



THE ROYAL
COLLEGE OF
SURGEONS
OF EDINBURGH

The Royal College of Surgeons of Edinburgh Retirement Benefits Scheme (“the Scheme”)

Chairman’s Statement regarding defined contribution (“DC”) governance



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INTRODUCTION

This statement sets out how the Scheme has complied with the DC governance requirements introduced in April 2015 under the Occupational Pension Schemes (Scheme Administration) Regulations 1996, between 6 October 2022 and 5 October 2023 (the ‘scheme year’).

In preparing this Statement, information has been gathered from the pension provider, Scottish Widows.

Consideration has also been given to guidance from the Pensions Regulator and to the Department for Work and Pensions guide on ‘Reporting of costs, charges and other information’.

A copy of the Scheme’s latest Statement of Investment Principles is attached to this statement.

During the year in question the Scheme has been governed by a Trustee Board (“the Board”), which comprised the following Trustees:

David Charles Morcom, Professor Selwyn Michael Griffin, Professor Rowan Wesley Parks, John Nicolas Alistair Gibson and Elizabeth Aikman Stevenson, all of whom stepped down from the Board on 14 July 2023, when Dalriada Trustees Limited, a corporate Professional Trustee, was appointed as the sole trustee of the Scheme.

DEFAULT FUND

There are two distinct policies that comprise the default fund for the Scheme; they are known as “MK30” and “P000046205”. This statement is in respect of both policies. No review of the default investment strategy has taken place during the scheme year; however, the Board intends to conduct a review in the year ending 5th October 2024, the results of which will be included in the relevant Chair Statement.

MK30

All members of the MK30 Scheme are invested in the default strategy arrangement chosen by the Board, with the advice of its Investment Consultant. The strategy for MK30 is to invest in the Scottish Widows With-Profits Fund for the duration of a member’s time in the Scheme. This fund invests in a mix of assets such as equity, property, bonds and cash (the asset allocation of the fund can be viewed at Asset mix of the Scottish Widows With Profits Fund - (<https://adviser.scottishwidows.co.uk/assets/literature/docs/43982B.pdf>)).

The arrangement includes valuable guaranteed benefits payable at members’ Normal Retirement Date, with regular bonuses added. At retirement, a Guaranteed Annuity Rate applies to members in the Scheme prior to February 1999, at a rate of 9.09% for females and 9.80% for males, payable at age 60 on a single life basis.

The Conventional With-Profit fund with Scottish Widows is the only fund that is available in the MK30 section. Transferring from the With-Profit fund would mean that the guarantees would no longer apply. For this reason, the Board has not reviewed current investment fund in place during the Scheme year as it would mean transferring members from this arrangement and giving up the valuable guarantees. As such, the Board does not make any other investment options available for members to self-select. The total value of the MK30 funds as at 5 October 2022 was £1,108,605.94.

The Board has set up processes to publish relevant information on the default arrangement online at the following URL: <http://www.rcsed.ac.uk/Pension-Scheme> and will notify members about this in their annual benefit statements.

REVIEW OF STRATEGY AND PERFORMANCE OF DEFAULT FUND

The Board monitors the investment performance of the default investment arrangement to ensure that investment returns (after the deduction of any charges) are consistent with the aims and objectives of the default arrangement and to check that it remains appropriate given the Scheme's membership.

At least every 3 years and without delay after any significant change in investment policy or demographic of membership, the Board carries out a formal strategic review of the default arrangement.

The strategy of the default arrangement was not reviewed during the current scheme year. The last full review of the performance and strategy of the default arrangement was undertaken in October 2023.

The Board is satisfied that, due to the valuable guarantees, the default arrangement remains appropriate for the time being.

STATEMENT OF INVESTMENT PRINCIPLES

The Statement of Investment Principles ("SIP") governs decisions about investments and explains the aims and objectives of the Board which are intended to ensure that the assets are invested in the best interests of members and beneficiaries. It also describes the strategy and objectives for the default arrangement and the self-select funds. The SIP is attached as an appendix to this statement and has been prepared in accordance with The Occupational Pension Schemes (Investment) Regulations 2005.

SELF SELECT FUNDS

Details of any such funds available to members are provided in the SIP.

The Board monitors the performance of self- select funds.

CORE FINANCIAL TRANSACTIONS

The Board has a duty to ensure that “core financial transactions” are processed promptly and accurately, and that the controls in place are reported to members.

Under Regulations, core financial transactions include, but are not limited to:

- Investment of contributions
- Transfer of member assets into and out of the Scheme
- Transfers between different investments within the Scheme
- Payments to and in respect of members and beneficiaries

The Board has, in accordance with their powers under the rules of the Scheme, delegated the day-to-day administration of the Scheme, including the processing of core financial transactions, to the Scheme administrator, Scottish Widows.

In respect of core financial transactions, Scottish Widows has provided the following information:

“We serve a variety of different customers aiming to meet their needs and requirements in a timely and efficient way, striving to ensure all core financial transactions are processed promptly and accurately. Core financial transactions are transactions such as:

- Payments in and investment of member and employer contributions
- Transfer of money or benefits from the scheme
- Transfer and switches between investments within the scheme
- Payments out of the scheme to beneficiaries.

Understanding that these transactions are particularly important and to make sure members are not put at risk of losing out financially, we have effective quality controls in place to assess the accuracy of the transactions processed and information provided to our customers. This includes full end to end monthly quality checking across all areas of the business. We also aim to ensure all core transactions are completed within 5 working days of receiving all the information we require”.

The Board is satisfied that this information is a fair reflection of the service provided to the Scheme.

ASSESSMENT OF CORE FINANCIAL TRANSACTIONS

Overall, the monitoring and reporting activities undertaken allow the Board to be confident that core financial transactions were processed promptly and accurately during the scheme year.

COSTS AND CHARGES

When assessing the Costs and Charges for VfM purposes, the Board should consider the most up to date charges/transaction costs available on the scheme funds and those of the comparators.

When assessing VfM, total charges/transaction costs for the default arrangement should be given greater weight than those for self-select funds.

Good Performance

Costs and charges for the scheme are closely comparable with or lower than the average for comparator schemes

Higher scheme costs and charges can be justified where substantially higher investment returns have been achieved

Poor Performance

Costs and charges for the scheme are higher than those of the comparators, and no justification is provided

The results of the costs and charges comparison for Section MK30 is outlined in the table below. The standard default funds of the comparator schemes have been used.

Section MK30 Costs and Charges Comparison			
Member aged 25 in 2022	TER	Transaction Costs	Total
Royal College of Surgeons of Edinburgh RBS – Section MK30	*see note	0.39%	N/A
Aviva Master Trust	0.42%	0.04%	0.46%
Legal & General Master Trust	0.24%	0.09%	0.33%
The People’s Pension	0.35%	0.05%	0.40%
Member aged 35 in 2022	TER	Transaction Costs	Total
Royal College of Surgeons of Edinburgh RBS – Section MK30	*see note	0.39%	N/A
Aviva Master Trust	0.42%	0.04%	0.46%
Legal & General Master Trust	0.24%	0.09%	0.33%
The People’s Pension	0.35%	0.05%	0.40%
Member aged 45 in 2022	TER	Transaction Costs	Total
Royal College of Surgeons of Edinburgh RBS – Section MK30	*see note	0.39%	N/A
Aviva Master Trust	0.42%	0.04%	0.46%
Legal & General Master Trust	0.24%	0.07%	0.31%
The People’s Pension	0.35%	0.05%	0.40%
Member aged 55 in 2022	TER	Transaction Costs	Total
Royal College of Surgeons of Edinburgh RBS – Section MK30	*see note	0.39%	N/A
Aviva Master Trust	0.42%	0.035%	0.455%
Legal & General Master Trust	0.24%	0.08%	0.32%
The People’s Pension	0.35%	0.043%	0.393%

*Scottish Widows have confirmed that there is no explicit annual management charge that can be specified for the With Profits fund held in this section.

The results of the costs and charges comparison for Section P000046205 is outlined in the tables below. For the purposes of the comparison, 3 of the most popular scheme self-select funds have been compared to the most suitable alternative fund in the comparator schemes.

Fund	TER	Transaction Costs	Total
RCSE RBS – Section P000046205 Scottish Widows UK Equity Fund	0.875%	0.26%	1.135%
Aviva Master Trust Baillie Gifford UK Equity Core	0.48%	0.09%	0.57%
Legal & General Master Trust UK Equity Index Fund	0.19%	0.04%	0.23%
The People’s Pension Global Investment (up to 100% shares)	0.35%	0.06%	0.41%

Fund	TER	Transaction Costs	Total
RCSE RBS – Section P000046205 Scottish Widows Fixed Interest Fund	0.875%	0.07%	0.945%
Aviva Master Trust Aviva BlackRock Corporate Bond All Stocks Index Tracker	0.16%	0.04%	0.20%
Legal & General Master Trust AAA-AA-A Corporate Bond All Stocks	0.21%	0.00%	0.21%
The People’s Pension Annuity Fund	0.35%	-0.01%	0.34%

Fund	TER	Transaction Costs	Total
RCSE RBS – Section P000046205 Scottish Widows Mixed Fund	0.875%	0.19%	1.065%
Aviva Master Trust My Future Focus Growth	0.26%	0.04%	0.30%
Legal & General Master Trust Multi Asset Fund	0.21%	0.02%	0.23%
The People’s Pension Global Investment (up to 60% shares)	0.35%	0.05%	0.40%

ILLUSTRATION OF COSTS AND CHARGES OVER TIME

The Board has a duty to provide an illustrative example of the cumulative effect over time of the application of charges and costs on the value of members benefits. This illustration is set out below and was prepared in line with guidance issued by the Department for Work and Pensions.

The compounding effect of charges on member's fund is illustrated below. The illustrations are in respect of the 6 remaining contributing members of MK30 who were still paying contributions as at 5 October 2021.

Illustrations for an "Average" active member – Default Strategy (SW With-Profits Fund)		
Years from now	Before Charges	After Charges and costs deducted
1	£115,000	£114,000
2	£120,000	£117,000
3	£125,000	£121,000
4	£131,000	£125,000
5	£136,000	£129,000
6	£142,000	£133,000
7	£147,000	£136,000
8	£153,000	£140,000
9 (retirement)	£159,000	£144,000
Total Charges	£14,100	
Assumptions		
The above illustrations have been produced for an "average" contributing member of the Scheme based on the Scheme's membership data. The "Default Strategy" illustration assumes the member's asset allocation remains fully invested in the current default strategy. The illustrative results are presented in real terms, i.e. in today's money, to help members have a better understanding of what their pension pot could buy in today's terms.		
The illustrative amounts noted above have been rounded to three significant figures.		
Age	51 (<i>the average age of the Scheme's contributing membership</i>)	
Illustrative Retirement Age	60	

Starting Pot Size	£110,539 <i>(the average pot size of the Scheme's contributing membership)</i>
Illustrative Annual Contribution	£1,727 <i>(the average annual contribution paid into the Scheme)</i>
Inflation Assumption	2.5% p.a.
Rate of Contribution Growth	0.0% p.a. (based on the average annual contribution for these 6 members being the same as the previous year - to 5 th October 2020)
Illustrative future smoothed gross annual return on investment: (SW with-profits)	3.0% above inflation
Annual Charges	Assumed annual charge of 1.2% (which is broadly Scottish Widow's standard annual management charge plus the 0.20% transaction cost for the with-profits fund)

The illustrations below are in respect of the deferred members of MK30 as at 5 October 2021.

Illustrations for an "Average" deferred member – Default Strategy (SW With-Profits Fund)		
Years from now	Before Charges	After Charges and costs deducted
1	£26,700	£26,400
2	£27,500	£26,900
3	£28,300	£27,400
4	£29,200	£27,800
5	£30,000	£28,300
6 (retirement)	£30,900	£28,800
Total Charges		£2,010
Assumptions		
<p>The above illustrations have been produced for an "average" contributing member of the Scheme based on the Scheme's membership data. The "Default Strategy" illustration assumes the member's asset allocation remains fully invested in the current default strategy. The illustrative results are presented in real terms, i.e. in today's money, to help members have a better understanding of what their pension pot could buy in today's terms.</p> <p>The illustrative amounts noted above have been rounded to three significant figures.</p>		
Age	54 <i>(the average age of the Scheme's deferred membership)</i>	
Illustrative Retirement Age	60	
Starting Pot Size	£26,021 <i>(the average pot size of the Scheme's deferred membership)</i>	
Inflation Assumption	2.5% p.a.	
Illustrative future smoothed gross annual return on investment: (SW with-profits)	3.0% above inflation	
Annual Charges	Assumed annual charge of 1.2% (which is broadly Scottish Widow's standard annual management charge plus the 0.20% transaction cost for the with-profits fund)	

The compounding effect of charges on member’s fund is illustrated below. The illustrations for the P000046205 are based on the remaining deferred membership as at 5 October 2021.

Illustrations for an “Average” member		
Years from now	Before Charges	After Charges and costs deducted
1	£32,800	£32,500
2	£33,700	£33,200
3	£34,700	£33,900
4	£35,700	£34,600
5	£36,800	£35,400
6	£37,900	£36,100
7	£39,000	£36,900
8	£40,100	£37,700
9	£41,300	£38,500
10	£42,500	£39,300
11	£43,700	£40,200
12	£45,000	£41,000
13 (retirement)	£46,300	£41,900
Total Charges	£3,930	
Assumptions		
The above illustrations have been produced for an “Average” deferred member of the Scheme. The illustrative results are presented in real terms, i.e. in today’s money, to help members have a better understanding of what their pension pot could buy in today’s terms.		
The illustrative amounts noted above have been rounded to three significant figures.		
Age	47 (<i>the average age of the Scheme’s deferred membership</i>)	
Illustrative Retirement Age	60	
Starting Pot Size	£31,880 (<i>average pot size of the Scheme’s deferred membership</i>)	
Inflation Assumption	2.5% p.a.	
Illustrative future annual gross returns	3.0% above inflation	
Annual Charges	Assumed annual charge of 0.81% (weighted average of the charges applicable to the scheme funds at 5 October 2021)	

VALUE FOR MEMBERS

The Board has a duty to assess charges borne by Scheme members and the extent to which those charges and costs represent good value for members. Also, the Scheme is a “specified scheme”, meaning that the Board must carry out a more detailed assessment of value for members. The Board has adopted the following process:

- **Costs and charges.** The Board considered the costs and charges of the Scheme’s investment funds and compared these with three other “comparator schemes” (as defined in the Regulations*)
- **Net investment returns.** The Board considered the net investment returns of the Scheme’s investment funds with the comparator schemes.
- **Governance and administration.** The Board assessed the Scheme against seven key governance and administration criteria (see below) with each factor rated as ‘good’, ‘satisfactory’ or ‘unsatisfactory’.
 - i. Core financial transactions have mostly been processed promptly and accurately.
 - ii. The scheme holds reliable, accurate and secure data.

- iii. The default investment strategy is appropriate for each stage of the member journey and the risk and return is suitable for the objectives of the scheme, and demographic profile of the members.
- iv. Documented and robust investment governance procedures are in place and are adhered to
- v. The Board as a whole has the necessary knowledge, understanding and skill to operate the pension scheme effectively.
- vi. Communication with scheme members is clear, accurate, timely and of good quality.
- vii. Robust conflicts of interest policies and controls are in place.

(*) In relation to the three comparison DC pension schemes, these must either be occupational pension schemes (i.e. similar to the Scheme) with total assets of at least £100 million or a group personal pension plan. In addition, one of the chosen pension schemes must have a different structure to the Scheme and for another, the Board must have a reasonable expectation that it would accept a transfer of members' benefits if the Scheme was to wind-up. The three comparator DC pension schemes chosen by the Board, all authorised master trusts, are shown in the table below in the Value for Members Assessment section.

VALUE FOR MEMBERS ASSESSMENT

Certain DC schemes with a scheme year end falling after 31 December 2021 must carry out a more detailed Value for Members (VfM) assessment and include the findings in the annual Chair's Statement and submit these findings as part of the Annual Scheme Return.

Schemes such as the Royal College of Surgeons of Edinburgh Retirement Benefits Scheme that meet certain criteria are required to perform the detailed assessment. The criteria are detailed below:

- Less than £100 million total assets
- Operated for at least three years
- A scheme year-end that falls after 31 December 2021.

The VfM assessment involves self-assessing the quality of the administration and governance with reference to seven key metrics and comparing the scheme's costs and charges, and net returns, against at least three other comparator schemes.

The three schemes which have been chosen to provide comparison against are the Aviva Master Trust, the Legal & General Master Trust and The People's Pension. The guidance requires that the scheme performing the assessment must have had discussions with at least one of the comparator schemes about transferring – were the scheme to wind up. The Board confirm that such a discussion has taken place.

Sources of Comparison Data

Comparisons should be made against information contained in published disclosures from comparators. It is noted that in some cases, equivalent disclosures from comparators may not be available. The following data has been used to perform the assessment of investment returns:

- Aviva Master Trust data has been obtained using the Financial Analytics Express analysis tool, based on a standard Aviva default fund for Section MK30 and suitable self-select funds for Section P000046205

- Legal & General Master Trust data has been obtained using the Financial Analytics Express analysis tool, based on a standard Legal & General default fund for Section MK30 and suitable self-select funds for Section P000046205
- The People’s Pension data has been collated using the Financial Analytics Express analysis tool, based on their standard default fund for Section MK30 and suitable self-select funds for Section P000046205

The performance figures used for both the Royal College of Surgeons of Edinburgh Retirement Benefits Scheme and the three comparators has been collated as at the scheme year end of 5 October 2022.

Investment Returns

As part of the VfM assessment, the Board should compare the investment returns of funds offered through their scheme with funds offered through comparators. The Trustees should place more weight on investment returns than on costs and charges.

Investment returns achieved by default funds should be given more weight than self-select funds.

The Trustees should compare the returns of their default fund against comparison default funds. It is not necessary for each default to have a similar asset allocation.

Self-select funds should be compared with the nearest funds available from the comparison arrangements selected.

Assessed	Good Performance	Poor Performance
Default/Single Fund	Majority of net returns are closely comparable with/better than the average for comparator funds	Majority of net returns are worse than the average for comparator funds
Overall Scheme	Net returns across a majority of funds offered by the scheme are closely comparable with/better than the average for comparator funds (whilst greater weight is given to the default fund)	Net returns across a majority of funds offered by the scheme are worse than the average for comparator funds (whilst greater weight is given to the default fund)

Performance Comparisons

The results of the investment performance comparisons are detailed below. Figures detailed are average annualised net performance to 5 October 2022. It was not possible to go back any further than 5 years due to the launch date of one of the comparison funds.

Section MK30

This section has a default fund (the Scottish Widows Conventional With Profits Fund) and has therefore been compared against standard default funds of the comparator products.

Member aged 25 in 2022	1 Year	3 Years	5 Years
Royal College of Surgeons of Edinburgh RBS – Section MK30	-5.32%	2.12%	3.47%

Aviva Master Trust	-2.66%	3.56%	3.99%
Legal & General Master Trust	-6.32%	2.29%	3.45%
The People's Pension	-8.96%	2.63%	3.77%
Member aged 35 in 2022	1 Year	3 Years	5 Years
Royal College of Surgeons of Edinburgh RBS – Section MK30	-5.32%	2.12%	3.47%
Aviva Master Trust	-2.66%	3.56%	3.99%
Legal & General Master Trust	-7.41%	1.79%	3.33%
The People's Pension	-8.96%	2.63%	3.77%
Member aged 45 in 2022	1 Year	3 Years	5 Years
Royal College of Surgeons of Edinburgh RBS – Section MK30	-5.32%	2.12%	3.47%
Aviva Master Trust	-2.66%	3.56%	3.99%
Legal & General Master Trust	-8.89%	0.77%	2.72%
The People's Pension	8.96%	2.63%	3.77%
Member aged 55 in 2022	1 Year	3 Years	5 Years
Royal College of Surgeons of Edinburgh RBS – Section MK30	-5.32%	2.12%	3.47%
Aviva Master Trust	-4.905%	1.02%	2.46%
Legal & General Master Trust	-10.19%	-0.11%	2.18%
The People's Pension	-10.53%	-0.85%	1.38%

Section P000046205

The assets of this section are invested across 12 separate Scottish Widows funds. For the purposes of this comparison, 3 of the top scheme holdings (which account for c.62% of the assets) have been compared against the most suited self-select options available in the comparator products.

Fund	1 Year	3 Years	5 Years
RCSE RBS – Section P000046205 Scottish Widows UK Equity Fund	-6.49%	-0.85%	-0.65%
Aviva Master Trust Baillie Gifford UK Equity Core	-16.38%	1.36%	1.68%
Legal & General Master Trust UK Equity Index Fund	0.69%	4.72%	3.37%
The People's Pension Global Investment (up to 100% shares)	-7.13%	4.67%	4.97%

Fund	1 Year	3 Years	5 Years
RCSE RBS – Section P000046205 Scottish Widows Fixed Interest Fund	-25.47%	-9.91%	-3.32%
Aviva Master Trust Aviva BlackRock Corporate Bond All Stocks Index Tracker	-19.97%	-5.31%	-1.16%
Legal & General Master Trust AAA-AA-A Corporate Bond All Stocks	-20.41%	-6.33%	-1.80%
The People's Pension Annuity Fund	-37.69%	-12.11%	-3.09%

Fund	1 Year	3 Years	5 Years
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RCSE RBS – Section P000046205 Scottish Widows Mixed Fund	-5.97%	-1.34%	0.11%
Aviva Master Trust My Future Focus Growth	-2.66%	3.56%	3.99%
Legal & General Master Trust Multi Asset Fund	-8.50%	1.01%	2.93%
The People’s Pension Global Investment (up to 60% shares)	-10.60%	0.71%	2.64%

CONCLUSION

When assessing the results of the Performance Comparisons, the Board has taken account of the following:

- The implications of there being no de-risking strategy in the scheme and how this impacts investment returns (when compared to alternative default funds which incorporate lifestyle strategies).
- The Trustees are aware of the significant equity exposure within Section P000046205 and note that this investment strategy is not suited to members who are within 10 years of normal retirement age. Should the scheme continue, a revised default investment strategy should be implemented to include automatic de-risking in the period prior to normal retirement.
- The MK30 Section returns noted in the table above are the returns on the With Profits fund and do not represent the returns which are actually passed onto members. The fund aims to provide smoothed annual returns.
- The MK30 Section returns could also be increased by terminal bonuses however these are not guaranteed and therefore it is not possible to quantify the impact of these when considering potential future returns.
- The limited fund choices available in the comparator products – Master Trusts typically offer significantly fewer funds than are currently available in the scheme. Therefore, whilst the comparator self select funds are the closest match available to the scheme funds, they do not necessarily have a similar asset allocation or underlying fund holdings to the scheme funds.

The investment returns on Section MK30 are broadly in line with the range of returns noted from the comparator default funds.

The 3 self select funds reviewed for Section P000046205 have broadly underperformed against the comparator funds over both 3 and 5 year periods and improved performance might have been achieved had the assets been invested elsewhere over the last 5 years.

The Employer and Board are now actively reviewing options to wind up the scheme. From the work carried out for the VfM analysis, a transfer to an alternative arrangement should be achievable and could result in lower charging/potentially improved investments returns for members.

Analysis confirms that the identifiable scheme costs and charges are significantly higher than all three comparators. The Board notes that this does not demonstrate Value for Members and that more competitive charging is available in an alternative arrangement. The costs and charges will be included in any review of the investment strategy or tender process (should a decision be made to wind up the scheme).

Taking into account the valuable guarantees available to members, the Board’s overall conclusion at this time is that the Scheme offers value for members. Although the benefit of the very valuable

guaranteed annuity rates applying to the MK30 section are not part of the prescribed elements of the more detailed assessment of value for members for a “specified scheme”, they do nonetheless provide the members with a great deal of value.

TRUSTEE KNOWLEDGE AND UNDERSTANDING (TKU)

The Board is required to maintain appropriate levels of knowledge and understanding.

The Board therefore has measures in place to ensure compliance with the requirements regarding its knowledge and understanding including investment matters, pension and trust law.

All new trustees must complete the Pension Regulator’s tool kit within six months of their appointment.

Ad-hoc training is provided as and when required. The Board reviews the trust deed and rules, SIP and all other documents setting out the Board’s current policies as appropriate to ensure they have a good working knowledge of these documents.

Taking into account the knowledge and experience of the Board together with the specialist advice received from the appointed professional advisors (including the investment consultants, and legal advisers), the Board believes it is well placed to properly exercise its functions as Trustee of the Plan.

During the year, the Board transitioned from a Board of Individual Trustees to a single Corporate Professional Trustee, Dalriada Trustees Limited, in order to ensure the Scheme is governed by a Trustee with appropriate TKU:

Requirement	How met
<p>Trustees must have appropriate knowledge and understanding of the law relating to pensions and trusts and the funding and investment of the assets</p>	<p>Each Trustee Representative is a fully accredited Professional Trustee in accordance with the APPT accreditation. Each Trustee will record the training and report this annually in accordance with PMI and APPT requirements, together with the requirements of other appropriate professional bodies.</p> <p>Any fully accredited Dalriada Trustee Representative can represent the Scheme, providing robust contingency, succession planning, continuity in the continuation of the Scheme’s activities and therefore provides for appropriate TKU. The fitness and propriety assessment for each Dalriada Trustee Representative is in accordance with TPR's COR4 annual declaration.</p>
<p>Trustees must be conversant with the Scheme’s own documentation including the Trust Deed and Rules, Statement of Investment Principles and current policies</p>	<p>Each Trustee Representative records their ongoing training in accordance with the Dalriada Learning & Development structure, which includes specific consideration of whether any further training is required in respect of these documents, and others e.g. the risk register, which is considered at every trustee meeting.</p> <p>During the year the Statement of Investment Principles, the Implementation Statement, this Chair’s Statement and the more details Value for Member assessment has been undertaken.</p>

Requirement	How met
Knowledge and resources generally	Dalriada comprises individuals with diverse professional skills and experiences, reflecting the varied nature of the issues that may arise in respect of DC pensions.

The table above shows how these duties have been fulfilled and how the combined knowledge and understanding, together with the advice which is available to the Board enables them to properly exercise their duties and responsibilities.

Signed for and on behalf of the Board by the Chair of the Trustees :



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