THE RNIB RETIREMENT BENEFITS SCHEME

Annual Report and Financial Statements for the year ended 31 March 2021

Scheme Registration No: 10152239

XPS Administration is a trading name of XPS Administration Limited
Registered No. 9428346. Registered Office: Phoenix House, 1 Station Hill, Reading RG1 1NB.

Part of XPS Pensions Group

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TRUSTEES AND THEIR ADVISERS

Principal Employer:	The Royal National Institute of Blind People (RNIB) 105 Judd Street London WC1H 9NE
Participating Employers:	RNIB Charity
Trustees:	I Maybury (Chairman) S King V Morton D Clarke A Tinger (resigned 31 March 2020) J Edwards (appointed 1 June 2020, resigned 19 October 2020)
Secretary to the Trustees:	Muse Advisory (until 17 August 2020) N Featherstone (from 17 August 2020) The RNIB Retirement Benefits Scheme 105 Judd Street London WC1H 9NE
Scheme Actuary:	R Agius FIA Aon Solutions UK Limited Parkside House Ashley Road Epsom KT18 5BS
Investment Managers:	Legal & General Investment Management Limited 1 Coleman Street London EC2R 4PE Russell Investments Limited Rex House 10 Regent Street London SW1Y 4PE
AVC Provider:	Utmost Life & Pensions Walton Street Aylesbury Buckinghamshire HP21 7QW
Fiduciary Manager:	Russell Investments Limited Rex House 10 Regent Street London SW1Y 4PE
Independent Auditor:	PricewaterhouseCoopers LLP One Kingsway Cardiff CF10 3PW

TRUSTEES AND THEIR ADVISERS (continued)

Legal Advisers:	Shoosmiths Apex Plaza Forbury Road Reading Berkshire RG1 1SH
Investment Advisers – DC Section:	Lane Clark & Peacock LLP 95 Wigmore Street London W1U 1DQ
Bankers:	The Royal Bank of Scotland plc (until 23 February 2021) 62 – 63 Threadneedle Street London EC2R 8LA Barclays Bank plc (from 16 December 2020) 1 Churchill Place London E14 5HP
Scheme Administrators – DB Section:	Mercer Limited (until 30 November 2020) Central Court 1B Knoll Rise Orpington Kent BR6 0JA Email: RNIBPensions@Mercer.com XPS Administration Limited (from 1 December 2020) Saltire House 3 Whitefriars Crescent Perth PH2 0PA Email: RNIB@xpsgroup.com
Scheme Administrators – DC Section:	Legal & General Pensions Limited City Park The Droveway Hove BN3 7PY Email: employerdedicatedteam@landg.com

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees of the RNIB Retirement Benefits Scheme (the "Scheme") are pleased to present the Trustees' Report and audited financial statements for the year ended 31 March 2021.

The Scheme is a hybrid occupational pension scheme consisting of a defined benefit section (DB), which provides benefits based on a member's salary, and a defined contribution section (DC), which provides benefits based on a member's accumulated fund.

The Scheme was established solely for the benefit of its members and other beneficiaries. From 6 April 2006 it has been a Registered Scheme under the Finance Act 2004. The assets of the Scheme are held by the Trustees and are held entirely separate from the participating employers.

The Scheme pays pensions and other benefits to members of the Scheme and their dependants. All members of the Scheme are eligible employees of the RNIB or RNIB Charity.

The Triennial valuation as at 31 March 2020 is underway and is nearing completion.

The Trustees are committed to working with the participating employers to continue to protect member benefits and manage the risks to the Scheme funding. Further information about the Scheme is provided in an explanatory booklet which is available to all members from the Scheme Secretary and published on the Principal Employer's intranet site.

Under the Trust Deed and Rules of the Scheme, Trustees are appointed and may be removed by the Principal Employer except for member nominated Trustees. Under legislation at least one third of the Trustees are nominated by Scheme members. These member-nominated Trustees are elected from the membership of the Scheme and may only be removed following the unanimous agreement of the other Trustees. The Trustees who served during the Scheme year are listed on page 2.

During the year the Trustees met five times. The Investment Sub-Committee met four times during the Scheme year. A Guide for Pension Scheme Trustees issued by The Pensions Regulator has been made available to all Trustee Directors. Members may obtain a copy from the Scheme Secretary.

Following a period of statutory consultation by RNIB, the Scheme benefit structure was amended with effect from 1 April 2019. From 1 April 2019, benefits accumulate on a defined contribution basis. The Trustees appointed Legal & General to administer this section of the Scheme with effect from that date. All members' Hybrid DC assets, from contributions made prior to 31 March 2019, were transferred to the new DC only section, administered by L&G, in January 2020. The DB section benefit accrual ceased for all members on 31 March 2019, but the section still has active members who retain an active pensionable salary link to their service in the DB section, subject to the pensionable salary cap of £23,250.

Administration

The administration of the DB Section of the Scheme is carried out by XPS Administration Limited ("XPS") whilst the administration of the DC Section is carried out by Legal & General. Enquiries about the Scheme generally or about individual's entitlement to benefits should be addressed to them at the email addresses on page 3 as appropriate.

The administration of the DB Section had previously been carried out by Mercer Limited but following various issues between the Scheme and Mercer, the Trustees concluded that they needed to appoint a new administrator. The Trustees then appointed XPS who took over as the Scheme administrator from 1 December 2020.

As a result, as part of the Trustees' wider governance processes, on top of their usual monitoring, during the prior year the Trustees commissioned a data audit by independent consultants, ITM Limited. The Trustees considered the recommendations made, but were unable to agree a resolution with Mercer. The Trustees have engaged XPS to conduct a full data audit. The Trustees await the completion of the audit and a project report from XPS. The Trustees will then arrange with RNIB to collate any missing data items or amend any errors. The Trustees expect to complete this exercise by the end of the year and will work with XPS to automate standard administration procedures where possible to improve turnaround times and improve the quality of administration for members.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Administration (continued)

The Trustees receive quarterly reports about the administrator's performance and compliance with the SLAs. Using information provided by the administrators, the Trustees are satisfied that during the year ended 31 March 2021:

• there have been no material administration errors in relation to processing core financial transactions; and

• all core financial transactions have been processed promptly and accurately during the Scheme year.

XPS also provides data on transactions into and out of the Scheme over each quarter covered by the report. This enables the Trustees to check that the core financial transactions over any given quarter are in line with expectations and that the type of receipts and payments are in line with the activity within the Scheme (i.e. retirement payments, contributions from members and the Principal Employer).

The Scheme Secretary has regular interactions with XPS to ensure that any issues arising from the administration of the Scheme are dealt with quickly.

Contributions

Employer and Employee normal contributions to the DB section ceased from 1 April 2019, this section of the scheme is closed to future pensionable service accruals. Contributions to the DC section of the Scheme are made by the Principal Employer to Legal and General directly.

All the expenses of the Scheme are paid directly by the Principal Employer. The Principal Employer is making Deficit Recovery Contributions in accordance with the Schedule of Contributions and the deficit recovery plan agreed with the Trustees.

During the year a revised Schedule of Contributions was agreed by the Principal Employer and Trustees that was certified by the Scheme Actuary on 10 November 2020.

Deferral of DRCs

In April 2020 as part of its response to the impact of the COVID-19 Pandemic the Principal Employer requested that the Trustees consider a deferral of Deficit Recovery Contributions (DRCs). After discussion and input from their advisers, the Trustees agreed a deferral of the April, May and June 2020 DRCs which were repaid evenly over a three month period commencing on 1 October 2020.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Membership and benefits

The membership movements during the year ended 31 March 2021 were as follows:

	Defined Benefit Section	Defined Contribution Section	Total
Active members at 1 April 2020	**555**	**1,778**	**2,333**
Adjustments*	(16)	37	21
New members	-	109	109
Rejoiners	-	2	2
Retirements	(3)	-	(3)
Deaths	(1)	(1)	(2)
Refunds	(1)	-	(1)
Leavers with deferred benefits	(24)	(241)	(265)
Active members as at 31 March 2021	**510**	**1,684**	**2,194**
Pensioners at 1 April 2020	**1,157**	**-**	**1,157**
Adjustments	(2)	-	(2)
Retirements	37	-	37
Suspended	(6)	-	(6)
Deaths	(24)	-	(24)
Commutations	(3)	-	(3)
Pensioners at 31 March 2021	**1,159**	**-**	**1,159**
Members with deferred benefits at 1 April 2020	**1,611**	**701**	**2,312**
Adjustments	(38)	(17)	(55)
Leavers with preserved benefits	24	241	265
Rejoiners	-	(2)	(2)
Deaths	(2)	(1)	(3)
Retirements	(34)	(24)	(58)
Commutations	(4)	-	(4)
Transfers out	(4)	(16)	(20)
Surrendered	-	(9)	(9)
Members with deferred benefits at 31 March 2021	**1,553**	**873**	**2,426**
Total Membership	**3,222**	**2,557**	**5,779**

*Adjustments are members whose status has been changed where the change relates to a previous year.

Pensioners include 114 (2020: 110) individuals receiving a pension upon the death of their spouse.

Active members of the DB section no longer make contributions to this section, as benefit accrual ceased for all members on 31 March 2019, but do retain an active pensionable salary link to their service in the DB section, subject to the pensionable salary cap of £23,250.

Active members under the DB section whose pensionable salary exceeds the salary cap, will make regular contributions to the DC Section of the Scheme calculated on that part of their salary that exceeds the cap. These members will therefore appear as Active members in both sections of the Scheme.

Pension increases

The RPI, upon which the pension increases are based, was 2.6% in March 2020. The Trustees agreed that with effect from 1 September 2020, the increases to pensioners and deferred pensioners would be:

- 2.6% for pre July 2010 service being the March 2020 RPI figure, capped at 5%.
- 2.6% for post July 2010 service being the March 2020 RPI figure, capped at 3%.
- AVCs will be increased by 2.6% being the March 2020 RPI figure, capped at 5%.

There were no discretionary pension increases.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Transfer Values

The transfer payments paid during the year were calculated in accordance with the regulations under the Pensions Schemes Act 1993 and the Pensions Act 1995 as appropriate. Transfer payments represented the full "cash equivalent" value of the accrued benefits. No discretionary benefits were included in the calculations of transfer values.

Internal Dispute Resolution Procedure (IDRP)

The Trustees have adopted an IDRP, a copy of which can be provided on request by the Scheme Secretary.

Additional Information

The Pensions Act has extended the legal rights of members, beneficiaries and pensioners to receive on request a broad range of information. Some of these rights relate to specific benefit details for an individual which have, in any event, always been available to members or are already provided automatically without the need to make a request. Other rights, relating to more general Scheme information and the availability of documents containing this information, must be drawn to your attention and are detailed below. In addition, your attention is drawn to other items which any member wanting more technical information is invited to request from the Scheme administrator.

- Trust Deed and Rules,
- The latest report on the actuarial valuation,
- The latest statement of investment principles drafted in accordance with Section 35 of the Pensions Act 2004,
- IDRP,
- Actuarial statement on calculation of transfer values.

A charge may be made for copies of the trust documents (Deed and Rules) and of the Actuary's report.

COVID-19

The COVID-19 pandemic continues to influence financial markets and supply chains in 2021. The Trustees engage regularly with their advisers on a virtual online basis and remain satisfied that their advisers have in place appropriate plans including home working with access to secure IT equipment and platforms to minimize disruption to member services. The Trustees have worked with their investment advisers to significantly de-risk the investment portfolio that underpins the DB section liabilities and operate a Liability Driven Investment strategy, with hedging against interest rate and inflation risk. The Trustees believe that the investment portfolio is well protected against extreme volatility in the financial markets due to the COVID-19 pandemic.

Financial Development of the Scheme

Changes in the Scheme's net assets during the year were as follows:

	£'000s
Net assets at 31 March 2020	281,757
Net additions from dealings with members	727
Net returns on investments	24,146
Net assets at 31 March 2021	306,630

The financial statements for the year have been prepared and audited in accordance with Sections 41(1) and (6) of the Pensions Act 1995.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Enquiries

All enquiries about the Scheme and individual benefit entitlements should be addressed to the Scheme Trustees:

DB Section
c/o XPS Administration Limited
Saltire House
3 Whitefriars Crescent
Perth PH2 0PA

Email: RNIB@xpsgroup.com

DC Section
c/o Legal and General Pensions Limited
City Park
The Droveway
Hove BN3 7PY

Email: employerdedicatedteam@landg.com

MoneyHelper

MoneyHelper provides pension guidance, money guidance and debt advice. These services were previously provided by three separate government entities; The Pensions Advisory Service (TPAS), Pension Wise and the Money Advice Service. MoneyHelper can be contacted at:

MoneyHelper
Holborn Centre
120 Holborn
London EC1N 2TD

Tel: 0800 011 3797
Email: contact@maps.org.uk
Website: www.moneyhelper.org.uk

Pensions Ombudsman

If a member has a complaint against the Scheme that has not been resolved to his or her satisfaction through the Scheme's Dispute Procedure, the government appointed Pensions Ombudsman can investigate complaints of injustice caused by bad administration, either by the Trustees or Scheme administrators, or disputes of fact or law. The Pensions Ombudsman can be contacted at:

10 South Colonnade
Canary Wharf
London E14 4PU

Tel: 0800 917 4487
Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (continued)

The Pensions Regulator (tPR)

The Pensions Regulator can intervene if they consider that a Scheme's Trustees, advisers, or the employer are not carrying out their duties correctly. The address for the Pensions Regulator is:

Napier House
Trafalgar Place
Brighton BN1 4DW

Tel: 0345 600 0707
Email: customersupport@tpr.gov.uk
Website: www.thepensionsregulator.gov.uk

The Pension Scheme Registry

The Scheme is registered with the Pension Scheme Registry which is part of the Pensions Regulator's office. The registration number is 10152239. The data held by the Registry is used by the Pension Tracing Service to assist former members of schemes to trace their scheme benefits. The Pension Tracing Service can be contacted at:

Pension Tracing Service
The Pension Service 9
Mail Handling Site A
Wolverhampton WV98 1LU

Tel: 0800 731 0193
Website: www.gov.uk/find-pension-contact-details

INVESTMENT REPORT

Investment strategy and management of the investments

The investments are managed against a Statement of Investment Principles ("SIP"), as required by Section 35 of the Pensions Act 1995. The most recent SIP was approved by the Trustees in October 2020. A copy of the SIP is available from the Secretary to the Trustees. The Trustees undertake monitoring on a regular basis, receiving periodic reports showing the Scheme's funding level, the performance of the Scheme's assets against the investment objectives and details of any significant issues which may impact on the performance targets set for the underlying funds invested in. The investment objectives for the portfolio are set out in the SIP.

The Trustees' Investment Objective (Defined Benefit Section)

The Trustees invest the assets of the Scheme prudently to ensure that the benefits promised to members are provided. In setting investment strategy, the Trustees first considered the lowest risk asset allocation that they could adopt in relation to the Scheme's liabilities. The asset allocation strategy they have selected is designed to achieve a higher return than the lowest risk strategy while maintaining a prudent approach to meeting the obligations due to the Scheme's members.

The day-to-day management of the investment portfolio been delegated to the Fiduciary Manager (Russell Investments).

At inception of the mandate, The Trustees set the Fiduciary Manager an objective of achieving 2.2% p.a. in excess of the return on government bonds and net of fees. In addition to this objective, the Trustees are also aiming to protect against any change in the present value placed on the liabilities as a result of changes in long-term interest rates or inflation expectations.

Following de-risking triggers achieved in Q1 2020, the target return was reduced to Gilts + 1.9% and the target hedge ratio with respect to the interest rate sensitivity was increased from 92.4% to 94.6% of liabilities. The target hedge ratio with respect to inflation sensitivity has already been set to 100% of the liability benchmark.

Following positive market performance in Q4 2020, an additional de-risking trigger point was breached. Subsequently, the target return was reduced to Gilts + 1.8% p.a, net of fees. The target hedge ratio with respect to interest rate sensitivity was increased from 94.6% to 95.7% of liabilities.

During Q1 2021 the Scheme achieved a further de-risking trigger, following a continuation of the positive market performance seen in 2020. As a result, the target return was reduced to Gilts + 1.7% p.a. net of fees, as the target hedge ratio with respect to interest rate sensitivity was increased further to 96.8%.

At 31 March 2021 the portfolio was positioned as follows to achieve the above objectives:

Asset class	Fund Manager	Target Weighting	Range %
Growth Portfolio	Russell Investments	50%	+/- 2.5%
Matching Portfolio (LDI)	Russell Investments, Blackrock & BMO	50%	+/- 2.5%

The underlying funds utilised by the Fiduciary Manager are set out below.

- The Growth Portfolio is invested in Russell Investments' Multi-Asset Growth Strategies Fund; and
- The Matching portfolio (also referred to as the Liability Driven Investment Mandate) is implemented using pooled funds offered by BlackRock and BMO, as well as the Russell Investments Sterling Liquidity Fund.

The Fiduciary Manager monitors the portfolio daily to ensure the portfolio's positioning remains appropriate to achieve the objectives set out above. When necessary the Fiduciary Manager rebalances the portfolio on behalf of the Trustees.

INVESTMENT REPORT (continued)

The Trustees' Investment Objective (DC Section)

The investment objectives of the DC Section are agreed by the Trustees, having consulted with the Employer. Within the context of these risk and return objectives, the Trustees, taking advice from the Scheme's investment consultants, decide on the default investment strategy and self-select asset classes, and select the appropriate managers within each asset class. The following tables detail the asset distribution at the financial year end by fund. Figures may not sum due to rounding.

Fund	Asset class	Allocation as at 31 Mar 2021 (£000)
LGIM Global Equity Market Weights 30:70 Index 3	Equities	15,492
LGIM FTSE World Developed (ex Tobacco) Equity Index	Equities	152
LGIM HSBC Islamic Global Equity Index Fund	Equities	5
LGIM Ethical Global Equity Index Fund	Equities	415
LGIM World Emerging Markets Equity Index	Equities	12
LGIM Multi-Asset Fund	Diversified Growth	5,207
LGIM Managed Property Fund	Property	153
LGIM Corporate Bond All Stocks Index	Bonds	94
LGIM Over 15 Years Fixed Interest Gilts Index	Bonds	149
LGIM Over 5 Year Index Linked Gilts Index	Bonds	129
LGIM Cash Fund	Cash	1,408
Total		23,216

Implementation

As at 31 March 2020 Russell Investments was the appointed Fiduciary Manager. The terms of the agreement between the Trustees and Russell Investments is set out in the Investment Management Agreement (IMA) – signed 21 February 2017. Russell Investments' fee for providing the above structure is set out in the IMA and has been chosen to provide cost certainty with regard to the advice and implementation of the investment portfolio.

When choosing investments the Fiduciary Manager is required to have regard to the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005 (regulation 4). The fiduciary managers' duties also include:

- Taking into account social, environmental or ethical considerations in the selection, retention and realisation of investments.
- Voting and corporate governance in relation to the Scheme's assets including taking into account the Institutional Shareholders' Committee Statement of Principles on the Responsibilities of Institutional Shareholders and Agents.

The Trustees periodically engage with the Fiduciary Manager with regard to its approach to corporate governance and voting activity.

INVESTMENT REPORT (continued)

Investment Performance

The tables below shows the performance of the Scheme's investments, over one, three and five-year periods.

Defined Benefit Investment Performance

	1 Year (net)	3 Years (Annualised, p.a. – net)	5 Years (Annualised, p.a. – net)
Investment Portfolio	7.2%	5.4%	7.8%
Benchmark	(0.6)%	5.3%	8.1%

Inception date of Fiduciary Management mandate with Russell Investments: 26 May 2017.

Source: Russell Investments, Aon Hewitt (legacy performance) and underlying fund managers

Benchmark Calculation Methodology: For the period prior to the appointment of the Fiduciary Manager, this is set equal to the benchmark returns on the underlying strategic benchmark. The benchmark performance of the Scheme's investments is based on a composite of the target returns of the Growth and Matching portfolios respectively. Following the appointment of the Fiduciary Manager, the target return of the Growth portfolio was set equal to the return on the Scheme's liabilities + 2.2% p.a. Following the achievement of de-risking triggers during Q4 2019, this was revised to equal the return on the Scheme's liabilities + 1.9% p.a. This was reduced further to liabilities + 1.8% p.a. in Q4 2020 and again to liabilities + 1.7% p.a. in Q1 2021. The target return of the Growth portfolio is expected to be delivered over a full market cycle. Market conditions in March 2020 drove volatility in performance returns and this is reflected in the figures quoted above.

Benchmark performance for period from 31 March 17 to the inception of Russell Investments' mandate assumed to be consistent with actual portfolio performance over the same period.

Defined Contribution Investment Performance

The performance of the DC investment funds is reviewed periodically at the Trustees' meetings. The following table shows the performance of the DC investment funds over the one, three and five year periods to 31 March 2021, after the deduction of fees, on an annualised basis. Benchmark returns are shown before the deduction of fees, with the exception of the benchmark for the LGIM Managed Property Fund, which is shown after the deduction of fees.

Fund	One year (%)		Three years (% pa)		Five years (% pa)	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
LGIM Global Equity Market Weights 30:70 Index 3	40.7%	41.0%	10.1%	10.0%	11.3%	11.5%
LGIM FTSE World Developed (ex Tobacco) Equity Index	48.8%	49.1%	12.4%	12.7%	-	-
LGIM HSBC Islamic Global Equity Index Fund	35.4%	36.4%	20.4%	20.9%	17.7%	18.9%
LGIM Ethical Global Equity Index Fund	36.4%	37.0%	14.6%	14.8%	14.8%	15.1%
LGIM World Emerging Markets Equity Index	40.3%	40.6%	7.6%	7.7%	12.6%	12.8%
LGIM Multi-Asset Fund	20.9%	25.4%	7.0%	6.5%	8.4%	7.5%
LGIM Managed Property Fund	(3.9)%	2.5%	(0.4)%	2.4%	-	-
LGIM Corporate Bond All Stocks Index	5.7%	4.5%	3.6%	3.5%	3.9%	3.9%
LGIM Over 15 Years Fixed Interest Gilts Index	(10.7)%	(10.7)%	3.5%	3.6%	5.1%	5.0%
LGIM Over 5 Year Index Linked Gilts Index	(1.8)%	(1.7)%	3.6%	3.7%	6.4%	6.4%
LGIM Cash Fund	0.1%	(0.2)%	0.5%	0.0%	0.1%	(0.1)%

Source: LGIM. LCP calculations. Performance is unavailable for some funds over the five year period to 31 March 2021 due to these funds being incepted for less than 5 years.

INVESTMENT REPORT (continued)

Twelve month market commentary to 31 March 2021

Background

The period following March 2020 presented a rare investment environment where nearly all asset classes delivered positive returns. Investor risk sentiment was boosted by record levels of global monetary and fiscal stimulus to battle the economic impact of the ongoing coronavirus pandemic. Political uncertainty eased in the US, with Joe Biden winning the US presidential election and his Democratic Party later securing control of Congress, and in Europe, where the UK and the European Union (EU) finally agreed upon a Brexit trade deal.

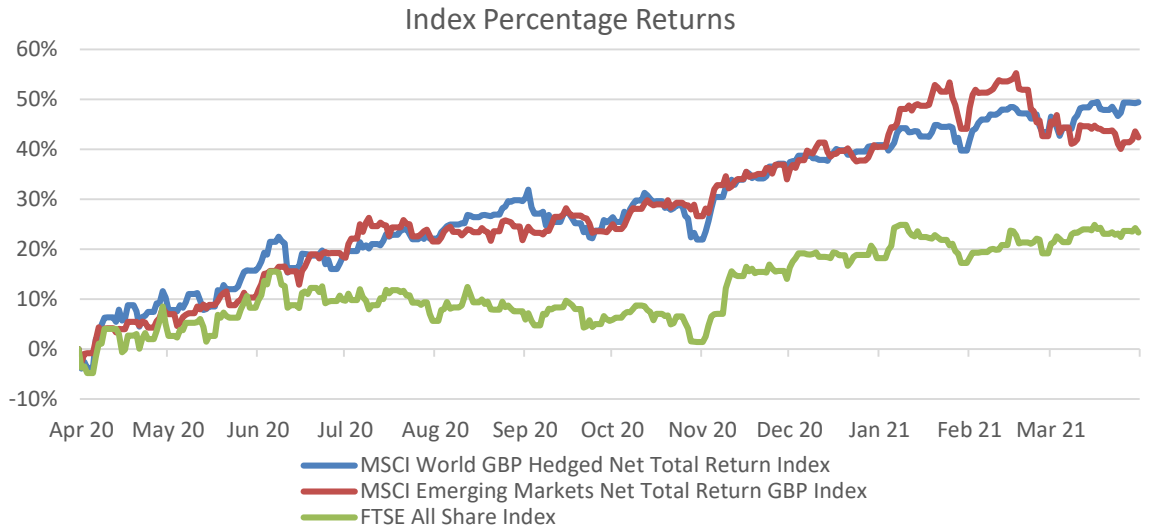
The gradual easing of lockdown restrictions coupled with major COVID-19 vaccine breakthroughs late in 2020 helped lift investor sentiment. Nevertheless, the successful rollout of vaccines in the US and UK was a contrast to other areas of the world. A second wave of coronavirus cases also remained in investors' thoughts.

Equities

The MSCI World GBP Hedged index recorded a strong 49.4% return in the 12-month period. Four-successive positive quarters of gains were supported by accommodative fiscal and monetary policy. Popular growth stocks (especially within technology sector) dominated most of the period. The consumer discretionary and materials sectors led the index higher. In contrast, defensive sectors including utilities, consumer staples and health care lagged behind. However, investors rotated towards previously underperforming areas of the market in the latter-half of the period. This came as coronavirus vaccines began to be approved and rolled-out across the globe. During this period, stocks most closely tied to the re-opening of economies, namely value and small capitalisation equities, largely outperformed their growth and large cap peers, respectively.

The MSCI Emerging Markets (EM) Net Index increased 42.3% . EM outperformed developed market equities at various points, primarily due to strong performance from China. However, the index lagged developed markets in early 2021 amid policy tightening in China and a stronger period for the US dollar.

The FTSE All Share lagged other equity markets. Brexit-induced volatility weighed on the index. This eventually subsided as the UK and EU signed a historic treaty including a free trade agreement, security partnership and agreement on governance. Large cap oil & gas names were out of favour over the period. Domestically, the government and Bank of England continued to provide support. A successful vaccine rollout accompanied a government "roadmap" out of the national lockdown which also boosted sentiment.



Source: Bloomberg and Russell Investments. Data as at March 31st, 2021. Emerging market equity returns are not hedged but are provided in GBP terms.

INVESTMENT REPORT (continued)

Twelve month market commentary to 31 March 2021 (continued)

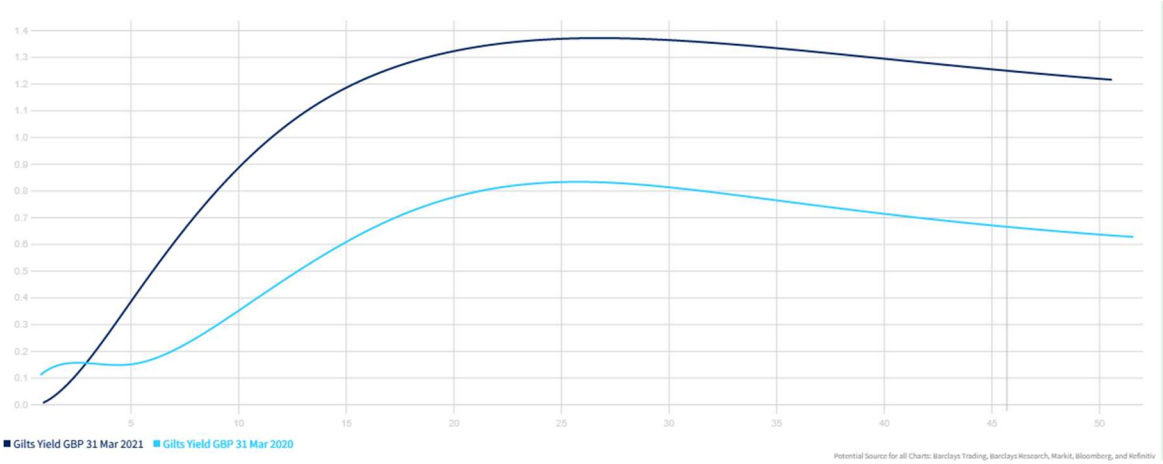
Government Bonds

The Bloomberg Barclays Global Aggregate Sterling Hedged increased by 1.1% over the period. Government bond yields broadly declined early in the period. The concerted support of monetary policy and a further opening of fiscal taps supported the market. Major COVID-19 vaccine breakthroughs sent a wave of relief throughout markets, as investors began to believe that an end of the global pandemic was finally within reach. However, government bonds broadly sold-off in early 2021. Sustained central bank and government support – notably boosted in the US by President Biden – alongside improved global growth prospects, engendered increased inflation expectations. Despite global central banks continuing to forecast record-low interest rates, the threat of inflation left the door open to rate hikes. Consequently, government bond curves steepened and yields climbed sharply higher.

UK Gilt yields (both nominal and real) increased over the full 12-month period across all maturities.

Nominal Yields

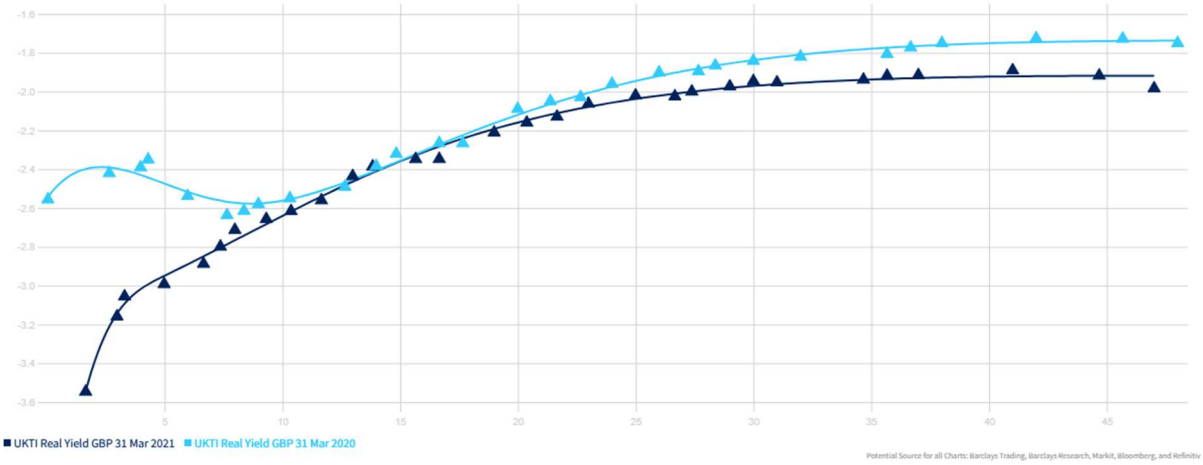
The chart below shows that nominal yields had a gradual upward trajectory for the majority of the period, before a significant increase in Q1 2021.



Source: Barclays Live, Bloomberg and Russell Investments

Real Yields

The chart below shows that real (i.e. inflation-linked) yields slightly fell over the 12-month period to 31 March 2021 as inflation expectations increased. This contrasts with nominal yields (which rose over the period).



Source: Barclays Live and Russell Investments

INVESTMENT REPORT (continued)

Twelve month market commentary to 31 March 2021 (continued)

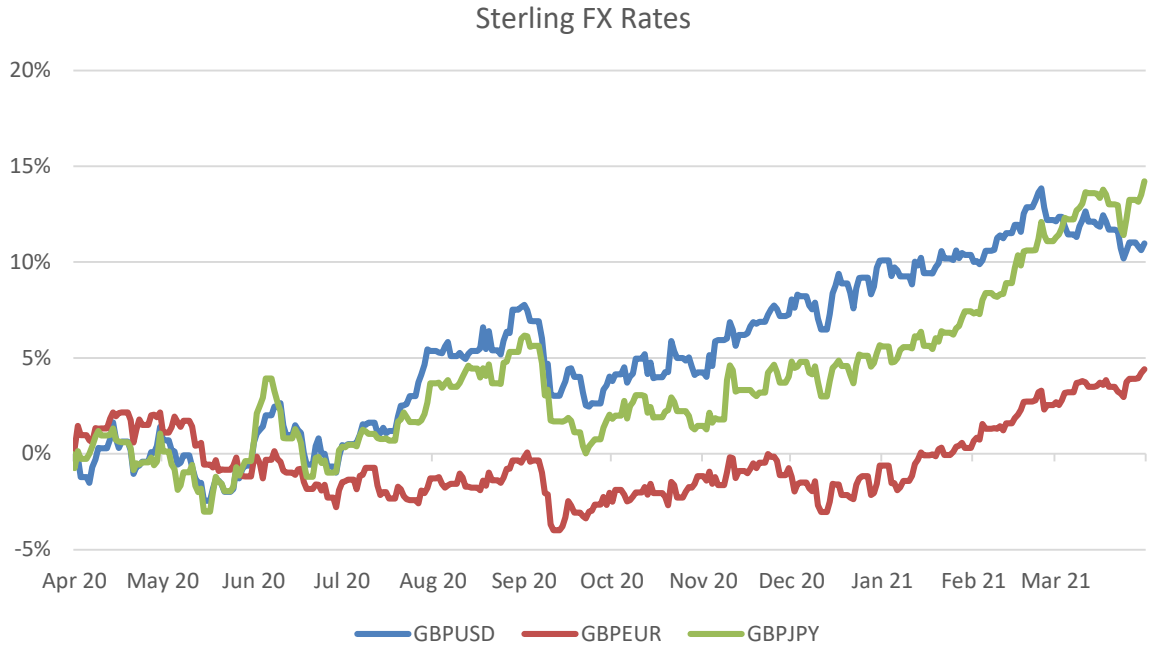
Credit

Global investment-grade (IG) and corporate high yield (HY) credit spreads tightened significantly over the 12-month period. This followed the unprecedented widening of spreads during the height of the market turmoil in the first quarter of 2020. The rapid recovery in risk sentiment was supported by accommodative fiscal and monetary policy, market-friendly political developments, improving economic growth prospects and more stable oil prices. A hunt for yield tilted investor demand towards high yield corporate credit.

Foreign Exchange

Sterling broadly strengthened over the period. The currency fluctuated with Brexit trade deal developments ahead of the December agreement with the European Union. This alignment supported a relief rally in the currency. Additionally, the Bank of England pushed back on the imminent possibility of negative interest rates. A lead in the COVID-19 vaccine rollout and improved economic growth forecasts provided further support.

Sterling strengthened against the US dollar and euro as well the perceived safe-haven Japanese yen and Swiss franc. The counter-cyclical dollar weakened amid the global economic recovery while the euro suffered from the region's slow vaccine programme and a resurgence in coronavirus infections. Safe-haven currencies were impacted by buoyant investor sentiment. In contrast, the pound depreciated against economically sensitive commodity currencies including the Australian dollar, Norwegian krone, New Zealand dollar and Canadian dollar.



Source: Russell Investments and Bloomberg. Data as at March 31st, 2021.

Financially material considerations (Defined Benefit Section)

Over the period to achieving the overall investment objective of reaching full funding on the Gilts + 0.5% p.a. basis, the Trustees have tasked the Fiduciary Manager with monitoring Financially Material Risks (including ESG considerations) within the Scheme's investment portfolio. At a high level, the Scheme is expecting to increase its allocation to lower risk fixed-income assets as the Scheme matures. In addition to this, the Fiduciary Manager will use active ownership (see Stewardship below) to manage the Scheme's investment portfolio through time. The Fiduciary Manager also monitors, and where necessary reduces the Financially Material Risks which the Scheme is exposed to as it travels through its journey to ultimately achieve its objective.

INVESTMENT REPORT (continued)

Financially material considerations (Defined Contribution Section)

The Trustees have considered how environmental, social, governance ("ESG") and ethical factors should be taken into account in the selection, retention and realisation of investments, given the time horizon of the Scheme (which as a Scheme used for auto-enrolment covers the potential working life of a younger member joining now) and its members.

All of the DC Section investments are via pooled funds. The Trustees have limited influence over managers' investment practices where assets are held in pooled funds

The Trustees expect their investment managers to take account of financially material considerations (including climate change and other ESG considerations) to the appropriate extent. However, the Trustees review how their managers are taking account of these issues in practice from time to time and encourage their managers to improve their practices where appropriate.

In the selection and retention of managers the Trustees believe ESG, climate change, and stewardship considerations to be important factors to consider. The Trustees seek to appoint managers that have appropriate skills and processes to address financially material considerations including ESG factors and manage these risks sufficiently.

Non-financial matters (Defined Benefit Section)

The Trustees have not directly sought the views of the Scheme's members in producing the SIP. However, the Trustees have reviewed the Fiduciary Manager's UK Stewardship Code Statement, the latest Proxy and Engagement report and the Fiduciary Manager's general beliefs and approach to ESG and stewardship (including climate change). They believe the policies currently in place are appropriate for the Scheme and they hope this would be satisfactory for the majority of the Scheme's membership. In the event the Scheme's members were to bring particular views around ESG and stewardship to the attention of the Trustees, the Trustees may give these views consideration if deemed appropriate for the Scheme's circumstances.

Non-financial matters (Defined Contribution Section)

The Trustees do consider non-financial matters (i.e. matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention and realisation of investments as they relate to tobacco investment. The Trustees are considering the practicalities of moving towards a policy of excluding tobacco investment within the DC Section. This is due to a belief that some members may wish to be able to exclude tobacco investment given the link between smoking and blindness.

In general, it is not the Trustees' policy to survey the membership in order to elicit their views on financial and non-financial concerns. The Trustees' typical practice is to take a view on which concerns they can reasonably assume members will share, given the nature of the Principal Employer attached to the Scheme. To this end, the Trustees recognise that some members may wish for ethical matters to be considered in their investments and have made available the L&G World Developed (ex-tobacco) Equity Index Fund and L&G Ethical Global Equity Index Fund as self-select options.

The Trustees recognise that some members may wish to invest in a way which is consistent with the principles of Islamic investment and therefore have made available the HSBC Islamic Global Equity Index Fund as a self-select investment option.

INVESTMENT REPORT (continued)

Environmental, Social and Governance Considerations (Defined Benefit Section)

In accordance with the Trustees' focus on Financially Material Considerations, it is acknowledged that ESG factors can impact security prices.

The Trustees have delegated day-to-day investment decisions to their Fiduciary Manager, and are satisfied that the Fiduciary Manager employs a well-developed ESG framework which is summarised below:

- Exclusionary / Inclusionary Screening – This involves excluding companies which operate in particular sectors or areas. Specifically, the Trustees have requested that the Fiduciary Manager exclude the equity of companies who generate the majority of their revenues from tobacco products. The Trustees also acknowledge that the Fiduciary Manager may apply other exclusions within the pooled funds in which the Scheme invests. The Fiduciary Manager has confirmed that the only other exclusion which is currently applied is with regards to companies which manufacture controversial weapons (namely cluster munitions). Both of these exclusions have been applied due to non-financial considerations. However, the Trustees do not believe applying these exclusions will have an impact on the investment portfolio's ability to achieve its Target Return over the long-term.
- ESG Factor Integration – As part of the Fiduciary Manager's investment research process, the underlying managers used to implement investment or provide ideas receive an ESG rating which is both qualitative and quantitative in nature. Each manager's ESG factor is then considered and monitored as part of the wider manager research process.
- ESG Reporting – On an annual basis the Fiduciary Manager provides the Trustees with an ESG report which provides further information on how ESG factors are monitored within the portfolio.

To further demonstrate the Fiduciary Manager's commitment to ESG issues, it has been a signatory of the UN Principles for Responsible Investment ("UN PRI" or the "Principles") since 2009. The Principles are a voluntary set of global best practices that aim to provide a framework for integrating environmental, social and corporate governance issues into financial analysis, investment decision-making and ownership practices. The Principles are voluntary and aspirational and are listed below:

- The Fiduciary Manager will incorporate environmental, social and corporate governance issues into investment analysis and decision-making processes.
- The Fiduciary Manager will be an active asset owner, incorporating environmental, social and corporate governance issues into its ownership policies and practices.
- The Fiduciary Manager will seek appropriate disclosure on environmental, social and corporate governance issues from the entities in which it invests.
- The Fiduciary Manager promotes acceptance and implementation of the Principles within the investment industry.
- The Fiduciary Manager will work with other industry participants to enhance the effectiveness of implementing the Principles.
- The Fiduciary Manager will report on its activities and progress toward implementing the Principles.

The Trustees believe that ESG is suitably addressed as part of the Fiduciary Manager's investment process and that the Fiduciary Manager's values and approach to ESG more generally is suitable for the Scheme's circumstances. Furthermore, the Fiduciary Manager reports back to the Trustees on an annual basis on its policies and activities in relation to ESG.

Environmental, Social and Governance Considerations (Defined Contribution Section)

Environmental, social and governance (ESG) factors are likely to be one area of market inefficiency and so managers may be able to improve risk-adjusted returns by taking account of ESG factors.

Long-term environmental, social and economic sustainability is one factor that Trustees should consider when making investment decisions.

INVESTMENT REPORT (continued)

Stewardship, Voting Rights, Engagement and Monitoring Investee Company Capital Structures (Defined Benefit Section)

The Trustees are aware of their role as responsible stewards of capital and the need to assess all financially material risks which include the risks with climate change as well as other ESG-related factors. The Trustees believe that having a high standard of governance, promotion of corporate responsibility and appreciation of environment factors will be additive and will help protect long term financial value.

The Trustees have reviewed and from time to time will request and review certain policies or policy statements of the Fiduciary Manager that are considered relevant by the Trustee to consider the extent to which they align with the Trustees' policies. Where the Trustees identify any inconsistency between these policies or policy statements and the Trustees' policies, the Trustees will engage with the Fiduciary Manager to consider how to promote alignment between the Manager's approach and the Trustee's investment policies. The Trustees expect the Fiduciary Manager to: (i) be a signatory to the UN PRI Code; (ii) be a signatory to the UK Stewardship Code; and (iii) provide adequate transparency around stewardship including an annual report on stewardship activities undertaken.

The Trustees will engage with the Fiduciary Manager as necessary for more information, to ensure that robust active ownership behaviours, reflective of their active ownership policies, are being actioned. This will take the form of annual reporting which will be made available to Scheme members.

The Fiduciary Manager uses voting rights as an essential part of the value creation process. The Fiduciary Manager has a Proxy Voting Committee (PVC) which oversees the proxy voting policies, procedures, guidelines and voting decisions. The Fiduciary Manager has provided the Trustees with a copy of its UK Stewardship Code Statement and the 2019 Proxy and Engagement report and provides the Trustees with an annual report on the votes which have been cast on their behalf.

The Fiduciary Manager's preferred approach to engagement is to use an integrated and inclusive approach to promote changes that protect and enhance shareholder value and shareholder rights.

When engaging with a company the Fiduciary Manager makes a concerted effort to focus on the issues that it believes will have the most impact on shareholder value. The Fiduciary Manager also applies a collaborative approach to Engagement with the underlying investment managers which are appointed. The report provided to the Trustees on an annual basis includes examples of how the Fiduciary Manager has engaged with companies on the Trustees' behalf over the prior 12 month period.

The Fiduciary Manager monitors the underlying assets to ensure they are performing in-line with expectations. The Trustees may engage with the Fiduciary Manager, who in turn is able to engage with underlying asset managers, investee company or other stakeholders, on matters including the performance, strategy, risks, social and environmental impact, corporate governance, capital structure, and management of actual or potential conflicts of interest, of the underlying investments made. Where a significant concern is identified, the Trustees will consider, on a case by case basis, a range of methods by which it would monitor and engage so as to bring about the best long-term outcomes for the Scheme.

The Fiduciary Manager has confirmed to the Trustees that it is a signatory to the UK Stewardship Code 2012. Furthermore, the Fiduciary Manager intends to be a signatory of the new UK Stewardship 2020 code and will be aiming to submit the stewardship reports under the new code to the Financial Reporting Council (FRC) in 2021.

Stewardship, Voting Rights, Engagement and Monitoring Investee Company Capital Structures (Defined Contribution Section)

The Trustees recognise their responsibilities as owners of capital, and believe that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments. The Trustees have delegated to their investment managers the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG considerations.

INVESTMENT REPORT (continued)

Stewardship, Voting Rights, Engagement and Monitoring Investee Company Capital Structures (Defined Contribution Section) (continued)

The Trustees do not monitor or engage directly with issuers or other holders of debt or equity since the DC Section's assets are invested in the units of various pooled funds, and not directly in debt or equity or other investment assets. The Trustees expect the pooled fund investment managers to exercise ownership rights and undertake monitoring and engagement in line with the managers' general policies on stewardship, as provided to the Trustees from time to time, considering the long-term financial interests of the beneficiaries. The Trustees seek to appoint managers that have strong stewardship policies and processes, reflecting where relevant the recommendations of the UK Stewardship Code issued by the Financial Reporting Council, and from time to time the Trustees review how these are implemented in practice.

The Trustees consider stewardship to be a significant factor when selecting and retaining managers and give it strong consideration when doing so. The Trustees would be likely to a reject a manager who was otherwise a strong candidate for a mandate if they observed that it had poor stewardship practices.

As the Scheme invests via pooled funds the Trustees do not engage directly with or monitor investee companies but instead delegate this to pooled fund managers as outlined in above.

Portfolio turnover costs (Defined Benefit Section)

The Fiduciary Manager provides the Trustees with an annual breakdown of the portfolio turnover costs which have been incurred in-line with the Cost Transparency Initiative (CTI). The Trustees do not have a specified target portfolio turnover figure but do monitor and review the Fiduciary Manager's performance net of all transaction costs. The Trustees understand that the Fiduciary Manager will need to carry out trading within the portfolio in order to meet the return objective and properly manage risks. The Fiduciary Manager monitors the level of portfolio turnover (defined broadly as the amount of purchases plus sales) of all the investment managers appointed on behalf of the Trustees. Ultimately, the Fiduciary Manager is incentivised to manage transaction costs effectively given the adverse impact on performance.

Portfolio turnover costs (Defined Contribution Section)

The Trustees recognise that portfolio turnover and associated transaction costs are a necessary part of investment management and that the impact of portfolio turnover costs is reflected in performance figures provided by the investment managers. The Trustees expect their investment consultant to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice on the Scheme's investment mandates.

Conflicts of Interest (Defined Benefit Section)

The Trustees are aware that actual and potential conflicts of interest can exist across all aspects of the investment arrangements. The Trustees have a conflict of interest register and update this as and when appropriate.

The Fiduciary Manager has provided the Trustees with their Conflicts of Interest policy. The Trustees are satisfied that the conflicts that exist are managed in accordance with the regulatory requirements, a culture of integrity, and independent oversight and monitoring. The Trustees may engage with the Fiduciary Manager on matters concerning the management of actual or potential conflict of interests between the Fiduciary Manager, or the underlying managers, and the underlying investments being made. Should the Trustees identify a situation where conflict of interest is an issue, the Trustees monitor and engage to achieve the best long-term outcome for the Scheme and its beneficiaries. Russell Investments Limited is regulated by the FCA.

Conflicts of Interest (Defined Contribution Section)

The Trustees seek to appoint managers that have strong stewardship policies and processes, reflecting where relevant the recommendations of the UK Stewardship Code issued by the Financial Reporting Council.

INVESTMENT REPORT (continued)

Details of arrangements with asset managers; the duration of the arrangement, how the Scheme incentivises the asset manager to align investment strategies and decisions, and how they monitor portfolio turnover costs incurred by the asset manager (Defined Benefit Section)

The Trustees recognise the importance of the ensuring that the Fiduciary Manager's investment strategy aligns with the Trustees' investment policies. The Trustees' arrangements with the Fiduciary Manager seek to incentivise the Fiduciary Manager to align its investment strategy and decisions with the Trustees' investment policies and to make decisions and operate in a manner that best generates medium to long-term financial and non-financial results for the Scheme and its beneficiaries.

The services provided by the Fiduciary Manager include implementing the Scheme's investment strategy, including risk management, portfolio construction and manager selection (which includes continuous monitoring of managers and revision to managers where required). The Fiduciary Manager monitors its sub-advisors and the companies held in its portfolios in accordance with its Stewardship Policy.

The Trustees expect the Fiduciary Manager, where appropriate, to make decisions based on assessments of the longer term financial and non-financial performance of debt/equity issuers, and to engage with issuers to improve their performance. This includes monitoring and engaging with underlying investment managers to ensure they are aligned with the investment objectives of the Scheme. On an annual basis the Fiduciary Manager reports back to the Trustees on its engagement and stewardship practices via the annual implementation statement.

The Trustees carry out periodic reviews to assess the Fiduciary Manager's performance (net of all costs) relative to the objectives set by the Trustees and against the Scheme's specific liability benchmark The Trustees will consider both short (quarter) and longer-term horizons (3 and 5 years) when assessing the performance of the Fiduciary Manager.

The remuneration paid to the Fiduciary Manager and the fees incurred by third parties appointed by the Fiduciary Manager are provided annually by the Fiduciary Manager to the Trustees. This cost information is set out alongside the performance of the Fiduciary Manager to provide context. The Trustees monitors these costs and performance trends over time.

As part of the annual audit the Scheme's auditor also reviews the fees which have been incurred during each year to ensure the remuneration is in-line with what is specified in the IMA.

The Trustees believe that setting clear expectations to the Fiduciary Manager and by regularly monitoring the Fiduciary Managers performance versus those expectations, incentivises the Fiduciary Manager to make decisions that align with the Trustees' investment policies and are based on assessments of medium and long term financial and non-financial performance.

The Trustees receive quarterly reports and verbal updates from the Fiduciary Manager on various items including the investment strategy, performance, and longer-term positioning of the portfolio. The Trustees focus on medium to longer-term performance when considering the ongoing suitability of the investment strategy in relation to the Scheme's objectives.

The Trustees receive annual stewardship reports on the monitoring and engagement activities carried out by the Fiduciary Manager, which supports the Trustees in determining the extent to which the Scheme's engagement policy has been followed throughout the year.

The Trustees also receive annual cost transparency reporting from the Fiduciary Manager in line with the prevailing regulatory requirements for fiduciary managers. These include but are not limited to the total costs incurred by the Scheme, the fees paid to the Fiduciary Manager and underlying managers, the amount of portfolio turnover costs, charges incurred through the use of pooled funds (e.g. custody, admin, audit fees etc.) and the impact of these costs on the investment return achieved by the Scheme.

The Trustees' arrangement with the Fiduciary Manager is not for a fixed term but an ongoing arrangement. The Trustees have a right to terminate this arrangement on notice under the terms specified in the IMA. The periodic reviews (referred to above) is an opportunity for ongoing assessment of the arrangement with the Fiduciary Manager with particular consideration for how the Fiduciary Manager is aligning to the Trustees' investment policies.

INVESTMENT REPORT (continued)

Details of arrangements with asset managers; the duration of the arrangement, how the Scheme incentivises the asset manager to align investment strategies and decisions, and how they monitor portfolio turnover costs incurred by the asset manager (Defined Contribution Section)

The Trustees have signed agreements with the investment managers, and a platform provider setting out in detail the terms on which the portfolios are to be managed. The investment managers' primary role is the day-to-day investment management of the Scheme's investments.

The Trustees and investment managers to whom discretion has been delegated exercise their powers to give effect to the principles in this Statement of Investment Principles, so far as is reasonably practicable.

The Trustees have limited influence over managers' investment practices because all the Scheme's assets are held in pooled funds, but they encourage their managers to improve their practices where appropriate.

The Trustees' view is that the fees paid to the investment managers, and the possibility of their mandate being terminated, ensure they are incentivised to provide a high-quality service that meets the stated objectives, guidelines and restrictions of the fund. However, in practice managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt/equity issuers, engagement and portfolio turnover.

It is the Trustees' responsibility to ensure that the managers' investment approaches are consistent with their policies before any new appointment, and to monitor and to consider terminating any existing arrangements that appear to be investing contrary to those policies. The Trustees expect investment managers, where appropriate, to make decisions based on assessments of the longer term financial and non-financial performance of debt/equity issuers, and to engage with issuers to improve their performance. They assess this when selecting and monitoring managers.

The Trustees evaluate investment manager performance by considering performance over both shorter and longer-term periods as available. Generally, the Trustees would be unlikely to terminate a mandate on short-term performance grounds alone.

The Trustees' policy is to evaluate each of their investment managers by reference to the manager's individual performance as well the role it plays in helping the Scheme meet its objectives, taking account of risk, the need for diversification and liquidity. Each manager's remuneration, and the value for money it provides, is assessed in light of these considerations.

The Trustees recognise that portfolio turnover and associated transaction costs are a necessary part of investment management and that the impact of portfolio turnover costs is reflected in performance figures provided by the investment managers. The Trustees expect their investment consultant to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice on the Scheme's investment mandates.

Custody of Assets

Both the DB and DC assets are invested in pooled funds. Custody arrangements for the investments held within the underlying pooled funds are the responsibility of the underlying investment managers.

The DB section of the Scheme also uses a custody account, provided by State Street Bank, as a repository for the pooled fund units it holds.

In respect of the DC Section, the Trustees have entered into a contract with a platform provider, Legal & General Assurance Society ("LGAS"), who makes available the range of investment options to members. As all the funds are accessed via a reinsurance agreement with the Scheme's platform provider, there is no direct legal relationship between the Scheme and the underlying investment managers of the DC investment funds.

A custodian will normally be appointed to each of the investment funds offered by the platform provider. The custodian's primary function is the safekeeping of assets. In practice this means keeping investors' funds legally separate from the platform provider's own monies, so they may not be used for meeting creditors' demands not relating to the investment funds. There is no direct relationship between the investment managers' custodians and the Trustees.

INVESTMENT REPORT (continued)

Employer related investments

The Scheme did not hold any employer-related investments at the year end.

Investment management fees

The fees payable for the provisions of Investment services in relation to the DB section are set out in the Fiduciary Manager's IMA. The fees for the underlying funds used for the provision of DC services are set out in the agreements with the underlying managers.

The members pay fees to each of the investment managers based on their assets under management. For active members, some of these fees are reduced due to a contribution made by the Employer to the DC platform provider. There are no performance related fee arrangements in place. In addition to the annual management charges paid by members, there may be further expenses incurred in the management of each fund which will be reflected in the funds' returns."

Implementation Statement

The Implementation Statement, which forms part of the Trustees' Report, is included on page 56.

REPORT ON ACTUARIAL LIABILITIES

Under section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions, which represent the present value of benefits to which members are entitled based on pensionable service to the valuation date. This is assessed at least every 3 years using assumptions agreed between the Trustees and the employer and set out in the Statement of Funding Principles, a copy of which is available to Scheme members on request.

The most recent triennial actuarial valuation of the Scheme effective as at 31 March 2017 showed that the accumulated assets of the Scheme were £251.4m against the Scheme's technical provisions of £265.5m that represented a funding ratio of 94.7% which corresponds to a deficit of £14.1m in respect of past service benefits at the valuation date.

If the Scheme had been discontinued and wound up at 31 March 2017 there would have been insufficient assets to buy out the accrued benefits through the purchase of annuity policies with an insurer. The estimated discontinuance (or wind up) funding level was 61.2%, corresponding to a shortfall of £159.7m.

The value of technical provisions is based on pensionable service to the valuation date and assumptions about various factors that will influence the Scheme in the future, such as the levels of investment returns and pay increases, when members will retire and how long members will live.

The actuarial method used in the calculation of the technical provisions was the projected unit method and the significant actuarial assumptions were as follows:

Discount interest rate – pre-retirement: term dependent rates set by reference to the Aon Hewitt fixed interest gilt yield curve at the valuation date plus an addition of 1.5% per annum.

Discount interest rate – post-retirement: term dependent rates set by reference to the Aon Hewitt fixed interest gilt yield curve at the valuation date plus an addition of 0.5% per annum.

Future Retail Price inflation: the Aon Hewitt RPI yield curve derived from the gilt market at the valuation date.

Future Consumer Price inflation: the assumption is derived at the valuation date by deducting 0.8% pa from the RPI inflation assumption.

Pension increases: derived from the RPI price inflation assumption allowing for the maximum and minimum annual increases using term dependent best estimates of future inflation volatility.

Pay increases: the RPI inflation assumption.

Mortality: for the period in retirement, standard tables SAPS S2 "All lives" tables with scaling factors of 105% (male actives), 96% (female actives), 99% (male deferred), 97% (female deferred), 92% (male pensioners) and 92% (female pensioners).

An allowance for improvements has been made in line with the CMI_2016 Core Projections (Sk=7.5) assuming a long-term annual rate of improvement in mortality rates of 1.50% for men and women.

Recovery plan

In light of the deficit arising from the actuarial valuation at 31 March 2017 a recovery plan was agreed by the Employer and the Trustees on 11 July 2018.

Next actuarial valuation

The next triennial valuation of the Scheme is being performed as at 31 March 2020 and is currently in progress. The valuation is past its due date but has been agreed in principle and is now nearing completion.

ACTUARY'S CERTIFICATE OF SCHEDULE OF CONTRIBUTIONS

Certification of schedule of contributions

The RNIB Retirement Benefits Scheme

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 March 2017 to be met by the end of the period specified in the recovery plan dated 10 July 2018.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 10 July 2018.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were to be wound up.

Signature: Date: 10 November 2020

Name: Russell Agius

Qualification: Fellow of the Institute and Faculty of Actuaries

Name of employer: Aon Solutions UK Limited

Address: Parkside House
Ashley Road
Epsom
KT18 5BS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), are the responsibility of the Trustees. Pension scheme regulations require, and the Trustees are responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging these responsibilities, the Trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Scheme will continue as a going concern.

The Trustees are also responsible for making available certain other information about the Scheme in the form of an annual report.

The Trustees have a general responsibility for ensuring that accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Trustees' responsibilities in respect of contributions

The Trustees are responsible under pensions legislation for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions showing the rates of contributions payable to the Scheme by or on behalf of employers and the active members of the Scheme and the dates on or before which such contributions are to be paid.

The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the Scheme in accordance with the schedule of contributions.

Where breaches of the schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

APPROVAL OF THE TRUSTEES' REPORT

The Trustees' Report, which includes the Investment Report, the Report on Actuarial Liabilities, the Statement of Trustees' Responsibilities and the Implementation Statement, was approved by the Trustees and signed on their behalf by:

27 October 2021

Chairman of the Trustees **Date**

27 October 2021

Trustee **Date**

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE RNIB RETIREMENT BENEFITS SCHEME

Opinion

In our opinion, The RNIB Retirement Benefits Scheme's financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 March 2021, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

We have audited the financial statements, included in the annual report and financial statements, which comprise: the Statement of Net Assets (Available for Benefits) as at 31 March 2021; the Fund Account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Scheme's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all the information in the annual report and financial statements other than the financial statements, our auditors' report thereon and our auditors' statement about contributions. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE RNIB RETIREMENT BENEFITS SCHEME (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for ensuring that the financial statements are prepared in accordance with the applicable framework and for being satisfied that they show a true and fair view. The Trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the Trustees are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to wind up the Scheme, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Scheme and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the administration of the Scheme in accordance with the Pensions Acts 1995 and 2004 and regulations made under them, and codes of practice issued by the Pensions Regulator; and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, by the Trustees and those responsible for, or involved in, the preparation of the underlying accounting records and financial statements, and determined that the principal risks were related to posting inappropriate journals to conceal misappropriation of assets and inappropriate adjustments of asset valuations. Audit procedures performed included:

- Testing of journals where we identified particular risk criteria.
- Obtaining independent confirmations of material investment valuations and cash balances at the year end.
- Reviewing estimates and judgements made in the preparation of the financial statements.
- Reviewing meeting minutes, any correspondence with the Pensions Regulator, contracts and agreements, and holding discussions with the Trustees to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE RNIB RETIREMENT BENEFITS SCHEME (continued)

Use of this report

This report, including the opinion, has been prepared for and only for the Trustees as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
Date: 27 October 2021

FUND ACCOUNT
For the year ended 31 March 2021

	Note	2021 Defined Benefit Section £'000s	2021 Defined Contribution Section £'000s	2021 Total £'000s	2020 Defined Benefit Section £'000s	2020 Defined Contribution Section £'000s	2020 Total £'000s
CONTRIBUTIONS AND BENEFITS							
Employer contributions	4	2,500	4,910	7,410	2,500	4,950	7,450
Employee contributions	4	-	11	11	-	19	19
Total contributions		2,500	4,921	7.421	2,500	4,969	7,469
Transfers in	5	-	16	16	-	27	27
Other income	6	1	-	1	-	7	7
		2,501	4,937	7,438	2,500	5,003	7,503
Benefits paid or payable	7	(5,539)	(288)	(5,827)	(5,828)	(125)	(5,953)
Payments to and on account of leavers	8	(554)	(328)	(882)	(1,063)	(325)	(1,388)
Other payments	9	(1)	(1)	(2)	-	-	-
Administrative expenses	10	-	-	-	(437)	-	(437)
		(6,094)	(617)	(6,711)	(7,328)	(450)	(7,778)
NET (WITHDRAWALS)/ADDITIONS FROM DEALINGS WITH MEMBERS		(3,593)	4,320	727	(4,828)	4,553	(275)
RETURNS ON INVESTMENTS							
Investment income	11	27,978	-	27,978	2	-	2
Change in market value of investments	13	(8,539)	4,923	(3,616)	10,320	(1,702)	8,618
Investment management expenses	12	(185)	(31)	(216)	139	(5)	134
NET RETURNS ON INVESTMENTS		19,254	4,892	24,146	10,461	(1,707)	8,754
NET INCREASE IN THE FUND FOR THE YEAR		15,661	9,212	24,873	5,633	2,846	8,479
TRANSFERS BETWEEN SECTIONS		-	-	-	23	(23)	-
OPENING NET ASSETS		267,331	14,426	281,757	261,675	11,603	273,278
CLOSING NET ASSETS		282,992	23,638	306,630	267,331	14,426	281,757

The notes on pages 31 to 44 form part of these financial statements.

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)
At 31 March 2021

	Note	2021 Defined Benefit Section £'000s	2021 Defined Contribution Section £'000s	2021 Total £'000s	2020 Defined Benefit Section £'000s	2020 Defined Contribution Section £'000s	2020 Total £'000s
INVESTMENT ASSETS	13						
Pooled investment vehicles	14	279,227	23,216	302,443	264,078	13,879	277,957
AVC investments	15	-	14	14	-	13	13
Cash	13	134	10	144	794	73	867
TOTAL NET INVESTMENTS		279,361	23,240	302,601	264,872	13,965	278,837
CURRENT ASSETS	19	3,735	398	4,133	2,516	471	2,987
CURRENT LIABILITIES	20	(104)	-	(104)	(57)	(10)	(67)
CLOSING NET ASSETS		282,992	23,638	306,630	267,331	14,426	281,757

The notes on pages 31 to 44 form part of these financial statements.

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations for the Defined Benefit Section, is dealt with in the Report on Actuarial Liabilities on page 23 of the Annual Report and these financial statements should be read in conjunction with that report.

These financial statements were approved by the Trustees on 27 October 2021.

Signed on behalf of the Trustees

Chairman of the Trustees

Trustee

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. BASIS OF PREPARATION

The individual financial statements of The RNIB Retirement Benefits Scheme have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard (FRS) 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102") and the guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (revised June 2018) ("the SORP").

2. IDENTIFICATION OF THE FINANCIAL STATEMENTS

The Scheme is established as a trust under English law. The address for enquiries to the Scheme is included in the Trustees' Report.

3. ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements are prepared on an accruals basis.

(b) Contributions

Contributions are accounted for in the period in which they fall due.

Employee contributions, including AVCs, are accounted for when deducted from member's pay, with the exception of contributions deducted from auto-enrolled members during the opt-out period, which are accounted for on the earlier of receipt or the expiry of the opt-out period. Employer normal contributions are accounted for on the same basis as employee contributions.

Employer additional contributions are accounted for in accordance with the agreement under which they are paid.

Employer deficit funding contributions are accounted for either on the due dates on which they are payable in accordance with the Schedule of Contributions under which they are paid, or in the absence of any formal agreement between the Trustees and Principal Employer on a receipts basis.

(c) Payments to members

Pensions in payment are accounted for in the period to which they relate.

Benefits are accounted for in the period in which the members notifies the Trustees of their decision on the type or amount of benefit to be taken, or if there is no member choice, on the date of retiring or leaving.

Individual transfers out of the Scheme are accounted for when member liability is accepted or discharged which is normally when the transfer amount is paid.

(d) Expenses

Administrative expenses, insurance premiums and investment expenses are borne by the Principal Employer in accordance with the Schedule of Contributions.

(e) Investment Income

Income from cash deposits is accrued on a daily basis.

Investment income is reported net of attributable tax credits, but gross of withholding taxes which are accrued in line with the associated investment income. Irrecoverable withholding taxes are reported separately as a tax charge.

Investment income arising from the underlying investments of the pooled investment vehicles is rolled up and reinvested within the pooled investment vehicles. This is reflected in the unit price and reported within change in market value of investments.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

3. ACCOUNTING POLICIES (continued)

(e) Investment Income (continued)

Transaction costs are included in the cost of purchases and sales proceeds. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees.

Other investment management expenses are accounted for on an accruals basis and shown separately within investment returns.

The change in market value of investments comprises all increases and decreases in the market value of investments held at any time during the year, including the profits and losses realised on sales of investments and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income if reinvested within the fund without issue of further units, change in market value also includes such income.

(f) Investments

Investment assets and liabilities are included in the financial statements at fair value. Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the closing single price, single dealing price or most recent transaction price is used.

Foreign currency transactions are translated into sterling at the rate prevailing on the date of the transaction.

The market value of investments and other assets and liabilities held in foreign currencies are translated into sterling at the rates of exchange ruling at the year end. Differences arising on the translation of investments are included in changes in market value.

(g) Currency

The Scheme's functional currency and presentational currency is pounds sterling (GBP).

(h) Critical accounting estimates and judgements

The preparation of the financial statements requires the Trustees to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Net Assets date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The Trustees confirm that no judgements have had a significant effect on amounts recognised in the financial statements.

4. CONTRIBUTIONS

		2021	
	Defined Benefit Section £'000s	Defined Contribution Section £'000s	Total £'000s
Employer contributions			
Normal	-	4,908	4,908
Deficit funding	2,500	-	2,500
Additional	-	2	2
	2,500	4,910	7,410
Employee contributions			
Normal	-	10	10
Additional Voluntary Contributions	-	1	1
	-	11	11
	2,500	4,921	7,421

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

4. CONTRIBUTIONS (continued)

		2020	
Employer contributions			
Normal	-	4,950	4,950
Deficit funding	2,500	-	2,500
	2,500	4,950	7,450
Employee contributions			
Normal	-	19	19
	2,500	4,969	7,469

Employer and Employee normal contributions to the DB section ceased with effect from 1 April 2019 due to the closure to future accruals. Ongoing contributions to the DC section of the Scheme are paid direct to Legal & General from 1 April 2019.

All the expenses have been paid directly by the Principal Employer and as such, no other contributions have been required.

Deficit contributions of £208,333 are payable each month from 1 July 2018 to 31 January 2027 in accordance with the Schedule of Contributions.

5. TRANSFERS IN

		2021	
	Defined Benefit Section £'000s	Defined Contribution Section £'000s	Total £'000s
Individual transfers in from other schemes	-	16	16
		2020	
Individual transfers in from other schemes	-	27	27

6. OTHER INCOME

		2021	
	Defined Benefit Section £'000s	Defined Contribution Section £'000s	Total £'000s
Compensation	1	-	1
		2020	
Compensation	-	7	7

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

7. BENEFITS PAID OR PAYABLE

	Defined Benefit Section £'000s	2021 Defined Contribution Section £'000s	Total £'000s
Pensions	4,804	-	4,804
Commutation of pensions and lump sum retirement benefits	721	284	1,005
Refunds of contributions on death	14	4	18
	5,539	288	5,827

		2020	
Pensions	4,622	-	4,622
Commutation of pensions and lump sum retirement benefits	1,145	125	1,270
Refunds of contributions on death	61	-	61
	5,828	125	5,953

8. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	Defined Benefit Section £'000s	2021 Defined Contribution Section £'000s	Total £'000s
Individual transfers out to other schemes	554	119	673
Refund to Principal Employer	-	209	209
	554	328	882

		2020	
Individual transfers out to other schemes	1,063	325	1,388

9. OTHER PAYMENTS

	Defined Benefit Section £'000s	2021 Defined Contribution Section £'000s	Total £'000s
Other payments	1	1	2

		2020	
Other payments	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

10. ADMINISTRATIVE EXPENSES

	Defined Benefit Section £'000s	Defined Contribution Section £'000s	Total £'000s
		2021	
Miscellaneous expenses	-	-	-
		2020	
Miscellaneous expenses	437	-	437

The prior year miscellaneous expenses relate to the reversal of historic accruals that the Trustees and Principal Employer have agreed are no longer receivable by the Scheme.

11. INVESTMENT INCOME

	Defined Benefit Section £'000s	Defined Contribution Section £'000s	Total £'000s
		2021	
Income from pooled investment vehicles	27,978	-	27,978
		2020	
Income from pooled investment vehicles	2	-	2

12. INVESTMENT MANAGEMENT EXPENSES

	Defined Benefit Section £'000s	Defined Contribution Section £'000s	Total £'000s
		2021	
Administration, management & custody	185	31	216
		2020	
Administration, management & custody	(139)	5	(134)

Investment management expenses are stated net of fee rebates of £207,675 that were received during the year (2020: £5,297) and the prior year figure reflects the reversal of a prior period accrual.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

13. RECONCILIATION OF INVESTMENTS

	Value at 31.03.2020	Purchases at cost	Sales proceeds	Change in market value	Value at 31.03.2021
Defined Benefit Section	£'000s	£'000s	£'000s	£'000s	£'000s
Pooled investment vehicles	264,078	107,568	(83,880)	(8,539)	279,227
Cash deposits	794				134
	264,872				279,361
Defined Contribution Section					
Pooled investment vehicles	13,879	6,321	(1,906)	4,922	23,216
AVC investments	13	-	-	1	14
	13,892	6,321	(1,906)	4,923	23,230
Cash in transit	73				10
	13,965			-	23,240

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Defined contribution section investments held by the Scheme are allocated to provide benefits to the individuals on whose behalf corresponding contributions are paid. For pre-1 April 2019 DC members the investment manager holds the investment units on a pooled basis for the Trustees and the Scheme administrator allocates investment units to members. For post-1 April 2019 DC members the investment manager holds investment units on a per member basis. The Trustees may hold investment units representing the value of employer contributions that have been retained by the Scheme that relate to members leaving the Scheme prior to vesting.

Included within pooled investment vehicles are funds totalling £nil (2020: £129,061) that are not designated to members. These amounts were disinvested during the year and returned to the Principal Employer when the DC bank account was closed. The disinvested amount as well as any remaining funds in the DC bank account were transferred to the Principal Employer and are included in Note 8. The AVC investments relate to a legacy paid up policy held with Utmost Life and Pensions. Ongoing AVC contributions are invested within pooled investment vehicles.

14. POOLED INVESTMENT VEHICLES

The Scheme's investments in pooled investment vehicles at the year end comprised:

Defined Benefit Section	2021 £000	2020 £000
Bonds	140,896	135,022
Diversified Growth	138,331	129,056
	279,227	264,078

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

14. POOLED INVESTMENT VEHICLES (continued)

Defined Contribution Section	2021 £000	2020 £000
Equity	16,076	9,515
Bonds	372	263
Diversified Growth	5,207	3,067
Property	153	113
Cash	1,408	921
	23,216	13,879

The investment managers operating the pooled investment vehicles are all registered in the United Kingdom.

As a result of material valuation uncertainties arising because of the COVID-19 pandemic, the Legal and General Managed Property Fund from the DC section was suspended from 18 March 2020. The fund was reopened on 13 October 2020.

15. AVC INVESTMENTS

In addition to Additional Voluntary Contributions (AVC) invested within pooled investment vehicles, the Trustees also hold assets which are separately invested from the main fund to secure additional benefits on a money purchase basis for those members who have elected to pay under this arrangement. Those members receive an annual statement made up to 31 March each year, confirming the amounts held to their account and movements during the year.

The amount of AVC investments held at the year end is as follows:

	2021 £000	2020 £000
Utmost Life & Pensions (Unit linked)	14	13

16. FAIR VALUE DETERMINATION

The fair value of financial instruments has been estimated using the following fair value hierarchy:

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

16. FAIR VALUE DETERMINATION (continued)

The Scheme's investment assets and liabilities fall within the above hierarchy as follows:

	At 31 March 2021			
Defined Benefit Section	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	-	279,227	-	279,227
Cash	134	-	-	134
	134	279,227	-	279,361
Defined Contribution Section				
Pooled investment vehicles	-	23,063	153	23,216
AVC investments	-	-	14	14
Other investments	10	-	-	10
	10	23,063	167	23,240
	144	302,290	167	302,601

	At 31 March 2020			
Defined Benefit Section	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	-	264,078	-	264,078
Cash	794	-	-	794
	794	264,078	-	264,872
Defined Contribution Section				
Pooled investment vehicles	-	13,766	113	13,879
AVC investments	-	-	13	13
Other investments	73	-	-	73
	73	13,766	126	13,965
	867	277,844	126	278,837

Pooled investment vehicles which are traded regularly are generally included in level 2. Where the absence of regular trading or the unsuitability of recent transaction prices as a proxy for fair value applies, valuation techniques are adopted and the vehicles are included in level 3.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

17. INVESTMENT RISK DISCLOSURES

(a) Investment risks

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- **Currency risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other price risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustees determine their investment strategy after taking advice from the Fiduciary Manager. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy. The Trustees manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are set out in the Investment Management Agreement, implemented by the Fiduciary Manager and the Trustees regular monitor and review the on-going suitability of the investment portfolio.

(b) Defined Benefit Section

		Market risk			2021	2020
Pooled Investment Vehicles	**Credit Risk**	**Currency**	**Interest Rate**	**Other price**	**£ million**	**£ million**
Multi asset Growth Strategies Fund	●	◐	◐	◐	138.3	129.1
Matching Portfolio (Bond and LDI Funds) (previously referred to as bonds)	●	○	●	○	140.9	135.0
Total					**279.2**	**264.1**

In the above table, the risk noted affects the asset class [●] significantly, [◐] partially or [O] hardly / not at all.

Further information on the Trustees' approach to risk management, credit and market risk is set out below.

Credit risk

The Scheme is subject to credit risk because the Scheme invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in pooled investment vehicles. The Scheme is also indirectly exposed to credit risks arising on some of the financial instruments held by the pooled investment vehicles.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the underlying investment managers, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. For the DB section the Fiduciary Manager is responsible for deciding which underlying investment managers the Scheme invests in.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

17. INVESTMENT RISK DISCLOSURES (continued)

(b) Defined Benefit Section (continued)

Credit risk (continued)

Indirect credit risk arises in relation to the underlying investments held within the portfolio. The Multi Asset Growth Strategies Fund has the discretion to invest across a number of asset classes globally and decide whether to invest in assets exposed to credit risk on an individual basis. Within the Matching portfolio risk is mitigated by investing in UK government bonds and derivative contracts which are frequently marked-to-market.

A summary of the pooled investment vehicles subject to credit risk by type of arrangement is as follows:

	2021 £000	2020 £000
Open ended investment companies	279,227	264,078

Currency risk

The Scheme is subject to indirect currency risk because some of the Multi Asset Growth Strategies funds' underlying investments are held in overseas markets and therefore denominated in a foreign currency (i.e. a currency other than Sterling).

The Fiduciary Manager has the discretion to decide whether to hedge the currency risk associated with these investments on an individual basis.

Interest rate risk

Changes in market interest rates will indirectly affect the fair value of the underlying holdings in the Matching portfolio used to help match the liability cash flows of the Scheme. The objective of investing in these funds is to help the Scheme better match to the benefit payments that it needs to make to the beneficiaries as they fall due.

The Trustees have implemented a matching portfolio which broadly tracks changes in the liability value. Under this strategy, if interest rates fall, the value of the matching assets will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the matching investments will fall in value, as will the actuarial liabilities because of an increase in the discount rate.

The Trustees periodically review the level of interest rate exposure in the Matching portfolio.

Other price risk

The investment portfolio is also exposed to other idiosyncratic price risks that arise from factors other than the three risk factors highlighted above.

The decision as to whether to invest in a security is delegated to the Fiduciary Manager. Before investing in any asset class, investment manager or individual security the Fiduciary Manager will consider the associated risks on both a quantitative and qualitative basis.

The purpose of accepting these risks is to ensure that, when considered, the Scheme has a suitably diversified portfolio in terms of the type of risks taken and the drivers of future expected returns. The Trustees receive regular reports from their investment managers and fiduciary manager setting out the nature and extent of the risks in the Scheme's investment portfolios.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

17. INVESTMENT RISK DISCLOSURES (continued)

(c) Defined Contribution Section

The Trustees determined the Scheme's DC investment arrangements after obtaining written professional advice from their professional investment adviser. The DC arrangements have exposure to the aforementioned risks. The Trustees manage investment risks, including credit risk and market risk, considering the Scheme's investment objectives and strategy, and the advice of their investment advisers.

Within each investment fund, investment objectives and restrictions to manage risk are implemented through the legal agreements in place with the Scheme's investment managers. The Trustees monitor the performance of the DC arrangements and associated risks, and each investment manager against its objectives and restrictions, on a regular basis.

Credit risk

The DC Section is subject to credit risk through its investments in pooled investment vehicles. It is directly exposed to the credit risk of the insurance company for any pooled vehicles structured as life policies. The DC Section invests in pooled funds via an investment platform and is therefore also exposed to credit risk in relation to the solvency of the platform provider.

The role of a custodian is to ensure the safe-keeping of the assets and facilitate all transactions entered into by the appointed investment managers. The Trustees are not responsible for the appointment of the custodian of the assets contained within the various pooled fund investments. The pooled investment vehicle's governing body is responsible for appointing its own custodian for the safe-keeping, monitoring and reconciliation of documentation relating to these securities.

The DC Section's holdings in pooled investment vehicles are 'unrated' from a credit perspective. Direct credit risk arising from pooled investment vehicles is mitigated by: the underlying assets of the pooled arrangements being ring-fenced from the assets of the custodian and the investment manager; the regulatory environments in which the pooled fund managers operate; and diversification of the DC Section's investments across a number of pooled funds. The Trustees carry out due diligence checks on investments into new pooled funds and on an ongoing basis monitor any changes to the operating environment of those pooled funds.

The Section is indirectly exposed to credit risks arising from the underlying investments held by the pooled funds, for example where they invest in bonds. The indirect exposure to credit risk arises from the Section's investments in the LGIM Multi-Asset Fund, LGIM Corporate Bond All Stocks Index Fund and LGIM Over 15 Years Fixed Interest Gilts Index Fund. The amount invested in each of these mandates is shown in the Statement of Net Assets.

The managers of the pooled funds that invest in fixed income manage credit risk by having a diversified exposure to issuers, conducting thorough research on the probability of default of those issuers, and having only a limited exposure to securities rated below investment grade. The magnitude of credit risk within each fund will vary over time, as the manager changes the underlying investments in line with its views on markets, asset classes and specific securities.

In the event of default of the platform provided the Trustees understand that the DC Section is protected by the Financial Services Compensation Scheme ("FSCS"). For insurance policy arrangements such as that which the DC Section has with the platform provider, the FSCS aims to ensure the members would get back 100% of any loss with no upper limit. However, in the event of default by one of the other underlying fund managers, members would not be covered by the FSCS, because there is no direct link between the Trustees and those managers.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

17. INVESTMENT RISK DISCLOSURES (continued)

(c) Defined Contribution Section (continued)

Credit risk (continued)

A summary of the pooled investment vehicles subject to credit risk by type of arrangement is as follows:

	2021 £000	2020 £000
Open ended investment companies	23,216	13,879

Other price risk

The DC Section's assets are exposed to risks of market prices other than currencies and interest rates, such as the pooled funds that hold equities being subject to movements in equity prices.

The Trustees monitor this risk on a regular basis, looking at the performance of the DC Section as a whole as well as each individual portfolio. The Trustees believe that the DC Sections default strategy are adequately diversified between different asset classes and within each asset class to manage this risk, and the DC options provide a suitably diversified range for members to choose from.

The table below summarises the Scheme's investments that have significant exposure to indirect credit and market risks.

	Credit risk	Currency risk	Interest rate risk	Other price risk	31 Mar 2021 £000	31 Mar 2020 £000
LGIM Global Equity Market Weights 30:70 Index 3	○	○	○	●	15,492	9,078
LGIM FTSE World Developed (ex Tobacco) Equity Index	○	○	○	●	152	49
LGIM HSBC Islamic Global Equity Index Fund	○	●	○	●	5	5
LGIM Ethical Global Equity Index Fund	○	●	○	●	415	254
LGIM World Emerging Markets Equity Index	○	●	○	●	12	1
LGIM Multi-Asset Fund	●	●	●	●	5,207	3,067
LGIM Managed Property Fund	○	○	○	●	153	113
LGIM Corporate Bond All Stocks Index	●	○	●	○	94	46
LGIM Over 15 Years Fixed Interest Gilts Index	●	○	●	○	149	126
LGIM Over 5 Year Index Linked Gilts Index	○	○	●	○	129	91
LGIM Cash Fund	○	○	○	○	1,408	920
Total					23,216	13,750

Key: The risk noted affects the fund significantly (●) or hardly/ not at all (O).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

18. CONCENTRATION OF INVESTMENTS

The following investments represented over 5% of the net assets of the Scheme:

	2021		2020	
	£000	%	£000	%
Russell Investment Multi Asset Sterl A GBP Mutual Fund	138,331	45.1	129,056	45.8
Russell Investment Sterling Liquidity Fund Roll Up*	43,837	14.3	-	-
Blackrock Liability Matching LEV 2032 – Index Linked Fund*	17,954	5.9	-	-
Blackrock Liability Matching LEV 2068 - Gilt Fund*	-	-	26,184	9.3
Blackrock Liability Matching LEV 2050 – Index Linked Fund	15,913	5.2	20,677	7.3
Blackrock Liability Matching LEV 2040 – Index Linked Fund	20,734	6.8	19,727	7.0
Blackrock Liability Matching LEV 2062 – Index Linked Fund*	-	-	15,145	5.4

*Nil values for the current or prior year shown as the investment represented less that 5% of the net assets of the Scheme

19. CURRENT ASSETS

		2021	
	Defined Benefit Section £'000s	Defined Contribution Section £'000s	Total £'000s
Bank balance	3,701	-	3,701
Contributions receivable - employer	-	397	397
Other assets	34	-	34
Contributions receivable - members	-	1	1
	3,735	398	4,133

		2020	
Bank balance	2,468	53	2,521
Contributions receivable - employer	-	417	417
Other assets	36	-	36
Contributions receivable - members	-	1	1
Due from defined contribution section	11	-	11
Due from employer	1	-	1
	2,516	471	2,987

The DC Section bank balance includes £Nil (2020: £40,804) which is not allocated to members as at 31 March 2021.

20. CURRENT LIABILITIES

		2021	
	Defined Benefit Section £'000s	Defined Contribution Section £'000s	Total £'000s
Accrued expenses	31	-	31
Unpaid benefits	73	-	73
	104	-	104

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

20. CURRENT LIABILITIES (continued)

		2020	
Unpaid benefits	57	-	57
Due to defined benefit section	-	10	10
	57	10	67

21. EMPLOYER RELATED INVESTMENTS

The Scheme did not hold any employer-related investments at the year end (2020: none).

22. RELATED PARTIES

Related party transactions and balances comprise:

Key management personnel

D Clarke is an active member of the Scheme and is accruing benefits in accordance with the Scheme Rules. There are two Trustees S King and V Morton who are currently in receipt of benefits from the Scheme in accordance with the Scheme Rules.

During the year the Scheme did not pay any Trustee fees or expenses (2020: £nil).

Employer and other related parties

In accordance with the Schedule of Contributions the Principal Employer is paying all costs of administering the Scheme.

23. TAXATION STATUS

The Scheme is a registered pension scheme for tax purposes under the Finance Act 2004. The Scheme is therefore exempt from income tax and capital gains tax except for certain withholding taxes relating to overseas investment income. Tax charges are accrued on the same basis as the investment income to which they relate.

24. COVID-19

As a result of the COVID-19 (Coronavirus) pandemic, there was a dramatic downturn in global markets in March 2020. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand, and general market uncertainty. The effects of COVID-19 have and may continue to adversely affect the global economy, the economies of certain nations, and individual issuers, all of which may negatively impact the Fund's investment return and the fair value of the Fund investments.

The Trustees have designed and implemented an investment strategy which takes a necessarily long-term view, whilst also having built in resilience to withstand short term fluctuations. The Trustees continue to take proactive and considered steps, in conjunction with their advisers, to assess the situation and respond to it.

INDEPENDENT AUDITORS' STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEES OF THE RNIB RETIREMENT BENEFITS SCHEME

Statement about contributions

Adverse opinion

In our opinion, because of the significance of the matters described in the basis for adverse opinion paragraph, the contributions required by the Schedule of Contributions for the Scheme year ended 31 March 2021 as reported in The RNIB Retirement Benefits Scheme's summary of contributions have not, in all material respects, been paid in accordance with the schedules of contributions certified by the Scheme actuary on 11 July 2018 and 10 November 2020.

We have examined The RNIB Retirement Benefits Scheme's summary of contributions for the Scheme year ended 31 March 2021 which is set out on the following page.

Basis for adverse opinion

As explained in the summary of contributions, there was a delay in updating the Schedule of Contributions to reflect the change in benefit structure which was introduced from 1 April 2019. As such, for the period from 1 April 2020 to 10 November 2020, contributions were not calculated in accordance with the rates outlined in the Schedule of Contributions certified by the Scheme actuary on 11 July 2018. Additionally, deficit contributions relating to 3 months from June 2020 to August 2020 totalling £625,000 were deferred past the time requirement of the Schedule of Contributions and were paid in full in October, November and December 2020.

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions have, in all material respects, been paid in accordance with the relevant requirements. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme under the schedules of contributions, and the timing of those payments.

Responsibilities for the statement about contributions

Responsibilities of the Trustees in respect of contributions

As explained more fully in the statement of Trustees' responsibilities, the Scheme's Trustees are responsible for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions and for monitoring whether contributions are made to the Scheme by employers in accordance with relevant requirements.

Auditors' responsibilities in respect of the statement about contributions

It is our responsibility to provide a statement about contributions and to report our opinion to you.

Use of this report

This report, including the opinion, has been prepared for and only for the Trustees as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Cardiff
Date: 27 October 2021

SUMMARY OF CONTRIBUTIONS PAID IN THE YEAR

During the year, the contributions paid to the Scheme by the Principal Employer under the Schedule of Contributions were as follows:

	£'000s
Employer normal contributions	4,908
Employer deficit funding contributions	2,500
Employee normal contributions	10
Contributions required by the Schedule of Contributions	7,418
Reconciliation to the financial statements:	
Contributions paid under Schedule of Contributions	7,418
Employer additional contributions	2
Members' Additional Voluntary Contributions	1
	7,421

The Scheme benefit structure was amended effective on 1 April 2019 following a period of consultation with members during 2018. From 1 April 2019, the Scheme rules were amended so that pensionable service from 1 April 2019 was no longer included when calculating benefits under the Defined Benefits part of the Scheme. Benefits from that date accumulate on a money purchase basis and members are given a range of contributions to choose from. The contributions selected by members then govern the employer contribution payable.

The Schedule of Contributions dated 11 July 2018 was not updated to reflect the change in benefit structure at this time. As such, member contributions have not been calculated in line with the rates specified within the Schedule of Contributions. However, they have been calculated in line with the Trust Deed and Rules and the elections made by members.

The Schedule of Contributions refers to the employer contribution rate that is payable "in respect of future defined benefit accrual" but does not specify the contribution rate that is payable following the change in benefit structure. As a result of this, the contributions payable do not match those specified in the Schedule of Contributions. The change in benefit structure means that there is no defined benefit accrual against which the employer's future service contribution rate will apply.

The Trustees instructed the Scheme Actuary to update the Schedule of Contributions to reflect the change in benefit structure. This was completed and the new Schedule of Contributions was certified by the Scheme Actuary on 10 November 2020.

Additionally, deficit contributions relating to the 3 months from June 2020 to August 2020 totalling £625,000 were deferred past the time requirement of the Schedule of Contributions by agreement between the employer and the Trustees, and were subsequently paid in full in October, November and December 2020.

This summary was approved by the Trustees on 27 October 2021

Signed on behalf of the Trustees

Chairman of the Trustees **Trustee**

CHAIR'S DC GOVERNANCE STATEMENT, COVERING 1 APRIL 2020 TO 31 MARCH 2021

Introduction and members' summary

Governance requirements apply to defined contribution ("DC") pension arrangements, to help members achieve a good outcome from their pension savings (a DC pension scheme is where employee and employer contributions are paid into it, and the member chooses the investments from the options made available, but also bears the investment risk).

We, the Trustees of the RNIB Retirement Benefits Scheme (the "Scheme"), are required to produce a yearly statement (signed by the Chair of Trustees) covering:

- the design and oversight of the default investment option (i.e., where contributions are invested for members that do not wish to choose their own investments);
- processing of core financial transactions (i.e., administration of the Scheme, such as investment of contributions);
- the charges and transaction costs borne by members for the default option and any other investment option members can select or have assets in, such as "legacy" funds;
- an illustration of the cumulative effect of these costs and charges;
- how the value members obtain from the Scheme is assessed; and
- Trustee knowledge and understanding.

The key points that we would like members reading this Statement to take away are as follows:

- We regularly monitor the investment arrangements, and we are satisfied that the default and other investment options remain suitable for the membership. The next formal review of the investment arrangements, including the default arrangement, is due to take place in Q4 2021.
- The new administrator, XPS has processed core financial transactions promptly and accurately during the Scheme year, and we are very happy with the administrator's performance.
- Fees can have a material impact on the value of your pension savings and the fee impact is greater the more time passes, since fees reduce the amount of money which can grow with future investment returns.
- Fees for the investment options are set out in this Statement, and we remain comfortable that these fees are broadly reasonable given the circumstances of the Scheme and represent value for the benefits members obtain.
- The Trustees are committed to looking after your best interests as members, we undertake regular training and receive advice as appropriate so that we have sufficient knowledge and understanding to do so effectively.

Default Strategy arrangements

The Scheme is used as a Qualifying Scheme for automatic enrolment purposes. This means that it is used as a pension savings scheme for employees who are eligible for automatic enrolment into a pension scheme.

We have made available a range of investment options for members. Members who join the Scheme and who do not choose an investment option are placed into the Cash Targeting Lifestyle, (the "Default"). We recognise that most members do not make active investment decisions and instead invest in the Default. After taking advice, we decided to make the Default a lifestyle strategy, which means that members' assets are automatically moved between different investment funds as they approach their target retirement date.

As well as the lifestyle strategy noted above, the L&G G29 Temporary Fund for Suspensions has been treated as a default arrangement for governance purposes from April 2020 as a result of the temporary suspension of the L&G Managed Property Fund. The L&G G29 Temporary Fund for Suspensions is a fund which was specifically created by L&G to be used to redirect contributions until the L&G Managed Property Fund reopened in October 2020.

CHAIR'S DC GOVERNANCE STATEMENT, COVERING 1 APRIL 2020 TO 31 MARCH 2021 (continued)

Default Strategy arrangements (continued)

The G29 Temporary Fund for Suspensions is broadly a cash fund and its objective is to provide capital protection with growth at short term interest rates. The fund invests in the short- term money markets such as bank deposits and Treasury Bills.

We are responsible for investment governance, which includes setting and monitoring the investment strategy for the default arrangement.

Details of the objectives and our policies regarding the default arrangement can be found in a document called the 'Statement of Investment Principles' ("SIP"). The Scheme's SIP covering the default arrangement is attached to this document.

The aims and objectives of the default arrangement(s), as stated in the SIP, are as follows:

- Generate returns significantly above inflation whilst members are some distance from retirement.
- Switch automatically and gradually to lower risk investments as members near retirement.
- The asset allocation of the default strategy should be reflective of the form in which the Trustees expect most members to take their assets.

The default strategy was not reviewed during the period covered by this Statement. The last review was carried out on 29 November 2018. Following this review, changes to the default investment strategy were implemented for active members' ongoing contributions from 1 April 2019 and existing benefits accrued up to 31 March 2019, these existing benefits were transferred into the default strategy in January 2020.

We monitor the performance of the default and will formally review both this and the strategy at least every three years (the next review is due to take place by November 2021). We will also review the default strategy following any significant change in investment policy or when we become aware of significant changes in the Scheme's member profile.

In addition to the strategy review we also review the performance of the default arrangement against its objectives on a quarterly basis. This review includes an analysis of fund performance to check that the risk and return levels meet expectations. Our reviews over the Scheme year concluded that the default arrangement was performing broadly as expected.

Requirements for processing core financial transactions

Following a review carried out by the Trustees in October 2018, the decision was taken to move the Scheme from an arrangement where investments were managed by Legal and General (L&G) and administration was provided by Mercer (formerly JLT), to a new arrangement where administration was provided by L&G.

The decision was taken in part because the Trustees believed that the quality of administration experienced by members would be significantly improved following the move to L&G. Since L&G took over administration of the Scheme on 1 April 2019 following a robust selection procedure and following the change, the Trustees are pleased to have seen an improvement in administration services. More detail regarding the performance of L&G as Scheme administrator is provided in the section below.

L&G

The processing of core financial transactions is carried out by the administrator of the Scheme, L&G. Core financial transactions include (but are not limited to): the investment of contributions, processing of transfers in and out of the Scheme, transfers of assets between different investments within the Scheme, and payments to members/beneficiaries.

We have received assurance from L&G that there are adequate internal controls to ensure that core financial transactions for the Scheme are processed promptly and accurately.

CHAIR'S DC GOVERNANCE STATEMENT, COVERING 1 APRIL 2020 TO 31 MARCH 2021 (continued)

L&G (continued)

The Scheme has a service level agreement ("SLA") in place with the administrator which covers the accuracy and timeliness of all core financial transactions. The SLA details the target processing times for some 28 administration processes which include contribution allocation, investment switches, pre-retirement processes, transfers of members' funds into and out of the Scheme, retirement and ill health as well as death processes. The SLA'S form part of the quarterly Governance Report issued by L&G to the Trustees. The key processes adopted by the administrator to help it meet the SLA are as follows:

- Day to day administration is managed through work management systems with built in controls to ensure a high level of quality through checking processes. These are also subject to quality sampling.
- The administration systems have data restrictions in place. The L&G systems have a data specification to restrict acceptance of incorrect data at source.
- In accordance with standards imposed by The Pensions regulator (TPR), a "TPR Record Keeping Report" is available to the Trustees which checks the Scheme's records for all common and conditional data items.
- L&G complete internal audit processes to ensure processing controls are in place and adhered to.

To help us monitor whether service levels are being met, we receive quarterly reports about the administrator's performance and compliance with the SLA and any complaints that have been raised by members. Any issues identified as part of our review processes would be raised with the administrators immediately, and steps would be taken to resolve the issues.

Based on its review processes, we are satisfied that over the period covered by this Statement:

- the administrator was operating appropriate procedures, checks and controls, and operating within the agreed SLA;
- there have been no material administration issues in relation to processing core financial transactions; and
- core financial transactions have been processed promptly and accurately to an acceptable level during the Scheme year.

Utmost (formerly Equitable Life)

There were a small number of members invested in AVC arrangements with Utmost, which transferred from Equitable Life on 1 January 2020. These AVCs only account for a small proportion of the total DC assets within the Scheme. Therefore, the Trustee has taken a proportionate approach to reviewing them, compared to the other DC benefits within the Scheme. Following the period covered by this Statement, the members with Utmost AVCs moved to the main Scheme arrangement.

Utmost has internal Service Level Agreements (SLAs), which they report on an annual basis at the overall provider level. As a result, the following performance against SLAs covers the year from 1 January 2020 to 31 December 2020.

Due to the pent-up demand following the Equitable Scheme of Arrangement and as a result of the COVID pandemic, over 2020 Utmost changed how the SLAs were measured. SLAs were measured as follows during the first 11 months of 2020:

- 95% of payments out made within 10 days;
- 95% of illustrations completed within 20 days; and
- 90% of general servicing completed within 20 days.

CHAIR'S DC GOVERNANCE STATEMENT, COVERING 1 APRIL 2020 TO 31 MARCH 2021 (continued)

Utmost (formerly Equitable Life) (continued)

From December 2020, SLAs are measured as follows:

- 95% of payments out made within 5 days;
- 95% of illustrations completed within 10 days; and
- 90% of general servicing completed within 10 days.

Taking the above measures into account, the results for all heritage Equitable Life business for 2020 were as follows:

- 93% of payments were made within SLA
- 85% of illustrations were completed within SLA
- 91% of general servicing was completed within SLA

Member-borne charges and transaction costs

We are required to set out the on-going charges incurred by members over the period covered by this Statement, which are annual fund management charges plus additional fund expenses, such as custody costs, but excluding transaction costs; this is also known as the total expense ratio (TER). The TER is paid by the members and is reflected in the unit price of the funds.

The stated charges also include administration and investment costs since members incur these costs.

We are also required to separately disclose transaction cost figures. 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 but are exclusive of any costs incurred when members invest in and switch between funds. The transaction costs are borne by members.

The charges and transaction costs have been supplied by L&G and Utmost Life, who are the scheme's platform provider and AVC investment manager respectively. When preparing this section of the Statement we have taken account of the relevant statutory guidance. Due to the way in which transaction costs have been calculated it is possible for figures to be negative; since transaction costs are unlikely to be negative over the long term, we have shown any negative figure as zero.

Default arrangements

The Default arrangement is the Cash Targeting Lifestyle. The Default has been set up as a lifestyle approach, which means that members' assets are automatically moved between different investment funds as they approach their target retirement date. This means that the level of charges and transaction costs will vary depending on how close members are to their target retirement age and in which fund they are invested.

As noted above, as well as the default lifestyle strategy, the L&G G29 Temporary Fund for Suspensions will be treated as a default arrangement.

For the period covered by this Statement, annualised charges and transaction costs are set out in the following table. The Trustees note that the TER for the default arrangement is significantly lower than the charge cap of 0.75% pa imposed by legislation.

CHAIR'S DC GOVERNANCE STATEMENT, COVERING 1 APRIL 2020 TO 31 MARCH 2021 (continued)

Default charges and transaction costs

Years to target retirement date	TER (Active members)	TER (Deferred members)	Transaction costs
15 or more years to retirement	0.17%	0.50%	0.04%
10 years to retirement	0.17%	0.50%	0.04%
5 years to retirement	0.16%	0.49%	0.03%
At retirement	0.13%	0.46%	0.00%

Fund name	TER (Active members)	TER (Deferred members)	Transaction costs
L&G G29 Temporary Fund for Suspensions	0.13%	0.46%	0.00%

Note: Total expense ratio (TER) is a measure of the total costs incurred by members. The TER for the funds available on L&G's platform includes the Fund's administration charge (for active members) of 0.03% pa. Deferred members pay a higher administration charge of 0.36% pa as the Employer pays a contribution towards administration costs for active members whereas deferred members meet their entire administration cost.

Self-select and AVC options

In addition to the default arrangement, members also have the option to invest in several other self-select funds.

The level of charges for each self-select fund (including those used in the Default) and the transaction costs over the period covered by this Statement are set out in the following table. The underlying funds used within the Default are shown in bold.

CHAIR'S DC GOVERNANCE STATEMENT, COVERING 1 APRIL 2020 TO 31 MARCH 2021 (continued)

Self-select fund charges and transaction costs

Fund name	TER (Active members)	TER (Deferred members)	Transaction costs
LGIM Global Equity Market Weights (30:70) Index Fund - GBP 75% Currency	0.17%	0.50%	0.04%
LGIM FTSE World Developed (ex Tobacco) Equity Index Fund GBP Currency	0.23%	0.56%	0.6%
LGIM Multi-Asset Fund	0.16%	0.49%	0.03%
LGIM World Emerging Markets Equity Index Fund	0.28%	0.61%	0.02%
LGIM HSBC Islamic Global Equity Index Fund	0.38%	0.71%	0.03%
LGIM Managed Property Fund	1.32%	1.65%	0.00%
LGIM Ethical Global Equity Index Fund	0.33%	0.66%	0.00%
LGIM Corporate Bond All Stocks Index Fund	0.15%	0.48%	0.00%
LGIM Over 15 Years Fixed Interest Gilts Index Fund	0.11%	0.44%	0.00%
LGIM Over 5 Year Index Linked Gilts Index Fund	0.11%	0.44%	0.03%
LGIM Cash Fund	0.12%	0.45%	0.00%
Utmost Secure Cash Fund[1]	0.50%	0.50%	0.00%
Utmost Money Market Fund	0.50%	0.50%	0.00%

1 Data is as at 31 December 2020. On 30 June 2020, the Utmost Secure Cash Fund was closed and the AVC assets already invested in this fund were gradually transferred out of the fund and into the Utmost Money Market Fund over a six-month period to 31 December 2020.

Illustration of charges and transaction costs

The following table sets out an illustration of the impact of charges and transaction costs on the projection of an example member's pension savings. In preparing this illustration, we had regard to the relevant statutory guidance.

- The "before costs" figures represent the savings projection assuming an investment return with no deduction of member borne charges or transaction costs. The "after costs" figures represent the savings projection using the same assumed investment return but after deducting member borne charges and an allowance for transaction costs.
- The transaction cost figures used in the illustration are those provided by the managers over the past two years, subject to a floor of zero (so the illustration does not assume a negative cost over the long term). We have used the average annualised transaction costs over the past two years as this is the longest period over which figures were available and should be more indicative of longer-term costs compared to only using figures over the Scheme year.

CHAIR'S DC GOVERNANCE STATEMENT, COVERING 1 APRIL 2020 TO 31 MARCH 2021 (continued)

Illustration of charges and transaction costs (continued)

- The illustration is shown for the Default (the Cash Targeting Lifestyle) since this is the arrangement with the most members invested in it as well as four funds from the Scheme's self-select fund range. The four self-select funds shown in the illustration are:
    - the fund with the highest before costs expected return – this is the LGIM World Emerging Markets Equity Index Fund
    - the fund with the lowest before costs expected return – this is the LGIM Cash Fund
    - the fund with highest annual member borne costs – this is the LGIM Managed Property Fund
    - the fund with lowest annual member borne costs – this is the LGIM Over 15 Years Fixed Interest Gilts Index Fund

	Default option		LGIM World Emerging Markets Equity Index Fund		LGIM Cash Fund		LGIM Managed Property Fund		LGIM Over 15 Years Fixed Interest Gilts Index Fund	
Years invested	**Before costs**	**After costs**	**Before costs**	**After costs**	**Before costs**	**After costs**	**Before costs**	**After costs**	**Before costs**	**After costs**
1	£8,400	£8,400	£8,500	£8,500	£8,100	£8,100	£8,300	£8,300	£8,100	£8,100
3	£16,000	£15,900	£16,500	£16,400	£14,700	£14,700	£15,700	£15,300	£14,700	£14,700
5	£23,800	£23,700	£25,100	£24,900	£21,100	£21,000	£23,300	£22,400	£21,100	£21,000
10	£44,800	£44,300	£49,300	£48,500	£35,600	£35,400	£42,800	£39,800	£35,600	£35,400
15	£67,700	£66,500	£78,100	£76,200	£48,600	£48,200	£63,300	£56,900	£48,600	£48,100
20	£92,700	£90,600	£112,300	£108,600	£60,200	£59,400	£84,900	£73,700	£60,200	£59,400
25	£120,000	£116,600	£152,900	£146,600	£70,400	£69,400	£107,600	£90,300	£70,400	£69,300
30	£148,100	£143,000	£201,100	£191,000	£79,600	£78,300	£131,400	£106,600	£79,600	£78,100
35	£174,600	£167,700	£258,300	£243,100	£87,700	£86,100	£156,400	£122,600	£87,700	£85,900
40	£187,400	£179,200	£326,300	£304,100	£95,000	£93,000	£182,700	£138,400	£95,000	£92,700

Notes

- Values shown are estimates and are not guaranteed. The illustration does not indicate the likely variance and volatility in the possible outcomes from each fund. The numbers shown in the illustration are rounded to the nearest £100 for simplicity.
- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
- Annual salary growth and inflation is assumed to be 2.5%. Salaries could be expected to increase above inflation to reflect members becoming more experienced and being promoted. However, the projections assume salaries increase in line with inflation to allow for prudence in the projected values.
- The starting pot size used is £4,700. This is the approximate average (median) pot size for active members aged 30 years and younger (rather than using a whole membership average, we have taken this approach to give a more realistic 40-year projection).
- The projection is for 40 years, being the approximate duration that the youngest scheme member has until they reach the scheme's Normal Pension Age.
- The starting salary is assumed to be £27,100. This is the approximate median salary for active members aged 30 or younger.
- Total contributions (employee plus employer) are assumed to be 13.2% of salary per year.

CHAIR'S DC GOVERNANCE STATEMENT, COVERING 1 APRIL 2020 TO 31 MARCH 2021 (continued)

Illustration of charges and transaction costs (continued)

- The projected annual returns used are as follows:
- Default option: 1.8% above inflation for the initial years, gradually reducing to a return of 1.5% below inflation at the ending point of the lifestyle.
    - LGIM World Emerging Markets Equity Index Fund: 3.5% above inflation
    - LGIM Over 15 Years Fixed Interest Gilts Index Fund:2.3% below inflation
    - LGIM Managed Property Fund: 1.0% above inflation

LGIM Cash Fund: 2.3% below inflation

Value for members assessment

We are required to assess every year the extent to which member borne charges and transaction costs represent good value for members and to explain that assessment. There is no legal definition of 'good value' which means that determining this is subjective. Our general policy in relation to value for member considerations is set out below.

We review all member-borne charges (including transaction costs where available) annually, with the aim of ensuring that members are obtaining value for money given the circumstances of the Scheme. The date of the last review (which took place during the Scheme year) was: 28 May 2020. Following the end of the Scheme year we are currently undertaking a Value for Members assessment covering the period 1 April 2020 to 31 March 2021 as part of the broader triennial review of the investment arrangements. We note that value for money does not necessarily mean the lowest fee, and the overall quality of the service received has also been considered in this assessment. The Trustees are confident that the administration service provided by L&G is of a good standard and represents a significant improvement on quality of administration that members historically experienced, and communications are clear and informative. The Trustees' investment advisers have also confirmed that the fund charges are competitive for active members as a result of the contribution made by the Employer to the administration charges, but that the Trustees should continue to work with L&G ensure that member borne costs for deferred members are as competitive as possible.

Our assessment included a review of the performance of the Scheme's investment funds (after all charges and transaction costs) in the context of their investment objectives. The returns on the investment funds members can choose during the period covered by this statement have been consistent with their stated investment objectives.

In carrying out the assessment, we also consider the other benefits members receive from the Scheme, which include:

- our oversight and governance, including ensuring the Scheme is compliant with relevant legislation, and holding regular meetings to monitor the Scheme and address any material issues that may impact members;
- the design of the default arrangements and how this reflects the interests of the membership as a whole;
- the range of investment options and strategies;
- the quality of communications delivered to members;
- the quality of support services, such as the Scheme website where members can access fund information online; and
- the efficiency of administration processes and the extent to which the administrator met or exceeded its service level standards.

As detailed in the earlier section covering the processing of core financial transactions, we are comfortable with the quality and efficiency of the administration processes.

We believe that the transaction costs provide value for members as the ability to transact forms an integral part of the investment approaches and expect this to lead to greater investment returns net of costs over time.

Overall, we believe that members of the Scheme are receiving good value for money for the charges and cost that they incur, for the reasons set out in this section. We aim to improve value for members in future through taking the following steps:

CHAIR'S DC GOVERNANCE STATEMENT, COVERING 1 APRIL 2020 TO 31 MARCH 2021 (continued)

Value for members assessment (continued)

- Continue to work with L&G to ensure that member borne costs are competitive.
- Identify any areas to improve the governance process.
- Look towards ways to further support members in the lead up to retirement.
- Provide members with more regular communications in the form of a regular newsletter.

Trustee knowledge and understanding

We are required to maintain appropriate levels of knowledge and understanding to run the Scheme effectively. We have measures in place to comply with the legal and regulatory requirements regarding knowledge and understanding of relevant matters, including investment, pension and trust law. Details of how the knowledge and understanding requirements have been met during the period covered by this Statement are set out below.

With the help of our advisers, we regularly consider training requirements to identify any knowledge gaps. Our investment advisers proactively raise any changes in governance requirements and other relevant matters as they become aware of them. Our advisers typically deliver training on such matters at Trustee meetings if they were material. During the period covered by this Statement, we received training on the following topics:

- Climate risk;
- The Multi-Asset Fund (provided by L&G);
- The regulator's Code of Practice; and
- Regular topical updates from LCP on the pension industry and any legislative or regulatory changes.

Additionally, we receive quarterly updates on topical pension issues from our investment advisers.

We are familiar with and have access to copies of the Scheme's governing documentation and documentation setting out our policies, including the Trust Deed & Rules and SIP (which sets out the policies on investment matters). We refer to the Trust Deed and Rules as part of considering and deciding to make any changes to the Scheme, and the SIP is formally reviewed annually and as part of making any change to the Scheme's investments. Further, we believe that we have sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational pension schemes to fulfil our duties.

We are required to commit to completing the training, either at the relevant meetings or by personal study. All the Trustees have completed the Pensions Regulator's Trustee Toolkit (an online learning programme, designed to help trustees of pension schemes meet the minimum level of knowledge and understanding required by law). Regular training is provided on aspects of the Trustee Knowledge and Understanding requirements. Other training relates to topical items or specific issues under consideration and during the Scheme year.

A training log is maintained in line with best practice and the training programme is reviewed regularly to ensure it is up to date. The training programme was last updated on 16 August 2021. Additionally, the Scheme has in place a structured induction process for new trustees.

The Chair of Trustees is an independent trustee with wide-ranging experience on multiple trustee boards of hybrid schemes. Other Trustees have wider experience of governance roles as well as one other Trustee who is a Trustee on another pension scheme. This experience and knowledge aids in the Trustees role and is a further indication of the fact that the Trustees have sufficient knowledge and understanding to appropriately oversee the Scheme.

Considering our knowledge and experience and the specialist advice received from the appointed professional advisors (e.g., investment consultants, legal advisors), we believe that we are well placed to exercise our functions as Trustees of the Scheme properly and effectively.

Date: **27 October 2021**

Signed by the Chair of Trustees of the RNIB Retirement Benefits Scheme

Implementation Statement

The RNIB Retirement Benefits Scheme (the "Scheme")

The trustees of the Scheme (the "Trustees") are required to include, as part of the Scheme's annual report, an implementation statement which sets out certain information describing the Trustees' voting behaviour and how the Trustees have ensured compliance with the policies and objectives contained within the Scheme's Statement of Investment Principles during and for the Scheme year to which the annual report relates.

The information which must be included in the implementation statement differs in respect of Defined Benefits and Defined Contribution schemes. The Trustees' statement in respect of the part of the Scheme relating to DB investments is contained within Appendix 1 and the statement in respect of the part of the Scheme relating to DC investments is contained within Appendix 2.

The following statement covers the Scheme Year ending 31 March 2021.

Ian Maybury, Chair of Trustees

For and on behalf of the trustees of the RNIB Retirement Benefits Scheme

Appendix 1 – Defined Benefit section

Stewardship and Engagement

Implementation Statement – 1 April 2020 to 31 March 2021

Introduction

On 6 June 2019, the UK Government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations (the "Regulations"). The Regulations require that the Trustees of the RNIB Retirement Benefits Scheme (the "Trustees") outline how they have ensured compliance with the policies and objectives set out in their Statement of Investment Principles ("SIP") over the course of the year under review.

This Statement has been prepared by the Trustees with the assistance of their appointed Fiduciary Manager and is for the year ending 31 March 2021.

The Trustees' Stewardship and Engagement policies are included in the SIP which is available on request.

Changes to the key policies regarding Stewardship and Engagement

The SIP has been reviewed and revised over the course of 2020 to take account of further changes which are required by the Regulations noted above. In particular, the Trustees have outlined their policies regarding how they incentivise asset managers to achieve their long-term objectives, their policies regarding cost transparency and their policies on voting and stewardship rights.

During the course of the year, the Trustees have received presentations from their appointed Fiduciary Manager in relation to how the votes are carried out on their behalf and more generally on how Environmental, Social and Governance ("ESG") factors are integrated into the Fiduciary Manager's investment philosophy and by association the underlying specialist managers used in the portfolio.

Voting behaviour

Under the Fiduciary Management arrangement in place the Trustees have delegated proxy voting and engagement decisions to the Fiduciary Manager. The Fiduciary Manager has a robust and well-established set of guidelines to follow when voting on the Trustees' behalf which are reviewed and updated on an annual basis. It has provided the Trustees with both a copy of the Proxy Voting Guidelines and the most recent Active Ownership - Proxy Voting and Engagement Report. The Fiduciary Manager instructs Glass Lewis, a specialist proxy voting firm, to execute the votes in-line with the agreed guidelines and where Glass Lewis cannot apply this policy the votes are referred to Russell Investments Proxy Voting and Engagement Committee.

A total of 12,608 votes were placed on securities held in the Scheme's Growth portfolio over the period under review. A summary of the voting activity carried out on behalf of the Trustees are set out overleaf.

Key statistics

	Management Proposals	Share Holder Proposal	Total Proposals
With Management	10,796	223	**11,019**
Against Management	603	157	**760**
Votes without Management Recommendation	106	23	**129**
Take No Action	684	16	**700**
Unvoted	0	0	**0**
Totals	**12,189**	**419**	**12,608**

The decision to "Take No Action" was driven by:

i) Share blocking markets: As per the Fiduciary Managers standing instructions, if a meeting belongs to a Share blocking market such as Switzerland, then the ballots are automatically set to Take No Action.
ii) This rule is applicable at the meeting and the ballot level as well. Sometimes if a meeting or a ballot is share-blocked then either the entire meeting or a ballot gets auto-TNA. You will mostly find the Share blocking meetings or ballots for Norway, Denmark markets.
iii) And lastly, for the Contested meetings, one of the two voting cards is set to "Take No Action" (the card which is not voted).

Most significant votes

Criteria adopted

To ensure a wide variety of the placed votes is reflected, the summary of the most significant votes below has been split into Environmental, Social or Corporate Governance categories. The most significant votes in each category are defined by filtering for:

- Contentious outcome votes with voting split relatively evenly. The Fiduciary Manager defines a contentious vote as having a (~65/35 split) AND
- Issue Category (Environmental, Social or Governance) AND/OR
- Weighted holdings (where holdings represent greater than 1% of the total portfolio which have voting rights attached to them)

From this subset the votes have been sorted for the largest weight in the portfolio to get the summary of the most significant votes for ESG issues. Any reference to we and/or us in the following examples refers to the Fiduciary Manager's views and / or approach followed when voting on behalf of the Trustees.

Environmental Votes

Procter & Gamble Co.	
Shareholder Proposal Regarding Deforestation Report	
Date	13/10/2020
Mgmt. Rec.	Against
How the vote was cast	Against
Vote Outcome	Passed
Rationale	
The Company provides thorough disclosure regarding deforestation (wood pulp and palm oil) and has set a goal to increase its use of Forest Stewardship Council certified fiber to 75% across its Family Care brands by 2025, although we recognise that it missed a previous deforestation goal and has attracted negative attention for doing business with a palm oil supplier charged with human rights violations. Ultimately, we do not believe that the proponent has sufficiently demonstrated that a report on how the Company is "assessing if and how it could increase the scale, pace, and rigor of its efforts to eliminate deforestation and the degradation of intact forests in its supply chains," beyond the disclosure and policies already produced and maintained by the Company, would mitigate risks or increase shareholder value.	

JPMorgan Chase & Co.	
Shareholder Proposal Regarding Aligning GHG Reductions with Paris Agreement	
Date	09/05/20
Mgmt. Rec.	Against
How the vote was cast	For
Vote Outcome	Voted Down
Rationale	
Adoption of this proposal would allow shareholders to better understand the risks facing the Company and how the Company is monitoring and managing the risks associated with its lending activities, especially given the public scrutiny surrounding the Company in regard to its carbon-intensive lending portfolio. The proposal was voted down by less than 1% of the vote.	

Walmart Inc	
Shareholder Proposal Regarding Report on Single-Use Plastic Shopping Bags	
Date	03/06/20
Mgmt. Rec.	Against
How the vote was cast	Against
Vote Outcome	Voted Down
Rationale	
The Company states that it has an aspiration for Zero Plastic Waste and that it will take action to move from single-use towards reuse models where relevant by 2025. The company is middle-of-the-pack compared to peers on this issue. At this time, we do not believe the proponent has sufficiently demonstrated that the Company is in violation of any laws or regulations regarding its single-use plastic shopping bags or that its current management of this issue is deficient to the degree that warrants adoption of this proposal.	

Social Votes

Walt Disney Co (The)	
Shareholder Proposal Regarding Lobbying Report	
Date	09/03/21
Mgmt. Rec.	Against
How the vote was cast	Against
Vote Outcome	Undisclosed
Rationale	
In recent years, the Company has demonstrated responsiveness to this issue by significantly enhancing its disclosure of the trade associations of which it is a member. As a result, we believe that the Company has provided reasonable disclosure regarding its process, policies, and lobbying expenditures. We also note that the Company has met and exceeded the legal requirements for political spending and lobbying expenditure disclosure and has provided reasonably accessible information regarding the policies governing its lobbying activities. As such, the proponent had not sufficiently demonstrated that the Company's current disclosure is deficient or that adoption of this proposal would clearly lead to a meaningful benefit to shareholders at this time.	

Amazon.com Inc.	
Shareholder Proposal Regarding Report on Hate Speech and Sale of Offensive Products	
Date	27/05/20
Mgmt. Rec.	Against
How the vote was cast	For
Vote Outcome	Voted Down
Rationale	
While the Company has previously shown responsiveness when alerted to the existence of controversial products on its website, we believe that adopting policies that ensure these products are handled internally prior to the Company having to be alerted would mitigate potential reputational risks. We believe that this is especially important at the Company, as even a perception that issues related to the sale of offensive or controversial products are not handled in an efficient and unobtrusive manner could present significant reputational risks to the Company. Accordingly, we believe that additional information on the steps that the Company is taking to address hate speech and the sale of offensive products throughout its business would benefit shareholders.	

Johnson & Johnson	
Shareholder Proposal Regarding Report on Response to Opioid Epidemic	
Date	23/04/20
Mgmt. Rec.	Against
How the vote was cast	For
Vote Outcome	Passed
Rationale	
We believe that the Company could reasonably enhance its disclosure to provide shareholders with the information requested by this proposal, namely, the governance measures that the Company has taken to effectively monitor and manage financial and reputational risks related to the opioid epidemic. Moreover, we do not believe that the request is excessively burdensome as this proposal does not request that the Company undertake any specific action, rather it just requests that the Company provide information concerning its response to the opioid epidemic. Further, several peers have provided reporting similar to that requested by this proposal. Given the breadth of legal, regulatory, and reputational risk that the Company is facing on account of its role in the opioid epidemic, We believe that the requested reporting will better allow shareholders to understand the risks facing the Company and the steps that the Company has taken to mitigate such risks.	

Governance Votes

AT&T, Inc.	
Shareholder Proposal Regarding Independent Chair	
Date	24/04/20
Mgmt. Rec.	Against
How the vote was cast	For
Vote Outcome	Voted Down
Rationale	
Vesting a single person with both executive and board leadership concentrates too much responsibility in a single person and inhibits independent board oversight of executives on behalf of shareholders. We believe adopting a policy requiring an independent chair may therefore serve to protect shareholder interests by ensuring oversight of the company on behalf of shareholders is led by an individual free from the insurmountable conflict of overseeing oneself. We believe that this resolution is reasonably crafted and that shareholders should support this proposal.	

Microsoft Corporation	
Shareholder Proposal Regarding Report on Non-Management Employee Representation on the Board	
Date	02/12/20
Mgmt. Rec.	Against
How the vote was cast	Against
Vote Outcome	Voted Down
Rationale	
This proposal requests that the Company issue a report essentially describing the opportunities to include non-management employee representation on the board. Although the proponent is likely seeking the actual appointment of these individuals on the board, this proposal is not requesting such an action. If taken on its face, the Company has already provided sufficient information addressing the request of this proposal by issuing its statement of opposition where it addresses why it opposes such an action. We are unconvinced that the adoption of the requested report would provide shareholders with valuable information or that the resources necessary to provide the requested report would result in a commensurate benefit to shareholders.	

Alphabet Inc	
Shareholder Proposal Regarding Recapitalisation	
Date	03/06/20
Mgmt. Rec.	Against
How the vote was cast	For
Vote Outcome	Voted Down
Rationale	
We believe that allowing one vote per share generally operates as a safeguard for common shareholders by ensuring that those who hold a significant minority of shares are able to weigh in on issues set forth by the board, especially in regard to the director election process. Elimination of the dual-class structure creates an even playing field for all shareholders, as well as a board that is more responsive to all shareholders. We believe all shareholders should have a say in decisions that will affect them. Shareholders do and, in our view, should take a limited role in the operation of the Company. Management, at the direction of the board, is there to operate the business. However, on matters of governance and shareholder rights, we believe shareholders should have the power to speak and the opportunity to effect change. That power should not be concentrated in the hands of a few for reasons other than an economic stake.	

Engagement Activities

Whilst not all investments have voting rights attached to them it is still possible to effect positive change by engaging with the underlying issuers of equity and debt. The Trustees are supportive of engagement in this way and has delegated this activity to the Fiduciary Manager. Any reference to we, our and/or us in the following examples refers to the Fiduciary Manager's views and / or approach followed when voting on behalf of the Trustees.

Collaborative Engagement with a sub-advisor (August 2020)

Topic: Climate change risks with a packaged-food company based in Japan.

Overview of Engagement: In August 2020, our portfolio management team participated in a joint engagement with the manager sub-advisor. While the sub-advisor drafted the agenda and led the meeting, our portfolio management team supported their messaging and made their own interest in the topic known to the company.

Outcome: As a result of the engagement, we found that the company had become a supporter of the Task Force on Climate-Related Financial Disclosures (TCFD) Consortium in June 2020. They are scheduled to disclose necessary information based on TCFD guidelines, including scenario analysis for climate change impacts and we will be expecting to see this reporting in the coming year.

Discussion with European industrial conglomerate (September 2020)

Topic: Human capital risks and impacts posed by technological change, demographic shifts and globalisation.

Overview of Engagement: In 2020, we began a planned three-year engagement in collaboration with Sustainalytics, under the Human Capital and the Future of Work theme. The goal of the programme is to guide companies toward the goal of setting established management strategies that mitigate negative ramifications and ensure workforces that support innovation and business objectives while meeting demands of the future of work. An additional goal of this engagement is to ensure that companies strive to support diversity and inclusion strategies within these practices.

Outcome: The company expressed that it valued the opportunity to have a dialogue with Sustainalytics and engaged investors. The next step of this nascent engagement is to discuss the current governance of human capital and the overall human capital management at the company.

Direct engagement with a US Packaging company (October 2020)

Topic: Sustainability disclosures, diversity, and executive compensation

Overview: In Q4 2020, our Engagement Subcommittee, joined by a member of the portfolio management team, discussed the current membership of the board. It noted that there are many long-standing board members, but these could be considered entrenched. The company expressed an intention to add fresh perspective via upcoming openings, which is positive. We had flagged executive compensation as an area for discussion after our proxy research provider assigned a low score to the pay for performance metric. Through discussion, we determined the program is sufficiently aligned with company performance measures. We also noted, positively, that the company has begun to incorporate non-financial metrics such as safety measures, and they plan to add a diversity component at the senior level. We assessed their sustainability reporting as strong overall but noted that there were several important metrics still not included in the reporting, and we encouraged further development of these metrics over time.

Outcome: We intend to monitor further developments. Our agenda and the results of the conversation were shared with our sub-advisor partner.

Industry Participation

The Fiduciary Manager is a signatory to the UK Stewardship code and UN Principles for Responsible Investment ("UN PRI"). As a globally recognised proponent of responsible investment, the UN-supported Principles for Responsible Investing ("Principles or PRI") provides resources and best practices for investors incorporating ESG factors into their investment and ownership decisions. As a signatory to the PRI since 2009, The Fiduciary Manager has a long-standing relationship with the organisation and has completed the annual PRI assessment every year since 2013. The Principles are a set of global best practices that provide a framework for integrating ESG issues into financial analysis, investment decision-making and ownership practices. The Fiduciary Manager is actively involved with the PRI, attending annual conferences and global seminars, and engaging on discussions of interest.

The current UN PRI scorecard scored by the Fiduciary Manager as A+ or A in all categories. The average Median score across various categories was 'B'.

Compliance with the policy over the period

As a holder of assets with attached voting rights, the Trustees are able to exercise these voting rights on behalf of members of the Scheme and believe the best approach is to delegate the execution of their policy to the Fiduciary Manager. The Trustees have received information on the voting activity that has been carried out on their behalf on an annual basis and are comfortable with the decisions taken.

Over the course of the year, the Trustees are pleased to report that they have, in their opinion, adhered to the policies set out in their SIP.

The Trustees are pleased with the progress the Fiduciary Manager has made over the year in this area and will continue to work with them to develop their policies in the future.

Appendix 2 – Defined Contribution section

Implementation Statement
Covering 1 April 2020 to 31 March 2021

The Trustees of the RNIB Retirement Benefits Scheme (the "Scheme") are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed their Statement of Investment Principles ("SIP") during the year, as well as details of any review of the SIP during the year, subsequent changes made with the reasons for the changes, and the date of the last SIP review. Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2 to 11.

The Statement is also required to include a description of the voting behaviour during the year by, and on behalf of, trustees (including the most significant votes cast by trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 12.

This Statement is based on the Scheme's SIPs dated 30 September 2019 and 3 August 2020, which were the relevant SIPs between 1 April 2020 and 31 March 2021. The statement should be read in conjunction with these SIPs.

1. Updates to the SIP

A review of the SIP was undertaken during the Scheme Year on 3 August 2020 and changes were made to it; this Statement refers to that SIP. The main change made was:

- Inclusion of reference to a new default fund, the L&G G29 Temporary Fund for Suspensions. This fund was used during the Scheme year to hold contributions which could not be invested in the L&G Managed Property Fund due to that fund being suspended as a result of material uncertainty in valuations of the underlying properties caused by Covid-19.

As part of this SIP update, the employer was consulted and confirmed it was comfortable with the changes.

The Trustees believe that they have followed the policies in the Scheme's SIP during the year. The following Sections provide commentary on this.

2. Investment objectives

The performance and strategy of the default arrangement is reviewed at least every three years and was last reviewed on 29 November 2018. As part of this review, the Trustees considered the DC Section membership demographics and the variety of ways that members may draw their benefits in retirement from the Scheme. Following this review, changes to the default investment strategy were implemented for active members' ongoing contributions from 1 April 2019. Existing benefits accrued up to 31 March 2019 and invested in the previous default were transferred into the new default in January 2020.

Following the changes made to the default strategy, the Trustees concluded that the default option has been designed to be in the best interests of the majority of the DC Section members and reflects the demographics of those members.

The Trustees also provide members with access to a range of investment options which they believe are suitable for this purpose and enable appropriate diversification. The Trustees have made available a self-select fund range to members covering all major asset classes as set out in Appendix 3 of the SIP. The Trustees monitor the take up of these funds and take up of the self-select fund range has been in-line with the market, with 10% of members self-selecting their investments. At the time of the transition to the new default strategy the Trustees reminded members to review their investment holdings and check they are suitable for their risk tolerances and retirement planning.

The Trustees review the membership demographics and any material changes from time to time, but not less than every three years and as part of the strategy review.

3. Investment strategy

The Trustees did not review the DC investment strategy over the period covered by this statement. The Trustees, with the help of their advisers and in consultation with the sponsoring employer, last reviewed the strategy and performance of the default arrangement on 29 November 2018.

As part of this review the Trustees made sure that the Scheme's default arrangement was adequately and appropriately diversified between different asset classes and that the self-select options provide a suitably diversified range to choose from.

Following this review, changes to the default investment strategy were implemented for active members' ongoing contributions from 1 April 2019. Existing benefits accrued up to 31 March 2019 and invested in the previous default were transferred into the new default in January 2020.

The Trustees review retirement data provided in the administration reports from time to time, but not less than every three years as part of a strategy review to see how members access their benefits. The next DC investment strategy review is planned to take place in August 2021.

4. Considerations in setting the investment arrangements

When the Trustees undertook a performance and strategy review of the DC default arrangement in November 2018, they considered the investment risks set out in Section 12.5 of the SIP dated 1 June 2017. They also considered a wide range of asset classes for investment, considering the expected returns and risks associated with those asset classes as well as how these risks can be mitigated.

The Trustees considered the needs of two different types of members present in the Scheme from 1 April 2019. Those who were active or deferred members before 1 April 2019 (and who therefore have existing Defined Benefit pensions assets) and those who joined the Scheme after 1 April 2019 who will only have DC benefits.

The Trustees review their investment beliefs from time to time and there were no changes to the Trustees' investment beliefs over the Scheme Year.

5. Implementation of the investment arrangements

In respect of the DC Section, the Trustees have entered into a contract with a platform provider, Legal & General Assurance Society ("LGAS"), who makes available the range of investment options to members. As all the funds are accessed via a reinsurance agreement with the Scheme's platform provider, there is no direct legal relationship between the Scheme and the underlying investment managers of the DC investment funds. Nevertheless, the Trustees are responsible for appointing and providing governance oversight of the managers which the Scheme accesses via the LGAS arrangement.

The Trustees have not made any changes to their investment manager arrangements over the period. However, L&G, in its role as platform provider and administrator, used the L&G G29 Temporary Fund for Suspensions to house contributions intended for the L&G Managed Property Fund which was suspended.

The Scheme's investment adviser, LCP, monitors the investment managers on an ongoing basis, through regular research meetings. The investment adviser monitors any developments at managers and informs the Trustees promptly about any significant updates or events they become aware of with regard to the Scheme's investment managers that may affect the managers' ability to achieve their investment objectives. This includes any significant change to the investment process or key staff for any of the funds the Scheme invests in, or any material change in the level of diversification in the fund.

The Trustees were comfortable with all of their investment manager arrangements over the year.

The Trustees monitor the performance of the LGAS investment managers on a quarterly basis, using the quarterly performance data provided by LGAS. The report shows the performance of each manager over the quarter, 1 year, 3 years and 5 years. Performance is considered in the context of each manager's benchmark and objectives. The Trustees also use the quarterly performance monitoring report produced by LCP to monitor performance, which focuses on the performance of the funds used within the default strategy. The quarterly reports to 31 March 2021 showed that all managers have produced relative performance broadly in line with their targets over shorter and longer-term periods.

The Trustees undertook a value for members assessment covering the Scheme year to 31 March 2021 which assessed a range of factors, including the fees payable to managers in respect of the DC Section. The assessment concluded that fees remain competitive for active members as a result of the contribution made by the Employer to the administration charges. However, fees for most funds are considerably above the median of their respective peer groups for deferred members. The Trustees are having ongoing discussions with LGAS to ensure that fees remain as competitive as possible as the Scheme grows in size.

As part of the value for members assessment the Trustees assessed the investment manager's fees in light of LCP's fee survey. Overall, the Trustees believe the investment managers provide reasonable value for money.

6. Realisation of investments

The Trustees' policy is to invest in funds that offer daily dealing to enable members to readily realise and change their investments. All of the DC Section funds which the Trustees offer are daily priced.

On 20 March 2020 and continuing into the Scheme year, LGAS decided to temporarily suspend the LGIM Managed Property Fund due to an inability for independent valuers to accurately value properties as a result of reduced market activity in light of the Covid-19 pandemic. This is in line with many other institutional property fund managers. This meant that members who held investments in this Fund could not switch out or sell any Scheme savings that were invested in this Fund until the Fund reopened on 1 October 2020.

7. Financially material considerations and non-financial matters

As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations), voting and engagement.

The Trustees did not review LCP's responsible investment (RI) scores for the Scheme's existing managers and funds during the Scheme Year but will review these as part of the investment strategy review to be undertaken during 2021.

The Trustees do consider non-financial matters (ie matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return alone) in the selection, retention and realisation of investments as they relate to tobacco investment. The Trustees have considered the practicalities of moving towards a policy of excluding tobacco investment within the DC Section. This is due to a belief that some members may wish to be able to exclude tobacco investment given the link between smoking and blindness. The Trustees are continuing to look at different investment funds that exclude tobacco, and are considering with their advisers how these could be incorporated into the default investment strategy.

In general, it is not the Trustees' policy to survey the membership in order to elicit their views on financial and non-financial concerns. The Trustees typical practice is to take a view on which concerns they can reasonably assume members will share, given the nature of the Employer attached to the Scheme. To this end, the Trustees recognise that some members may wish for ethical matters to be considered in their investments and have made available the LGIM World Developed (ex-tobacco) Equity Index Fund and LGIM Ethical Global Equity Index Fund as self-select options.

The Trustees recognise that some members may wish to invest in a way which is consistent with the principles of Islamic investment and therefore have made available the HSBC Islamic Global Equity Index Fund as a self-select investment option.

8. Voting and engagement

The Trustees recognise their responsibilities as owners of capital, and believe that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments. The Trustees have delegated to their investment managers the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG considerations.

The Trustees do not monitor or engage directly with issuers or other holders of debt or equity since the DC Section's assets are invested in the units of various pooled funds, and not directly in debt or equity or other investment assets. The Trustees expect the pooled fund investment managers to exercise ownership rights and undertake monitoring and engagement in line with the managers' general policies on stewardship, as provided to the Trustees from time to time, considering the long-term financial interests of the beneficiaries. The Trustees seek to appoint managers that have strong stewardship policies and processes, reflecting where relevant the recommendations of the UK Stewardship Code issued by the Financial Reporting Council, and from time to time the Trustees review how these are implemented in practice.

The Trustees consider stewardship to be a significant factor when selecting and retaining managers and give it strong consideration when doing so. The Trustees would be likely to a reject a manager who was otherwise a strong candidate for a mandate if they observed that it had poor stewardship practices.

9. Investment governance, responsibilities, decision-making and fees (Appendix 1 of SIP)

As mentioned in Section 5, the Trustees assess the performance of the Scheme's investments on an ongoing basis as part of the quarterly performance reports they receive.

The Trustees' effectiveness was considered as part of the production of the Annual Chair's Statement, and over the Scheme year to 31 March 2021 the Trustees considered that their management of the Scheme was effective. The performance of the professional advisers is considered on an ongoing basis by the Trustees in line with the requirements of the recent Competition and Markets Authority ("CMA") review. The Trustees have put in place formal objectives for their investment adviser and will review the adviser's performance against these objectives on a periodic basis and will review the objectives themselves at least every three years.

10. Policy towards risk (Appendix 2 of SIP)

Risks are monitored on an ongoing basis with the help of the investment adviser.

The Trustees maintain a risk register. The Trustees' policy for some risks, given their nature, is to understand them and to address them if it becomes necessary, based upon the advice of the Scheme's investment adviser or information provided to the Trustees by the Scheme's investment managers. These include credit risk, equity risk, currency risk and counterparty risk.

With regard to the risk of inadequate returns, the Trustee makes use of equity and equity-based funds, which are expected to provide positive returns above inflation over the long term. These are used in the growth phase of the default option and are also made available within the self-select options. These funds are expected to produce adequate real returns over the longer term.

The following risks are covered earlier in this Statement: diversification risk in Sections 3 and 5, investment manager risk and excessive charges in Section 5, illiquidity/marketability risk in Section 6 and ESG risks in Section 7.

11. Investment manager arrangements (Appendix 3 of SIP)

Policies in relation to Investment Manager Arrangements have been addressed elsewhere in the Statement.

12. Description of voting behaviour during the year

Aspects of the Trustees' policies in respect of voting are covered in Section 7 above.

All of the Trustees' holdings in listed equities are within pooled funds and the Trustees have delegated to their investment managers the exercise of voting rights. Therefore, the Trustees are not able to direct how votes are exercised and the Trustees themselves have not used proxy voting services over the year.

For the DC Section we have included the Scheme's funds that hold equities, and which are either used in the default strategy or used in the self-select funds range. Regarding the self-select range we have included voting information where funds have been marketed as having a particular focus on engagement or where corporate governance is generally considered to be weaker (and therefore voting and engagement is of paramount importance), such as emerging markets.

In this section we have sought to include voting data on the Scheme's funds that hold equities as follows:

- LGIM Global Equity Market Weights (30:70) Index Fund - GBP 75% Currency Hedged (current default strategy component)
- LGIM Multi-Asset Fund (Current default strategy component)
- LGIM World Developed (ex-tobacco) Equity Index Fund (self-select fund)
- LGIM HSBC Islamic Global Equity Index Fund (self-select fund)
- LGIM Ethical Global Equity Index Fund (self-select fund)
- LGIM World Emerging Markets Equity Index Fund (self-select fund)

12.1 Description of the voting processes

LGIM

LGIM's policy on consulting with clients before voting

LGIM have stated that their voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all their clients. LGIM's voting policies are reviewed annually and considering feedback from their clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as LGIM continue to develop their voting and engagement policies and define strategic priorities in the years ahead. LGIM also take account of client feedback received at regular meetings and/or ad-hoc comments or enquiries.

LGIM's overview of the process for deciding how to vote

All decisions are made by LGIM's Investment Stewardship team and in accordance with their relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures LGIM's stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

LGIM's use of proxy voting services

LGIM's Investment Stewardship team uses Institutional Shareholder Services' ("ISS") 'ProxyExchange' electronic voting platform to electronically vote in respect of clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. LGIM's use of ISS recommendations is purely to augment their own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services to supplement the research reports that they receive from ISS for UK companies when making specific voting decisions.

To ensure LGIM's proxy provider votes in accordance with their position on ESG, they have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what LGIM consider are minimum best practice standards which they believe all companies globally should observe, irrespective of local regulation or practice.

LGIM retain the ability in all markets to override any vote decisions, which are based on their custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows LGIM to apply a qualitative overlay to their voting judgement. LGIM have strict monitoring controls to ensure their votes are fully and effectively executed in accordance with their voting policies by their service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform LGIM of rejected votes which require further action.

HSBC

The legal right to the underlying votes lies with the directors of the HSBC Islamic Global Equity Index Fund. It has delegated execution of this voting to HSBC Global Asset Management (UK) Limited ("HSBC").

HSBC exercises its voting rights as an expression of stewardship for client assets. It has global voting guidelines which protect investor interests and foster good practice, for example highlighting independent directors, remuneration linked to performance, and limits on dilution of existing shareholders.

HSBC uses the leading voting research and platform provider ISS to assist with the global application of its voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene its guidelines. HSBC reviews voting policy recommendations according to the scale of its overall holdings. The bulk of holdings are voted in line with the recommendation based on our guidelines.

12.2 Summary of voting behaviour over the year

A summary of voting behaviour over the period is provided in the table below.

	LGIM Global Equity Market Weights (30:70) Index Fund	LGIM Multi-Asset Fund	LGIM World Developed (ex-tobacco) Equity Index Fund	LGIM Ethical Global Equity Index Fund	LGIM World Emerging Markets Equity Index Fund	HSBC Islamic Global Equity Index Fund
Total size of fund at end of reporting period (£ millions)	£4,583m	£21,138m	£764m	£909m	£7,673m	£2,091m
Scheme assets in fund at end of reporting period	£15.5m	£5.2m	£0.2m	£0.4m	£0.0m*	£0.0m*
Number of equity holdings at end of reporting period	4,553	6,530	1,920	1,008	1,882	103
Number of meetings eligible to vote	7,515	11,238	2,275	1,274	3,998	109
Number of resolutions eligible to vote	79,697	114,616	29,478	18,215	36,036	1,597
% of resolutions voted	99.90%	99.80%	99.90%	99.90%	99.90%	91.60%
Of the resolutions on which voted, % voted with management	84.30%	81.70%	81.20%	83.80%	85.20%	87.80%
Of the resolutions on which voted, % voted against management	15.00%	17.70%	18.60%	16.00%	13.40%	12.20%
Of the resolutions on which voted, % abstained from voting	0.70%	0.60%	0.20%	0.30%	1.40%	0.00%
Of the meetings in which the manager voted, % with at least one vote against management	5.40%	6.40%	5.90%	5.10%	5.10%	54.90%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	0.30%	0.20%	0.40%	0.60%	0.00%	8.40%

*These funds have member assets invested by round to £0.0m.

a. Most significant votes over the year

Commentary on the most significant votes over the Scheme Year, from the asset managers who hold listed equities, is set out below.

LGIM's process for determining the "most significant" votes

For many years, LGIM has regularly produced case studies and/or summaries of LGIM's vote positions to clients for what they deemed were 'material votes'. LGIM are evolving their approach in line with the new regulation and are committed to providing their clients access to 'most significant vote' information.

In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where LGIM note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

For the purposes of this statement, we have selected four of the significant votes provided by LGIM which cover environmental, social and governance areas. Votes 1 and 2 below applies to the LGIM Global Equity Market Weights (30:70) Index Fund - GBP 75% Currency Hedged, LGIM Multi-Asset Fund, LGIM World Developed (ex-tobacco) Equity Index Fund and LGIM Ethical Global Equity Index Fund. Votes 3 and 4 below applies to the LGIM Global Equity Market Weights (30:70) Index Fund - GBP 75% Currency Hedged, LGIM Multi-Asset Fund and LGIM World Developed (ex-tobacco) Equity Index Fund. There were no significant votes for the LGIM World Emerging Markets Equity Index Fund over the Scheme year. Further information on LGIM's most significant votes are available on request.

Vote #1: Pearson, September 2020. Vote: Against.

Summary of resolution: Amendments to the company's remuneration policy.

Rationale: Pearson issued a series of profit warnings under its previous CEO. The company put forward an all-or-nothing proposal in the form of an amendment to the company's remuneration policy, seeking shareholder approval for the grant of a co-investment award, an unusual step for a UK company. If this resolution was not passed the company confirmed that the proposed new CEO would not take up the CEO role. This is an unusual approach and many shareholders felt backed into a corner, whereby they were keen for the company to appoint a new CEO but were not happy with the plan being proposed. However, shareholders were not able to vote separately on the two distinctly different items and felt forced to accept a less-than-ideal remuneration structure for the new CEO. LGIM took the decision to vote against the amendment to the remuneration policy.

Reason this vote was assessed as significant: Pearson has had strategy difficulties in recent years and is a large and well-known UK company. Given the unusual approach taken by the company and LGIM's outstanding concerns, LGIM deemed this vote to be significant.

Vote #2: Qantas Airways, October 2020. Votes: Against Alan Joyce's participation in the long-term incentive plan and For the remuneration report.

Summary of resolutions: Approve CEO Alan Joyce's participation in the long-term incentive plan and approve the remuneration report.

Rationale: The COVID-19 crisis had an impact on the financials of Qantas. In light of this, the company raised significant capital to be able to execute its recovery plan and cancelled dividends, terminated employees and accepted government assistance. The circumstances triggered extra scrutiny from LGIM as it wanted to ensure the impact of the COVID crisis on the company's stakeholders was appropriately reflected in the executive pay package. LGIM voted for the remuneration report given the executive salary cuts, short-term incentive cancellations and the CEO's voluntary decision to defer the vesting of the long-term incentive plan in light of the pandemic. However, LGIM had concerns regarding the value of the 2021 long-term incentive plan grant, especially given the company share price at the date of the grant. As a result, LGIM voted against the resolution to approve CEO Alan Joyce's participation in the long-term incentive plan.

Reason this vote was assessed as significant: It highlights the challenges of factoring in the impact of the COVID situation into executive remuneration packages.

Vote #3: ExxonMobil, May 2020. Vote: Against.

Summary of resolution: Elect Director Darren W. Woods.

Rationale: In June 2019, under LGIM's annual 'Climate Impact Pledge' ranking of corporate climate leaders and laggards, LGIM announced that it would be removing ExxonMobil from its Future World fund range and would be voting against the chair of the board. Ahead of the company's annual general meeting in May 2020, LGIM also announced it would be supporting shareholder proposals for an independent chair and a report on the company's political lobbying. Due to recurring shareholder concerns, LGIM's voting policy also sanctioned the reappointment of the directors responsible for nominations and remuneration.

Reason this vote was assessed as significant: LGIM voted against the chair of the board as part of LGIM's 'Climate Impact Pledge' escalation sanction.

Vote #4: Whitehaven Coal, October 2020. Vote: For.

Summary of resolution: Request for the company to produce a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders.

Rationale: The role of coal in the future energy mix is increasingly uncertain, due to the competitiveness of renewable energy, as well as increased regulation: LGIM has publicly advocated for a 'managed decline' for fossil fuel companies, in line with global climate targets, with capital being returned to shareholders instead of spent on diversification and growth projects that risk becoming stranded assets. As the most polluting fossil fuel, LGIM believe the phase-out of coal will be key to reaching these global targets.

Reason this vote was assessed as significant: The vote received media scrutiny and is emblematic of a growing wave of green shareholder activism.

HSBC's process for determining the "most significant" votes

HSBC regards the votes against management recommendation as the most significant. With regards to climate, in its engagement it encourages companies to disclose their carbon emissions and climate-related risks in line with the recommendations of the Task Force on Climate-related Financial Disclosure ("TCFD"). Where companies in energy intensive sectors have persistently failed to disclose their carbon emissions and climate risk governance, HSBC will generally vote against the re-election of the Chairman. HSBC also generally support shareholder resolutions calling for increased disclosure on climate-related issues.

For the purposes of this statement the Trustees have chosen a subset of "most significant votes" to report on in this Statement. The votes selected are those which relate to environmental, social or corporate governance factors. If members wish to obtain more manager voting information, this is available upon request.

Vote #1: Facebook, Inc., May 2020. Vote: For

Summary of resolution: Report on Median Gender/Racial Pay Gap

Rationale: HSBC favour transparency around gender pay as they believe this can encourage appropriate management of the issue.

Criteria for which vote has been assessed as "most significant": This vote is significant as it was cast against the management recommendation and covered a relevant issue affecting the company's governance and social reputation.

Vote #2: Alphabet Inc., June 2020. Vote: For

Summary of resolution: Approve Recapitalisation Plan for all Stock to Have One-vote per Share

Rationale: HSBC support the principle of one share-one vote as they believe that this is the best means of ensuring accountability to all shareholders, in the long term interest of the company.

Criteria for which vote has been assessed as "most significant": This vote is significant on the basis it was cast against the management recommendation and covered a relevant shareholder right issue. In addition, HSBC held a 6.6% holding as at the date of the vote.