Deferred Member)

Years from Now	*Pension Pot (before Charges)*	*Pension Pot (after charges)*	Years from Now	*Pension Pot (before Charges)*	*Pension Pot (after charges)*
1	£25,639	£25,368	14	£35,596	£30,676
2	£26,294	£25,742	15	£36,506	£31,128
3	£26,966	£26,120	16	£37,439	£31,586
4	£27,656	£26,505	17	£38,396	£32,051
5	£28,363	£26,895	18	£39,377	£32,523
6	£29,088	£27,291	19	£40,384	£33,002
7	£29,831	£27,693	20	£41,416	£33,487
8	£30,594	£28,101	21	£42,475	£33,980
9	£31,376	£28,514	22	£43,560	£34,481
10	£32,178	£28,934	23	£44,674	£34,988
11	£33,000	£29,360	24	£45,816	£35,503
12	£33,844	£29,792	25	£46,987	£36,026
13	£34,709	£30,231	26	£48,188	£36,556

Assumptions

Projected pension pots are shown in today's terms and do not need to be reduced further for the effects of inflation. The assumed investment returns before the effect of inflation are:*

Before Charges: 5.12% p.a. to retirement.

After charges: 4.01% p.a. to retirement

The assumed level of inflation is 2.5% pa

Pension Pot Value at Start: £15,000

Deferred Member with a no further contributions.

* *The figures illustrated above are only examples and are not guaranteed - they are not minimum or maximum amounts*

Appendix B Projections continued

The chart shows in monetary terms the accumulative effect of charges taken from a member's fund over time.

RSPCA Inflation Linked Pension Preparation Fund (Active Member)

Years from Now	*Pension Pot (before Charges)*	*Pension Pot (after charges)*	Years from Now	*Pension Pot (before Charges)*	*Pension Pot (after charges)*
1	£3,779	£3,776	24	£68,708	£67,462
2	£7,463	£7,450	25	£70,757	£69,428
3	£11,054	£11,026	26	£72,755	£71,341
4	£14,555	£14,506	27	£74,703	£73,202
5	£17,967	£17,893	28	£76,601	£75,014
6	£21,294	£21,188	29	£78,452	£76,777
7	£24,537	£24,396	30	£80,257	£78,493
8	£27,698	£27,517	31	£82,015	£80,163
9	£30,780	£30,554	32	£83,730	£81,788
10	£33,784	£33,510	33	£85,401	£83,370
11	£36,713	£36,387	34	£87,031	£84,909
12	£39,568	£39,187	35	£88,619	£86,406
13	£42,351	£41,911	36	£90,168	£87,864
14	£45,064	£44,562	37	£91,677	£89,282
15	£47,709	£47,143	38	£93,148	£90,663
16	£50,287	£49,653	39	£94,583	£92,006
17	£52,800	£52,097	40	£95,981	£93,313
18	£55,250	£54,475	41	£97,344	£94,586
19	£57,638	£56,789	42	£98,673	£95,824
20	£59,966	£59,042	43	£99,968	£97,029
21	£62,236	£61,233	44	£101,231	£98,201
22	£64,448	£63,366	45	£102,462	£99,342
23	£66,605	£65,442	46	£103,662	£100,453

Assumptions

Projected pension pots are shown in today's terms and do not need to be reduced further for the effects of inflation. The assumed investment returns before the effect of inflation are:*

Before Charges: -0.08% p.a. to retirement

After charges: -0.25% p.a. to retirement

The assumed level of inflation is 2.5% pa

Pension Pot Value at Start: £0

Active Member with a total contributions rate of 15.5% and pensionable salary of £28,000

* *The figures illustrated above are only examples and are not guaranteed - they are not minimum or maximum amounts*

Appendix B Projections continued

The chart shows in monetary terms the accumulative effect of charges taken from a member's fund over time.

RSPCA Inflation Linked Pension Preparation Fund (Deferred Member)

Years from Now	*Pension Pot (before Charges)*	*Pension Pot (after charges)*	Years from Now	*Pension Pot (before Charges)*	*Pension Pot (after charges)*
1	£14,622	£14,598	14	£10,498	£10,250
2	£14,254	£14,206	15	£10,233	£9,975
3	£13,896	£13,825	16	£9,976	£9,708
4	£13,546	£13,454	17	£9,725	£9,447
5	£13,205	£13,093	18	£9,480	£9,194
6	£12,872	£12,742	19	£9,241	£8,947
7	£12,548	£12,400	20	£9,009	£8,707
8	£12,233	£12,067	21	£8,782	£8,473
9	£11,925	£11,743	22	£8,561	£8,246
10	£11,625	£11,428	23	£8,345	£8,025
11	£11,332	£11,122	24	£8,135	£7,810
12	£11,047	£10,823	25	£7,931	£7,600
13	£10,769	£10,533	26	£7,731	£7,396

Assumptions

Projected pension pots are shown in today's terms and do not need to be reduced further for the effects of inflation. The assumed investment returns before the effect of inflation are:*

Before Charges: -0.08% p.a. to retirement

After charges: -0.25% p.a. to retirement

The assumed level of inflation is 2.5% pa

Pension Pot Value at Start: £10,500

Deferred Member with a no further contributions.

** The figures illustrated above are only examples and are not guaranteed - they are not minimum or maximum amounts*

Appendix B Projections continued

The chart shows in monetary terms the accumulative effect of charges taken from a member's fund over time.

RSPCA Diversified Growth Fund (Active Member)

Years from Now	*Pension Pot (before Charges)*	*Pension Pot (after charges)*	Years from Now	*Pension Pot (before Charges)*	*Pension Pot (after charges)*
1	£4,336	£4,314	24	£135,731	£119,487
2	£8,768	£8,680	25	£143,099	£125,263
3	£13,299	£13,100	26	£150,631	£131,109
4	£17,932	£17,574	27	£158,332	£137,027
5	£22,668	£22,102	28	£166,205	£143,017
6	£27,510	£26,686	29	£174,254	£149,080
7	£32,460	£31,326	30	£182,482	£155,217
8	£37,521	£36,023	31	£190,895	£161,430
9	£42,695	£40,778	32	£199,495	£167,719
10	£47,984	£45,590	33	£208,288	£174,084
11	£53,392	£50,462	34	£217,277	£180,527
12	£58,920	£55,393	35	£226,467	£187,050
13	£64,572	£60,384	36	£235,862	£193,652
14	£70,351	£65,436	37	£245,467	£200,334
15	£76,258	£70,550	38	£255,286	£207,099
16	£82,297	£75,727	39	£265,326	£213,946
17	£88,471	£80,967	40	£275,589	£220,877
18	£94,783	£86,271	41	£286,081	£227,893
19	£101,237	£91,640	42	£296,808	£234,995
20	£107,834	£97,075	43	£307,775	£242,184
21	£114,579	£102,576	44	£318,987	£249,460
22	£121,474	£108,145	45	£330,449	£256,826
23	£128,524	£113,782	46	£342,167	£264,281

Assumptions

Projected pension pots are shown in today's terms and do not need to be reduced further for the effects of inflation. The assumed investment returns before the effect of inflation are:*

Before Charges: 4.79% p.a. to retirement.

After charges: 3.75% p.a. to retirement.

The assumed level of inflation is 2.5% pa

Pension Pot Value at Start: £0

Active Member with a total contributions rate of 15.5% and pensionable salary of £25,000

* *The figures illustrated above are only examples and are not guaranteed - they are not minimum or maximum amounts*

Appendix B Projections continued

The chart shows in monetary terms the accumulative effect of charges taken from a member's fund over time.

RSPCA Diversified Growth Fund (Deferred Member)

Years from Now	*Pension Pot (before Charges)*	*Pension Pot (after charges)*	Years from Now	*Pension Pot (before Charges)*	*Pension Pot (after charges)*
1	£15,335	£15,184	14	£20,438	£17,784
2	£15,678	£15,369	15	£20,894	£18,001
3	£16,028	£15,557	16	£21,361	£18,222
4	£16,386	£15,748	17	£21,839	£18,445
5	£16,752	£15,940	18	£22,326	£18,670
6	£17,126	£16,135	19	£22,825	£18,899
7	£17,509	£16,333	20	£23,335	£19,130
8	£17,900	£16,533	21	£23,857	£19,364
9	£18,300	£16,735	22	£24,389	£19,601
10	£18,709	£16,940	23	£24,934	£19,841
11	£19,127	£17,147	24	£25,491	£20,083
12	£19,554	£17,357	25	£26,061	£20,329
13	£19,991	£17,569	26	£26,643	£20,578

Assumptions

Projected pension pots are shown in today's terms and do not need to be reduced further for the effects of inflation. The assumed investment returns before the effect of inflation are:*

Before Charges: 4.79% p.a. to retirement.

After charges: 3.75% p.a. to retirement.

The assumed level of inflation is 2.5% pa

Pension Pot Value at Start: £15,000

Deferred Member with a no further contributions.

* *The figures illustrated above are only examples and are not guaranteed - they are not minimum or maximum amounts*

Appendix C Additional Voluntary Contributions

Member borne changes for AVC vehicles not covered elsewhere in this statement

Fund Name	Total Expense Ratio %	Transaction costs %
Zurich Equity Managed 2 EP Fund	1.10	0.228
Zurich Long Dated Gilt 2 EP Fund	1.130	0.214
Zurich Managed 2 EP Fund	1.090	0.017
Zurich BlackRock Sterling Liquidity ZP Fund	0.810	0.011
Zurich With Profits EP Fund	0.990	0.302
Zurich Henderson Global Sustainable Equity ZP	1.680	0.070
Zurich Managed Equity ZP	1.00	0.392
Utmost Multi-Asset Moderate Fund	0.75	0.495
Utmost Multi-Asset Cautious Fund	0.75	0.405

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