Professional Footballers' Pension Scheme

Chair's statement regarding the governance of defined contribution arrangements

Scheme year - 1 August 2023 to 31 July 2024

1. Introduction

1.1. This statement has been prepared by the Trustees of the Professional Footballers' Pension Scheme ("the Trustees" and "the Scheme" respectively), to report on compliance with governance standards.

1.2. The governance standards apply to defined contribution (DC) arrangements and are designed to help members achieve good outcomes from their pension savings.

1.3. This statement covers the scheme year 1 August 2023 to 31 July 2024 and will be published online at https://www.thepfa.com/players/union-support/pension-scheme. Details of which will be included within members' annual benefit statements.

2. The Scheme's DC arrangements

2.1. The Scheme's DC arrangements comprise:

2.1.1. **The 2011 Section**

2.1.1.1. Used by the participating employers as a qualifying workplace arrangement for auto-enrolment purposes.

2.1.1.2. Members are not required to contribute into the 2011 Section. The transfer levy fund, which is a levy on player transfers in the professional leagues, is used to make contributions to the 2011 Section in respect of each member and subsequently invested into the Scheme's default Investment strategy.

2.1.1.3. The 2011 Section is administered by Broadstone Corporate Benefits ("Broadstone") and members' benefits are invested in the Scheme's default investment strategy, which sits on Mobius Life Limited's ("Mobius Life") platform, investing in a range of investment managers' funds provided through the Mobius Life platform.

2.1.1.4. Members can elect to pay Additional Voluntary Contributions ("AVCs") and invest in the default investment arrangement (as well as most of its underlying funds), a selection of self-select funds, or funds that sit on abrdn's platform (prior to 12 October 2023 only), at the Trustees' discretion.

2.1.2. **The Income Section**

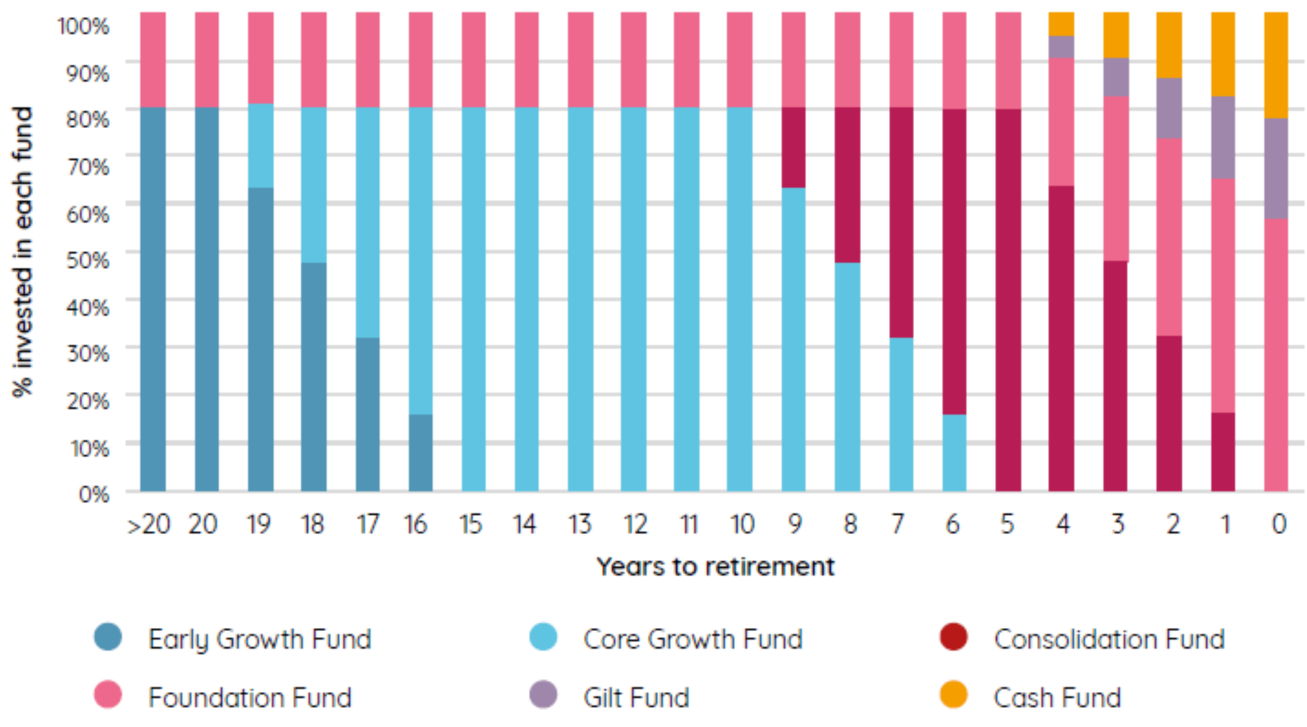
2.1.2.1. Closed to further contributions on 31 December 2010, administered by Broadstone. Prior to 12 October 2023, Income Section benefits were invested in funds on the abrdn platform.

2.1.2.2. From 12 October 2023, all Income Section benefits were transferred to the Mobius Life platform and invested in line with 2011 Section benefits.

3. Default investment arrangements

2011 Section

3.1. The 2011 Section's default investment strategy ("the DC Sections' Default") invested in white-labelled, blended funds that followed a 20-year lifestyle profile, so as to protect members' benefits in the lead up to retirement. The strategy was aimed at members who intend to drawdown their Scheme benefits at-retirement. A summary of the DC Sections' Default strategy and the range of underlying blended funds utilised by the strategy is provided below:



Income Section

3.2. Although the Lifestyle Strategy within the Income Section is considered a 'default' option and governed as such by the Trustees during the reporting period, it was not a 'default investment arrangement' for the purposes of the Occupational Pension Scheme (Charges and Governance) Regulations 2015. This is because no contributions had been allocated to the Lifestyle Strategy, as the default, since 6 April 2015.

3.3. The Income Section's Lifestyle Strategy targeted a normal retirement age ("NRA") of 55 (35 for members before April 2006) and de-risked over a 5-year switching period to NRA.

3.4. During the growth phase, the Income Section Lifestyle Strategy invested solely in the Vanguard FTSE UK All Share Pension Fund Index before gradually switching into the Standard Life Deposit and Treasury Pension Fund in the 5 years towards a member's NRA. The strategy was aimed for members who are expected to use their Income Section benefits towards funding part or all of their tax-free cash entitlement in conjunction with their Scheme Defined Benefits (DB) at-retirement.

3.5. During the previous Scheme year, the Trustees were formally notified by abrdn of the planned closure of the Standard Life Long Bond Pension Fund and Standard Life Global Equity Pension Fund. Following advice received from the Trustees' investment advisors, the Trustees agreed that members' funds would be transferred to the Standard Life Vanguard UK Long Duration Gilt Index Fund and Standard Life Global 50:50 Tracker Pension Fund respectively without member consent. As a result, both funds were considered to be a 'default investment arrangement' for the purposes of the Occupational Pension Scheme (Charges and Governance) Regulations 2015.

3.6. On 12 October 2023, all Income Section Benefits and 2011 Section AVCs held on the Abrdn platform were transferred to the Mobius Life Platform and invested in the DC Sections' Default only.

3.7. As a result, from the 12 October 2023 onwards, the Income Section Lifestyle Strategy, the Standard Life Vanguard UK Long Duration Gilt Index Fund and Standard Life Global 50:50 Tracker Pension Fund ceased to be incidental default investment arrangements with the Scheme.

Asset allocation of the default investment arrangements

3.8. We have provided further details in the tables below of the underlying asset allocation of the DC Sections' default investment arrangements used during the Scheme year. We have provided this information in line with statutory guidance.

3.9. Within the DC Sections' Default and Income Section Lifestyle Strategy, the underlying assets change over time. Asset allocations are shown for members aged 25, 35, 45 and 1 day before TRA, all assuming retirement at age 55.

DC Sections' Default

Asset Class	Allocation (%) 25-year-old	Allocation (%) 35-year-old	Allocation (%) 45-year-old	Allocation (%) 1 day before retirement age (55)
Cash	0.30	0.30	0.74	22.84
Bonds	23.15	23.15	17.72	56.47
Listed Equities	71.98	71.98	69.82	17.95
Private Equity	2.24	2.24	0.00	0.00
Infrastructure	0.67	0.67	4.66	0.00
Property/Real Estate	0.53	0.53	2.41	0.30
Private Debt/Credit	1.08	1.08	0.82	2.31
Other	0.04	0.04	3.81	0.12

Income Section Lifestyle Strategy

Asset Class	Allocation (%) 25-year-old	Allocation (%) 35-year-old	Allocation (%) 45-year-old	Allocation (%) 1 day before retirement age (55)
Cash	0.00	0.00	0.00	100.00
Bonds	0.00	0.00	0.00	0.00
Listed Equities	100.00	100.00	100.00	0.00
Private Equity	0.00	0.00	0.00	0.00
Infrastructure	0.00	0.00	0.00	0.00
Property/Real Estate	0.00	0.00	0.00	0.00
Private Debt/Credit	0.00	0.00	0.00	0.00

Other	0.00	0.00	0.00	0.00

Standard Life Vanguard UK Long Duration Gilt Index Fund

Asset Class	Allocation (%)
Cash	0.00
Bonds	100.00
Listed Equities	0.00
Private Equity	0.00
Infrastructure	0.00
Property/Real Estate	0.00
Private Debt/Credit	0.00
Other	0.00

Standard Life Global 50:50 Tracker Pension Fund

Asset Class	Allocation (%)
Cash	0.00
Bonds	0.00
Listed Equities	100
Private Equity	0.00
Infrastructure	0.00
Property/Real Estate	0.00
Private Debt/Credit	0.00
Other	0.00

Aims & objectives

3.10. The Trustees' high level objectives with regard to investing the Scheme's assets are to adopt an approach that recognises the need to balance risk with the achievement of a satisfactory investment return. The Trustees have taken into consideration that:

3.10.1. The liabilities of the 2011 & Income Sections are equal to the assets since these define the benefit promise

3.10.2. Members' pension benefits are maximised by achieving maximum investment returns

3.10.3. Individual members' financial profiles and attitudes to risk may vary

3.11. The investment managers used by the 2011 & Income Sections (collectively "the DC Sections") have each been set performance objectives to achieve returns in line with, or in excess of, a benchmark.

Monitoring of the defaults

3.12. The Trustees have an Investment Sub-Committee ("ISC") in place which, during the Scheme year and with the support of the Trustees' investment advisers, monitored the performance of the DC Sections' default investment arrangements, and the underlying funds that make up these strategies, against their respective benchmarks, UK DC Master Trusts and the Trustees' objectives.

3.13. The ISC updates the Trustees at each Trustees meeting and quarterly investment monitoring reports from their investment advisers were considered at every Trustees' meeting, where a report was available.

Review of the default

3.14. The Trustees undertook a full review of the DC Sections' Default during the Scheme year from September 2023 to February 2024 and considered its continued suitability, the alternative lifestyle strategies offered and the wider self-select fund range.

3.15. As part of this review, the Trustees considered the membership profile of the DC Sections and undertook analysis to ascertain the potential needs of members. This analysis encompassed a review of the demographics of members and their likely at-retirement needs.

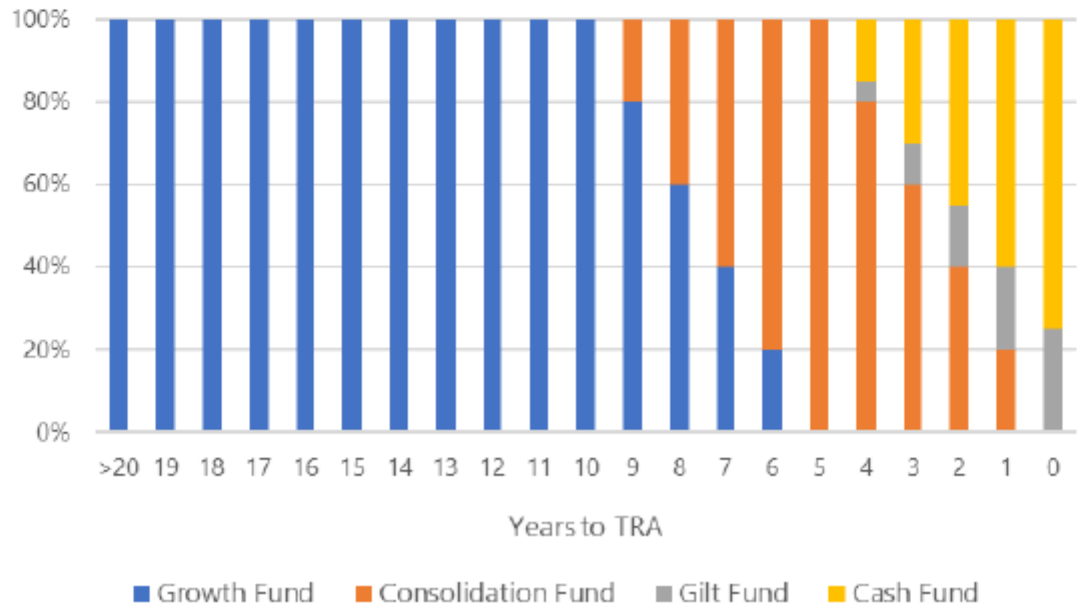
3.16. There were several factors behind the Trustees reasoning for reviewing the DC Sections' Default, these were:

- 3.16.1. The continued underperformance of some of the underlying funds, particularly within the de-risking phase;
- 3.16.2. Following the recent introduction of in-scheme drawdown, whether the DC Sections' Default de-risks too early; and
- 3.16.3. Whether the underlying allocation to private markets could be increased.

3.17. The review determined that the following changes were to be made to the DC Sections' Default:

- 3.17.1. The Footballers Foundation Fund and Footballers Core Growth Fund would be removed (and the self-select range);
- 3.17.2. The allocation to private markets (via the underlying Partners Generations Fund) would be increased to 10%;
- 3.17.3. The Footballers Early Growth Fund would be renamed the Footballers Growth Fund;
- 3.17.4. The investment in the Footballers Growth Fund would be extended so that full disinvestment occurs at 5 years to Target Retirement Age ('TRA').
- 3.17.5. The Footballers Consolidation Fund would invest equally between the LGIM Future World Equity Fund and the LGIM Retirement Income Multi-Asset Fund.
- 3.17.6. The target allocation at TRA would be adjusted to 25% in the Footballers Cash Fund, 15% in the Footballers Gilt Fund and 60% in the Footballers Consolidation Fund.

3.17.7. A summary of the updated DC Sections' Default strategy and the range of underlying blended funds utilised by the strategy is provided below:



3.18. Changes that are referenced by 3.17.2 and 3.17.5 were made in May 2024, and the remaining changes were made to the DC Sections' Default outside the reporting period on 1 October 2024.

Further information on the default

3.19. Details of the DC Sections' Default are set out in the attached Statement of Investment Principles (SIPs) dated 19 September 2024. This covers the investment policy in relation to the DC Sections.

4. Core financial transactions

4.1. The Trustees have a duty to ensure that 'core financial transactions' are processed promptly and accurately.

4.2. Core financial transactions comprise the following:

4.2.1. investment of contributions

4.2.2. transfers into (2011 Section only) and out of the Scheme (from non-active status only)

4.2.3. investment switches within the Scheme

4.2.4. payments out of the Scheme

4.3. Over the Scheme year, the administration functions, including core financial transactions, were undertaken by Broadstone.

Controls and monitoring arrangements

4.4. The controls in place in relation to ensuring the promptness and accuracy of core financial transactions are:

4.4.1. The Trustees have a Service Level Agreement (SLA) in place with Broadstone. The SLA sets out the timeline standards expected for each step of the Scheme's main administration tasks, including core financial transactions. Examples of the SLA's agreed are:

Event	SLA (working days)
Leavers – deferred benefits statements	15
Early retirement	10
Normal retirement (6 months pre-retirement)	20
Late retirements	10
Ill-health early retirements	5
Death in retirement / in service / deferment – calculation and payment of benefits	2 (initial contact) 5 (follow up work)
Transfers out – Calculation of transfer value and issue of statement to member/IFA and payments of benefits	15
Payments of all cash sums*	5
HMRC Queries (in respect of members)	20

*Subject to sufficient funds being available in the Trustees bank account.

4.4.2. In order to monitor Broadstone's performance against agreed SLA's, the Trustees received quarterly administration reports from Broadstone over the Scheme year. These reports include cash flow monitoring, summaries of member transactions, reporting of service performance against SLAs and to identify any issues arising regarding administration timeliness and/or accuracy. Reports were considered at each Trustees' meeting following the period which they cover. The Pensions Manager also regularly meets with Broadstone to support the high standards of administration expected by the Trustees and Scheme members.

4.4.3. The Trustees have an established Administration Sub-Committee to further monitor the Scheme's administration and consider any issues or required changes as they arise. The Sub-Committee feeds into the full Trustee Board which is collectively responsible for any decisions made. Administration is considered as a standing item at quarterly Trustees' meetings.

4.4.4. The Trustees have agreed a break clause in the contract with Broadstone, should a prolonged failure in the day-to-day administration service occur, for example if there is a persistent failure in meeting the SLAs in the above table.

4.4.5. Monitoring of accuracy is also undertaken via the auditing of the Scheme's annual report and accounts and periodic auditing of the Scheme's membership data. Broadstone's processes are subject to internal controls procedures.

4.4.6. The administrator's controls and processes are also subject to a formal external audit for its annual assurance report on internal controls.

4.4.7. Internal control measures are in place that ensure contributions are checked, reconciled and are paid in accordance with the payment schedule in place. Broadstone conduct monthly reconciliation of units between its administration platform and Mobius Life (and abrdn prior to October 2023).

4.4.8. Any material issues uncovered regarding inaccuracies with core financial transactions are included within Broadstone's quarterly reporting to the Trustees.

4.5. The Trustees believe that these controls allowed them to effectively monitor the timeliness and accuracy of core financial transactions during the Scheme year.

Performance during the Scheme year

4.6. The Trustees received quarterly reports from the administrator during the Scheme year and were satisfied with their performance in processing core financial transactions in a timely (against SLAs) and accurate manner.

Investment transition carried out in the Scheme year

4.7. In October 2023, Income Section members and 2011 Section AVCs invested with abrdn were transferred to the Mobius Life platform and invested in the DC Sections' Default, unless members elected before the transfer to invest in an available self-select fund.

4.8. To ensure this transition took place as efficiently as possible, the Trustees took advice from its investment advisers in advance of the transfer.

4.9. The transfer took place in two phases, one trade on the 10 October 2023 and another on 12 October 2023.

4.10. The Trustees operated a black-out period to enable the transfer to proceed, lasting from 2 – 19 October 2023. Members were informed of the black-out period within the communications promoting the investment transition in August 2023.

4.11. The Trustees gave the final go-ahead to proceed with the transition on 28 September 2023.

4.12. Overall, the Trustees were satisfied that the investment transition took place in a timely and accurate manner.

Assessment

4.13. In view of the controls and monitoring arrangements, the Trustees believe that core financial transactions have been processed promptly and accurately during the Scheme year.

5. Member-borne charges and transaction costs

5.1. Members bear charges and transaction costs, which will differ depending on the investment options in which their pension savings are invested:

5.1.1. Charges: these are expressed as a percentage of the value of a member's holdings within an investment fund and can be made up of a combination of charges, e.g. annual management charge and additional expenses. We refer to the total annual charge as the Total Expense Ratio (TER).

5.1.2. Transaction costs: these relate to the variable costs incurred within an investment fund arising from the trading activities of the fund, e.g. incurred in the buying and selling of securities, which are not accounted for in the TER charge.

Charges in relation to the DC Sections

5.2. The following table provides details of the charges and transaction costs for each of the investment options provided through the DC Sections over the Scheme year (data sourced from each relevant investment manager):

Investment option	Total Expense Ratio (TER)	Transaction Costs**
DC Sections' Default*	**0.239% - 0.368%**	**0.152% - 0.442%**
Footballer's Early Growth Fund	0.370%	0.072%

Footballer's Core Growth Fund	0.312%	0.201%
Footballer's Consolidation Fund	0.271%	0.435%
Footballer's Foundation Fund	0.360%	0.470%
Footballer's Gilt Fund	0.078%	-0.016%
Footballer's Cash Fund	0.090%	0.085%
The Footballers Equity Fund	0.166%	0.061%
The Footballers Shariah Equity Fund	0.320%	0.006%
The Footballers Diversified Growth Fund	0.540%	0.623%
Income Section Lifestyle Strategy*	**0.060% - 0.159%**	**0.040% - 0.087%**
Standard Life Asia Pacific ex Japan Equity Pension Fund	0.744%	0.040%
Standard Life Global Bond Pension Fund	0.312%	0.265%
Standard Life Overseas Equity Tracker Pension Fund	0.105%	0.022%
Standard Life North American Equity Pension Fund	0.609%	0.069%
Standard Life Deposit and Treasury Pension Fund	0.159%	0.087%
Standard Life Managed Pension Fund	0.524%	0.097%
Standard Life Japanese Equity Pension Fund	0.625%	0.032%
Standard Life UK Equity Select Pension Fund	0.708%	0.236%
Standard Life Global Equity 50:50 Tracker Pension Fund	0.106%	0.032%
Standard Life Global Equity 50:50 Pension Fund	0.511%	0.027%
Standard Life UK Gilt Pension Fund	0.308%	0.128%
Standard Life European Equity Pension Fund	0.616%	0.003%
Standard Life Corporate Bond Pension Fund	0.314%	0.022%
Standard Life Multi Asset Managed (20-60% Shares)	0.520%	0.116%
Standard Life UK Mixed Bond Pension Fund	0.311%	0.105%
SL Vanguard US Equity Index Pension Fund	0.200%	0.021%
SL Vanguard UK Government Bond Index Pension Fund	0.120%	0.030%
SL Vanguard Japan Stock Index Pension Fund	0.160%	0.020%
SL Vanguard FTSE UK All Share Pension Fund Index	0.060%	0.040%
SL Vanguard FTSE Developed Europe ex UK Pension Fund	0.140%	0.020%
Standard Life UK Equity Pension Fund	0.508%	-0.001%
Standard Life Long Corporate Bond Pension Fund	0.313%	0.173%
SL Vanguard Pacific ex Japan Stock Index Pension Fund	0.160%	0.020%

SL Vanguard UK Long Duration Gilt Index	0.120%	0.000%

* The quoted charges and transaction costs for each lifestyle strategy are calculated as a composite of the underlying fund charges and transaction costs. These fund holdings and therefore also charges will vary depending upon each member's term to retirement age.

** In certain circumstances, the methodology used for calculating transaction costs (known as slippage) can lead to negative costs being reported. This can be, for example, where other market activity pushes down the price of the asset being traded, whilst the transaction was in progress, resulting in the asset being purchased for a lower price than when the trade was initiated.

Impact of costs and charges

5.3. To demonstrate the impact of charges and transaction costs on members' pension savings over time, the Trustees have produced illustrations and these are set out in the appendix.

Investment transition carried out during the Scheme year

5.4. During the course of the Scheme year, the Trustees carried out an investment transition exercise. The Pensions Regulator sets out a best practice framework for assessing value for money for events that generate one-off costs, such as the investment transition, which is set out below:

5.4.1. In October 2023, Income Section members and 2011 Section AVCs invested with abrdn were transferred to the Mobius Life platform and invested in the DC Sections' Default.

5.4.2. To ensure this transition took place as efficiently as possible, the Trustees took advice from their investment advisers in advance of the transfer.

5.4.3. The majority of transferred assets (c90%) were disinvested by Abrdn and re-invested by Mobius Life on the same day (10 October 2023) with the remaining funds invested on 12 October 2023. This approach allowed the Trustees to mitigate against adverse market movements in the transfer period as the majority of the assets were re-invested on the disinvestment dates.

5.4.4. There were no explicit costs to members for the transition, either in selling units with abrdn or buying units in the blended funds that compose the DC Sections' Default. Therefore, members' fund values immediately before and immediately after the transition were the same.

5.4.5. Some implicit costs can arise in trades between funds. Costs incurred in this manner were estimated to be c£26,000.

5.4.6. There will be no further costs in respect of the asset transition and members will receive improved value for money by:

5.4.6.1. Provide access to flexi-access drawdown in-scheme;

5.4.6.2. Providing equality in servicing across the DC Sections;

5.4.6.3. Benefiting from the dedicated fund range available that is tailored towards the Scheme's unique membership demographic.

6. Net investment returns

6.1. The Trustees are required to disclose returns, net of charges and transaction costs, for the default investment arrangements and for each fund that members are able, or were previously able, to select and in which members' assets were invested during the Scheme year. When preparing this section of the statement the Trustees have taken account of the relevant statutory guidance.

6.2. For the Defaults, the underlying funds used and therefore the net returns changes over time. Net returns are shown over various periods to the end of the Scheme year for a member aged 35, 45 and 50 at the start of the period. This is taking into account that the relevant NRA for members of the Scheme is 55.

DC Sections' Default

Age of member at start of period	Annualised Return –1 year to 31 July 2024	Annualised Return –3 year to 31 July 2024
35	11.77%	4.88%
45	11.66%	2.63%
50	7.09%	-0.81%

Income Section Lifestyle Strategy

Age of member at start of period	Annualised Return –1 year to 31 July 2024	Annualised Return – 3 years to 31 July 2024	Annualised Return – 5 years to 31 July 2024
35	13.38%	8.04%	5.54%
45	13.38%	8.04%	5.54%
50	13.38%	7.01%	4.04%

Income Section - Standard Life Vanguard UK Long Duration Gilt Index Fund

Annualised Return –1 year to 31 July 2024	Annualised Return – 3 years to 31 July 2024	Annualised Return – 5 years to 31 July 2024	Annualised Return – 10 years to 31 July 2024
3.71%	-17.20%	-9.02%	0.02%

Income Section - Aberdeen Standard Life Global Equity 50:50 Tracker Pension Fund

Annualised Return –1 year to 31 July 2024	Annualised Return – 3 years to 31 July 2024	Annualised Return – 5 years to 31 July 2024	Annualised Return – 10 years to 31 July 2024
16.10%	9.29%	8.56%	9.77%

Self-select funds

Investment fund	Annualised Return –1 year to 31 July 2024	Annualised Return – 3 years to 31 July 2024	Annualised Return – 5 years to 31 July 2024	Annualised Return – 10 years to 31 July 2024
The Footballers' Early Growth Fund	13.01%	6.17%	-	-
The Footballers' Core Growth Fund	12.88%	4.22%	-	-
The Footballers' Consolidation Fund	7.16%	-1.98%	-	-
The Footballers' Foundation Fund	6.79%	1.28%	-	-
The Footballers' Gilt Fund	5.86%	-0.15%	-	-
The Footballers' Cash Fund	5.24%	2.97%	-	-
The Footballers Equity Fund	14.27%	-	-	-

The Footballers Shariah Equity Fund	22.40%	-	-	-
The Footballers Diversified Growth Fund	8.73%	-	-	-
Standard Life Asia Pacific ex Japan Equity Pension Fund*	4.90%	-0.77%	2.30%	6.02%
Standard Life Global Bond Pension Fund*	3.65%	-3.22%	-3.49%	1.86%
Standard Life Overseas Equity Tracker Pension Fund*	18.72%	10.47%	11.35%	13.30%
Standard Life North American Equity Pension Fund*	20.96%	8.76%	12.12%	14.31%
Standard Life Deposit and Treasury Pension Fund*	5.24%	2.92%	1.81%	1.06%
Standard Life Managed Pension Fund*	11.13%	3.07%	4.06%	6.03%
Standard Life Japanese Equity Pension Fund*	8.16%	0.15%	2.66%	6.56%
Standard Life UK Equity Select Pension Fund*	12.63%	4.74%	3.79%	4.85%
Standard Life Global Equity 50:50 Tracker Pension Fund*	16.10%	9.29%	8.56%	9.77%
Standard Life Global Equity 50:50 Pension Fund*	13.91%	7.04%	6.56%	7.52%
Standard Life UK Gilt Pension Fund*	5.57%	-8.65%	-4.32%	0.40%
Standard Life European Equity Pension Fund*	7.88%	4.49%	7.42%	7.99%
Standard Life Corporate Bond Pension Fund*	9.80%	-3.95%	-0.86%	2.44%
Standard Life Multi Asset Managed (20-60% Shares) Fund*	9.31%	1.05%	1.66%	4.16%
Standard Life UK Mixed Bond Pension Fund*	7.89%	-6.10%	-2.45%	1.49%
SL Vanguard US Equity Index Pension Fund*	21.99%	12.35%	13.45%	15.98%
SL Vanguard UK Government Bond Index Pension Fund*	5.59%	-10.08%	-5.12%	0.33%
SL Vanguard Japan Stock Index Pension Fund*	16.30%	7.30%	6.62%	8.88%
SL Vanguard FTSE UK All Share Pension Fund Index*	13.38%	8.04%	5.54%	6.09%
SL Vanguard FTSE Developed Europe ex UK Pension Fund*	10.49%	5.74%	7.58%	8.85%
Standard Life UK Equity Pension Fund*	10.61%	6.00%	4.22%	4.68%
Standard Life Long Corporate Bond Pension Fund*	9.80%	-9.39%	-3.62%	2.04%
SL Vanguard Pacific ex Japan Stock Index Pension Fund*	3.44%	1.86%	1.58%	5.64%

SL Vanguard UK Long Duration Gilt Index*	3.71%	-17.20%	-9.02%	0.02%

* Funds closed to members following bulk transfer of Income Section assets to Mobius Life on 12 October 2023

7. Value for members

5.5. The Trustees are required to assess annually the extent to which the charges and transaction costs borne by members represent good value.

5.6. Analysis was undertaken by the Trustees' professional advisers, Barnett Waddingham LLP, and the findings set out in a report dated 10 December 2024. The Trustees considered the report and confirmed its value for members' assessment.

5.7. Recognising that low cost does not necessarily mean good value, the assessment considered whether the services for which members pay or share the costs are suitable for, relevant to and (likely to be) valued by members and whether performance of the services had been effective. Consideration was also made of the costs relative to other options available in the market.

5.8. Various investment-related services for which members do not directly bear the costs are nevertheless inextricably linked to creating the environment under which investment returns are delivered, e.g. strategy, monitoring and the investment governance structure, so these were included in the assessment.

5.9. Other services paid for by the Scheme were excluded but nevertheless deliver value to members, e.g. the services of professional advisers and the operation of the Trustee Board, with a duty to act in the best interest of members.

5.10. In relation to the DC Sections, the member-borne charges and transaction costs relate to investment services only. All other charges, including the costs of administration and communication services are met by the Scheme.

5.11. The assessment considered:

5.11.1. the investment strategy, e.g. the design of the defaults and range of alternative options

5.11.2. the arrangements for monitoring the performance of the investment options and reviewing the investment strategy

5.11.3. the investment governance arrangements

5.12. The Trustees concluded that the Scheme's DC arrangements continued to offer **excellent value** in relation to the charges and transaction costs borne by members.

5.13. In reaching this conclusion, the Trustees recognised:

5.13.1. Low cost does not necessarily mean better value

5.13.2. A Shariah fund, as well as an alternative lifestyle strategy (targeting cash withdrawal) are available to members within the DC Sections' fund range.

5.13.3. The changes made to the DC Sections' Default as part of the review of the Scheme's investments over the reporting period.

5.13.4. Income Section benefits and 2011 Section AVCs transitioned across to the Mobius Life Platform in October 2023, further improving value for a significant proportion of the Scheme's membership.

5.13.5. the Trustees dedicated significant time into assessing feasible options to improve sustainable and ethical (specifically exclusions to fossil fuels) investment options through the DC Sections.

6. Trustee knowledge and understanding

The Trustee Board

6.1. The Trustee Board comprises eight Trustees, one of whom is a professional Trustee (and Chair), two are nominated by the Premier League, two nominated by the English Football League and the remaining three are nominated by members.

Trustee knowledge and understanding requirements

6.2. Trustees are required to be conversant with a scheme's main documents and have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational schemes and investment of scheme assets.

Approach

6.3. The Trustees aim to remain conversant with the Scheme's trust deed and rules as well as all other Scheme documents such as the SIPs, the risk register and current policies, e.g. conflicts of interest. They do so through their experience in governing the Scheme, as well as specific activities over the Scheme year and access to professional advice. The Trustees have instant online access to the Schemes documents via the Trustees secure website.

6.4. The Trustees aim to achieve and maintain knowledge and understanding of the law relating to pensions and trusts, the funding of occupational schemes and investment of scheme assets through a combination of training, taking professional advice and the inclusion of a professional trustee as Chair of the Trustee Board.

6.5. There is a structured training programme in place that includes periodic self-assessment by the Trustees to identify knowledge gaps and training needs in relation to emerging legislation, Scheme changes and upcoming matters in the Scheme's Business Plan. The self-assessment includes rating themselves against criteria recognised as relevant to the role of Trustee specifically for the Scheme, including behaviours, accountabilities, Scheme specific and general knowledge and skills. The results are compiled in a Board Skills Matrix which is evaluated by the Chair. The training programme also includes completion of the Pensions Regulator's trustee toolkit. A training log is maintained in relation to training undertaken and is reviewed at each Trustees meeting.

6.6. The structured training programme is supplemented with training activities such as attending seminars and conferences and reading pensions-related articles.

6.7. An induction process is in place for newly appointed Trustees, which involves the provision of an induction pack, an initial training session with the Trustees' legal advisers, an initial knowledge assessment and a plan to address gaps identified.

6.8. The Trustees consult with professional advisers as and when required, for example on consultancy, investment and legal matters. The professional advisers are engaged to pro-actively alert the Trustees on relevant changes to pension and trust law. Professional advisers also provide support in relation to understanding and reviewing the Scheme's documents, attending Trustees meetings and often in the delivery of training at these meetings.

Activities over the Scheme year

6.9. The Trustees reviewed the following Scheme documents:

6.9.1. Annual report and accounts

6.9.2. Data Protection Register and agreements with service providers

6.9.3. Scheme Booklet

6.9.4. Effective System of Governance ("ESOG") gap analysis

6.9.5. Ill health retirement process

6.9.6. Member website branding

6.9.7. Communications plan

6.9.8. Self-assessment framework

6.9.9. The Statement of Investment Principles

6.9.10. Internal Dispute Resolution Procedure

6.10. The Trustees received training at Trustees Meetings on the following areas:

6.10.1. TPR's General Code of Practice and ESOG

6.10.2. Mansion House Compact

6.10.3. LGIM Future World Funds and ESG Framework

6.11. During the Scheme year, the Trustees took professional advice on:

6.11.1. Transfers out from active status

6.11.2. Default investment review and review of wider fund offering.

6.11.3. Undertaking the annual value for members assessment

6.11.4. Transition of Income Section benefits and 2011 Section AVCs to the Mobius Life Platform

6.11.5. Stewardship Priorities

6.11.6. Merging of Income Section and 2011 Section

Assessment

6.12. The Trustees consider that their combined knowledge and understanding, together with their access to professional advice, enables them to properly and effectively exercise their Trustee functions in the following ways:

6.12.1. The Trustees are able to challenge and question advisers, service providers and other parties effectively

6.12.2. Trustees' decisions are made in accordance with the Scheme rules and in line with trust law duties

.... 30 January 2025 ....

Chair of the Trustees Date

Appendix – Illustrations on the impact of cost and charges

A1.1. To demonstrate the impact of member-borne charges and transaction costs on the value of members' pension savings, the Trustees have produced illustrations in accordance with statutory guidance. These show the impact of charges and transaction costs for representative cross-sections of the membership and investment options.

Parameters used for the illustrations

A1.2. The membership of the DC Sections and the investment options offered were analysed in determining the parameters to be used.

A1.3. Pot size: pot sizes of £7,000, £14,000 and £27,000 have been used; these represent the 25th percentile, the median and the 75th percentile of pot values (rounded to the nearest £500) of DC Sections members as at 31 July 2024.

A1.4. Active members and deferred members: illustrations have been provided for active members of the DC Sections' Default only, assuming total regular contributions of £6,180 p.a. (assuming increase of 2.5% p.a.), and for deferred members assuming no future contributions. All other investment options are shown assuming no further contributions.

A1.5. Timeframe: the illustrations are shown over a 38-year time frame for the DC Sections' default and all other investment options as this covers the approximate duration that the youngest member would take to reach retirement age.

A1.6. Investment options: the investment options selected for the illustrations include the DC Sections' Default, the highest charged fund and the lowest charge fund.

Investment option	Rationale for inclusion	Assumed Gross return above inflation*	TER	Transaction cost**
DC Sections' Default	Default strategy for DC Sections	1.67% - 3.80%	0.24% - 0.37%	0.09% - 0.32%
The Footballers' Gilt Fund	Lowest charge	0.00%	0.08%	0.00%
The Footballers' Diversified Growth Fund	Highest charge	3.00%	0.54%	0.50%

* Projected growth rates, gross of costs and charges, for each investment option are in line with the 2023 Statutory Money Purchase Illustrations (SMPIs).

** The statutory guidance requires trustees to use an average of the last five years' transaction costs (insofar as they are able) when producing the illustrations. As we have data for up to the last four years only, the figures are four-year averages only.

Guidance to the illustrations

A1.7. For each illustration, the savings pot has been projected twice: firstly for the assumed investment return gross of costs and charges; and secondly for the assumed investment return net of costs and charges.

A1.8. Projected pot sizes are shown in today's terms, so do not need to be reduced further for the effects of future inflation. Inflation is assumed to remain constant throughout the term of the illustrations, at 2.5% per year.

A1.9. Values shown are estimates and not guaranteed.

A1.10. The starting date for the illustrations is 31 July 2024.

A1.11. The illustrations are presented in two different ways:

A1.11.1. For the DC Sections Default, the illustrations should be read based on the number of years until the member reaches their retirement age. This is because the underlying funds used and therefore the costs and charges changes over time and this is reflected in the illustrations.

A1.11.2. For other funds, the illustrations should be read based upon various ages in the lead up to when members can access their benefits at age 55.

DC Sections' Default

A1.12. This is the default strategy for the DC Sections.

Illustration basis	Years from taking benefits	Starting pot size £7,000		Starting pot size £14,000		Starting pot size £27,000	
		Before charges	**After charges**	**Before charges**	**After charges**	**Before charges**	**After charges**
Active member: continuing contributions	0	£7,000	£7,000	£14,000	£14,000	£27,000	£27,000
	5	£39,994	£39,390	£47,739	£46,953	£62,124	£60,998
	10	£79,744	£77,458	£88,773	£86,050	£105,540	£102,008
	15	£128,289	£123,032	£139,039	£133,026	£159,003	£151,585
	20	£186,878	£176,894	£199,735	£188,577	£223,612	£210,275
	25	£257,657	£240,618	£273,081	£254,324	£301,725	£279,778
	30	£342,566	£315,376	£361,069	£331,455	£395,431	£361,318
	35	£444,425	£403,079	£466,621	£421,944	£507,843	£456,977
	38	£515,058	£462,832	£539,815	£483,594	£585,794	£522,150
Deferred member: no further contributions	0	£7,000	£7,000	£14,000	£14,000	£27,000	£27,000
	5	£7,745	£7,563	£15,491	£15,126	£29,875	£29,171
	10	£9,029	£8,592	£18,057	£17,185	£34,825	£33,142
	15	£10,750	£9,993	£21,500	£19,987	£41,464	£38,545
	20	£12,857	£11,683	£25,714	£23,366	£49,592	£45,064
	25	£15,424	£13,706	£30,847	£27,413	£59,491	£52,867
	30	£18,503	£16,080	£37,005	£32,160	£71,368	£62,022
	35	£22,196	£18,864	£44,393	£37,728	£85,615	£72,762
	38	£24,758	£20,761	£49,515	£41,523	£95,494	£80,079

A1.13. Note on how to read this table: If a deferred member had £27,000 invested in this option aged 17, when they came to retire in 38 years, the savings pot could grow to £95,494 if no charges are applied but to £80,079 with charges applied.

The Footballers' Gilt Fund

A1.15. This is the fund with the lowest total charge available to DC Sections' members.

Illustration basis	Years from taking benefits	Starting pot size £7,000		Starting pot size £14,000		Starting pot size £27,000	
		Before charges	**After charges**	**Before charges**	**After charges**	**Before charges**	**After charges**
Deferred member: no further contributions	0	£7,000	£7,000	£14,000	£14,000	£27,000	£27,000
	5	£7,000	£6,973	£14,000	£13,947	£27,000	£26,897
	10	£7,000	£6,947	£14,000	£13,894	£27,000	£26,795
	15	£7,000	£6,921	£14,000	£13,841	£27,000	£26,693
	20	£7,000	£6,894	£14,000	£13,788	£27,000	£26,592
	25	£7,000	£6,868	£14,000	£13,736	£27,000	£26,491
	30	£7,000	£6,842	£14,000	£13,684	£27,000	£26,390
	35	£7,000	£6,816	£14,000	£13,632	£27,000	£26,290
	38	£7,000	£6,800	£14,000	£13,601	£27,000	£26,230

A1.16. Note on how to read this table: If a deferred member had £27,000 invested in this option aged 17, when they came to retire at the age of 55, the savings pot could be retained at £27,000 if no charges are applied but reduce to £26,23 with charges applied.

The Footballers' Diversified Growth Fund

A1.17. This is the fund with the highest charge available to DC Sections' members.

Illustration basis	Years from taking benefits	Starting pot size £7,000		Starting pot size £14,000		Starting pot size £27,000	
		Before charges	**After charges**	**Before charges**	**After charges**	**Before charges**	**After charges**
Deferred member: no further contributions	0	£7,000	£7,000	£14,000	£14,000	£27,000	£27,000
	5	£8,086	£7,695	£16,172	£15,389	£31,189	£29,679
	10	£9,341	£8,458	£18,682	£16,916	£36,029	£32,624
	15	£10,790	£9,297	£21,580	£18,595	£41,619	£35,862
	20	£12,464	£10,220	£24,929	£20,440	£48,077	£39,420
	25	£14,398	£11,234	£28,797	£22,468	£55,537	£43,332
	30	£16,632	£12,349	£33,265	£24,698	£64,154	£47,632
	35	£19,213	£13,574	£38,426	£27,149	£74,108	£52,359
	38	£20,950	£14,367	£41,900	£28,735	£80,807	£55,417

A1.18. Note on how to read this table: If a deferred member had £27,000 invested in this option aged 17, when they came to retire at the age of 55, the savings pot could grow to £80,807 if no charges are applied but to £55,417 with charges applied.

The Professional Footballers' Pension Scheme (DC sections)

Statement of Investment Principles

Barnett Waddingham LLP

19 September 2024

Contents

BARNETT WADDINGHAM
beyond the expected

1. Introduction

1.1. This is the Statement of Investment Principles prepared by the Trustees and relates to the defined contribution (DC) benefits provided through the Professional Footballers Pension Scheme ("the Scheme"). For the avoidance of doubt, the DC benefits provided through the Scheme are also known as the "2011 Section" and the "Income Section". This statement sets down the principles which govern the decisions about investments that enable the Scheme to meet the requirements of:

- the Pensions Act 1995, as amended by the Pensions Act 2004; and
- the Occupational Pension Schemes (Investment) Regulations 2005 as amended by the Occupational Pension Schemes (Investment) (Amendment) Regulations 2010.
- the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018.
- the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.
- The Occupational Pension Schemes (Administration, Investment, Charges and Governance) and Pensions Dashboards (Amendment) Regulations 2023.

1.2. In preparing this statement the Trustees have consulted the Premier League and Football League (as representatives of the Employer Clubs), and obtained advice from Barnett Waddingham LLP, the Trustees' investment consultant. Barnett Waddingham is authorised and regulated by the Financial Conduct Authority for a range of investment business activities.

1.3. The Trustees will review this statement at least every three years or if there is a significant change in any of the areas covered by the statement.

1.4. The investment powers of the Trustees are set out in Clause 16 of the Definitive Trust Deed & Rules, dated 18 September 2015. This statement is consistent with those powers.

2. Choosing investments

2.1. The Trustees carefully consider their Investment Objectives, shown in Appendix 1, when designing the range of investment options to offer to its members. The Trustees also acknowledge that members will have different attitudes to risk and different aims for accessing their retirement savings – and therefore, whilst seeking good member outcomes net of fees, it also considers the level of risk that is appropriate based on the anticipated needs of the membership profile of the Scheme.

2.2. The Trustees' policy is to offer a default investment arrangement suitable for the Scheme's membership profile. Details of these are given in Appendix 1. In doing so, the Trustees consider the advice of their professional advisers, whom they consider to be suitably qualified and experienced for this role.

2.3. The day-to-day management of the Scheme's assets is delegated to one or more investment managers. The Scheme's investment managers are detailed in Appendix 1 to this Statement. The investment managers are authorised and regulated by the Financial Conduct Authority, and are responsible for stock selection and the exercise of voting rights.

2.4. The Trustees review the appropriateness of the Scheme's investment strategy on an ongoing basis. This review includes consideration of the continued competence of the investment managers with respect to performance within any guidelines set. The Trustees will also consult the Premier League and Football League (as representatives of the Employer Clubs) before amending the investment strategy.

3. Investment objectives

3.1. The Trustees have discussed and agreed key investment objectives considering an analysis of the Scheme's membership profile as well as the constraints the Trustees face in achieving these objectives. These are set out in Appendix 1.

4. Kind of investments to be held

4.1. The Scheme is permitted to invest in a wide range of assets including equities, bond, cash, property and alternatives.

5. The balance between different kinds of investment

5.1. The Trustees have made available a default investment option. Members' assets are automatically invested in line with a pre-determined strategy that changes at different stages of membership. For example, whilst a member is assumed to be a long way off accessing their retirement savings, emphasis is placed on medium to higher risk funds (i.e. investment largely in growth assets) in search of long-term, inflation-protected growth. As the member's target retirement date approaches, their retirement savings are progressively switched to hold a larger proportion of lower risk assets which aim to protect the value of the retirement savings relative to the way in which they are expected to be accessed.

5.2. The Trustees consider the merits of both active and passive management for the various elements of the Scheme's portfolio and may select different approaches for different asset classes.

5.3. The Trustees are aware that the appropriate balance between different kinds of investments will vary over time and the asset allocation may change as the membership profile evolves.

6. Risks

6.1. Risk in a defined contribution scheme lies with the members themselves. The Trustees recognise that a number of risks are involved in the investment of assets for the Scheme. They have identified the following principal risks which have the potential to reduce the return achieved on the assets to below their benchmarks:

Platform provider risk	The risk that the Platform Provider, Mobius Life, does not manage the investments in line with the agreed strategy.
Investment Manager Risk	The Trustees monitor the performance of the Scheme's investment managers on a regular basis in addition to having meetings with them from time to time as necessary. The Trustees have a written agreement with each investment manager, through the Platform Provider, which contains a number of restrictions on how the investment manager may operate.
Custodian risk	The risk of failed or inadequate performance by the custodian.

Political risk	The financial risk that a country's government will suddenly change its policies.
Inflation risk	The risk that the investments do not provide a return at least in line with inflation, thus eroding the purchasing power of the retirement savings. The Trustees make available a default investment strategy that is expected to provide a long-term real rate of return.
Conversion risk	The risk that fluctuations in the assets held, particularly in the period before retirement savings are accessed, lead to uncertainty over the benefit amount likely to be received. In the lifestyle arrangement made available as the Scheme's default investment strategy (see Appendix 1), the Trustees change the proportion and type of investments so that in the run up to retirement the investments gradually start to move closely to match how the Trustees expect members to access their retirement savings. The Trustees keep the appropriateness of the default investment strategy under review.
Retirement income risk	The risk that a member's retirement income falls short of the amount expected, whether this is due to lower investment returns than expected or insufficient contributions being paid. The Trustees periodically review the appropriateness of the default investment strategy to ensure member outcomes can be maximised.
Market risk	Each investment manager is expected to manage properly diversified portfolios and to spread assets across a number of individual shares and securities.
Currency risk	The Scheme may gain exposure to overseas currencies by investing in assets that are denominated in a foreign currency or via currency management.
Loss of investment	The risk of loss of investment by the investment manager and custodian is assessed by the Trustees. This includes losses beyond those caused by market movements (e.g. default risk, operational errors or fraud). The Scheme's auditor considers the internal controls and processes of each of the investment managers as part of the review of the Scheme's annual accounts.
ESG risks	The risk posed by environment, social and governance factors (including, but not limited to, climate change).

7. Expected return on investments

7.1. The Trustees have regard to the relative investment return and risk that each asset class is expected to provide. The Trustees are advised by their professional advisors on these matters, whom they deem to be appropriately qualified experts. However, the day-to-day selection of investments is delegated to the investment managers.

7.2. The Trustees recognise the need to distinguish between nominal and real returns and to make appropriate allowance for inflation when making decisions and comparisons.

8. Realisation of investments

8.1. The Trustees have delegated the responsibility for buying and selling investments to the investment managers.

9. Financially material considerations, non-financial matters, the exercise of voting rights and engagement activities

9.1. The Trustees have set policies in relation to these matters. These policies are set out in Appendix 2.

10. Policy on arrangements with asset managers

Incentivising alignment with the Trustees' investment policies

10.1. When appointing an investment manager, in addition to considering the investment manager's investment philosophy, process and policies to establish how the manager intends to make the required investment returns, the Trustees also consider how ESG and climate risk are integrated into these. If the Trustees deem any aspect of these policies to be out of line with their own investment objectives for the part of the portfolio being considered, they will consider using another manager for the mandate.

10.2. The Trustees carry out a strategy review periodically where they assess the continuing relevance of the strategy in the context of the Scheme's membership and their aims, beliefs and constraints. The Trustees monitor the investment managers' approach to ESG and climate related risks on an annual basis.

10.3. In the event that an investment manager ceases to meet the Trustees' desired aims, including the management of ESG and climate related risks, using the approach expected of them, the Trustees will review this investment.

10.4. Investment manager ESG policies are reviewed upon appointment in the context of best industry practice and feedback will be provided to the investment manager.

Incentivising assessments based on medium to long term, financial and non-financial considerations

10.5. The Trustees are mindful that the impact of ESG and climate change has a long-term nature. However, the Trustees recognise that the potential for change in value as a result of ESG and climate risk may occur over a much shorter term than climate change itself. The Trustees acknowledge this in their investment management arrangements.

10.6. When considering the objectives for an investment manager (including ESG and climate risk objectives), and then assessing their effectiveness and performance, the Trustees assess these over a rolling timeframe. The Trustees believe the use of rolling timeframes, typically 3 to 5 years, is consistent with ensuring the investment manager makes decisions based on an appropriate time horizon. Where a fund may have an absolute return or shorter term target, this is generally supplementary to a longer term performance target. In the case of assets that are actively managed, the Trustees expect this longer term performance target to be sufficient to ensure an appropriate alignment of interests.

10.7. The Trustees expect investment managers to be voting and engaging on behalf of the Scheme's holdings and the Scheme monitors this activity within the Implementation Statement in the Scheme's Annual Report and Accounts. The Trustees do not expect ESG considerations to be disregarded by the investment managers in an effort to achieve any short term targets.

Method and time horizon for assessing performance

10.8. The Trustees monitor the performance of their investment managers over medium to long term periods that are consistent with the Trustees' investment aims, beliefs and constraints.

10.9. The Scheme invests exclusively in pooled funds. The investment manager is remunerated by the Trustees based on the assets they manage on behalf of the Trustees. As the funds grow, due to successful investment by the investment manager, they receive more and as values fall they receive less.

10.10. The Trustees believe that this fee structure enables the investment manager to focus on long-term performance without worrying about short term dips in performance significantly affecting their revenue.

10.11. The Trustees ask the Scheme's investment consultant to assess if the asset management fee is in line with the market when the manager is selected, and the appropriateness of the annual management charges are considered periodically.

Portfolio turnover costs

10.12. The Trustees acknowledge that portfolio turnover costs can impact on the performance of their investments. Overall performance is assessed as part of the quarterly investment monitoring process.

10.13. During the investment manager appointment process, the Trustees may consider both past and anticipated portfolio turnover levels. When underperformance is identified, deviations from the expected level of turnover may be investigated with the investment manager concerned if it is felt they may have been a significant contributor to the underperformance. Assessment of these costs reflect market conditions and peer group practices.

Duration of arrangement with asset manager

10.14. For the open-ended pooled funds in which the Scheme invests, there are no predetermined terms of agreement with the investment managers.

10.15. The suitability of the Scheme's asset allocation and its ongoing alignment with the Trustees' investment beliefs is assessed periodically. As part of this review the ongoing appropriateness of the investment managers, and the specific funds used, is assessed.

11. Employer related investments

11.1. The Trustees' policy is not to hold any employer-related investments.

12. Agreement

12.1. This statement was agreed by the Trustees, and replaces any previous statements. Copies of this Statement and any subsequent amendments will be made available to the Premier League and Football League (as representatives of the Employer Clubs), the Scheme's investment managers, and the Scheme auditor upon request. The Statement will also be published on a publicly available website.

This Statement of Investment Principles was approved by the Trustees of the Professional Footballers' Pension Scheme on 19 September 2024.

Appendix 1: Note of investment policy of the Scheme in relation to the current Statement of Investment Principles

1. The balance between different kinds of investment

The Trustees' main investment objectives are:

- to provide a suitable default investment option that is likely to be suitable for a typical member;
- seek to achieve good member outcomes net of fees and subject to acceptable levels of risk;
- to ensure that the expected volatility of the returns achieved is managed through appropriate diversification of asset types;
- to control the level of volatility and risk in the value of members' pension pots; and
- to reduce the risk of the assets failing to meet projected retirement income levels.

The Trustees are responsible for the design of the default investment option.

2. Default Option

The Trustees acknowledge that members will have different attitudes to risk and different aims for accessing their retirement savings, and so it is not possible to offer a single investment option that will be suitable for each individual member. However, having analysed the Scheme's membership profile, the Trustees decided that the lifestyle arrangement set out below represents a suitable default investment option for the majority of members. The aims, objectives and policies relating to the default option are intended to ensure that assets are invested in the best interests of relevant members and their beneficiaries.

The Trustees have appointed Mobius Life Limited as the Platform Investment Manager in respect of the default investment strategy. The Trustees took investment advice both to choose the investment platform and select the funds to be offered to members. Mobius Life Limited is authorised and regulated by the Financial Conduct Authority and has been selected in order to effect cost and operational efficiencies in the management of the assets.

Following a review of the investment strategy and membership analysis carried out by the Trustees' advisers, it was found that a significant numbers of members are expected to have retirement pots of a large enough size that drawing down benefits over time will be the most likely access route (rather than taking a cash lump sum or purchasing an annuity). The Trustees therefore decided that the default arrangement should be based around this method of accessing benefits in retirement.

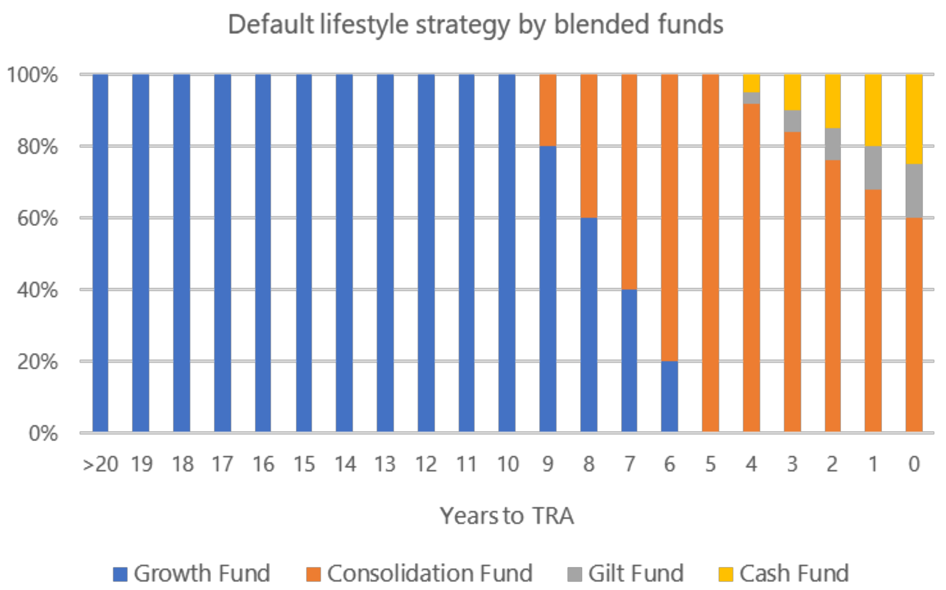
The default option is currently the 10-year lifestyle profile, which progressively switches between four blended funds (i.e. a blend of funds, where the asset allocation is determined by the Trustees). The four blended funds used in the default arrangement are the:

- Growth Fund;
- Consolidation Fund;

- Gilt Fund;
- Cash Fund.

Members' funds are moved from the Growth Fund once they are 10 years from their Target Retirement Age ("TRA"), resulting in 100% of their assets being invested in the Consolidation, Gilt and Cash funds at retirement, as per the chart below. Moving between the funds in this way is done automatically for members and assumes they will be accessing their savings at their TRA.

Members have the option to invest AVCs in the default strategy. In addition, the Trustees have made available a variety of alternative self-select funds, which we have detailed below in Section 3 below.



The investment objectives for each fund is given below.

Platform provider	Fund	Benchmark	Fund objective
Mobius Life	Footballers' Growth Fund	Consumer Prices Index (CPI) + 3.5% p.a.	The Fund aims to produce long-term capital growth. The Fund is designed for members that should expect broadly equity-like returns over the long-term while invested in the Fund.

Platform provider	Fund	Benchmark	Fund objective
	Footballers' Consolidation Fund	CPI + 1.5% p.a.	The Fund aims to produce capital growth over a 5-to-10-year investment horizon with a lower volatility than equities. This Fund has been designed for members between the growth and retirement phase of the Scheme's default investment strategy.
	Footballers' Gilt Fund	FTSE Actuaries UK Conventional Gilts up to 5 Year Index	To track the benchmark.
	Footballers' Cash Fund	7 Day GBP LIBID	To track the benchmark.

The asset allocation of each of the blended funds, as well as the fees for each fund is provided by the member factsheets available with Mobius. Links to these factsheets have been provided in the above tables.

Policy on investing in illiquid assets within the default arrangement

Investment in illiquid assets are expected to bring certain benefits to members including diversification, return enhancement and inflation protection. The Trustees believe these advantages can outweigh the potential disadvantages of reduced liquidity, higher investment fees and higher investment risk.

The Trustees currently invest a portion of members' funds in illiquid assets. Investment is made indirectly, via a multi-asset private markets fund called the Partners Generations Fund which is used within the Footballers' Growth Fund.

The illiquid asset exposure spans the majority of the member's retirement journey. Assuming there is no gating, a member will have exposure to illiquid assets upto five years to Target Retirement Age ('TRA'). The age of these members will depend on each member's TRA, which is variable within the Scheme.

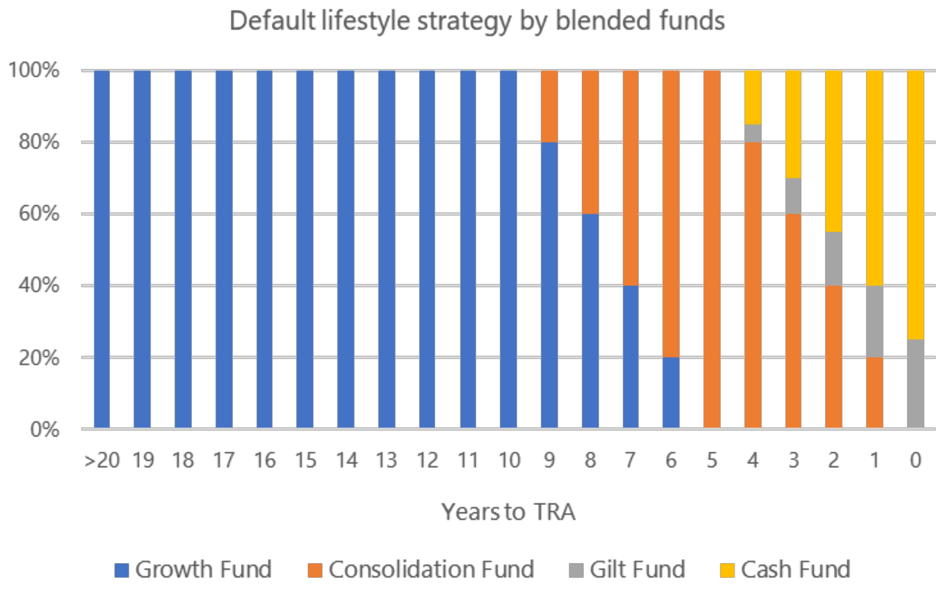
The statements made in the main body of this Statement of Investment Principles also apply to the default arrangement.

3. Alternative investment options

Alongside the default investment option, the Trustees also make available a range of alternative investment options as set out below.

Cash lifestyle option

Similar to the default investment option, the cash lifestyle option utilises a 10-year lifestyle profile, which progressively switches between four funds, as shown in the chart below. To ensure consistency between the lifestyle options, the investments upto 5 years to TRA are the same as those in the default investment option.



The investment benchmarks and the objectives for each fund above are the same as those used in the default investment option shown in Section 2.

Self-select funds

Alongside the cash lifestyle option, members also have the option to invest in a range of self-select funds. These include the funds detailed in the above Section 2, as well as the following funds.

Platform provider	Fund	Fund objective
Mobius Life	Footballers' Equity Fund	The Fund aims to produce long-term capital growth through an investment allocation to global equity securities.
	Footballers' Shariah Equity Fund	This Fund aims to produce long-term capital growth by investing in securities of a range of companies listed across the globe whilst meeting Islamic investment principles.

The performance of the funds will be monitored as frequently as the Trustees considers appropriate in light of the prevailing circumstances. The monitoring takes into account both short-term and long-term performance.

Appendix 2: Financially material considerations, non-financially material considerations, the exercise of voting rights and engagement activities

1. Financially material considerations

The Trustees believe that the consideration of financially material factors, such as Environmental (including climate change), Social and Governance ("ESG") factors in investment decision making are financially material and can lead to better risk adjusted investment returns over the time horizon over which benefits are paid, which may be up to around 40 or 50 years. The Trustees, therefore, have a policy to consider these, alongside other factors, when selecting, retaining or realising the Scheme's investments.

The Trustees have elected to invest the Scheme's assets through pooled funds. The choice of underlying funds is made by the Trustees after taking advice from their investment consultant. The Trustees, and the managers of the underlying funds, take into account ESG factors (including climate change risks) in their decisions in relation to the selection, retention and realisation of investments.

The Trustees expect their investment managers, when exercising discretion in investment decision making, to take financially material ESG factors into account. The Trustees take ESG factors into account in the selection, retention and realisation of investments as follows:

Selection of investments: assess the investment managers' ESG integration credentials and capabilities, including stewardship, as a routine part of requests for information/proposals as well as through other regular reporting channels.

Retention of investments: developing a monitoring process in order to monitor ESG considerations periodically by seeking information on the responsible investing policies and practices of the investment managers.

Realisation of investments: the Trustees will take into account how ESG considerations are utilised in decisions to realise investments.

The Trustees will also take those factors into account as part of its investment process to determine a strategic asset allocation, and consider them as part of ongoing reviews of the Scheme's investments.

The Trustees will continue to monitor and assess ESG factors, and risks and opportunities arising from them, as follows:

- The Trustees will obtain training on ESG considerations in order to understand fully how ESG factors including climate change could impact the Scheme and its investments;
- As part of ongoing monitoring of the Scheme's investment managers, the Trustees will use any ESG ratings information provided by its investment consultant, to assess how the Scheme's investment managers take account of ESG issues; and
- Through their investment consultant the Trustees will request that all of the Scheme's investment managers provide information about their ESG policies, and details of how they integrate ESG into their investment processes when necessary.

2. Non-financially material considerations

Where ESG factors are non-financial (i.e. they do not pose a risk to the prospect of the financial success of the investment) the Trustees believe these should not drive investment decisions. The Trustees expect their investment managers, when exercising discretion in investment decision making, to consider non-financial factors only when all other financial factors have been considered and in such a circumstance the consideration of non-financial factors should not lead to a material reduction in the efficiency of the investment. Members' views are not sought on non-financial matters (including ESG, quality of life considerations and ethical views) in relation to the selection, retention and realisation of investments.

3. The exercise of voting rights

The Trustees believe that in order to protect and enhance the value of the investments, over the time horizon which the benefits are paid, they must act as a responsible asset owner. The Trustees cannot exercise their responsibilities directly as they do not hold investments in their name. The Trustees expect their investment managers to exercise voting rights on all resolutions at annual and extraordinary general meetings of companies. In doing so, the Trustees expect that the investment managers will use their influence as major institutional investors to exercise the Trustees' rights and duties as shareholders, including where appropriate engaging with underlying investee companies to promote good corporate governance, accountability and to understand how those companies take account of ESG issues in their businesses.

The Trustees will monitor their investment managers policies on voting and engagement through the annual Implementation Statement.

The Trustees expect their investment managers to exercise ownership rights attracted to investments, including voting and engagement rights, in order to safeguard sustainable returns over this time frame. On an ongoing basis the Trustees will assess the stewardship and engagement activity of its investment managers through the annual Implementation Statement (delegating to the Investment Consultant where appropriate).

The Trustees will monitor and engage with the investment managers about relevant matters (including matters concerning an issuer of debt or equity, including their performance, strategy, management of actual or potential conflicts of interest, risks, social and environmental impact, and corporate governance), through the Scheme's investment consultant.

4. Engagement activities

The Trustees acknowledge the importance of ESG and climate risk within their investment framework. When delegating investment decision making to their investment managers, they provide their investment managers with a benchmark they expect the investment managers to either follow or outperform. The investment manager has discretion over where in an investee company's capital structure it invests (subject to the restrictions of the mandate), whether directly or as an asset within a pooled fund.

The Trustees are of the belief that ESG and climate risk considerations extend over the entirety of a company's corporate structure and activities, i.e. that they apply to equity, credit and property instruments or holdings. The Trustees also recognise that ESG and climate related issues are constantly evolving and along with them so too are the products available within the investment management industry to help manage these risks.

The Trustees consider it to be a part of their investment managers' roles to assess and monitor developments in the capital structure for each of the companies in which the managers invest on behalf of the Scheme or as part of the pooled fund in which the Scheme holds units.

The Trustees also consider it to be part of their investment managers' roles to assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the managers invest on behalf of the Scheme.

In selecting and reviewing their investment managers, where appropriate, the Trustees will consider investment managers' policies on engagement and how these policies have been implemented.

Conflicts of interest

The Scheme invests solely in pooled funds and the Scheme's investment managers are granted full discretion over whether or not to invest in the Employer Clubs' businesses. A conflict of interest is not therefore expected to arise.

The Scheme's investment consultant is independent and no arm of their business provides asset management services. This, and their FCA Regulated status, makes the Trustees confident that the investment manager recommendations they make are free from conflict of interest.

The Trustees expect all investment managers to have a conflict of interest policy in relation to their engagement and ongoing operations. In doing so the Trustees believe they have managed the potential for conflicts of interest in the appointment of the investment manager and conflicts of interest between the Trustees/investment manager and the investee companies.