

## **Hargreave Hale Limited Staff Pension Scheme**

### **Chair Statement 2023**

#### **Current Status**

The Employer (Canaccord Genuity Wealth Limited (CGWL), which is part of the group that took over Hargreave Hale Limited in September 2017) and announced its intention to wind up the scheme.

The Trustees continue to work with appointed solicitors Gowlings and John Fleming pension advisors to provide technical support.

The Trustees considered the future position of the scheme once The Company announced that they wanted to wind up the scheme.

The Trustees agreed to the wind-up of the scheme as they agreed the move to Aegon would be in the best interest of the members due to more investment choices. The Trustees following the guidance of Gowlings and Johnson Fleming agreed that the Aegon Master Trust would be the best default scheme for the remaining members.

David Clueit former Chair of the Trustees resigned from the Company, and I have offered to act as Chairman and will be assisted by the one other continuing Trustees, Jane Vause (Secretary).

#### **Governance**

Governance requirements apply to defined contribution ("DC") pension arrangements, to help members achieve a good outcome from their pension savings. The Trustees of the Hargreave Hale Staff Pension Scheme are required to produce a yearly statement (which is signed by the Chair of Trustees) to describe how these governance requirements have been met in relation to: the investment options in which members' funds are invested (this means the default arrangement), the requirements for processing financial transactions; the charges and transaction costs borne by members; a 'value for members' assessment; and Trustee knowledge and understanding. This statement covers the period from 1<sup>st</sup> May 2022 to 31<sup>st</sup> October 2023. The Accounting period was extended to 18 months due to the wind-up.

#### **Default Investment Arrangement**

The scheme was used as a Qualifying Scheme for auto-enrolment. Members were auto enrolled into the Hargreave Hale Staff Pension Scheme (the default arrangement) when they joined. With effect from 01.09.22, the scheme closed. There were no further payments made to the scheme.

At present, the scheme consists of one fund, which is a professionally managed portfolio of investments, with members having no alternative investment opportunities.

The Statement of Investment Principles were reviewed 24.09.2021 and no changes were considered necessary. The Trustees continued to invest the members' funds because, we believed, this is what our members expected then they joined the scheme. Obviously, this exposes member benefits to market volatility but until the last transfers are processed, the Trustees continued with the existing investment strategy. The Trustees do not believe it is feasible to predict market movements over the short term.

### **Financial Transactions and Administration**

All administration for the scheme remains inhouse, queries and any transfers are dealt with by Jane Vause. There were no administrative issues during the year. We have seen that the Employer has paid contributions into the fund in a timely manner and transfers has also been processed efficiently.

The scheme was audited by Azets. The Financial Statements prepared to 30 April 2022 were signed off in November 2022.

### **Charges**

The Trustees are required to set out the on-going charges borne by members in this statement. The scheme continues to charge no costs to the members and all charges are met by the Employer.

The Trustees are also required to separately disclose transaction cost figures that are borne by members.

In the context of this statement, the transaction costs shown are those incurred when the Scheme's fund managers buy and sell assets within investment funds. Again, there are no transaction costs deducted from the Scheme.

The only deductions are the commission charges which are the minimum amount.

### **Trustee Knowledge and Understanding**

The law requires the Trustee Board to possess, or have access to, sufficient knowledge and understanding to run the Scheme effectively.

The Trustees include a Settlements Assistant Manager and a Financial Assistant. The Settlement Supervisor has experience in pension regulation and administration. She has completed the Trustee Toolkit, and the reviews made available by the Pensions Regulator. As a result of the experience and technical knowledge of the Trustees individually and collectively as a Board and considering the professional advice available to the Trustees, I am confident that the combined knowledge and understanding of the Board enables us to exercise properly our functions as the Trustees of the Scheme.

### **Investment Performance**

*The Trustees have access to information relating to the performance of the investment portfolio through the Employers Avaloq system. The Trustees are satisfied with the performance of the portfolio. It has produced an annualised cumulative return of 5.37% over the three years to 30 April 2022, it has only slightly under performed its benchmark over (17.02% v 20.3%) whilst being significantly less volatile (10.36v 11.9) – source: Avaloq.*

### **Statement of Investment Principles as at 24.09.21**

*The trustees have reviewed the revised Statement of Investment Principles replaces the SIP dated 24 September 2021 and decided that no further amendments are required.*

*The Trustees are committed to preserving the value of the pension fund by balancing the requirements for both growth and income, whilst limiting exposure to high-risk investments.*


*The Trustees have agreed that the Investment Principles of the Pension Fund should comprise a balance between equity and bonds to diversify risk. In principle the split should be 70% equities, 30% cash and fixed interest. This will enable the Trustees to retain cash or liquid investments for transfer and retirement requests to be processed.*

*The Trustees appointed Richard Pollitzer of Canaccord Genuity Wealth Limited to manage the investment portfolio for the pension scheme on a discretionary basis.*

*The aim is to balance capital growth and income, for a long-term view.*

*The trustees have agreed a medium risk investment strategy (risk score of 6 on the CGWL scale). The risk score is monitored and maintained using Beta Risk. The portfolio structure and holdings are monitoring by the Performance Monitoring and Measurement Committee in light of CGWL approved lists and structures.*

Signed:



**Andrzej Gontarewicz- Chair of Trustees**

**October 2023**