

RENISHAW PENSION FUND (the “Fund”)

Annual statement regarding governance – for the period from 1 October 2023 to 30 September 2024

Introduction

Under legislation set out in Regulation 23 of The Occupational Pension Schemes (Scheme Administration) Regulations 1996, as amended by The Occupational Pension Schemes (Charges and Governance) Regulations 2015 (together the “Administration Regulations”), the Trustee of the Renishaw Pension Fund (the “Trustee”) is required to prepare this annual statement on governance.

Governance rules introduced by the Government have applied to Defined Contribution (DC) schemes since April 2015. These rules, which include new legal requirements that came into force in April 2018, are designed to help deliver better outcomes for members. The Trustee has to provide an annual statement, which explains what action the Trustee board has undertaken to meet the new governance rules.

The Fund is a DB pension scheme which historically has accepted DC transfers-in from members, making it technically a hybrid arrangement. These transfers-in are held on a DC basis. A number of the transfers-in have a Guaranteed Minimum Pension (GMP) underpin attached to them.

For any money purchase assets (DC transfers-in) there are several possible approaches at retirement for a member to receive their benefits:

- 1) If the balance is relatively small (currently defined as less than £6,667) it can be put towards increasing the member's DB pension;
- 2) If the balance is larger (more than or equal to £6,667) then it can be used to buy the member an annuity on the open market;
- 3) Alternatively, members may transfer their money purchase benefits out of the Fund to another provider, for example to a drawdown provider to access benefits flexibility;
- 4) Where there is a GMP underpin, this is secured within the Fund, any excess can be used as above (GMP is subject to restrictions on retirement age).

The default arrangement

The Fund is not a qualifying arrangement for auto-enrolment compliance purposes and as such, legal advisers have previously indicated there is no legislative requirement to have a default arrangement in place. Furthermore, the Fund is closed to new members and new member contributions.

The transfer-in assets were previously invested with the Defined Benefit (DB) assets, however this changed after the DB assets were used to secure DB liabilities in a buy-in transaction, which completed on 9 November 2023. As at Fund year-end on 30 September 2024, residual DB asset and transfer-in assets were invested in the BlackRock Sterling Liquidity Fund.

Investment review

The table below summarises the investment changes that took place in respect of the DC transferred in assets.

Period	Where the DC transfer-in assets were invested
As at 1 October 2023, at the start of the Fund year	Invested alongside DB assets. See below for full list of funds.
Following the disinvestments in October 2023 and up until the end of the Fund year on 30 September 2024	Invested in the BlackRock Sterling Liquidity Fund
As at November 2024, after the end of the Fund year covered by this statement	Invested in the BlackRock DC Diversified Growth Fund

Investment reviews are conducted periodically, with a minimum frequency of every three years.

In Q4 2023, the Fund undertook a DB buy-in and entered into a bulk annuity contract with Scottish Widows to secure its (DB) liabilities. The buy-in was completed on 9 November 2023. This decision was prompted by a significant improvement in the Fund's DB funding level, which was driven by rising UK government bond yields that reduced the value of the Fund's DB liabilities. Consequently, the majority of the Fund's DB assets were transferred to Scottish Widows, however the transfer-in assets were not included with the buy-in. Instead, the Trustee decided to invest the transfer-in assets in the BlackRock Sterling Liquidity Fund as an interim measure while conducting an investment strategy review to determine the most suitable long term strategy for the transfer-in assets. The decision to invest in the BlackRock Sterling Liquidity Fund aimed to minimise exposure to risk and volatility in the short to medium term. The fund is a low-risk money market fund that has provided a positive return over the year given the level of prevailing cash rates.

The following funds were disinvested on 19 October 2023:

- BlackRock - Aquila Life Over 15 Year Corporate Bond Fund;
- BlackRock Buy & Maintain UK Credit;
- LMF GBP 2030 GILT FLEX;
- LMF GBP 2040 IL GILT FLEX;
- LMF GBP 2050 IL GILT FLEX;
- LMF GBP 2052 GILT FLEX;
- LMF GBP 2060 GILT FLEX;
- LMF GBP 2062 IL GILT FLEX;
- LMF GBP 2068 GILT FLEX;
- LMF GBP 2068 IL GILT FLEX;
- LMF GBP INFLTN 2030-2034 SWAP FLEX;
- LMF GBP INFLTN 2040-2044 SWAP FLEX.

The following fund was disinvested on 31 October 2023:

- Ninety One Multi Asset Credit;

Following the DC Investment Strategy Review completed in March 2024, the Trustee agreed to transition the DC transfer-in assets from the BlackRock Sterling Liquidity Fund to the BlackRock DC Diversified Growth Fund. This change was implemented in November 2024, after the Fund year end covered by this statement.

Asset Allocation

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) and Pensions Dashboards (Amendment) Regulations 2023 introduce new requirements for trustees and

managers of certain occupational pension schemes. For the first scheme year that ends after 1 October 2023, trustees or managers of relevant occupational pension schemes, are required to disclose their full asset allocations of investments from their default arrangements. Although the requirement is for defaults only and the Fund does not have a default, the Trustee has opted to include this disclosure below for completeness. There is also a requirement to disclose details of performance-based fees in the Fund. Blackrock have confirmed that no performance-based fees are currently being charged to the Fund as at 30th September 2024.

Information on the asset allocation for the funds the Fund is invested in is set out below:

	Percentage allocation – average at age 25 years	Percentage allocation – average at age 45 years	Percentage allocation – average at age 55 years	Percentage allocation – average at age 65 years	BlackRock Sterling Liquidity Fund
Cash	100%	100%	100%	100%	100%

The following describes the types of investment covered by the above asset class:

- Cash – Cash and assets that behave similarly to cash e.g. treasury bills. It only includes invested cash and not the cash balance held by the Fund.

Financial transactions

As required by the Administration Regulations, the Trustee must ensure that core financial transactions are processed promptly and accurately.

The Trustee operates a system of internal controls aimed at monitoring the Fund's administration and management. Included in this system are mechanisms to ensure the prompt and accurate processing of financial transactions, including core transactions such as the transfer of member assets out of the Fund and the payment of benefits. The Fund's Risk Register outlines the risks to members who have DC benefits and these are monitored and reviewed on an annual basis by the Trustee.

The Trustee has delegated the administration of the DC benefits to Barnett Waddingham and has agreed minimum timescales for all services, including core financial functions. The service level agreements ("SLAs") in place cover both the accuracy and timeliness of the financial transactions. This ensures the accuracy of the data provided. The administration reports produced by Barnett Waddingham are reviewed carefully, and in detail, by the Trustee at each quarterly meeting. Throughout the year, performance against SLAs at the Fund level were 97%. Over the 12 months leading up to 30 September 2024, there were two DC transaction cases, these were both retirements which were processed within the SLA timescales.

The Fund SLAs are set out in the table below

DC Transaction	SLA
Transfer-in	The Fund is closed for future contributions and does not accept transfers-in

Transfer-out payment	Stage 1 = 10 days Stage 2 = 3 days
Retirement	Stage 1 = 5 Stage 2 = 3 Stages 3 to 4 = 5 days
Death	Stage 1 = 2 days Stages 2 to 5 = 5 days
Investment Switch	Members do not currently have any investment choice

The Trustee's bank account is managed by the sponsoring employer on the Trustee's behalf. A qualified member of staff within the Finance department monitors the Trustee bank account daily. Their role is to advise of any issues such as unexpected payments or receipts, monitor cashflows to and from the account to ensure that the account has sufficient funds to pay member benefits when requested and to take action to rectify any identified funding issues.

All banking transactions undergo checks and due diligence to ensure they are performed correctly prior to the payment being allowed. Payments are made via the Trustee's bank account.

The Trustee's bank account process is set out below:

- Trustee authorises payment
- A processor must create the payment
- A checker then authorises the payment
- Finally the payment is signed off by two authorised people within Renishaw

The Barnett Waddingham transaction process is set out below:

- A processor must create the payment
- A checker then authorises the payment
- A further person who has sufficient authorisation limits will then sanction the payment

Barnett Waddingham has key controls and checks in place to ensure accuracy. These are set out below:

- Benefit calculations – Administrators following a comprehensive checklist when processing. All calculations are checked by a more senior member of the team. Calculations are scanned and saved to members' files.
- Calculating increases to member's pots for performance – members' money purchase transferred in benefits are increased using the latest unit price provided by the Trustee's investment advisers on a monthly basis.

Over the year, the Trustee delegated the day-to-day investment management of the transfers-in assets to BlackRock Investment Management (UK) Limited and to Ninety One and the Trustee holds/held a long-term unit-linked contract arrangement with them.

The Trustee is satisfied that the Fund's core financial transactions have been processed promptly and accurately during the period to which this statement relates.

Charges and transactions costs

As required by the Administration Regulations, the Trustee is obliged to report on the investment charges and transactions costs which were incurred by members. The Trustee also needs to assess whether the charges and costs represented good value for members. This section has been produced in line with statutory guidance. All information available has been provided.

As at 30 September 2024, these assets were invested wholly in the BlackRock Sterling Liquidity Fund (c.96.6% in cash holding) and in the Trustee bank account (c.3.4% cash holding).

The Company currently meets all advisory costs associated with operating the Fund together with any additional bespoke member communications commissioned but DC members pay transaction charges on the investment fund. The table below includes the Annual Management Charge and Total Expense Ratio for information purposes.

Renishaw Pension Fund – DC transfers-in	30 September 2023 Weight (%)	30 September 2024 DC Weight (%)	AMC (% p.a.)	TER (% p.a.)	Transaction Costs (% p.a.)
Fixed Income					
BlackRock - Aquila Life Over 15 Year Corporate Bond Fund**	26.70	0.00	0.14	0.15	0.50
BlackRock Buy & Maintain UK Credit**	5.10	0.00	0.19	0.22	0.34
Ninety One Multi Asset Credit*	13.10	0.00	0.75	0.92	0.35
LMF GBP 2030 GILT FLEX**	1.20	0.00	0.14	0.17	0.00
LMF GBP 2040 IL GILT FLEX**	8.10	0.00	0.14	0.18	0.00
LMF GBP 2050 IL GILT FLEX**	11.20	0.00	0.14	0.18	0.00
LMF GBP 2052 GILT FLEX**	0.90	0.00	0.14	0.18	0.00
LMF GBP 2060 GILT FLEX**	1.10	0.00	0.14	0.18	0.00
LMF GBP 2062 IL GILT FLEX**	2.60	0.00	0.14	0.18	0.00
LMF GBP 2068 GILT FLEX**	3.80	0.00	0.14	0.18	0.00
LMF GBP 2068 IL GILT FLEX**	4.30	0.00	0.14	0.18	0.00
LMF GBP INFLT N 2030-2034 SWAP FLEX**	3.70	0.00	0.14	0.18	0.10
LMF GBP INFLT N 2040-2044 SWAP FLEX**	3.30	0.00	0.14	0.18	0.11

Cash					
Trustee Cash Balance	0.70	3.40	n/a	n/a	n/a
GBP Cash	1.60	0.00	n/a	n/a	n/a
BlackRock ICS Sterling Liquidity Fund*	12.60	96.60	0.10	0.13	0.00

Source: Provided by BlackRock and Ninety-One. Transaction costs and total expense ratios are as at 30 September 2024 unless otherwise stated.

LMF denotes the underlying assets invested in LDI.

** The fees for the ICS Sterling Liquidity Fund and for the Ninety-One Multi Asset Credit Fund are borne by the members since they are included in the unit price and consists of a total expense charge that includes both the investment management fee as well as all additional expenses.*

*** The management charges are not borne by members. Transaction costs and total expense ratios for these funds are reported to date of disinvestment on 19 October 2023.*

The Trustee confirms that the funds referred to above are the only funds in use by the Fund for the provision of DC benefits throughout the Fund year. Please note that there are no performance-based fees over the reporting period.

Net return on investments

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') introduced requirements for trustees of 'relevant' occupational pension schemes.

Trustees of all relevant pension schemes are required to calculate and state the return on investments from their funds, net of transaction costs and charges.

The table below sets out annualised net performance for the relevant periods for the funds in use during the Fund Year.

Funds	Trustee's report and financial statements Annualised returns to 30 September 2024 (%)			
	30 September 23 to 19 October 2023*	1 year (% p.a.)	3 year (% p.a.)	5 year (% p.a.)
Fixed Income				
BlackRock - Aquila Life Over 15 Year Corporate Bond Fund*	-3.0	n/a	n/a	n/a
BlackRock Buy & Maintain UK Credit*	-1.6	n/a	-7.0	n/a
Ninety One Multi Asset Credit*	0.5	n/a	n/a	n/a
LMF GBP 2030 GILT FLEX*	-6.6	n/a	n/a	n/a
LMF GBP 2040 IL GILT FLEX*	-9.6	n/a	n/a	n/a
LMF GBP 2050 IL GILT FLEX*	-9.3	n/a	n/a	n/a
LMF GBP 2052 GILT FLEX*	-7.3	n/a	n/a	n/a
LMF GBP 2060 GILT FLEX*	-7.3	n/a	n/a	n/a
LMF GBP 2062 IL GILT FLEX*	-10.8	n/a	n/a	n/a
LMF GBP 2068 GILT FLEX*	-7.1	n/a	n/a	n/a
LMF GBP 2068 IL GILT FLEX*	-11.6	n/a	n/a	n/a
LMF GBP INFLTN 2030-2034 SWAP FLEX*	-1.5	n/a	n/a	n/a
LMF GBP INFLTN 2040-2044 SWAP FLEX*	-10.2	n/a	n/a	n/a
Cash				
BlackRock ICS Sterling Liquidity Fund**	n/a	5.4	n/a	n/a

Source: BlackRock.

Performance shown net of all charges and transaction costs.

*Fund was disinvested on 19 October 2023, so performance reflects performance post 30 September 2023. Longer term performance of some funds unavailable for the 3 and 5 year periods as they have not been invested for that period of time.

** Performance shown as at 30 September 2024

Statutory guidance has been followed in preparing this section of the statement.

Value for members

In accordance with regulation 25(1) (b) of the Administration Regulations, the Trustee is required to undertake a review of the charges and transaction costs incurred by members in order to ascertain whether or not they represent good value for members, relative to peers and alternative arrangements that are available.

The Trustee, with the support of its adviser undertake an annual value for members assessment, which they review and update in line with legislative requirements. The assessment conducted for the Fund year used data as at 30 September 2024. The review considered whether the transfer-in investments represent value for money in comparison to the costs payable by members. The assessment included consideration of:

- Investment charges for the fund(s)
- Transactions costs applied over the year
- Performance
- The costs funded by the Sponsor (rather than the members) of:
 - o Scheme administration
 - o Trustee advisory costs
- Fund governance
- Manager ratings
- Member tools

Although the Renishaw Pension Fund invested in 14 funds for a very short period at the start of the Fund year, once the DB buy-in transaction was completed, 13 of these funds were disinvested. This disinvestment took place during October 2023. For the majority of the year, the DC transfer-in members were fully invested in the BlackRock ICS Sterling Liquidity Fund. When assessing value, trustees should take a proportionate approach to the time and cost involved. Accordingly, the VFM assessment focused on the only fund in use by the Fund for the majority of the Fund year.

The overall conclusion of the 2024 review was that the Fund was assessed as providing **good value** for members.

- **Price** - Overall, the charges for the BlackRock ICS Sterling Liquidity Fund are considered good when compared to similar funds and alternative investment platforms despite members being required to pay management fees. It is important to note that the TER is integrated into the unit price of the BlackRock Sterling Liquidity Fund. This means that the management fees are effectively included within the unit price, resulting in members indirectly bearing these fees, along with any additional charges and transaction costs that are also reflected in the unit prices. Nevertheless, these additional charges are still considered to be in line with expectations and similar to those observed by other schemes.
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- **Performance** - The performance assessment over the last three years to 30 September 2024 has shown positive results.
 - o To assess the prospects for future outperformance or the ability to track a benchmark, Mercer research ratings are used as a forward-looking assessment, where available.
 - o The BlackRock Sterling Liquidity Fund has performed inline or above its benchmark over the 1 year, 3 year and 5 year periods.
 - o Following an investment strategy review completed in March 2024, members have transitioned their funds from the BlackRock Sterling Liquidity Fund to the BlackRock DC Diversified Growth Fund, effective November 2024.
 - o It is noted that a proportion of members have a defined benefit (DB) underpin, providing some protection against downside risk. However, there are some members without the security of an underpin.
- **Productivity** - In other areas, the Fund offers additional features that can also be considered to provide good value:
 - o Fund governance and management - The Trustee is a highly qualified and experienced professional Trustee. Qualified professional advisors are appointed to assist the Trustee in their duties. In addition, the Trustee is supported by a Pensions Manager, employed by Renishaw. The costs of the Trustee and professional advisors are met by the Company, enhancing the value that members receive.

- Administration - The Trustee uses Barnett Waddingham to administer the Fund, the costs of which are met by the Company. The Trustee reviews the SLAs on a regular basis and service levels have been good over the year.
- Communications – DC members receive annual statements, summary funding statements, newsletters and retirement packs at retirement. The Trustee may communicate with them on an ad hoc basis. The cost of communications is met by the Company, again enhancing value to members. However it is noted that there is no online access and no DC retirement planning tools available to members.

Reporting of Costs and Charges

Using the charges and transaction cost data provided by BlackRock in accordance with regulation 23(1)(ca) of the Administration Regulations, as inserted by the 2018 Regulations, the Trustee has prepared an illustration detailing the impact of the costs and charges typically paid by a member of the Fund on their retirement savings. The statutory guidance provided has been considered when providing these examples.

The below illustration has taken into account the following elements:

- Value of savings;
- Contributions (if applicable);
- Real terms investment return gross of costs and charges;
- Adjustment for the effect of costs and charges; and
- Time.

To illustrate the impact of charges on a typical member's pension savings, we have provided an example below. This includes all member costs, including the Total Expense Ratio, transaction costs and inflation. A typical DC transfer- in member has a starting pension value of £25,839. The Fund is closed to new member contributions, so any increase is based on investment return.

Illustration 1: A typical deferred member

Age	BlackRock ICS Sterling Liquidity Fund: No Charges Incurred	BlackRock ICS Sterling Liquidity Fund: Charges Incurred
58	£25,839	£25,839
59	£25,710	£25,676
60	£25,581	£25,515
61	£25,453	£25,354
62	£25,326	£25,195
63	£25,199	£25,036
64	£25,073	£24,879
65	£24,948	£24,722

Notes – DC transfers-in
Values shown are estimates and not guaranteed
Projected pension savings are shown in today's terms
An inflation rate of 2.5% has been assumed
The starting pot size is assumed to be £25,839

The typical median age of the existing members has been used as the starting point for the illustration above (58 years).
A gross investment return of 2.0% has been assumed, when off set against inflation, this reduces the real return to -0.5%, before charges are deducted
Members pay transactions costs which (using the asset split weighting) have been calculated to be 0.0% p.a. (average of the last year to 30 September 2024 based on availability of data)
No allowance has been made for future contributions

Illustration 2: A young deferred member

Age	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
50	£13,049	£13,049
51	£12,984	£12,967
53	£12,854	£12,804
58	£12,536	£12,406
63	£12,226	£12,021
64	£12,165	£11,945
65	£12,104	£11,870

Notes – DC transfers-in
Values shown are estimates and not guaranteed
Projected pension pot values are shown in today's terms
An inflation rate of 2.5% has been assumed
The starting pot size is assumed to be £13,049
The youngest age of the existing members has been used as the starting point for the illustration above (50 years)
A gross investment return of 2.0% has been assumed, when off set against inflation, this reduces the real return to -0.5%, before charges are deducted
Members pay transactions costs which (using the asset split weighting) have been calculated to be 0.0% p.a. (average of the last year to 30 September 2024 based on availability of data)
No allowance has been made for future contributions

When preparing these illustrations, the Trustee has taken into account and followed specific guidance from the Department for Work and Pensions.

The Trustee acknowledges the requirement to publish these illustrations on a website and they have established a suitable web page for the purpose: <https://www.renishaw.com/en/pensions>

The annual benefit statements also include this web address in order to inform members where they can access this information.

Trustee knowledge and understanding (TKU)

In accordance with Section 247 of the Pensions Act 2004, the Trustee is required to maintain appropriate levels of knowledge and understanding to run the Fund effectively. Each Trustee Director must:

- Be conversant with the trust deed and rules, statement of investment principles and any other document recording policy adopted by the Trustee relating to administration of the Fund generally.
- Have knowledge and understanding of the law relating to pensions and trusts and the principles relating

to the investment of the assets of occupational pension schemes, to the extent appropriate for exercising their functions as a Trustee.

From 1 July 2022, Ross Trustees Services Limited ('Ross Trustees') was appointed as sole professional Trustee. During 2023 Ross Trustees merged with ITS Trustees and are now known as IGG (Independent Governance Group).

Regular training is provided on aspects of the Trustee Knowledge and Understanding requirements. Other training relates to topical items or specific issues under consideration during the Fund Year. The Fund's professional advisers provide regular training on changes to regulatory requirements or any other relevant matter.

IGG carry out their own self-assessment of training needs and will discuss training needs as part of the 4 quarterly Trustee meetings. An action plan on required training is then implemented regarding training gaps that have been identified.

Given the professional background of the Trustee, the length of time it has spent as Trustee of the Fund, the training activities we have completed individually and collectively and taking into account the professional advice available to us, as Chair of Trustee I am confident that the combined knowledge and understanding of the Trustee enables us to exercise our functions properly.

Training

In order to maintain this high level of knowledge, the Trustee has procedures and policies in place:

- The Fund has appointed a professional trustee, who undertakes additional training to ensure it is kept up to date with changes in legislation, current issues and the latest developments;
- The Trustee meets quarterly (or every two months where possible) to discuss Fund issues;
- The Trustee is also prepared to meet on an ad-hoc basis in addition to scheduled meetings;
- Minutes are taken for all meetings as a record of the items discussed;
- All training activities are recorded in a training log;
- Trustee training is undertaken by the professional trustee as part of their ongoing development, if required, training sessions are planned accordingly;
- Regular agenda items include investment monitoring, risks, administration, communications, legal updates and Trustee training;
- The Trustee maintains a risk register.

The Trustee has actively managed the Fund through a series of regular meetings, including those held on 13th December 2023, March 26th 2024, June 18th 2024, and September 24th 2024.

These meetings addressed strategic updates, regulatory compliance, and ongoing administrative matters, ensuring that the best interests of the beneficiaries were prioritised through effective governance and risk management practices. Detailed meeting books and minutes were created for each session to maintain a comprehensive record of discussions and decisions.

The Trustee takes legal advice and additional training where necessary on matters relating to the Fund, including the changes to the inheritance tax and Statutory Money Purchase Illustration statement assumptions following the recent changes to the assumption guidance.

To ensure compliance with data protection regulations, the Trustee successfully renewed the Fund's Data Protection Registration Certificate, which is valid until September 19 2025, as issued by the Information Commissioner's Office.

Trustee Induction

Independent Governance Group (IGG) (previously Ross Trustees) was appointed as the sole professional trustee from 1 July 2022. Ross Trustees merged with ITS in 2023 to form IGG. IGG have highly qualified and experienced individuals with internal secure processes in place for sharing information with those in key roles.

IGG seeks to ensure that all its pensions team professionals maintain up-to-date knowledge and skills. It is policy to ensure that staff obtain comprehensive and relevant training both on appointment and throughout their careers. New staff members must complete or have already completed the Pensions Regulator's (TPR's) Trustee toolkit and, where appointed as a trustee, meet TPR's requirements for an independent trustee.

New staff members will discuss with their manager their specific training needs which may depend on their professional background or pensions experience prior to joining IGG. The individual will then focus their training activity on that which will provide the necessary knowledge and skills. This may be with external providers, internal colleagues and with organisations with whom IGG has an association.

Ongoing mandatory learning prescribed by IGG ensures that statutory, legal, and best practice requirements are adhered to at all times. All professional trustees are required to keep under review the adequacy of their knowledge, skills and understanding to ensure they can properly discharge their responsibilities on behalf of IGG.

New colleagues joining the IGG Renishaw Pension Fund team will be given a client specific induction to ensure they have the necessary client specific knowledge. They will be introduced to the Fund advisers, Mercer, where any questions can be answered. They will also be provided with access to the Fund documents on IGG's secure records. Additionally, the Fund also uses an online document site (Board Effect) which contains important Fund documents, including among other things the Trust Deed and Rules, SIP, member booklet, recent meeting minutes, Risk Register, Business Plan, and meeting papers from past and upcoming meetings so new individuals may familiarise themselves with them.

Finally, IGG have formal processes in place for Trustee handovers should at any time in the future they step away from the role as Trustee for the Fund

Examples Demonstrating TKU

The Trustee undertook a number of activities over the past year which demonstrate how they have a working knowledge of pension & trust law, funding & investment principles, the Trust Deed and Rules and the SIP. These activities include:

Requirement	How met
The Trustee must describe and demonstrate a working knowledge of the Trust Deed and Rules	<p>The Trustee is conversant with, and has a working knowledge of, the Trust Deed and Rules.</p> <p>If there are ever any ambiguities over the interpretation of the Rules or other areas of legislation then legal advice is sought from the Fund's legal advisers, Stephenson Harwood, who are always on hand to respond to queries. Over the course of the year legal advisers attended the Trustee meeting held on 24 September 2024 to advise in relation to various projects. This demonstrates that the Trustee is conscious about understanding the Trust Rules and following them in practice.</p> <p>All guidance provided by legal advisers will have had regard to the relevant clauses in the Trust Deed and Rules and thereby help the Trustee remain conversant with the Rules and important powers and duties.</p>

<p>The Trustee must describe and demonstrate a working knowledge of the current Statement of Investment Principles (SIP)</p>	<p>The Trustee is conversant with, and has a working knowledge of, the current SIP. The Trustee undertakes regular training on investment matters and is confident that they have sufficient knowledge of investment matters to be able to challenge their adviser if and when appropriate. As the Trustee is a professional trustee they have extensive experience in these matters.</p> <p>During the year the SIP was updated in December 2023 (signed in January 2024) to reflect investment changes. The Trustee has appointed Investment Consultants, Mercer, to advise them in relation to investment matters, including updates to the SIP.</p> <p>The Trustee is again in the process of updating the SIP as at November 2024, post year end, to reflect the latest changes to the investment strategy implemented. At the time of writing this is still being finalised.</p>
<p>The Trustee must describe and demonstrate a working knowledge of all documents setting out the trustee's current policies</p>	<p>The Trustee has access, oversight and knowledge of their current policies. The Trustee is conversant with all the policies, including but not limited to the following:</p> <ul style="list-style-type: none"> • Conflicts of interest policy • Policy on reporting to TPR • New trustee appointment • Risk policies • Training policy • CMA Objectives • Fund calendar • Business plan • Notifiable events checklist • Principles and precedents log • Trustee meeting policy • Communication statement • Adviser appointment policy <p>The Risk Register is reviewed and updated regularly. Over the year it was reviewed and updated in September 2024 to reflect any cyber security risks and mitigations. It was also updated in March 2024 for investment and actuarial risks and their mitigations.</p> <p>The Trustee has access to the Fund governance documentation, via BoardEffect. This allows them to maintain a working knowledge of the documents setting out the Trustee's policies and principles.</p> <p>The Trustee takes formal minutes of all their meetings, which demonstrates good governance.</p> <p>Over the year the Trustee also undertook a gap analysis of their ESOG (Effective System of Governance), this review covered all the policies and practices of the Fund. Any areas for improvement are being identified as part of the review and new or updated policies and procedures will be implemented.</p>

<p>The Trustee must describe and demonstrate that they have sufficient knowledge and understanding of the law relating to pensions and trusts</p>	<p>At the Trustee meetings, which were held every quarter over the year, advisers reported on forthcoming changes to regulations, their potential impact on the Fund and the actions required to ensure compliance. In doing so, the Trustee remained informed about changes to pension laws and their duties in relation to those laws.</p> <p>The Trustee appointed Stephenson Harwood as legal advisers. The Trustee consults with its legal advisers as and when queries arise. Having the legal advisers to consult with helps the Trustee remain conversant with important powers and duties set out in pensions and trust law.</p> <p>One particular example demonstrating that the Trustee is familiar with their duties relating to pension and trust laws is the Effective System of Governance (ESOG) analysis undertaken during the Fund year in relation to TPR's General Code. The Trustee identified which policies were already in place and which others need to be prepared. This process enabled the Trustee to evaluate its own practices and policies relative to the standards of governance expected by tPR.</p>
<p>The Trustee must describe and demonstrate that they have sufficient knowledge and understanding of the relevant principles relating to the funding and investment of occupational scheme</p>	<p>All new trustees are required to complete the Pensions Regulator's Trustee Toolkit within six months of their appointment. This programme is deemed sufficient by the Pension Regulator to meet the Trustee knowledge and understanding requirements. However professional trustees are required to attain higher standards of knowledge and understanding, IGG's standards are set out in the previous section.</p> <p>Over the Fund year the Trustee produced an Implementation SIP setting out how the principles in the SIP had been followed.</p> <p>The Trustee undertakes annual business planning, covering any legislation changes so they remain up to date in pension & trust law and funding & investment principles.</p> <p>The Fund contains both DB and DC transferred-in benefits. The Trustee appoints a Scheme Actuary to advise on funding related issues and an investment adviser to consult on investment related matters.</p> <p>Over the year, with the support of their Investment Adviser, the Trustee decided to implement several changes to the Fund allocation, which came into effect starting from October 2023 and continuing into 2024.</p> <p>In November 2023, the Trustee completed a bulk annuity transaction, transferring the majority of the Fund's assets to Scottish Widows to secure all Defined Benefit (DB) liabilities. Following this, the residual DB assets were invested in the BlackRock Sterling Liquidity Fund, a low-risk money market fund that yielded positive returns.</p> <p>Additionally, the Trustee reviewed the investment strategy for the money purchase transfer-in assets and decided to transition these into the multi-asset BlackRock DC Diversified Growth Fund, with the change implemented in Q4 2024 to enhance long-term growth potential.</p>
<p>The Trustee must describe and demonstrate that their combined knowledge and understanding, together with available advice, enables them to properly exercise their functions</p>	<p>The Trustee has received numerous training sessions over the year. This extensive training enables them to properly exercise their functions.</p> <p>The Trustee appoints qualified advisers including the Scheme Actuary, investment advisers, legal advisers and administrators. These advisers regularly attend meetings and keep the Trustee up to date with any relevant training.</p> <p>With the continuing appointment of IGG the professional trustee has wide ranging</p>

	<p>knowledge and expertise and is able to challenge the Fund's advisors if and when appropriate to do so.</p> <p>On-going knowledge and training is important to the Trustee. As a professional Trustee, IGG meets a higher standard of knowledge and understanding than would be required from a lay trustee.</p>
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Utilising Advisors

The Trustee believes that the best run schemes utilise the combined skill and knowledge of both the Trustee and their professional advisors. The relevant skills and experience of those advisors are key criteria when evaluating advisor performance and selecting new advisors. Additionally, the following measures have applied during the period:

- The Trustee professional advisors attend formal meetings.
- The Trustee comprises of two professional Trustees from IGG with wide ranging skills and pension experience
- The Trustee receives briefings from their advisors on all legislative and regulatory developments at each meeting.

Assessing effectiveness

The Trustee understands that having knowledge and professional advice available is essential, but this also needs to be used effectively in order for the Fund to be run properly. The Trustee must have the necessary skills, in order to perform at a high level. An individual's skill equips them to identify opportunities, manage risks, challenge professional advice and understand the evolving needs of their members. The Fund has attained these skills by appointing a professional trustee with perspective, experience and beliefs which leads to higher quality decision making and monitoring. The Trustee believes that the knowledge and understanding of the Trustee (as described above) supplemented by the advice received from the Trustee's professional advisers (as described above), enable the Trustee to properly exercise its functions as Trustee of the Renishaw Pension Fund. The examples below demonstrate the actions which have been taken to ensure this is the case:

- At the beginning of each year the Trustee produces a Business Plan. Throughout the year as part of the Trustee meetings they monitor and discuss progress against the Business Plan through to ensure the board is performing effectively and is meeting the objectives set out.
- The Trustee maintains a conflicts of interest log which identifies any possible conflicts. This is on the agenda at each quarterly Trustee meeting to ensure that Trustee can declare any conflicts with items on the agenda.
- At the end of every Trustee meeting the Chair undertakes a self-assessment, reviewing whether the objectives for that meeting have been achieved. The outcome is recorded in the minutes.
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Signature:

Name: Katherine Ball

Position: Trustee of the Renishaw Pension Fund

Date: 30 April 2025