



Roquette UK Limited Retirement Benefit Scheme (The “Scheme”)

Value for Members Assessment Annual Report

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June 2025

welcome to brighter



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Agenda

1. Introduction
2. Executive Summary
3. Price Assessment
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Introduction

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Introduction

Value for Members assessment



This presentation is addressed to the Roquette UK Limited Retirement Benefit Scheme (the “Scheme”). The purpose of this presentation is to review whether the Scheme is, in the opinion of Mercer, offering good value for members.

Objectives

This year’s review is based on the regulatory requirements for value for members assessments for “small schemes”, explained below. Our analysis in this presentation is split between three key areas, as required under the regulations:

- Member-borne **charges and transaction costs**, assessed comparatively with three other DC arrangements.
- **Net investment performance** of the Scheme’s investment options, assessed comparatively with three other DC arrangements.
- An assessment of the Scheme’s **administration and governance** offering against seven key metrics.

These areas are consistent with the three Ps (as explained on the following slide) we have used in previous year’s assessments, which we have adapted slightly to allow for the more prescriptive requirements going forward.

Regulatory Requirements

“Small scheme” Value for Members assessment

- For scheme year ends after 31 December 2021, for schemes with an asset size under £100m*, it is a regulatory requirement to carry out a detailed value for members assessment involving a comparison of reported costs and charges and fund performance (net investment returns) with three other DC arrangements, and a consideration of key governance and administration criteria.
- The outcome of the assessment must be explained in the annual chair’s statement, published on a publicly available website and reported to the Pensions Regulator (TPR) via the annual scheme return.
- The purpose of the new ‘comparative’ element of the assessment is to help trustees determine whether members would achieve better value in an alternative DC arrangement.
- If trustees determine their Scheme does not provide good value for members today, they should look to wind up the scheme and transfer members’ rights into a larger DC arrangement or set out the immediate action they will take to make improvements to the existing scheme.

* The legislation specifies the scheme asset size assessed should be that recorded in the audited accounts for the scheme year that ended most recently. We have interpreted this as the scheme asset size in the audited accounts as at 31 December 2023. **This is does not constitute legal advice**; please contact your legal adviser or auditor for any advice on this matter.

Introduction

Comparative DC arrangements

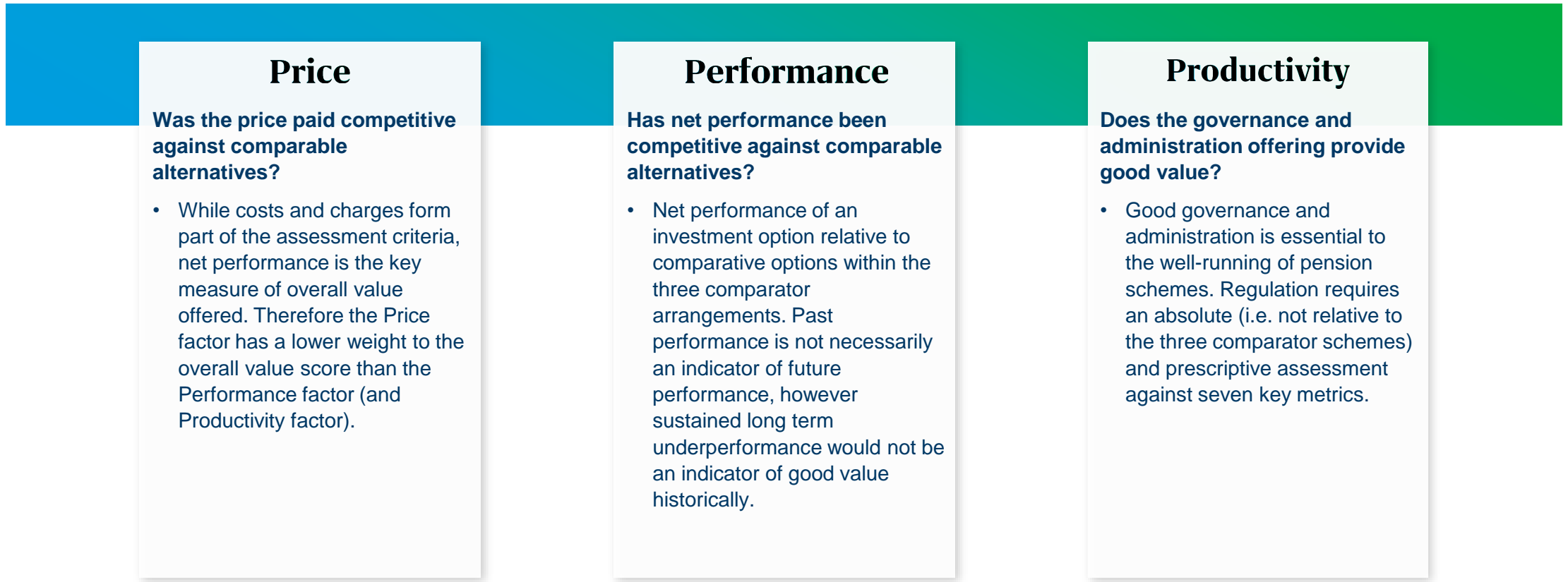
- The value for members regulations require the Trustees to compare costs & charges, and net performance, of the Scheme against three alternative DC arrangements, that may be able to accept the members and assets of the Scheme should the Scheme be wound up.
- In practice there are different types of arrangement that may meet the definition above. For the purposes of this assessment, we have focussed on the DC ‘master trust’ market. A master trust is a trust-based DC arrangement that is used by multiple employers. The master trust market has been growing rapidly over the past decade, in terms of asset size and number of members.
- There are c. 34 master trusts in the UK DC market, authorised by the Pensions Regulator, that may be able to take on the Scheme’s members and assets should the Scheme be wound up. For the purposes of this assessment, we have used the following master trusts as part of the Price and Performance comparison:

Master Trust	Rationale
The People’s Pension Scheme	<ul style="list-style-type: none">• The People’s Pension is one of the largest master trusts in the UK, with over 5 million members and over £26.4bn of assets as at 31 March 2024. The People’s Pension has a long track record, with most funds having been launched in 2013.• Unlike many master trust providers, The People’s Pension does not have a minimum asset size requirement to accept schemes transferring in.
NOW Pensions	<ul style="list-style-type: none">• NOW Pensions is one of the largest master trusts with c.£4.8 billion assets under management (UK Accounts 31 March 2024) since being set up in 2012.• It is unique in the market as it offers a single investment solution approach with two investments funds only targeting growth and protection dependent on an individual’s term to retirement.
NEST Master Trust	<ul style="list-style-type: none">• NEST is a master trust set up by the government and is one of the largest pension schemes in the UK (net assets as at 31 March 2024: £39.9 billion). NEST has a long track record, with most funds having been launched in 2011.• Unlike many master trust providers, NEST does not have a minimum asset size requirement to accept schemes transferring in.

Introduction

Three P framework

In previous years' reviews, Mercer has assessed value using a “**the three Ps**” framework. These areas are aligned with the three assessment areas required under the new regulations; we have therefore retained this framework, while reflecting the prescriptive assessment requirements set out by the regulations.



Executive summary

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Executive summary

Value for Members assessment

Rating	Meaning
	Offers poor value
	Offers reasonable value
	Offers good value

We believe the Roquette UK Limited Retirement Benefit Scheme offers reasonable value for members across a range of factors (3 Ps):

Price	Performance	Productivity	Overall
Overall rating:	Overall rating:	Overall rating:	Overall rating:
POOR	REASONABLE	GOOD	REASONABLE
<p>Total costs and charges are higher than those of the three comparator schemes for the default strategy, largely due to the high level of transaction costs during the Scheme year. The actively-managed nature of the default strategy fund also results in higher ongoing charges. It should be noted that some of the comparator schemes charge a policy fee and a fee on ongoing contributions, which the Scheme does not.</p> <p>The self-select fund range has lower charges versus those of the three comparator schemes.</p>	<p>The default arrangement has tended to underperform the three comparator schemes over the one year period, largely due to its relatively conservative multi-asset approach. However over the five year period performance was higher than that of the comparators in some cases, particularly closer to retirement. We note this has been addressed as part of the investment strategy review completed in 2023, with resultant changes due to be implemented this year.</p> <p>The performance of the self-select fund range has been lower compared with those of the three comparator schemes.</p>	<p>The Scheme's governance and administration arrangements have been assessed as adequate to ensure the well-running of the Scheme. We have set out a series of actions the Trustees may want to undertake in light of this assessment to further improve the value members are offered in the Scheme.</p>	<p>Our overall assessment is that the Scheme offers reasonable value for members, based on the assessment criteria shown alongside.</p> <p>Further explanation of this rating can be found overleaf.</p>

Conclusion

Proposed actions

- Based on our assessment, we propose the Trustees continue with the implementation of the investment strategy changes agreed in November 2023 to improve the expected value offered in respect of Price and Performance going forward.
- In addition, we propose the following actions from a governance and administration perspective to improve the value for members present:
 - We recommend the Trustees keep the Trustee Effectiveness Questionnaire (“TEQ”) on their radar if they feel the training log isn’t sufficient to identify any gaps in their abilities to deliver their role.
 - Consider increasing the frequency of meetings / investment monitoring to a quarterly basis.
- Actions currently underway that we recommend the Trustees continue with:
 - The Trustees have agreed to set up online access for members using Aptia’s OneView portal in 2025.
 - The Trustees have agreed to incorporate a training log going forwards to keep a record of their knowledge and understanding.
 - The Trustees agreed to the preparation of a cyber security policy and Incident Response Plan for the Scheme. We recommend the Trustees review and agree to these documents in 2025.
 - We recommend the Trustees consider undertaking a tracing exercise to address the gaps identified in the data reviews which the Trustees agreed to at the 17 June 2024 Trustee meeting.

Price assessment

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Price assessment

Introduction

- The following pages compare the total costs and charges for the Scheme’s most popular investment options, against the closest-match investment options offered by the three comparator arrangements, as at 31 December 2024.
- The table below sets out the investment options being compared:

DC arrangement	Default	Self-select (most popular)	Self-select (second most popular)
Roquette UK Limited Retirement Benefit Scheme	Columbia Threadneedle Multi-Asset Fund	BlackRock Aquila Connect 60:40 Global Equity	BlackRock Aquila Connect Over 15 Years Gilt Index
The People’s Pension	'Balanced' Investment Profile	Global Investments (up to 100% shares) Fund	Annuity Fund
NOW Pensions	Diversified Growth Fund	Diversified Growth Fund	Retirement Countdown Fund
NEST	NEST Retirement Date Funds	NEST Higher Risk Fund	NEST Lower Growth Fund

Price assessment

Default arrangement (1)

Age	Default	Ongoing charges p.a.	Transaction costs p.a.	Total p.a.	Difference in Total (vs Current default)
25	Current	0.56	0.33	0.89	-
	The People's Pension	0.50	0.09	0.59	-0.30
	NOW Pensions	0.30	0.16	0.46	-0.43
	NEST	0.30	0.05	0.35	-0.54
35	Current	0.56	0.33	0.89	-
	The People's Pension	0.50	0.09	0.59	-0.30
	NOW Pensions	0.30	0.16	0.46	-0.43
	NEST	0.30	0.06	0.36	-0.54
45	Current	0.56	0.33	0.89	-
	The People's Pension	0.50	0.09	0.59	-0.30
	NOW Pensions	0.30	0.16	0.46	-0.43
	NEST	0.30	0.06	0.36	-0.54

Source: Mobius, The People's Pension, NOW Pensions and NEST.

Mobius as at 31 December 2024.

The People's Pension TERs and Transaction Costs as at 31 March 2024. The People's Pension also charges an annual administration charge of £4.50.

NOW Pensions TERs and Transaction Costs as at 31 March 2024.

NEST TERs and Transaction Costs as at 31 March 2024. In addition to the annual charge, NEST apply a 1.8% charge on every contribution a member makes into their pot.

Price assessment

Default arrangement (2)

Age	Default	Ongoing charges p.a.	Transaction costs p.a.	Total p.a.	Difference in Total (vs Current default)
55	Current	0.56	0.33	0.89	-
	The People's Pension	0.50	0.08	0.58	-0.31
	NOW Pensions	0.30	0.16	0.46	-0.43
	NEST	0.30	0.06	0.36	-0.53
65	Current	0.56	0.33	0.89	-
	The People's Pension	0.50	0.06	0.56	-0.33
	NOW Pensions	0.30	0.06	0.36	-0.53
	NEST	0.30	0.03	0.33	-0.56

Source: Mobius, The People's Pension, NOW Pensions and NEST.

Mobius as at 31 December 2024.

The People's Pension TERs and Transaction Costs as at 31 March 2024. The People's Pension also charges an annual administration charge of £4.50.

NOW Pensions TERs and Transaction Costs as at 31 March 2024.

NEST TERs and Transaction Costs as at 31 March 2024. In addition to the annual charge, NEST apply a 1.8% charge on every contribution a member makes into their pot.

Price assessment

Self-select (two most popular funds)

Arrangement	Self-select option	Ongoing charges p.a.	Transaction costs p.a.	Total p.a.	Difference in Total (vs current default)
Current	BlackRock Aquila Connect 60:40 Global Equity	0.25	0.07	0.32	-
The People's Pension	Global Investments (up to 100% shares) Fund	0.50	0.09	0.59	0.27
NOW Pensions	Diversified Growth Fund	0.30	0.16	0.46	0.14
NEST	NEST Higher Risk Fund	0.30	0.07	0.37	0.05
Current	BlackRock Aquila Connect Over 15 Years Gilt Index	0.23	0.00	0.23	-
The People's Pension	Annuity Fund	0.50	0.01	0.51	0.28
NOW Pensions	Retirement Countdown Fund	0.30	0.02	0.32	0.09
NEST	NEST Lower Growth Fund	0.30	0.00	0.30	0.07

Source: Mobius, The People's Pension, NOW Pensions and NEST.

Mobius as at 31 December 2024.

The People's Pension TERs and Transaction Costs as at 31 March 2024. The People's Pension also charges an annual administration charge of £4.50.

NOW Pensions TERs and Transaction Costs as at 31 March 2024.

NEST TERs and Transaction Costs as at 31 March 2024. In addition to the annual charge, NEST apply a 1.8% charge on every contribution a member makes into their pot.

Price assessment

Conclusions

Default

- The Scheme's costs and charges across all ages assessed have been higher than those of the comparator arrangements.
- While the Scheme's costs and charges are, on average, higher than those of the comparator arrangements, largely due to its active management style, the Trustees agreed in principle to make several changes following the 2023 investment strategy review to address these higher costs. These changes will involve increasing the proportion of passive management, moving away from the current model where the default is entirely actively managed, making costs higher. This will be achieved by introducing a lifestyle option as the default instead of a single fund, which can help lower charges and tailor the investment strategy to better match members' risk profiles and their proximity to retirement. These changes are due to be implemented in 2025.

Self-select

- The Scheme's costs and charges across the two most popular self-select options have been lower than those of similar funds within the comparator arrangements. However, it should be noted that, due to the nature of the funds available in the comparator schemes, the comparator funds are not "like for like" in terms of objectives and underlying assets.
- For example, the BlackRock Aquila Connect 60:40 Global Equity has a 60% weighting to the UK which is much higher compared to the self-select funds it is being compared against.
- Similarly, the NEST Lower Growth Fund is a mix of UK and global corporate bonds, whereas the Scheme's fund (BlackRock Aquila Connect Over 15 Years Gilt Index) is a government bond fund.

Overall, we view the Scheme's costs and charges as poor compared to the comparator schemes. The default strategy is entirely actively managed, giving rise to higher investment charges. As noted above, the investment strategy changes that the Trustees have agreed to will look to address this. Meanwhile, the Scheme's self-select funds tend to be lower cost than those of the comparator schemes.

Performance assessment

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Performance assessment

Introduction

- The following pages compare net investment performance for the Scheme’s most popular investment options, against the closest-match investment options offered by the three comparator arrangements, as at 31 December 2024.
- For the basis of comparison, the same investment options are considered as in the previous section regarding total costs and charges:

DC arrangement	Default	Self-select (most popular)	Self-select (second most popular)
Roquette UK Limited Retirement Benefit Scheme	Columbia Threadneedle Multi-Asset Fund	BlackRock Aquila Connect 60:40 Global Equity	BlackRock Aquila Connect Over 15 Years Gilt Index
The People’s Pension	'Balanced' Investment Profile	Global Investments (up to 100% shares) Fund	Annuity Fund
NOW Pensions	Diversified Growth Fund	Diversified Growth Fund	Retirement Countdown Fund
NEST	NEST Retirement Date Funds	NEST Higher Risk Fund	NEST Lower Growth Fund

Performance assessment

Default

Age 25 at start of period	One year to 31/12/2024		Five years p.a. to 31/12/2024	
	Performance	vs Current	Performance	vs Current
Current	7.9	-	5.0	-
The People's Pension	14.2	6.3	6.0	1.0
NOW Pensions	13.4	5.5	4.5	-0.5
NEST	11.9	4.0	7.0	2.0
Age 45 at start of period	One year to 31/12/2024		Five years p.a. to 31/12/2024	
	Performance	vs Current	Performance	vs Current
Current	7.9	-	5.0	-
The People's Pension	14.2	6.3	6.0	1.0
NOW Pensions	13.4	5.5	4.5	-0.5
NEST	12.1	4.2	7.1	2.1
Age 55 at start of period	One year to 31/12/2024		Five years p.a. to 31/12/2024	
	Performance	vs Current	Performance	vs Current
Current	7.9	-	5.0	-
The People's Pension	10.6	2.7	3.3	-1.7
NOW Pensions	13.2	5.3	4.0	-1.0
NEST	11.9	4.0	6.1	1.1

Source: Mobius, The People's Pension, NOW Pensions and NEST, net of member-borne costs and charges

Performance assessment

Self-select

Most popular self-select option	One year to 31/12/2024		Five years p.a. to 31/12/2024	
	Performance	vs Current	Performance	vs Current
BlackRock Aquila Connect 60:40 Global Equity	9.4	-	6.7	-
People's Pension: Global Investments (up to 100% shares) Fund	17.4	8.0	7.9	1.2
NOW: Diversified Growth Fund	13.4	4.0	4.5	-2.2
NEST Higher Risk Fund	13.5	4.1	7.1	0.4

Second most popular self-select option	One year to 31/12/2024		Five years p.a. to 31/12/2024	
	Performance	vs Current	Performance	vs Current
BlackRock Aquila Connect Over 15 Years Gilt Index	-11.5	-	-10.9	-
People's Pension: Annuity Fund	-6.9	4.6	-6.8	4.1
NOW: Retirement Countdown Fund	4.9	16.4	2.1	13.0
NEST Lower Growth Fund	4.7	16.2	1.6	12.5

Source: Mobius, The People's Pension, NOW Pensions and NEST, net of member-borne costs and charges.

Note that NOW do not offer self-select funds so we have compared the Scheme's funds against the underlying funds used in the NOW default strategy.

Performance assessment

Conclusion

Default

- The Scheme's net investment returns over the one year period were behind those of the comparator arrangements, due to the default's relatively conservative multi-asset approach. However over the five year periods, returns were above those of the comparators in some cases, particularly closer to retirement.
- The Trustees have agreed in principle to investment strategy changes, which are due to be implemented during 2025. These changes will involve introducing a lifestyle option as the default instead of a single fund, which will tailor the investment strategy to better match members' risk profiles and their proximity to retirement. These changes aim to maximise return potential for members furthest from retirement while providing downside protection for members closest to retirement.

Self-select

- The Scheme's net investment returns across the two most popular self-select options have been lower when compared to those of similar funds within the comparator arrangements.
- **BlackRock Aquila Connect 60:40 Global Equity:** The performance of this fund has been lower than that of the three comparator funds. The overweight allocation to the UK influenced returns compared to the three comparator funds, which have a higher percentage allocation to global equities which has been a strong performing asset class benefiting from exposure to large tech stock companies.
- **BlackRock Aquila Connect Over 15 Years Gilt Index:** This fund has performed behind its comparator funds, largely due to bond market volatility over the last few years. Corporate bond funds have fared better in comparison, and the comparator funds hold an allocation to these types of bonds, so the performance is not like-for-like.
- While the self-select fund comparators are the most similar available through the comparator schemes, their objectives differ from the Scheme's self-select funds. This has resulted in the performance of the comparators being higher than that of the Scheme's funds.

We therefore believe there is scope to improve the long-term expected investment performance within both the default strategy and self-select fund range. This was addressed in the 2023 investment strategy review, with changes such as the introduction of a lifestyle profile as the default option for members due to be implemented this year.

Productivity assessment

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Productivity

Governance and Administration

Introduction

- The DWP states: effective scheme governance is essential for the operational and financial sustainability of pension schemes, for good outcomes from investment, and for the trust and confidence of scheme members.
- The DWP sets out seven key metrics that must be considered and assessed, including core financial transactions, investment governance, and trustee knowledge and understanding.
- Reflective of the DWP's guidance that it is not enough to simply state that the Trustees of the Scheme have met the requirements, we have set out explanations of how the requirements have been met.

Summary

- Our overall assessment of the Scheme indicates that it offers reasonable value for members across the governance and administration requirements set out.

Productivity

Overview

Area	Assessment	Comments
Promptness and accuracy of core financial transactions		100% of core financial transactions were processed promptly and accurately over the Scheme year.
Quality of record keeping		The Trustees undertook a review of the Scheme's data in March 2024 which highlighted some issues with the records, to which the Trustees agreed to undertake address tracing during the 17 June 2024 Trustee meeting.
Appropriateness of the default strategy		A full review of the default investment strategy was carried out in November 2023, with resultant changes due to be implemented in 2024 however, this was paused while a review of legacy assets was undertaken to ensure that the entire DC membership could be captured in the implementation. As such, the changes are due to be completed in 2025 which will see a transition from a single fund to a lifestyle profile as the Scheme's default strategy.
Quality of investment governance		The Scheme has a strong governance structure in place through the Trustees. The investment strategy is reviewed triennially to ensure ongoing appropriateness for the Scheme's membership. Ongoing investment performance monitoring takes place at Trustee meetings with the support of the Trustees' investment adviser. The Trustees also have a detailed Risk Register in place which is reviewed regularly, as well as a Business Plan summarising key information relating to Funding, Investment and Scheme Documentation. This is reviewed at each Trustee meeting.
Level of trustee knowledge, understanding and skills to operate the pension scheme effectively		The Trustees have a wide range of backgrounds, experience and skills and are confident that their combined knowledge and understanding enables them to exercise properly their function as the Trustees to the Scheme. The Trustees receive updates on topical pension and investment issues from their advisers at each Trustees' meeting, and between meetings as they arise. Evidence of Trustee training was not reflected over the Scheme year, though we note the Trustees agreed to form a training plan during the 18 November 2024 Trustee meeting going forwards to keep a record of their knowledge and understanding.

Productivity





Overview (cont.)

Area	Assessment	Comments
Quality of communication with scheme members		Regular communications are issued to members which include the Annual Benefit Statement and a Newsletter. The Trustees have agreed to set up online access for members using Aptia's OneView portal in early 2025. This will allow members to review their investment choices and Scheme material as well as offer details regarding payslips and member benefits. The Trustees review member communications to ensure they are in a format that is clear for members. Ad hoc or targeted communications are considered as required by the Trustees.
Effectiveness of management of conflicts of interest		The Trustees have a Conflicts of Interest Register which is reviewed at each Trustee meeting and any new conflicts are recorded.

Productivity

Promptness and accuracy of core financial transactions

Overall rating 

Area	Assessment	Comments
The following core financial transactions were processed promptly and accurately over the Scheme year:		
Payment in and investment of member and employer contributions		All contributions were received within the timescales required by TPR and no errors were identified.
Transfers between schemes		All transfers were completed within the SLAs required and no errors were identified.
Transfers and switches between investments within a scheme		All investment switches were completed within the SLAs required and no errors were identified.
Payments out of the scheme to beneficiaries		All payments to beneficiaries were completed within the SLAs required and no errors were identified.

Productivity

Quality of record keeping

Overall rating 

Area	Assessment	Comments
Security of data:		
Controls are in place to ensure that scheme members data is secure and processed in accordance with the Data Protection Act 1998		Data protection agreements are in place with all third party providers. Data protection is tested as part of the annual audit. At a provider level, data protection is tested as part of the annual AAF report which was reviewed by the Trustees at the 18 November 2024 Trustee meeting.
Security features prominently in the scheme's risk register		Individual risks are noted on the Risk Register for business continuity, data protection and cyber security. The Risk Register was last updated in November 2024 to reflect the significant rise in gilt yields and its impact on assets and funding, as well as the change in administrator from Mercer to Aptia.
Data security controls are put in place by the outsourced provider		Evidenced by the provider's AAF report which is reviewed by the Trustees' annually. The last review took place at the 18 November 2024 Trustee meeting covering the one year period to 31 December 2023.

Productivity

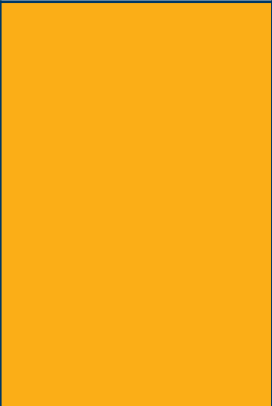

Quality of record keeping (cont.)

Area	Assessment	Comments
Accuracy and scope of records/data kept:		
The Trustees are holding all the data they are required to hold by law		The administrator holds all member data. Minutes of Trustee meetings are recorded and details discussions and decisions made.
The common data held is of sufficient quality and accuracy		The Scheme's common data score was 91% for March 2024. The failures are primarily because of member addresses or post codes. We recommend the Trustees consider undertaking a tracing exercise to address these issues which the Trustees agreed to at the 17 June 2024 Trustee meeting.
The scheme-specific data held is of sufficient quality and accuracy		The Scheme's scheme-specific data score is 91% for March 2024. This has improved since April 2023 (86.6%).
Review of data:		
A review of member records has been carried out in advance of this VFM assessment		A review of member records was carried out during the Scheme year as confirmed above and the Trustees have agreed to undertake address tracing to address the issues identified.

Productivity

Appropriateness of the default strategy

Overall rating 

Area	Assessment	Comments
The following statements apply to the Scheme:		
The investment strategy is clear, is appropriate for each stage of the member journey, and is consistently followed in accordance with strategy objectives		<p>The default investment strategy for the Scheme is the Columbia Threadneedle Multi Asset Fund (MAF) which members are invested in throughout their time to retirement. This strategy has been in place since 31 January 2017. Currently there is no lifestyling so members are not de-risked as they approach their retirement date. This strategy is clearly illustrated in publicly-available scheme documents such as the Chair’s Statement.</p> <p>The Trustees instigated their triennial investment strategy review in November 2023, with resultant changes due to be implemented during 2024. However, this was paused while a review of legacy assets was undertaken to ensure that the entire DC membership could be captured in the implementation. As such, the changes are due to be completed in 2025 which will see a transition from a single fund to a lifestyle profile as the Scheme’s default strategy.</p>
The value added from portfolio construction, asset allocation and manager selection is assessed when the investment strategy is reviewed		<p>The latest default investment strategy review was carried out in 2023. The strategy outlined above was assessed as part of this review and, as a result, the Trustees agreed in principle to the recommended changes.</p> <p>These investment strategy reviews should take place triennially to ensure it remains appropriate for members.</p>

Productivity


Appropriateness of the default strategy (cont.)

Area	Assessment	Comments
The following statements apply to the Scheme:		
The risk and return in the investment strategy is properly considered and is suitable for the objectives of the scheme and the demographic profile of the members		<p>The risk and return of the default investment strategy was assessed as part of the latest review of the default investment option, carried out in 2023, in relation to the Scheme objectives and demographics. The Trustees considered both quantitative and qualitative measures for these risks as well as how best to manage the various risks facing DC members.</p> <p>In addition to the default investment strategy, the Trustees make available a range of self-select funds for members to choose from that cover a wider range of asset classes.</p>
The policies on ESG and climate change risks and opportunities in the statement of investment principles are not generic, but are tailored to the investment strategy of the scheme or fund		<p>The Trustees review the ESG rating assigned by Mercer to each of the funds used within the Scheme on a biannual basis, as part of their ongoing investment governance. Mercer's ratings are assigned by its global manager research team and indicate how well managers integrate ESG factors into the investment process.</p> <p>The Statement of Investment Principles ("SIP") includes policies on ESG and climate change risks and opportunities. However, these are not explicitly reflected in the current strategy.</p> <p>ESG was considered as part of the recent investment strategy review which recommended changes to the default strategy that would offer more focus on ESG factors. These are due to be implemented in 2025.</p>

Productivity

Quality of investment governance

Overall rating 

Area	Assessment	Comments
The following measures of good governance are in place for the Scheme:		
Documented and robust investment governance procedures are in place and adhered to. In schemes where there is more than one trustee, there is a clear investment governance structure in place and each member within that structure is clear about their role and level of authority in decision making.		The Trustees have a wide range of backgrounds, experience and skills and are confident that their combined knowledge and understanding enables them to exercise properly their function as the Trustees to the Scheme. However, evidence of Trustee training was not reflected in the Governance Report over the Scheme year but the Trustees have agreed to incorporate a training log going forwards to keep a record of their knowledge and understanding.

Productivity

Quality of investment governance (cont.)

Area	Assessment	Comments
The following measures of good governance are in place for the Scheme:		
Where tasks and decisions in relation to investment are delegated, those individuals have the required knowledge and expertise to perform their role competently in accordance with sections 34 and 36 of the Pensions Act 1995 and are being held to account.		<p>The Trustees receive advice from their investment adviser, Mercer, and continually assess and review the performance of its adviser in a qualitative way.</p> <p>The Trustees receive semi-annual monitoring reports on the performance of the underlying investment managers from Mercer, which presents performance information over 3 months, 1 year, and 3 years. The reports show the absolute performance, performance against the managers’ stated target performance (over the relevant time period) on a gross of fees basis. It also provides returns of market indices so that these can also be used to help inform the assessment of the underlying managers’ performance.</p> <p>The Trustees takes a long term view when assessing whether to replace the underlying investment managers, and such decisions would not be made based solely on short-term performance concerns. Instead, changes would be driven by a significant downgrade of the investment manager by Mercer’s Manager Research Team (“MMRT”). This in turn would be due to a significant reduction in Mercer’s confidence that the investment manager would be able to perform in line with their fund’s mandate over the long term.</p> <p>Further to this, the SIP was updated and reviewed in 2024 to include the Trustees’ policy on illiquid assets.</p> <p>The SIP is reviewed triennially (or as required in response to any regulatory/legislative changes) and the investment strategy is reviewed at least triennially to ensure ongoing appropriateness for the Scheme’s membership.</p>

Productivity

Quality of investment governance (cont.)

Area	Assessment	Comments
The following measures of good governance are in place for the Scheme:		
Trustees can demonstrate that where fiduciary managers and investment managers are used, trustees remain actively engaged with such managers when investment decisions are made.		<p>Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class in which they invest.</p> <p>The Trustees receive biannual monitoring reports on the performance of the underlying investment managers from their investment adviser. The Trustees' responsibilities include assessing the quality of the performance and processes of the investment managers by means of regular reviews of investment returns and other relevant information, in consultation with their investment adviser.</p> <p>The Trustees may meet with investment managers if they are dissatisfied with their performance or engagement activity and may choose to terminate the relationship with the manager if they see fit. Over the Scheme Year, while no changes to the investment strategy were made, the Trustees reviewed their investment strategy and any resultant changes would be reflected in 2025.</p>

Productivity

Quality of investment governance (cont.)

Area	Assessment	Comments
The following measures of good governance are in place for the Scheme:		
The trustee board as a whole has the knowledge and competence to oversee investment effectively, they ensure investment objectives and strategies are understood and followed, and are able to challenge investment advice where necessary.		<p>The latest investment strategy review was conducted in November 2023, with the Trustees discussing the advice provided throughout 2024 and challenging where appropriate. The relevant skills and experience of those advisers is a key criterion when evaluating adviser performance or selecting new advisers. The Trustees also include legislative updates on the agenda for each meeting.</p> <p>The Trustees have put in place arrangements for ensuring that they take personal responsibility for keeping up-to-date with relevant developments and carry out a self-assessment of training needs to help identify any knowledge gaps. It has been agreed that relevant agenda items for Trustee meetings will be treated as Trustee training topics. The Trustees receive updates on topical pension and investment issues from their advisers at each Trustee meeting, and between meetings as they arise.</p>
Reviews of how funds are performing against those objectives and reviews of portfolios are being carried out regularly.		<p>The Trustees receive semi-annual monitoring reports on the performance of the underlying investment managers from Mercer, which presents performance information over 3 months, 1 year, and 3 years. The reports show the absolute performance, performance against the managers' stated target performance (over the relevant time period) on a gross of fees basis. It also provides returns of market indices so that these can also be used to help inform the assessment of the underlying managers' performance.</p>

Productivity

Quality of investment governance (cont.)

Area	Assessment	Comments
The following measures of good governance are in place for the Scheme:		
Trustees recognise the role of trustees in asset allocation, setting investment strategy and the selection, monitoring and retention of managers.		The Trustees are actively involved in setting the investment strategy for the Scheme. They review the advice of the investment adviser at each biannual Trustee meeting and challenge advice received as necessary.
Trustees have risk management and continuity plans in place to deal with economic crises and market volatility, and clear governance structures in place in relation to long term financial sustainability of investments including consideration of climate change and ESG factors.		<p>The Trustees recognise members are exposed to different types of risk at different stages of their working lifetimes. They consider both quantitative and qualitative measures for these risks as well as how best to manage the various risks facing DC members. The Trustees provide a range of investment options which enable members to reflect in their selection of funds the level of risk they wish to take in light of their own individual circumstances.</p> <p>The Scheme's Risk Register refers to the potential adverse impact of investment performance and business continuity and the SIP includes policies on ESG and climate change risks and opportunities, which are specifically tailored to the investment strategy of the Scheme.</p> <p>At the 18 November 2024 Trustee meeting, the Trustees completed a gap analysis to determine what policies they needed to put in place to be compliant with the General Code. As a result, the Trustees agreed to the preparation of a cyber security policy and Incident Response Plan for the Scheme. The Trustees intend to review and agree these documents in 2025.</p>

Productivity




Quality of investment governance (cont.)

Area	Assessment	Comments
The following measures of good governance are in place for the Scheme:		
Trustees have good oversight of the communication strategies used to keep members informed about their investment options.		<p>The Trustees are actively involved in setting the tone and topics covered by communications, including communications relating to investments. The Trustees review all communications issued, which for the last Scheme year included Annual Benefit Statements and an annual Newsletter.</p> <p>The Trustees have agreed to set up online access for members using Aptia’s OneView portal in early 2025. This will allow members to review their investment choices and Scheme material as well as offer details regarding payslips and member benefits.</p>

Productivity

Level of trustee knowledge, understanding and skills to operate the pension scheme effectively

Overall rating 

Area	Assessment	Comments
The following are demonstrable for the Trustee Board:		
Sufficient time is spent running the scheme.		Trustee meetings are held biannually, when TPR guidance is that meetings are held at least quarterly. We recommend the Trustees increase the frequency of meetings to at least a quarterly basis.
The trustee board is diverse in terms of background, experience and skills.		When establishing the structure of the Trustees, time was spent ensuring that a breadth of skills and backgrounds were incorporated. This not only included different areas of the business, but different skillsets. Additionally, the Trustees, where appropriate, have sought to ensure a good diversity in relation to age, gender and race.
The trustee board has good quality leadership and is effective in making decisions.		At the 18 November Trustee meeting, the Trustees considered completing a Trustee Effectiveness Questionnaire (“TEQ”). They acknowledged the offerings from their advisers but agreed not to proceed with them at the time. Instead a training plan for 2025 was considered in order to direct their time to actual training rather than assessing their needs. We recommend the Trustees keep the TEQ on their radar as well a trustee effectiveness survey.

Productivity

Level of trustee knowledge, understanding and skills to operate the pension scheme effectively (cont.)

Area	Assessment	Comments
The following are demonstrable for the Trustee Board:		
The trustee board has the necessary knowledge and understanding to carry out its role and act in the best interest of its members.		The Trustees consider any relevant agenda items for Trustee meetings will be treated as Trustee training topics. The Trustees receive updates on topical pension and investment issues from their advisers at each Trustee meeting, and between meetings as they arise. The Trustees have a wide range of backgrounds, experience and skills and are confident that their combined knowledge and understanding enables them to exercise properly their function as the Trustees to the Scheme. However, there is no record of training in the Governance Report but the Trustees have agreed to incorporate a training log going forwards to keep a record of their knowledge and understanding.
The trustee board has good quality working relationships with employer and third parties.		The Trustees review their advisers on an ongoing basis with a more formal review undertaken annually. For the Scheme year, the Trustees confirmed they were satisfied with the investment adviser and the service provided relative to the agreed CMA objectives. The Trustees have a good working relationship with the employer.

Productivity

Quality of communications with scheme members

Overall rating



Area	Assessment	Comments
Does the trustee board communicate the type of information required under the Disclosure Regulations, to scheme members?		Yes, the SIP, Chair's Statement, Implementation Statement and any correspondence pertinent to Scheme members are disclosed within each Annual Benefit Statement.
Is information given to scheme members in an accurate, clear and concise way which is easy for them to understand?		Yes, standard format used for regular communications which are clear and member friendly.
Have scheme members' preferences for mode of communication been considered and technology and digital platforms used as appropriate?		Yes; the Trustees have agreed to set up online access for members using Aptia's OneView portal in early 2025. This will allow members to review their investment choices and Scheme material as well as offer details regarding payslips and member benefits.
Good quality and timely information is provided to scheme members in the following areas:		
Information and guidance in relation to the rights to transfer to another scheme		Yes, highlighted as part of standard communications.
Guidance on spotting potential scams		Yes, warnings and guidance are enclosed with Annual Benefit Statements.
Information to help with decision-making on investment options		Yes, outlined in member communications when any strategy changes are implemented and included on the Scheme's switch form. Additional information available on request.
Information in the retirement wake up pack		Yes, standard pack provided to members.

Productivity

Quality of communications with scheme members (cont.)

Area	Assessment	Comments
General signposting of members to various guidance bodies		Yes, included as standard and in line with requirements as part of member quotations.
Information to help with decision making on pension saving, including, for example, an indication of the value at retirement and the impact of contribution levels on that value		Yes, included as part of Annual Benefit Statements.

Productivity

Effectiveness of management of conflicts of interest

Overall rating 

Area	Assessment	Comments
The Scheme has:		
A robust policy and written procedures in place that identify, manage and monitor conflicts of interest effectively, which is regularly reviewed		The Trustees have a Conflicts of Interest register which is tabled at each meeting.
Controls in place to ensure that all trustees are aware of the requirement to declare and discuss any potential conflicts		The Trustees have a standing item on conflicts of interest at each Trustees' meeting where they are reminded of the requirements.
A conflicts of interest register in place to record and declare interests that is discussed at every Board meeting		Yes, and tabled at each meeting.
Controls in place to ensure that all conflicts of interest are declared upon appointment of trustees and other service providers		Yes, new trustees are requested to complete the conflicts of interest register.

Summary



Executive summary

Value for Members assessment

Rating	Meaning
	Offers poor value
	Offers reasonable value
	Offers good value

We believe the Roquette UK Limited Retirement Benefit Scheme offers reasonable value for members across a range of factors (3 Ps):

Price	Performance	Productivity	Overall
Overall rating:	Overall rating:	Overall rating:	Overall rating:
POOR	REASONABLE	GOOD	REASONABLE
<p>Total costs and charges are higher than those of the three comparator schemes for the default strategy, largely due to the high level of transaction costs during the Scheme year. The actively-managed nature of the default strategy fund also results in higher ongoing charges. It should be noted that some of the comparator schemes charge a policy fee and a fee on ongoing contributions, which the Scheme does not.</p> <p>The self-select fund range has lower charges versus those of the three comparator schemes.</p>	<p>The default arrangement has tended to underperform the three comparator schemes over the one year period, largely due to its relatively conservative multi-asset approach. However over the five year period performance was higher than that of the comparators in some cases, particularly closer to retirement. We note this has been addressed as part of the investment strategy review completed in 2023, with resultant changes due to be implemented this year.</p> <p>The performance of the self-select fund range has been lower compared with those of the three comparator schemes.</p>	<p>The Scheme's governance and administration arrangements have been assessed as good overall in ensuring the well-running of the Scheme. We have set out a series of actions the Trustees may want to undertake in light of this assessment to further improve the value members are offered in the Scheme.</p>	<p>Our overall assessment is that the Scheme offers reasonable value for members, based on the assessment criteria shown alongside.</p> <p>Further explanation of this rating can be found overleaf.</p>

Conclusion

Proposed actions

- Based on our assessment, we propose the Trustees continue with the implementation of the investment strategy changes agreed in November 2023 to improve the expected value offered in respect of Price and Performance going forward.
- In addition, we propose the following actions from a governance and administration perspective to improve the value for members present:
 - We recommend the Trustees keep the Trustee Effectiveness Questionnaire (“TEQ”) on their radar if they feel the training log isn’t sufficient to identify any gaps in their abilities to deliver their role.
 - Consider increasing the frequency of meetings / investment monitoring to a quarterly basis.
- Actions currently underway that we recommend the Trustees continue with:
 - The Trustees have agreed to set up online access for members using Aptia’s OneView portal in early 2025.
 - The Trustees have agreed to incorporate a training log going forwards to keep a record of their knowledge and understanding.
 - The Trustees agreed to the preparation of a cyber security policy and Incident Response Plan for the Scheme. We recommend the Trustees review and agree to these documents in 2025.
 - We recommend the Trustees consider undertaking a tracing exercise to address the gaps identified in the data reviews which the Trustees agreed to at the 17 June 2024 Trustee meeting.

Draft chair’s statement wording

We propose the following wording is included within this year’s chair’s statement, summarising the results of the Trustees’ value for members assessment:

- The Trustee is required to assess the extent to which the Scheme delivers value for members across three key areas:

Assessment area	Type of assessment
Costs and charges	Comparative assessment against three larger DC arrangements, considering the level of ongoing member-borne charges and transaction costs.
Net investment performance	Comparative assessment against three larger DC arrangements, considering investment performance net of all member-borne costs and charges.
Governance and administration	Standalone assessment of the Scheme’s governance and administration arrangements, covering: core financial transactions; record keeping; default investment strategy; investment governance; trustee knowledge and understanding; member communications; and management of conflicts of interest

- The Trustees have carried out a value for members assessment as at 31 December 2024. The conclusions of this assessment are set out in the table below:

Draft chair's statement wording

Assessment area	Conclusion
Costs and charges	<p>The Trustees have assessed the Scheme as offering poor value from a costs and charges perspective.</p> <p>The Scheme's costs and charges across the majority of ages assessed have been higher than those of the comparator arrangements. However, the use of active management within the Scheme's default, with the aim of helping manage investment risk, is the reason for the relatively high member charges compared to the comparator arrangements.</p> <p>The Scheme's costs and charges across the two most popular self-select options have been lower than those of similar funds within the comparator arrangements, though it should be noted that, due to the nature of the funds available in the comparator schemes, the comparator funds are not "like for like" in respect of objectives and underlying assets.</p> <p>The Trustees are taking action following the recent triennial investment strategy review to address these higher costs. Resultant changes are due to be implemented this year.</p>
Net investment performance	<p>The Trustees have assessed the Scheme as offering reasonable value from a net investment performance perspective.</p> <p>While the default strategy's net investment returns were behind those of the comparators over the one year period, over the five year period returns were higher than those of the comparators in some cases, particularly closer to retirement.</p> <p>We therefore believe there is scope to improve the long term expected investment performance within both the default strategy and self-select fund range. This was addressed in the 2023 investment strategy review, with changes such as the introduction of a lifestyle profile as the default option for members due to be implemented this year.</p>
Governance and administration	<p>The Trustees have assessed the Scheme as providing good value in governance and administration. Areas for improvement include undertaking an address tracing exercise to improve the Scheme's data scores and providing access to an online portal to for members to view information relating to their Scheme savings.</p>

Draft chair’s statement wording

Assessment area	Conclusion
Overall	Overall, considering all three areas set out above, the Trustees have assessed the Scheme as offering reasonable value for members.

Appendix



Appendix A

Investment returns: chair's statement disclosures

The tables below show performance, net of all charges and transaction costs, of all funds available to members during the Scheme year. The format of the data shown is consistent with that required to be shown in the Scheme's Chair's Statement, for Scheme year ends following 1 October 2021. For the avoidance of doubt, performance shown earlier in this report is also net of all charges and transaction costs.

Default strategy	Annualised returns to 31/12/2024 (%)	
Age of member at start of period	1 year	5 years
25	7.9	5.0
45	7.9	5.0
55	7.9	5.0

Self-select fund	Annualised returns to 31/12/2024 (%)	
	1 year	5 years
BlackRock Aquila Connect Cash Fund	5.1	2.1
BlackRock Aquila Connect 60:40 Global Equity*	9.4	6.7
BlackRock Aquila Connect Over 15y UK Gilt Index Fund	-11.5	-10.9
BlackRock Aquila Connect Over 5y Index Linked Gilt Fund	-11.3	-8.4

Source: Mobius

Performance shown net of all charges and transaction costs. Performance of standalone self-select options is independent of age, therefore performance is shown in a different format to the lifestyle performance on the previous page.

*The Scheme invested into this fund in Q2 2023, hence longer term performance is shown for information purposes only.

Appendix B

Additional Voluntary Contributions (AVCs)

The Trustees also make available a facility to Defined Benefit (“DB”) section members to pay in additional contributions to boost their DB benefits, which is provided by Utmost. There is currently one member with assets in this arrangement and their assets are invested in Utmost’s Investing by Age Strategy which includes the following funds:

AVC Funds	TER (%)	Transaction Costs (%)
Utmost Multi-Asset Moderate	0.75	0.00
Utmost Multi-Asset Cautious	0.75	0.00
Utmost Money Market	0.50	0.00

The below table sets out the performance of the AVC funds available to members over the 1 and 5 period to 31 December 2024.

AVC funds	Annualised returns to 31 December 2023 (%)		
	1 year	3 years	5 years
Utmost Multi-Asset Cautious	5.9	-1.0	-
Utmost Multi-Asset Moderate	10.2	2.2	-
Utmost Money Market	4.8	3.3	1.9

Source: Utmost, as at 31 December 2024

**This fund was launched on 1 January 2020, therefore 5 year performance was not available.*

The Trustees have not undertaken a review of the AVCs in some time and given there is only one member with assets in this arrangement, we recommend the Trustees continue to monitor the AVCs as part of annuals scheme reporting.

Appendix C

Risk warnings

- The value of stocks and shares, including unit trusts, can go down as well as up and members may not get back the amount they invested.
- The value of gilts, bonds, and other fixed income investments including unit trusts can go down as well as up and members may not get back the amount they invested.
- Investments denominated in a foreign currency will fluctuate with the value of the currency.
- The value of investments in real estate can go down as well as up, and members may not get back the amount they invested. Valuation is generally a matter of a valuer's opinion, rather than fact. It may be difficult or impossible to realise an investment because the property concerned may not be readily saleable.
- Certain investments, such as illiquid, leveraged or high-yield instruments or funds and securities issued by small capitalisation and emerging market issuers, carry additional risks that should be considered before choosing an investment manager or making an investment decision.
- For higher volatility investments, losses on realisation may be high because their value may fall suddenly and substantially.
- Where investments are not domiciled and regulated locally, the nature and extent of investor protection will be different to that available in respect of investments domiciled and regulated locally. In particular, the regulatory regimes in some domiciles are considerably lighter than others, and offer substantially less investor protection. Where an investor is considering whether to make a commitment in respect of an investment which is not domiciled and regulated locally, we recommend that legal advice is sought prior to the commitment being made.

Appendix D

Caveats

- The information, advice and recommendations contained in this report are not intended to constitute investment advice or investment recommendations. It is based around our understanding of the regulatory requirements relating to the Trustee's assessment of the value for members offered by the Scheme. It does not indicate whether the investments are suited well to the needs of the Trustee or the Scheme's membership.
- If the Trustee wishes to receive information on Mercer's own ratings and views on particular investment strategies or managers, they can do so by contacting their Mercer investment consultant.
- None of the information, advice and recommendations contained in this report is intended to constitute legal advice.
- The value assessments in this report are as at the date of this report and may change. Mercer's remit does not include keeping these assessments under review or alerting the Trustee to any change.



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