

## DC Implementation Statement

### Statement by the Trustees of the Trustees for the IOD 1997 Pension Scheme (the Scheme) for period 1 January 2019 to 31 December 2019

#### Introduction and Background

Regulations that apply to the governance of Defined Contribution (DC) pension schemes, require that trustees produce an annual statement, to report on how their Statement of Investment Principles has been followed during the previous scheme year. These are new regulations which trustees are required to comply with, by 1 October 2020 and annually thereafter.

The Scheme provides DC benefits and as such, is required to comply with these requirements. This is the Scheme Trustees first Statement and covers the Scheme year from 1 January 2019 to 31 December 2019 and subsequently, up to and including the date of this Statement.

I hereby confirm that I, Kristina Lewis, have been appointed as a Trustee and represent the Trustee Board for the purpose of completing this Statement and I am authorised to sign this Statement on behalf of the Trustees.

#### Review and update of the Statement of Investment Principles

The Statement of Investment Principles was formally reviewed and updated by the Trustees in September 2019 after having taken suitable investment advice, to take account of the Trustees approach to certain financial and non-financial considerations, including environmental, social and governance ('ESG') considerations (including but not limited to climate change) and the stewardship in the selection, retention and realisation of their investments (including how any voting rights are exercised).

The Statement of Investment Principles was further reviewed and updated by the Trustees in September 2020. The statement has been updated to include details of the arrangements in place with the Scheme's investment manager, Legal & General Investment Management Limited. This includes monitoring and assessing:

- how staff are remunerated, incentivised and rewarded;
- their philosophy for assessing and engaging with the businesses and institutions they invest in;
- the stewardship of those investments, including exercising of rights (including voting rights) attaching to investments;
- the ongoing costs and frequency of trading;
- their approach to Environmental, Social and Ethical (ESG) policies.

The Trustees will report on the extent to which these arrangements have been monitored and assessed, the Trustees findings and any resulting activities, in their next Implementation Statement.

A copy of the most recent Statement of Investment Principles dated September 2020 can be found at <https://www.iod.com/about/iod-pension-scheme>.

## **Investment options**

The Trustees review the Scheme's current and future investment design and the resulting investment options available to members on a regular basis, including the Scheme's default investment strategy.

The Trustees have and will commission (from its investment advisers) a formal investment strategy review as and where appropriate. The Trustees are required to formally review the Scheme's investment strategy at least every three years.

The last investment review conducted by the Trustees was undertaken in 2019 and suggested certain changes to the existing investment strategy, including adoption of a 'lifestyled' strategy as the default investment strategy, introducing a range of lifestyled investment strategies to cater for the pension 'flexibilities' introduced in 2015 and introducing a range of individual funds available on a self-select basis as an alternative to the default investment strategy, or alternative lifestyle strategies.

As reported in the Chair of Trustees Statement for the Scheme year ended 31 December 2019, the Trustees are working with the Institute to implement a new pension plan which will offer on-line management, a wider investment offering and the full range of retirement options, including those envisaged by the above. It is for this reason the Trustees have yet to implement the outcome to the review undertaken in 2019.

The Trustees believe that the investment strategy and returns remain consistent with the Trustees' aims and objectives and approach to investment governance, as set out within its Statement of Investment Principles.

Further information on the Scheme's current investment options (including the 2019 investment review and the Trustee's investment aims and objectives), can be found within the most recent Chair of Trustees Statement dated July 2020, which can be found at <https://www.iod.com/about/iod-pension-scheme>.

## **Investment performance monitoring**

On a regular basis the Trustees review the performance of the investment managers and funds used within the Scheme, based on reporting produced by the Trustee's investment manager, Legal & General Investment Management Limited.

This review helps to ensure consistency with the Trustees' aims and objectives and approach to investment governance, for the default investment strategy and wider investment options, as set out within the Statement of Investment Principles. For the period in question, the Trustees are satisfied that the returns achieved remain consistent with these aims, objectives and approach.

## **Summary**

I can confirm that in the opinion of the Trustees, the Scheme's Statement of Investment Principles has been followed effectively and appropriately, during the period covered by this Statement.

Further discussion on the Scheme's investment strategy can be found in the Scheme's Chair of Trustees Statement dated July 2020 and Statement of Investment Principles dated September 2020.



Signed:

Dated: **1 October 2020**

**Kristina Lewis**

**Trustee for the IOD 1997 Pension Scheme**