

DC Governance Statement 2024

Statement of the Trustee Chair of the National Bank of Greece 1992 Retirement and Death Benefits Scheme (the “Scheme”) for the year ending 30 April 2024

This Statement has been prepared by the Trustee in accordance with regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended). It sets out how the Trustee has met the statutory defined contribution (DC) governance standards during the Scheme year ended 30 April 2023.

The Trustee continually reviews and assesses systems, processes and controls across key governance functions to determine whether these are consistent with those set out in the Pensions Regulator’s:

1. Code of practice 13: Governance and administration of occupational trust-based schemes providing money purchase benefits
2. Regulatory guidance for defined contribution schemes.

Additionally, the Trustee continues to assess the Scheme against the DC Code of Practice standards using the Pensions Regulator’s self-assessment template. This sets out the key quality features that underpin both the code of practice and regulatory guidance which the Pensions Regulator considers should be present in well-governed pension schemes.

1 Sufficient Knowledge and Understanding

Actions taken by the Trustee to gain the appropriate knowledge and understanding required to effectively run the Scheme with good governance: the Scheme has a sole Professional Trustee. For completeness,

1. Each director of Apex Pension Trustees Limited meets the Pensions Regulator’s Trustee Knowledge and Understanding requirements, in order to comply with sections 247 and 248 of the Pensions Act 2004 with time set aside for monitoring the Scheme governance and ensuring it is run in accordance with the Scheme Rules and in line with the Pensions Regulator’s guidance notes. The Trustee Directors have all completed the Pensions Regulator’s Trustee toolkit and also attended relevant training courses and completed Continuous Professional Development Requirements during the year. The Trustee Directors are encouraged to identify and fill gaps in their knowledge. The Chair of Trustees for the Scheme is a PMI Accredited Professional Trustee.
2. The Trustee receives regular investment training and manager information.

3. The Trustee maintains a training register to keep a log of all training undertaken. The log is assessed from time to time to identify knowledge gaps.
4. The Trustee is conversant with the Trust Deed and Rules and the powers granted to it and ensures benefits are paid accordingly.
5. The Trustee keeps up to date with developments in the DC landscape and new guidance issued by the Pensions Regulator.

The Trustee, together with assistance from the Scheme's professional advisers (including Stephenson Harwood, Broadstone, Aegon and Nortons Assurance), uses its combined knowledge and understanding of Pension Law, specific Scheme documentation, legal requirements and the Pensions Regulator's guidance to ensure that the Scheme is run effectively, and members' benefits are paid in accordance with the Scheme rules and to carry out the fiduciary duties required of it. This combined knowledge helps the Trustee to ensure that good Scheme governance is a priority and identify where any improvements can be made to existing procedures and processes. The Trustee's knowledge of the Scheme rules ensures that they can consider non-standard benefit request options and whether this is permissible under the current rules and whether legal opinion is required and / or a rule change needed.

Ensuring good governance helps the Trustee determine whether the Scheme is good value for money and whether members and beneficiaries are being treated fairly and seeks to safeguard the interests of all members and beneficiaries.

2 Administration Standards including processing of Core Financial Transactions

- The Trustee has appointed professional advisers and has delegated the day to day running of the Scheme to Aegon.
- The Trustee is aware that the responsibility of the running of the Scheme remains with it and has implemented adequate internal controls, which are reviewed periodically.
- The Trustee has a specific duty to ensure that core financial transactions relating to DC benefits within the Scheme are processed promptly and accurately. There are no new contributions, so core financial transactions include transfer of member funds out of the Scheme, transfers between investments within the Scheme and payments to and in respect of members.
- Service agreements set out the scope of work covered by professional appointments. Aegon, the appointed administrators of the Scheme, work to industry standards providing timely turnaround times for both non-financial and financial matters. Aegon report to the Trustee on their

service delivery times. For the year in question, service standards have not been adequately met and the Trustee has requested an improvement from Aegon.

- The Trustee considers all areas of risk and specifically risks of significant impact such as fraud (including pension liberation), investment, management of costs, administration, regulatory requirements, operational procedures, communications and member understanding, corporate activity relevant to the Scheme (including employer covenant) and options at retirement.
- The Trustee identifies, evaluates, manages and monitors risk. By incorporating risks identified into a risk register they are categorised in accordance with its likelihood of occurring and the potential impact it would have if it did occur.
- The Trustee has reviewed its data management procedures and those of its service providers and has a post 25 May 2018 data protection policy in place.
- Any errors are resolved immediately.
- Financial transactions are subject to annual review as part of the Trustee's Annual Report.

In accordance with regulation 24 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended), the Trustee has reviewed the core financial transactions to ensure that they continue to be processed promptly and accurately. There have been no notifiable events arising during the year.

3 Costs and Charges borne by members.

In accordance with regulation 25(1)(a) of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended), the Trustee is required to calculate the charges and transaction costs paid by members and assess the extent to which these charges paid by members represent good value for money.

There are no fees charged to the member for administration of their policy. All contributions made by the member and the Employer were invested with no deductions made other than the investment manager's fees. These fees are:

1. Explicit charges paid by members of the fund **annual management charges** and **additional expenses**. These are reflected in the daily pricing of the funds and range from 1.0% to 1.16% of the fund value depending on the fund selected. The higher management charges relate to the actively managed fund. The maximum fund charge currently utilised is 1.16%.

2. All investment funds have **transaction costs** which are not charged directly to the investor (member). However, these charges are taken from the fund and therefore reflected in the performance of the fund and in the overall return received by the investor (member).

Different funds have different levels of transaction costs depending on the number of assets that are bought or sold within the fund. It is generally expected that the more actively a fund buys and sells assets the higher the transaction fees will be.

The funds available for investment with their Annual Management Charges (AMCs), transaction costs and their International Security Identification Numbers (ISINs) or Stock Exchange Daily Official List (SEDOL) number, where available, are as follows.

Aegon have advised that some of this information is not available. If it is provided to the Trustee, the table will be updated accordingly.

Fund	ISIN	SEDOL	AMC	Additional expenses	Transaction Costs
Cash Fund	GB0007829228	0782922	1.00% p.a.	0%	0%
60/40 Cautious Managed Collective	GB0032305707	3230570	1.15% p.a.	0.01%	n/a
With-Profits Endowment Fund (WPE)	N/A	N/A	1.00% p.a.	0%	.0%
High Equity With-Profits Fund (WP2)	N/A	0783389	1.00% p.a.	0%	.09%

Appendix A provides an illustrative example of the cumulative effects over time of charges and costs borne by members, showing a range of periods. The Trustee has taken account of statutory guidance when preparing these illustrations.

4 Default arrangement and Statement of Investment Principles

There is no default arrangement in place. The Scheme is not used as a qualifying scheme for automatic enrolment purposes.

The Scheme has not produced a Statement of Investment Principles, as under Regulation 6 of the Occupational Pension Schemes (Investment) Regulations 2005, this is not required for schemes with less than 100 members.

5 Net returns

The historic returns on the funds available within the Scheme to 31 March 2023 are as follows:

	1 year	3 years	5 years
With-Profits Endowment	-12.2%	-6%	-1.7%
High Equity With-Profits	-9.2%	-3.5%	0.5%
Cash	1.4%	-0.1%	-0.1%
60/40 Cautious Managed	-8.5%	0.3%	0.3%

However, the return received by members invested in the two with-profits funds varies according to time of investment and normal retirement date and cannot therefore be shown. The default fund (with-profits endowment) is currently paying a nil reversionary bonus so there is no ongoing growth from this element, however there are guarantees of investment return which according to Aegon “typically averages around 5.5% pa from the date of each investment until maturity”. These are reflected in terminal bonus rates.

6 Communicating with members.

- The Trustee endeavours to provide Scheme communication that is accurate, clear, understandable and engaging.
- The Trustee, with their advisers, carefully considers all member communications. The Trustee works closely with the Scheme advisers to try to ensure member interests are understood and represented in all decision making.
- Retirement packages are sent to members which cover all disclosure requirements, including clear details of the retirement choices available to them, how they work and details of the Government’s Pension Wise service.
- Members receive an annual benefit statement.
- Ad hoc announcements are sent periodically as the Trustee deems necessary.

- The Trustee has issued their privacy notice covering General Data Protection Regulation requirements to all members in May 2018 and keeps this under review.

7 Value for Members assessment

The Administration Regulations require the Trustee to make an assessment of charges and transactions costs borne by members and the extent to which those charges and costs represent good value for money for members.

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 introduced a prescribed assessment framework for specified small schemes such as the Plan. The Trustee has followed this framework in carrying out this year's assessment. The prescribed assessment framework is made up of three parts, as outlined below.

1. Cost and charges

The cost and charges that members pay in the Plan have been compared to those that members may pay in three other (larger) pension schemes, referred to as the comparator schemes. For the purpose of this exercise, we have selected three Master Trusts as the comparator schemes: the People's Pension Master Trust, the Smart Master Trust and the National Employment Savings Trust (NEST).

The charges on investments are impossible to accurately compare due to the majority of funds being held in with profits funds and the opaque nature of these investments. However, our assessment showed that the costs and charges members pay in the Plan are higher than the average costs and charges they would pay, across comparable funds, in the comparator schemes.

We therefore believe that the costs and charges payable in the Plan do not represent good value for members compared to the comparator schemes.

2. Net investment returns

The investment returns that members achieved in the Plan, net of all member borne costs and charges, over the one and five year periods to 31 March 2023 have been compared to those that members may have achieved in the three comparator schemes mentioned above.

Our assessment showed that the net investment returns members achieved in the Plan were lower than the average net investment returns, across comparable funds, in the comparator schemes. However, with-profits returns are subject to overarching guarantees and thus a direct comparison is not possible.

These guarantees may improve the value to members but it is not possible to identify the extent to which investment returns have already been allocated to members. We believe that, on balance, the net investment returns achieved in the Plan do not represent good value for members compared to the comparator schemes.

3. Administration and Governance

An assessment of the following Governance and Administration metrics has been undertaken for the Plan: Level of trustee knowledge, understanding and skills to operate the pension scheme effectively; effectiveness of management of conflicts of interest; appropriateness of the default investment strategy; quality of investment governance; quality of member communications; promptness and accuracy of core financial transactions and quality of record keeping. These metrics are not benchmarked against the comparator schemes, simply assessed by the Trustee.

Our assessment concluded that for all members, the Governance and Administration of the Plan does provide good value for members, but there is scope for improvement. We have provided further detail below, under the four broad areas in which we carried out this part of the assessment:

Plan governance

The Trustee is an independent professional Trustee company, with processes and procedure in place to meet the level of knowledge, understanding and skills required and works alongside its professional advisers in the running of the Plan. The Trustee considers the governance arrangements in place to be robust, with the right structures in place to support effective management of risks. The Trustee has processes in place to identify and manage any conflicts of interest.

Investments

The Trustee has suitably robust investment governance procedures in place. Regular performance reviews are carried out on the funds within the Plan; however, the choice of funds is restricted as the majority of member assets are in with-profits contracts.

Administration

The Trustee has appointed Aegon to provide administration services to the Plan. The Trustee obtains information to assess the member experience through reports provided by Aegon. Over the reporting period the standard of service provided was below what the Trustee expects. Whilst the Trustee believes Aegon has sufficient checks in place to monitor and report on the standard of the administration service, the Trustee continues to work with Aegon to improve the level of service received.

Member communications

The Trustee provides members with required communications such as annual benefit statements and retirement wake-up packs, however, there is no online access to information.

Overall conclusion of the Value for Members assessment

The Trustee's overall conclusion is that on the whole, the Plan does not provide good value for members.

As a result of the above conclusion, the Trustee is required to take immediate action to improve value in the Scheme or commence the transfer of members' benefits to an alternative arrangement where better value may be provided. The employer has triggered wind-up of the Scheme and work is underway to transfer members to a more suitable pension arrangement that does provide good value for members.

This Governance Statement along with its Appendix has been made publicly available at: <https://theapexgroup.com/dc-governance-statements/>

Signed: Rosemary Kennell

Chair of the Scheme

Apex Pension Trustees Limited

Illustrations showing the impact of fund transactional costs and scheme charges on a projected pension fund in today's money (£)

The "Before Charges" column shows the projected pension fund without any transaction costs, charges or rebates being applied.

The "After all Charges" column shows the projected pension fund after transaction costs, charges and rebates that have been applied.

Years	Cash		High Equity with Profit Fund		With-Profits Endowment	
	Before Charges	After all Charges	Before Charges	After all Charges	Before Charges	After all Charges
1	55,836	55,279	58,336	57,640	56,530	55,959
3	53,678	52,089	61,216	59,051	55,706	54,033
5	51,604	49,082	64,239	60,496	54,894	52,174
10	46,762	42,303	72,465	64,267	52,915	47,802
15	42,374	36,461	81,743	68,272	51,007	43,796
20	41,548	35,393	83,737	69,103	50,634	43,036

About these illustrations:

For these illustrations we've assumed:

- the starting age is 49 and the retirement age is 65;

- no future contributions are made.
- Projected pension fund values are shown in today's terms, and do not need to be reduced further for inflation. Inflation is assumed to be 2.5%, each year;
- the starting pension fund value in the first year is £56947.05
- each illustration has been produced on the basis this is the only fund invested in and that all transaction costs and scheme charges are deducted from that.

The growth rate for each fund is set out below. These are for illustrative purposes only and are not guaranteed. The investment growth achieved may be more or less.

High Equity with Profits	5.00%
Cash	0.50%
WPE	1.75%

If the growth rate we have used is:

- The same as the rate of inflation, this reduces the growth rate, after making an allowance for inflation, to 0%.
- Less than the rate of inflation, this produces a negative growth rate after making an allowance for inflation.

If you have any investments in a With-Profits fund, please note this may contain valuable guarantees, provided you remain invested until your selected retirement age. However, for the purposes of these illustrations, we have not included any such guarantees. If you have any questions, please contact the Trustee for further information.