

# Unipath Pension Scheme

## TRUSTEE'S REPORT

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### 1. DEFAULT ARRANGEMENT

- 1.1 A copy of the latest statement of investment principles prepared in accordance with regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005 can be requested from the scheme administrators whose contact details are shown the Trustee Report and Accounts. This statement was signed on 8 October 2015.
- 1.2 The investment options available to members have been designed to assist members in achieving their objectives of maximising the value of retirement benefits, protecting the value of benefits in the years approaching retirement and tailoring investments to meet their own needs.
- 1.3 Where members of the DC Section do not make an explicit choice regarding the investment of their funds, a default arrangement is provided. This is the Lifestyle programme, as described in the statement of investment principles.
- 1.4 Whilst no formal review of the principles underlying the default arrangement was undertaken during the Scheme year, the Trustee continues to consider the appropriateness of the default arrangement each Scheme Year.
- 1.5 The performance of the constituent funds within the default arrangement has been monitored over the 12 months to 31 December 2018. The table below sets out the performance of each fund against the relevant benchmark return:

<b>Fund</b>	<b>Fund return</b>	<b>Benchmark return</b>
Global Equity Fixed Weights (60:40) Fund	-7.6%	-7.7%
AAA-AA-A Corporate Bond Fund	-0.8%	-1.0%
Cash Fund	0.7%	0.5%

### 2. CORE FINANCIAL TRANSACTIONS

- 2.1 Regulation 24 of the Regulations requires that core financial transactions (including the investment of contributions, transfer of member assets into and out of the DC Section, transfers between different investments within the DC Section and payments to and in respect of members) relating to the DC Section are processed promptly and accurately. These transactions are undertaken on the Trustee's behalf by the Scheme administrator and the investment manager.
- 2.2 The Trustee has reviewed the processes and controls implemented by those organisations and consider them to be suitably designed to achieve these objectives.
- 2.3 The Trustee has also agreed service levels with the Scheme administrator and has put in place a process to monitor these on a quarterly basis.
- 2.4 In light of this, the Trustee considers that the requirements for processing core financial transactions under Regulation 24 have been met.

### 3. CHARGES AND TRANSACTION COSTS

- 3.1 The Trustee is required to report on the charges and transaction costs incurred within the default fund and on their assessment as to whether the charges and costs represent good value to members.

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- 3.2 All charges and transaction costs are met by Unipath Limited; members of the DC Section of the Unipath Scheme do not bear any charges or transactions costs, either within the default fund or any other fund.

### 4. TRUSTEE KNOWLEDGE AND UNDERSTANDING

- 4.1 The requirement under sections 247 and 248 of the Pensions Act 2004 (requirement for trustees' knowledge and understanding of law relating to pensions, the investment of scheme assets and other matters to enable them to exercise their functions as trustees properly) has been met during the Scheme year by briefings from its professional advisers during the year on developing pension regulations and trends, building on its general trustee training and experience. Each Trustee Director takes personal responsibility for keeping themselves up to date and all training is recorded in a training log, which is reviewed at each meeting of the Trustee.
- 4.2 In addition, the Trustee receives advice from professional advisers, and the relevant skill and experience of those advisers is a key criterion when appointing and reviewing advisers. Existing Trustee directors have used relevant sections of the Pension Regulator's Trustee Toolkit to address training needs. New Trustee Directors will be required to complete the Trustee Toolkit within six months of joining the Board of Trustees. The Trustees maintain a working knowledge of all key scheme documentation, and should gaps in knowledge be identified, relevant advice is sought from professional advisers.
- 4.3 Taking account of actions taken individually and as a trustee body, and the professional advice available to them, the Trustee considers it is enabled properly to exercise its functions as a Trustee.

### 5. DC SCHEME GOVERNANCE

- 5.1 As Trustee Directors of the Unipath Pension Scheme we have reviewed and assessed that our systems, processes and controls across key governance functions are consistent with those set out in The Pensions Regulator's:
- Code of Practice 13: Governance and administration of occupational defined contribution trust-based schemes; and
  - Regulatory guidance for defined contribution schemes.
- These are underpinned by the DC quality features.
- 5.2 Based on our assessment we believe that we have adopted the standards of practice set out in the DC code and DC regulatory guidance. These help demonstrate the presence of DC quality features, which we believe will help deliver better outcomes for members at retirement.

The Statement regarding DC governance was approved by the Trustee on 24 June 2019 and signed for and on behalf of the Trustee of the Scheme by

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Chair of Trustee

8 July 2019