

CHAIR'S ANNUAL STATEMENT

Cendant Relocation Services Equitable Life Pension Scheme (1985)

For the year ended 31 December 2023

The Trustees are pleased to provide this Statement which gives you information about the governance of the Cendant Relocation Services Equitable Life Pension Scheme (1985) ('the Scheme') and explains how we have looked after the Scheme during the year which ended on 31 December 2023.

The Chair's Statement is made available online at <https://cartus.com/en/>.

Background

The Scheme is a defined contribution arrangement managed by Utmost Life and Pensions Limited ('Utmost'). Utmost undertakes all the necessary services to operate the Scheme, including investment management, administration and member communications.

No contributions have been paid into it since 2011. The Scheme has never been used as a Qualifying Scheme for Auto-enrolment purposes. Consequently, there is no 'default investment arrangement' as defined in legislation.

During 2023 the Employer and the Trustees discussed the future of the Scheme and concluded that it would be in members' best interests to wind-up. The effective date of the wind-up is envisaged to be in the first quarter of 2024. All members will be contacted and provided with full details of their benefits in the Scheme and what their options are in relation to these benefits.

The purpose of this Statement

Statutory governance requirements apply to defined contribution ('DC') pension arrangements, to help members achieve a good outcome from their pension savings. The Trustees of the Scheme are required to produce a yearly statement (which is signed by the Chair of the Trustees) to describe how these governance requirements have been met in relation to:

- the investment options in which members' funds are invested;
- the charges and transaction costs borne by members;
- an illustration of the cumulative effect of these costs and charges;
- the requirements for processing financial transactions; and
- the level of the Trustees' knowledge and understanding.

This statement covers the period from 1 January 2023 to 31 December 2023.

The statement complies with the statutory requirements as set out in the relevant legislation and regulatory guidance. Principally, in accordance with the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended).

Default investment arrangements

Contributions to the Scheme ceased prior to April 2015 and therefore there is no 'default arrangement' as defined in legislation. However, the Trustees recognises that most members are invested in the Utmost 'Investing by Age Strategy' and were transitioned to this approach following the closure of the Equitable Life With-Profits Fund. An explanation of the strategy is set-out in the Statement of Investment Principles (attached to this statement).

The strategy uses three underlying funds, namely: Utmost Multi-Asset Moderate Fund, Utmost Multi-Asset Cautious Fund and Utmost Money Market Fund. The performance of these funds is set-out in **Appendix B**. The underlying asset classes used by each fund is shown in **Appendix D**.

Some members were also invested in Equitable Life 'self-select' funds and these were transitioned to the equivalent Utmost funds. Consequently, these funds could be regarded as 'default arrangements' and information on performance and charges is provided in this statement.

The Trustees did not undertake an investment review in the Scheme Year. The last review was undertaken in 2020 when the management of the funds switched from Equitable Life to Utmost. The Trustees will be considering future investment options as part of the wind-up process.

The performance and charges data in this statement complies with the requirements of the statutory guidance.

Core financial transactions

During the year the Trustees delegated the day-to-day administration of the Scheme to Utmost.

The core financial transactions include:

- The transfer of assets relating to members in to and out of the Scheme
- The transfer of assets relating to members between different investments within the Scheme
- Payments from the Scheme to, or in respect of, members

The administrator has adopted a number of processes to ensure core financial transactions are processed promptly and accurately:

- Processes and procedures are in place to ensure all work is done within any agreed SLA.
- Utmost has provided the Trustee with a written statement of how it maintains appropriate governance and administration standards.

The Trustees are satisfied that over the period covered by this statement:

- The administrator was operating appropriate procedures, checks and controls and operating within its standard SLAs;
- 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.

Charges and transaction costs

The Trustees are required to set out the on-going charges borne by members in this statement, which are annual fund management charges plus any 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 any costs, e.g. administration and investment costs, where members incur these costs.

The Trustees are also required to separately disclose transaction cost figures that are borne by members. Transaction costs arise as a result of buying and selling the funds' underlying investments in order to achieve their investment objective or to raise or invest cash.

Appendix A in this statement sets out the relevant data on TERs and transaction costs for all the funds used by members. Meanwhile, the investment returns net of all fees borne by members of the Scheme, are set-out in **Appendix B**.

The charges for the funds used in the Investing by Age Strategy range between 0.50% and 0.75%.

Illustration of charges and transaction costs

Over a period of time, the charges and transaction costs that are taken out of a member's pension savings can reduce the amount available to the member at retirement. In **Appendix C** of this statement, the Trustees have set out illustrations of the impact of charges and transaction costs on different

investment options in the Scheme. The illustrations have been prepared in accordance with the statutory guidance on the projection of an example member's pension savings.

Value for members assessment

The Trustees are required to assess the extent to which member borne charges and transaction costs represent good value for members. It is difficult to give a precise legal definition of 'good value', but the Trustees consider that it broadly means "that the combination of costs and the quality of what is provided in return for those costs is appropriate for the Scheme membership as a whole, when compared to other options available in the market".

The Trustees did not undertake a formal value for members assessment in the Scheme Year. However, the Trustees believe the charges borne by members are reasonable and competitive with market practice for the type and size of the Scheme. Nevertheless, the Employer has instructed the Trustees to wind-up the Scheme and secure members' benefits with alternative arrangements. This wind-up exercise is currently underway.

Communicating with members

The Trustees have delegated the preparation of communication materials to Utmost. However, the Trustees do maintain an involvement, including:

- The Trustees endeavour to provide Scheme communication that is accurate, clear, understandable and engaging.
- The Trustees, with their advisers, carefully consider all member communications and review common communications periodically.
- The Trustees work closely with the Scheme advisers to try to ensure members' interests are understood and represented in all decision making.
- The Trustees issue annual benefit statements to members.
- Ad hoc announcements are sent periodically as the Trustee deems necessary.

The Trustees will be preparing and distributing the necessary and appropriate information to members during the wind-up process.

Knowledge and understanding of the Trustees

Since becoming responsible for the Scheme, the Trustees believe that they have largely adopted the standard of good practice as set out in the DC Code of Practice and regulatory guidance. Nevertheless, as instructed by the Employer, the Trustees is to wind-up the Scheme.

Specifically with regard to winding-up an occupational DC scheme the Trustees consider that they have sufficient knowledge and understanding of the law, including the relevant principles relating to funding and investment. The Trustee is conversant with the Trust Deed and Rules.

The Trustees also seek advice on the arrangements from their appointed professional advisers.

Signed 

Name Tracy Edmonds

Position Trustee, Global Head of Human Resources

Date 17th April 2024

Appendix A Costs and Charges (including transaction costs)



Disclosure of Fund Costs (including transaction costs in compliance with FCA PS 17/20)

Utmost Life and Pensions Fund	Fund Annual Management Charge	Underlying Open Ended Investment Company "OEIC" Fund Held	Underlying Open Ended Investment Company "OEIC" ISIN Number	Annualised Reporting Period	OEIC Net Transaction Cost PA [1]	Stocklending PA [2]	Utmost Life and Pensions Fund Transaction Cost PA [3]	Utmost Life and Pensions Fund Total Charges Impact PA [4]
Unit-Linked Pension								
Multi-Asset Cautious	0.75%	JPM Multi-Asset Cautious	GB00BJ0LS010	30/09/2023	0.2760%	0.0005%	0.0000%	1.03%
Multi-Asset Moderate	0.75%	JPM Multi-Asset Moderate	GB00BJ0LS234	30/09/2023	0.2290%	0.0010%	0.0000%	0.98%
Multi-Asset Growth	0.75%	JPM Multi-Asset Growth	GB00BJ0LS457	30/09/2023	0.1642%	0.0001%	0.0000%	0.91%
Sterling Corporate Bond	0.75%	JPM Sterling Corporate Bond	GB00BJ0XFHT23	30/09/2023	0.3907%	0.0005%	0.0000%	1.14%
Asia Pacific	0.75%	Abrdn Asia Pacific Equity Enhanced Index JPM Asia Pacific Equity	GB00BRJL7V21 GB00BJ0LBC40	30/09/2023	0.1182%	0.0001%	0.0000%	0.87%
European Equity	0.75%	Abrdn European Equity Enhanced Index JPM Europe (Ex UK) Research Enhanced	GB00BRJL7X45 GB00BJ0LBD56	30/09/2023	0.0843%	0.0026%	0.0040%	0.84%
US Equity	0.75%	Abrdn American Equity Enhanced Index JPM US Research Enhanced Index	GB00BRJL8192 GB00BJ0LQ964	30/09/2023	0.4212%	0.0001%	0.0010%	1.17%
UK Equity	0.75%	Abrdn UK Equity Enhanced Index JPM UK Equity Core	GB00BRJL8531 GB00BJ0DK1K58	30/09/2023	0.2178%	0.0009%	0.0233%	0.99%
UK FTSE All Share Tracker	0.50%	Abrdn UK All Share Tracker Fund JPM UK Equity Index	GB00B61CD396 GB00BJ0LS895	30/09/2023	0.0526%	0.0020%	0.0000%	0.55%
Fund of Investment Trusts	0.75%	Halifax Fund of Investment Trusts	GB00B29MCX79	30/09/2023	0.2600%	0.0000%	0.0000%	1.01%
UK Government Bond	0.50%	Abrdn UK Government Bond JPM UK Government Bond	GB00D4333380 GB00BJ0LS671	30/09/2023	0.2910%	0.0012%	0.0000%	0.79%
Property [5]	1.00%	Abrdn UK Real Estate	GB00BJLZ1TG29	30/09/2023	0.1500%	0.0000%	0.3240%	1.84%
Global Equity	0.75%	Abrdn World Equity Enhanced Index JPM Global Research Enhanced Index	GB00BRJL7Z68 GB00BJ0LBS87	30/09/2023	0.0788%	0.0003%	0.0010%	0.83%
Money Market	0.50%	JPM GBP Liquidity LVNAV	LU1873130667	30/09/2023	0.0159%	0.0000%	0.0000%	0.52%
Managed [6]	0.75%	Composite	See below for assets held	30/09/2023	0.1515%	0.0005%	0.0160%	0.92%

Notes:

[1] The costs for the underlying OEICs held by each Fund are now being calculated on the full arrival price slippage methodology.

[2] When a Abrdn fund lends stock it is entitled to receive 85% of the income earned. The remaining 15% belongs to the stocklending agent. When a JP Morgan fund lends stock it is entitled to receive 90% of the income earned. The remaining 10% belongs to the stocklending agent. The costs suffered by the fund are disclosed but not the income in accordance with regulations.

[3] This is the cost incurred on the Fund when it purchases or sells the underlying asset (OEIC) as the price may include a dilution adjustment. The purpose of dilution is to ensure the OEIC performance is not impacted by large investments or disinvestments.

[4] The total charges impact to policyholders on each Utmost Fund of costs at both Fund and underlying OEIC level and includes the annual management charge.

Some members of the Scheme also have holdings in the Clerical Medical With-Profits Fund (Special Payment Staff Link Fund-Based Charge Option Section).

The Annual Management Charge for this fund is 0.5%. This is deducted from the underlying investment return before bonuses are declared and distributed.

Transaction costs have not been made available by Utmost nor Scottish Widows/Clerical Medical and so cannot be disclosed.

Source: Utmost and Scottish Widows Limited (trading as Clerical Medical)

Appendix B Investment Returns

The investment returns, net of all fees borne by members of the Scheme, are provided in the table below for the Scheme's current arrangements.

Net Investment Returns of Member Self-Select Funds as at 31 December 2023

Fund	1 Year (%)	3 Year (% p.a.)	5 Year (% p.a.)
Utmost Multi-Asset Cautious Fund	6.3	-1.3	n/a
Utmost Multi-Asset Moderate Fund	9.5	2.9	n/a
Utmost Multi-Asset Growth Fund	10.6	4.9	n/a
Utmost UK FTSE All Share Tracker Fund	7.1	8.0	6.1
Utmost UK Equity Fund	7.6	8.2	5.4
Utmost Asia Pacific Equity Fund	1.3	-2.0	4.5
Utmost European Equity Fund	15.1	7.1	9.4
Utmost US Equity Fund	19.2	12.8	14.6
Utmost Global Equity Fund	18.9	11.3	12.5
Utmost Managed Fund	8.1	4.8	5.4
Utmost Sterling Corporate Bond Fund	8.9	-5.0	n/a
Utmost UK Government Bond Fund	3.6	-9.6	-3.1
Utmost Money Market Fund	4.3	1.6	1.0

Source: FE Analytics.

Clerical Medical With-Profits Fund

The latest investment returns available are as at 31 December 2022.

The 1 year 'unsmoothed return' of the underlying fund was -8.0%.

The annualised 5 year 'unsmoothed return' of the underlying fund was 1.9%.

The Regular bonus Rate applied to members' funds for the latest date available was 0.6%pa (after deduction of charges). This is the rate declared at February 2023.

Source: Utmost and Scottish Widows Limited (trading as Clerical Medical)

Appendix C Illustration of the impact of costs and charges on projected fund values

Cost and Charges Reporting

The following table shows the impact of charges for each fund invested. Each fund is projected over several years and shown before and after cost and charges have been deducted.

Term	MULTI-ASSET GROWTH		MULTI-ASSET MODERATE		MULTI-ASSET CAUTIOUS		INVESTING BY AGE	
	Before Charges	After Costs and Charges Deducted	Before Charges	After Costs and Charges Deducted	Before Charges	After Costs and Charges Deducted	Before Charges	After Costs and Charges Deducted
1	1,012	1,001	1,007	998	997	986	1,007	996
3	1,037	1,004	1,021	995	991	959	1,021	995
5	1,062	1,007	1,035	992	985	933	1,035	992
10	1,129	1,013	1,070	985	971	871	1,042	975
15	1,199	1,020	1,107	977	957	812	1,045	930
20	1,274	1,027	1,144	970	943	758	1,050	869
25	1,354	1,034	1,185	962	929	707	1,055	810
30	1,439	1,041	1,227	955	916	660	1,055	748
35	1,528	1,048	1,269	947	902	616	931	669
40	1,624	1,055	1,313	940	889	575	834	584

Term	STERLING CORP BOND		MANAGED		UK EQUITY		U.K. FTSE ALL SHARE	
	Before Charges	After Costs and Charges Deducted	Before Charges	After Costs and Charges Deducted	Before Charges	After Costs and Charges Deducted	Before Charges	After Costs and Charges Deducted
1	993	984	1,010	1,002	1,020	1,009	1,020	1,014
3	980	953	1,031	1,006	1,060	1,028	1,040	1,044
5	966	923	1,052	1,010	1,101	1,047	1,101	1,074
10	934	851	1,107	1,020	1,213	1,097	1,213	1,153
15	902	786	1,165	1,030	1,336	1,149	1,336	1,239
20	872	725	1,226	1,041	1,472	1,204	1,472	1,330
25	843	669	1,290	1,051	1,621	1,261	1,621	1,429
30	814	617	1,358	1,061	1,786	1,321	1,786	1,535
35	787	569	1,429	1,072	1,967	1,383	1,967	1,648
40	760	525	1,503	1,083	2,166	1,449	2,166	1,770

Term	EUROPEAN EQUITY		US EQUITY		ASIA PACIFIC EQUITY		GLOBAL EQUITY	
	Before Charges	After Costs and Charges Deducted	Before Charges	After Costs and Charges Deducted	Before Charges	After Costs and Charges Deducted	Before Charges	After Costs and Charges Deducted
1	1,020	1,010	1,020	1,012	1,020	1,010	1,020	1,011
3	1,060	1,031	1,040	1,034	1,060	1,032	1,040	1,033
5	1,101	1,052	1,101	1,061	1,101	1,053	1,101	1,056
10	1,213	1,106	1,213	1,127	1,213	1,110	1,213	1,115
15	1,336	1,164	1,336	1,196	1,336	1,169	1,336	1,177
20	1,472	1,224	1,472	1,269	1,472	1,231	1,472	1,242
25	1,621	1,288	1,621	1,347	1,621	1,297	1,621	1,312
30	1,786	1,354	1,786	1,430	1,786	1,366	1,786	1,385
35	1,967	1,425	1,967	1,518	1,967	1,439	1,967	1,462
40	2,166	1,498	2,166	1,611	2,166	1,516	2,166	1,543

Term	UK GOVERNMENT BOND		MONEY MARKET		PROPERTY		INVESTMENT TRUSTS	
	Before Charges	After Costs and Charges Deducted	Before Charges	After Costs and Charges Deducted	Before Charges	After Costs and Charges Deducted	Before Charges	After Costs and Charges Deducted
1	985	979	978	973	1,020	1,008	1,020	1,007
3	957	940	936	921	1,040	1,025	1,040	1,022
5	929	901	895	873	1,101	1,041	1,101	1,037
10	863	812	801	761	1,213	1,084	1,213	1,076
15	802	732	717	664	1,336	1,129	1,336	1,116
20	745	660	642	580	1,472	1,176	1,472	1,158
25	692	595	574	506	1,621	1,224	1,621	1,202
30	643	536	514	441	1,786	1,275	1,786	1,247
35	597	483	460	385	1,967	1,327	1,967	1,293
40	554	436	412	336	2,166	1,382	2,166	1,342

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) The starting pot size in each fund is assumed to be £1,000
- 3) Inflation is assumed to be 2.5% p.a. in line with specified assumptions used in Statutory Money Purchase Illustrations
- 4) Values shown are estimates and are not guaranteed
- 5) The projected growth rate for each fund are as follows:
 Unit-Linked Equity 4.5% p.a. (FTSE Tracker, Managed, UK Equity, Asia Pacific Equity, European Equity, US Equity, Fund of Investment Trusts, Global Equity, Property)
 Multi-Asset Growth 3.75% p.a.
 Multi-Asset Moderate 3.2% p.a.
 Multi-Asset Cautious 2.2% p.a.
 Sterling Corporate Bond 1.8% p.a.
 UK Government Bond 1% p.a.
 Unit-Linked Cash 0.25% p.a. (Money)

Illustrations are not available for the Clerical Medical With-Profits Fund

Source: Utmost

Appendix D Asset allocation of the default investment option

Utmost Multi-Asset Moderate Fund

Equities – 66.3%
Bonds – 27.4%
Cash – 5.5%
Other – 0.8%

Utmost Multi-Asset Cautious Fund

Equities – 39.9%
Bonds – 50.8%
Cash – 8.5%
Other – 0.8%

Utmost Money Market Fund

Cash – 93.2%
Bonds – 6.8%

The allocation within Bonds has not been made available by Utmost.

Source: Utmost