

## Extract from the Chair's Statement relating to the Hayden Family Pension Plan

Year ended 31 March 2021

The scheme is an old insured scheme with Zurich Assurance Ltd. The Scheme was originally for Directors of W Hayden and Sons Ltd but when an individual ceases to be a director of the limited company, their membership of the scheme can continue. The scheme did not meet fully the requirements of a qualifying scheme for auto enrolment. The scheme has continued and runs alongside the auto enrolment scheme although no new members to the Zurich Scheme will be admitted.

Because of the age and nature of the scheme we list below what has been done to comply with the Governance requirements.

### 1 The Default Investment strategy

The scheme is an insured arrangement with Zurich Assurance Ltd. There are a range of funds available and members of the scheme were able to choose their own investment strategy. Despite this many chose to have their money invested in Zurich's managed fund. If any member was unable or unwilling to choose their investment funds then the Trustees would use the Managed Fund and this should be considered the default fund. This fund provides a broad spread of underlying investments and is considered medium risk.

There are now just two members of the scheme and both are invested in the Managed Fund. The costs of this fund are as follows:-

	Fund manager Charge	Transaction costs	Regular product costs	Charges on contributions
Zurich Managed AP	0.18%per annum	0.22% per annum	£12.07 per month	5% on contributions paid up to 10 years before retirement. Contributions paid within 10 years of normal retirement the charge is 0.25%.

In addition to the above the initial contributions to the plan are invested in capital units which suffer an additional charge of 4.25% per annum.

Exit charge. If benefits are drawn before the selected normal retirement date then there is an exit charge broadly equivalent to the remaining annual charge of 4.25% on the value of capital units.

### 2 Review of the Default fund

There is no other fund available that would be more appropriate. The other funds available are more specialist funds and would be considered higher risk.

The investment performance of the Zurich Managed fund to 31 March 2021 was as follows:-

12 months to 31 March 2021 + 20.38%

5 years to 31 March 2021 + 50.94%

This is the discrete performance of the fund and allows for the fund manager charge and transaction costs. The regular product costs, charges on contributions and the capital units charge will reduce the return on individual's pension plans.

The attached pages show the costs and charges applicable to all funds available to members together with Illustrative examples of retirement funds.

Andrew Hayden

19 October 2021



**EXECUTIVE RETIREMENT PLAN (WRITTEN BEFORE OCTOBER 2000) (BE/BEA/BG/BGA/BH)****– COSTS AND CHARGES**

These cost and charges apply to plans with a plan number containing the codes BE/BEA/BG/BGA/BH e.g. P11111-111-BH/001.

**FUND CHARGES AND TRANSACTION COSTS**

Sedol*	Fund	Fund Manager Charge pa**	Transaction Costs pa***
0406181	Zurich Managed AP	0.18%	0.22%
0406493	Zurich Equity AP	0.15%	0.30%
0406932	Zurich Far East AP	0.23%	0.31%
0406910	Zurich American Equity AP	0.15%	0.31%
0019192	Zurich European AP	0.16%	0.69%
0406170	Zurich Property AP	0.54%	0.07%
0406471	Zurich Gilt Edged AP	0.09%	0.04%
0406211	Zurich Fixed Interest Deposit AP	0.09%	0.00%
B5BJNG7	Zurich Stewart Investors Asia Pacific Leaders Accumulation AP	0.82%	0.36%
B50Q530	Zurich Managed Bond Accumulation AP	0.24%	0.13%
B59BHH4	Zurich Managed Equity & Bond Accumulation AP	0.23%	0.23%
B56GY60	Zurich Invesco UK Equity Income Accumulation AP	0.86%	0.80%
B5LSGN2	Zurich Invesco Corporate Bond Accumulation AP	0.70%	0.03%
B5VXY66	Zurich M&G Corporate Bond Accumulation AP	0.65%	0.04%
0021528	Zurich HSBC Equity AP	0.06%	0.00%
B58YK64	Zurich Henderson Strategic Bond Accumulation AP	0.71%	0.22%
B5KN1Y4	Zurich M&G Recovery Accumulation AP	0.82%	0.00%
B52NJM6	Zurich Schroder UK Alpha Plus Accumulation AP	0.92%	0.45%
B59HL03	Zurich JPM Natural Resources Accumulation AP	0.80%	0.64%
B5M4XF0	Zurich Allianz Emerging Markets Equity Accumulation AP	0.90%	0.17%
B58MKW4	Zurich Managed Equity Accumulation AP	0.24%	0.39%
B575N58	Zurich BlackRock Gold & General Accumulation AP	1.05%	0.62%
B5V33W5	Zurich Man GLG Japan CoreAlpha Accumulation AP	0.90%	0.20%
B5B1KG2	Zurich Aegon Ethical Equity Accumulation AP	0.78%	0.05%
BTL1M08	Zurich Target Annuity Fund 2023 Accumulation AP	0.20%	0.06%

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\*\*These charges cover the cost of investing in the fund.

\*\*\*Transaction costs are the costs incurred from buying and selling assets in the funds. Where available we have used transaction cost data from the fund managers for the year to 31 March 2021. Where this data was not available, we have used the most recent data provided by the fund managers.

Product name: Executive Retirement Plan – BE(A)/BG(A)/BH



## PRODUCT CHARGES

Regular Charges On Each Policy	
<b>Capital Unit Charge</b>	<ul style="list-style-type: none"> <li>This is <b>4.25%</b> per year and is only taken from capital unit funds.</li> <li>It is taken directly within the fund and is reflected in the daily fund price.</li> <li>It is only taken until the retirement age you chose when your plan started (or age 65 if earlier).</li> <li>This is taken by Zurich for setting up your plan and the payments into it.</li> <li>Capital units reflect payments made during an initial period per payment level.</li> </ul>
<b>Annual Charge</b>	<ul style="list-style-type: none"> <li>This is <b>0.75%</b> per year and is not taken from capital unit funds.</li> <li>It is taken directly within the fund and is reflected in the daily fund prices.</li> <li>This is taken by Zurich for running your plan.</li> </ul>
<b>Refund of annual charge</b>	<ul style="list-style-type: none"> <li>This is <b>0.75%</b> per year and does not apply to capital unit funds</li> <li>This is added back into your plan by Zurich to offset the annual charge.</li> <li>It is applied by increasing the number of units in your plan each month.</li> </ul>
<b>Policy Charge</b>	<ul style="list-style-type: none"> <li>This is <b>£12.07</b> per month and increases each year with inflation.</li> <li>It is applied by reducing the number of units in your plan each month.</li> <li>This is taken by Zurich for running your plan.</li> </ul>

Charges On Payments Into Each Policy	
<b>Bid Offer Spread</b>	<ul style="list-style-type: none"> <li>Payments to your plan are used to purchase units in your chosen fund(s).</li> <li>Units are bought at the offer price, but valued and sold at the bid price.</li> <li>The bid price of each fund is 5% lower than the offer price of the same fund.</li> <li>The difference represents a 5% charge on each payment into your plan.</li> </ul>
<b>Allocation Rate</b>	<ul style="list-style-type: none"> <li>Payments to your plan are used to purchase units in your chosen fund(s).</li> <li>We may adjust the amount of each payment before allocating it to units.</li> <li>Up to ten years before the selected retirement age the allocation rate is 100%.</li> <li>In the last ten years before the selected retirement age the allocation rate is 105% of the investment payment. The additional 5% is added at no additional charge.</li> <li>100% of the payment is used to buy accumulation units if payments continue past the selected retirement age.</li> </ul>

Note that charges for life cover (if any) are not included in the above.

Product name: Executive Retirement Plan – **BE(A)/BG(A)/BH**



## **EXECUTIVE RETIREMENT PLANS (BE/BEA/BG/BGA/BH) – PREMIUM PAYING PLANS**

### **ILLUSTRATIVE EXAMPLES FOR PREMIUM PAYING PLANS**

These illustrative examples apply to plans with a plan number containing the codes BE/BEA/BG/BGA/BH e.g. P11111-111-BH/001.

These illustrative examples should be published on your website; they show the cumulative effect over time of charges and transaction costs on the value of a member's accrued rights to money purchase benefits.

The tables show projected pot values in today's prices after allowing for inflation, before and after charges and costs are deducted.

We have shown separate sets of illustrative examples for members who are before or after their originally selected retirement age

#### **ILLUSTRATIVE EXAMPLES PART 1: for members who have not reached their originally selected retirement age**

The illustrations are shown for typical plans of this type and for a member aged 40 at the start of the projection. **In practice the actual development of the projected pension pot for an individual plan may vary significantly depending on the precise circumstances of the plan such as how old the member is at the start of the projection, how long premiums were paid into the plan for and whether the pension pot has arisen from non-protected rights or protected rights contributions. The illustrations assume that part of the pension pot has arisen from regular non-protected rights contributions.**

We have shown 2 sets of illustrative examples for different levels of pot size for members for whom contributions are being paid. For each pot size we have shown examples of how the projected pension pot may develop for the 2 most popular funds for these product codes and also the funds with the highest and lowest charges (Zurich Schroder UK Alpha Plus Accumulation AP and Zurich Gilt Edged AP respectively). In each example we have assumed that contributions are made of £250 each month at the start of the projection and increase in line with our assumed inflation rate of 2.5% each year; this assumption is based on the typical level of contributions payable for this product.

# **OPENING POT SIZE £50,000**

Projected pension pot in today's money								
Fund choice								
	Zurich Managed AP		Zurich Equity AP		Zurich Schroder UK Alpha Plus Accumulation AP		Zurich Gilt Edged AP	
Years	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	54,000	53,500	54,400	53,900	54,600	53,500	51,900	51,600
3	62,500	60,800	63,800	62,000	64,400	60,700	55,800	54,600
5	71,300	68,200	73,700	70,600	74,800	68,100	59,500	57,500
10	95,000	88,200	101,000	93,900	104,000	87,800	68,200	64,300
15	121,000	111,000	133,000	122,000	138,000	111,000	76,100	71,800
20	150,000	136,000	169,000	152,000	179,000	135,000	83,200	77,800

# **OPENING POT SIZE £200,000**

Projected pension pot in today's money								
Fund choice								
	Zurich Managed AP		Zurich Equity AP		Zurich Schroder UK Alpha Plus Accumulation AP		Zurich Gilt Edged AP	
Years	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	207,000	206,000	208,000	207,000	209,000	206,000	199,000	198,000
3	222,000	218,000	227,000	223,000	229,000	218,000	197,000	195,000
5	238,000	232,000	247,000	240,000	251,000	231,000	195,000	192,000
10	280,000	267,000	301,000	286,000	311,000	265,000	192,000	186,000
15	328,000	310,000	364,000	344,000	382,000	308,000	188,000	184,000
20	381,000	351,000	438,000	402,000	465,000	347,000	185,000	178,000

## **Notes**

1. Projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
2. It is assumed that the originally selected retirement age of the member is 60.
3. It is assumed that the member is aged 40 at the start of the projection and retires after 20 years at age 60.

Product name: Executive Retirement Plan – BE(A)/BG(A)/BH



4. The starting pot size, which is the transfer value of your plan, is assumed to be as stated at the start of each section.
5. Inflation is assumed to be 2.5% each year.
6. Gross contributions of £250 per month are assumed from the start of the projection to retirement and are assumed to increase in line with inflation at 2.5% per year.
7. Values shown are estimates and are not guaranteed.
8. The product charges and fund charges assumed are as shown in the Product Charges, Fund Charges and Transaction Costs enclosure. The assumed transaction costs are based on the average of the actual transaction costs for each fund over the last three scheme years and are shown in the table in note 9.
9. The projected growth rate for each fund are as follows:

Fund	Projected Growth Rate	Assumed Transaction Costs
Zurich Managed AP	2.1% above inflation	0.22% each year
Zurich Equity AP	2.9% above inflation	0.27% each year
Zurich Schroder UK Alpha Plus Accumulation AP	3.2% above inflation	0.62% each year
Zurich Gilt Edged AP	2.0% below inflation	0.05% each year

#### **ILLUSTRATIVE EXAMPLES PART 2: for members who are past their originally selected retirement age**

The illustrations are shown for typical plans of this type and for a member who is past their originally selected retirement age. **In practice the actual development of the projected pension pot for an individual plan may vary depending on whether the pension pot has arisen from non-protected rights or protected rights contributions. The illustrations assume that part of the pension pot has arisen from regular non-protected rights contributions.**

We have shown 2 sets of illustrative examples for different levels of pot size for members for whom contributions are being paid. For each pot size we have shown examples of how the projected pension pot may develop for the 2 most popular funds for these product codes and also the funds with the highest and lowest charges (Zurich Schroder UK Alpha Plus Accumulation AP and Zurich Gilt Edged AP respectively). In each example we have assumed that contributions are made of £250 each month at the start of the projection and increase in line with our assumed inflation rate of 2.5% each year; this assumption is based on the typical level of contributions payable for this product.

# **OPENING POT SIZE £50,000**

Projected pension pot in today's money								
Fund choice								
	Zurich Managed AP		Zurich Equity AP		Zurich Schroder UK Alpha Plus Accumulation AP		Zurich Gilt Edged AP	
Years	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	54,000	53,500	54,400	53,900	54,600	53,500	51,900	51,600
3	62,500	60,900	63,800	62,100	64,400	60,800	55,800	54,700
5	71,300	68,500	73,700	70,800	74,800	68,300	59,500	57,700
10	95,000	88,700	101,000	94,400	104,000	88,300	68,200	64,800
15	121,000	110,000	133,000	121,000	138,000	110,000	76,100	71,100

# **OPENING POT SIZE £200,000**

Projected pension pot in today's money								
Fund choice								
	Zurich Managed AP		Zurich Equity AP		Zurich Schroder UK Alpha Plus Accumulation AP		Zurich Gilt Edged AP	
Years	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	207,000	206,000	208,000	207,000	209,000	206,000	199,000	198,000
3	222,000	218,000	227,000	223,000	229,000	218,000	197,000	195,000
5	238,000	232,000	247,000	240,000	251,000	231,000	195,000	193,000
10	280,000	267,000	301,000	286,000	311,000	266,000	192,000	186,000
15	328,000	305,000	364,000	338,000	382,000	303,000	188,000	181,000

## **Notes**

1. Projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
2. It is assumed that the member is older than their originally selected retirement age at the start of the projection.
3. The starting pot size, which is the transfer value of your plan, is assumed to be as stated at the start of each section.
4. Inflation is assumed to be 2.5% each year.

Product name: Executive Retirement Plan – BE(A)/BG(A)/BH



5. Gross contributions of £250 per month are assumed from the start of the projection to retirement and are assumed to increase in line with inflation at 2.5% per year.
6. Values shown are estimates and are not guaranteed.
7. The product charges and fund charges assumed are as shown in the Product Charges, Fund Charges and Transaction Costs enclosure. The assumed transaction costs are based on the average of the actual transaction costs for each fund over the last three scheme years and are shown in the table in note 9.
8. The projected growth rate for each fund are as follows:

Fund	Projected Growth Rate	Assumed Transaction Costs
Zurich Managed AP	2.1% above inflation	0.22% each year
Zurich Equity AP	2.9% above inflation	0.27% each year
Zurich Schroder UK Alpha Plus Accumulation AP	3.2% above inflation	0.62% each year
Zurich Gilt Edged AP	2.0% below inflation	0.05% each year

Product name: Executive Retirement Plan – BE(A)/BG(A)/BH

## EXECUTIVE RETIREMENT PLANS (BE/BEA/BG/BGA/BH) – PAID UP PLANS

### ILLUSTRATIVE EXAMPLES FOR PAID UP PLANS

These illustrative examples apply to plans with a plan number containing the codes BE/BEA/BG/BGA/BH e.g. P11111-111-BH/001.

These illustrative examples should be published on your website; they show the cumulative effect over time of charges and transaction costs on the value of a member's accrued rights to money purchase benefits.

The tables show projected pot values in today's prices after allowing for inflation, before and after charges and costs are deducted.

We have shown separate sets of illustrative examples for members who are before or after their originally selected retirement age (SRA).

#### **ILLUSTRATIVE EXAMPLES PART 1: for members who have not reached their originally selected retirement age**

The illustrations are shown for typical plans of this type and for a member aged 40 at the start of the projection. **In practice the actual development of the projected pension pot for an individual plan may vary significantly depending on the precise circumstances of the plan such as how old the member is at the start of the projection, how long premiums were paid into the plan for and whether the pension pot has arisen from non-protected rights or protected rights contributions. The illustrations assume that part of the pension pot has arisen from regular non-protected rights contributions.**

We have shown 2 sets of illustrative examples for different levels of pot size for members for whom contributions are no longer being paid. For each pot size we have shown examples of how the projected pension pot may develop for the 2 most popular funds for these product codes and also the funds with the highest and lowest charges (Zurich Schroder UK Alpha Plus Accumulation AP and Zurich Gilt Edged AP respectively).



## OPENING POT SIZE £10,000

Projected pension pot in today's money								
Fund choice								
	Zurich Managed AP		Zurich Equity AP		Zurich Schroder UK Alpha Plus Accumulation AP		Zurich Gilt Edged AP	
Years	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	10,200	10,000	10,200	10,100	10,300	10,000	9,800	9,650
3	10,600	10,100	10,900	10,300	11,000	10,000	9,440	8,990
5	11,100	10,100	11,500	10,500	11,700	10,100	9,080	8,360
10	12,300	10,400	13,300	11,200	13,800	10,300	8,250	6,900
15	13,700	11,900	15,400	13,400	16,200	11,800	7,490	6,300
20	15,300	11,300	17,800	13,400	19,000	11,200	6,810	4,550

## OPENING POT SIZE £30,000

Projected pension pot in today's money								
Fund choice								
	Zurich Managed AP		Zurich Equity AP		Zurich Schroder UK Alpha Plus Accumulation AP		Zurich Gilt Edged AP	
Years	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	30,600	30,300	30,800	30,600	30,900	30,300	29,400	29,200
3	31,900	31,200	32,700	31,900	33,000	31,100	28,300	27,800
5	33,300	32,000	34,600	33,200	35,200	31,900	27,200	26,400
10	37,100	34,400	40,100	37,100	41,400	34,200	24,700	23,300
15	41,300	40,700	46,300	45,600	48,700	40,400	22,400	22,500
20	46,000	40,900	53,600	47,700	57,200	40,500	20,400	18,300

### Notes

1. Projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
2. It is assumed that the originally selected retirement age of the member is 60.
3. It is assumed that the member is aged 40 at the start of the projection and retires after 20 years at age 60.
4. The starting pot size, which is the transfer value of your plan, is assumed to be as stated at the start of each section.
5. Inflation is assumed to be 2.5% each year.

Product name: Executive Retirement Plan – BE(A)/BG(A)/BH

6. It is assumed that no further contributions are paid.
7. Values shown are estimates and are not guaranteed.
8. The product charges and fund charges assumed are as shown in the Product Charges, Fund Charges and Transaction Costs enclosure. The assumed transaction costs are based on the average of the actual transaction costs for each fund over the last three scheme years and are shown in the table in note 9.
9. The projected growth rate for each fund are as follows:

Fund	Projected Growth Rate	Assumed Transaction Costs
Zurich Managed AP	2.1% above inflation	0.22% each year
Zurich Equity AP	2.9% above inflation	0.27% each year
Zurich Schroder UK Alpha Plus Accumulation AP	3.2% above inflation	0.62% each year
Zurich Gilt Edged AP	2.0% below inflation	0.05% each year

Product name: Executive Retirement Plan – BE(A)/BG(A)/BH



## **ILLUSTRATIVE EXAMPLES PART 2: for members who are past their originally selected retirement age**

The illustrations are shown for typical plans of this type and for a member who is past their originally selected retirement age. **In practice the actual development of the projected pension pot for an individual plan may vary depending on whether the pension pot has arisen from non-protected rights or protected rights contributions. The illustrations assume that part of the pension pot has arisen from regular non-protected rights contributions.**

We have shown 2 sets of illustrative examples for different levels of pot size for members for whom contributions are no longer being paid. For each pot size we have shown examples of how the projected pension pot may develop for the 2 most popular funds for these product codes and also the funds with the highest and lowest charges (Zurich Schroder UK Alpha Plus Accumulation AP and Zurich Gilt Edged AP respectively).

### **OPENING POT SIZE £10,000**

<b>Projected pension pot in today's money</b>								
Fund choice								
	Zurich Managed AP		Zurich Equity AP		Zurich Schroder UK Alpha Plus Accumulation AP		Zurich Gilt Edged AP	
Years	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	10,200	10,000	10,200	10,100	10,300	10,000	9,800	9,650
3	10,600	10,000	10,900	10,300	11,000	10,000	9,440	8,980
5	11,100	10,100	11,500	10,500	11,700	10,100	9,080	8,330
10	12,300	10,300	13,300	11,100	13,800	10,200	8,250	6,830
15	13,700	10,500	15,400	11,800	16,200	10,400	7,490	5,480

Product name: Executive Retirement Plan – BE(A)/BG(A)/BH

## OPENING POT SIZE £30,000

Projected pension pot in today's money								
Fund choice								
	Zurich Managed AP		Zurich Equity AP		Zurich Schroder UK Alpha Plus Accumulation AP		Zurich Gilt Edged AP	
Years	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	30,600	30,300	30,800	30,600	30,900	30,300	29,400	29,200
3	31,900	31,100	32,700	31,800	33,000	31,100	28,300	27,700
5	33,300	31,900	34,600	33,100	35,200	31,900	27,200	26,300
10	37,100	34,100	40,100	36,800	41,400	33,900	24,700	23,100
15	41,300	36,400	46,300	40,900	48,700	36,200	22,400	20,100

### Notes

1. Projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
2. It is assumed that the member is older than their originally selected retirement age at the start of the projection.
3. The starting pot size, which is the transfer value of your plan, is assumed to be as stated at the start of each section.
4. Inflation is assumed to be 2.5% each year.
5. It is assumed that no further contributions are paid.
6. Values shown are estimates and are not guaranteed.
7. The product charges and fund charges assumed are as shown in the Product Charges, Fund Charges and Transaction Costs enclosure. The assumed transaction costs are based on the average of the actual transaction costs for each fund over the last three scheme years and are shown in the table in note 8.
8. The projected growth rate for each fund are as follows:

Fund	Projected Growth Rate	Assumed Transaction Costs
Zurich Managed AP	2.1% above inflation	0.22% each year
Zurich Equity AP	2.9% above inflation	0.27% each year
Zurich Schroder UK Alpha Plus Accumulation AP	3.2% above inflation	0.62% each year
Zurich Gilt Edged AP	2.0% below inflation	0.05% each year

Product name: Executive Retirement Plan – BE(A)/BG(A)/BH