

# NIMBUS DIAMOND TOOL LIMITED 1993 RETIREMENT BENEFITS SCHEME

## GOVERNANCE STATEMENT

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### NIMBUS DIAMOND TOOL LTD 1993 RETIREMENT BENEFITS SCHEME CHAIR'S STATEMENT

#### 1. INTRODUCTION

The Trustees of the Nimbus Diamond Tool Ltd 1993 Retirement Benefits Scheme (the "Scheme") are required to present a yearly chair's statement under the Occupational Pensions Schemes (Scheme Administration) Regulations 1996 (the "Regulations"). This Statement covers the period 6 April 2024 to 5 April 2025.

#### 2. DEFAULT ARRANGEMENTS

The Scheme does not have any default arrangements (as defined in the Regulations).

#### 3. CORE FINANCIAL TRANSACTIONS & ADMINISTRATION

The Trustees must ensure that core financial transactions are processed promptly and accurately. These include transactions such as payment of contributions into the Scheme, transfers in and out of the Scheme and payment of benefits from the Scheme. There have been no breaches of the core financial transactions requirements under the Regulations during the period covered by this statement.

The Trustees ensure that all core financial transactions are processed promptly and accurately in the following ways:

- a. The Trustees liaise with the Scheme administrator to ensure that appropriate controls are in place.
- b. The Scheme administrator has service standards in place to ensure prompt and accurate processing of financial transactions such as those listed above. The Scheme administrator monitors service levels and checks are carried out on financial transactions by a second staff member.

#### 4. COST AND CHARGES

The Trustees are required to explain the charges and transaction costs (i.e. the costs of buying and selling investments in the Scheme) which are paid by members rather than the employer.

The explicit charge that members of the Scheme pay from their defined contribution funds is the total expense ratio. This is the total explicit cost of the fund to an investor and includes legal, administration, audit, marketing, and regulatory costs. It is calculated by dividing all expenses paid by the fund over the year by the value of the fund's assets. The total expense ratios for funds held by Scheme members are shown in the table below.

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The implicit charges members pay are the transaction costs i.e. the costs of buying and selling investments in funds. The Trustees have requested transaction cost information for the Scheme's applicable arrangements. The transaction costs, calculated using the prescribed method, for funds held by the Scheme members are shown in the table below.

### Annual charges:

<b>Fund</b>	<b>Total expense ratio</b>	<b>Transaction costs*</b>
Crest Secure Fund (With Profits)	1.45%	0.00%
RLP UK Equity	1.00%	0.08%
RLP Fixed Income	1.00%	0.03%
RLP Deposit	1.00%	0.053%
RLP Managed	1.00%	0.06%

\*the Trustees request details of transaction costs from Royal London

The Trustees must also assess whether these charges and transaction costs represent value for money for members.

The Trustees are committed to ensuring that members receive value for money from the Scheme i.e. that the costs and charges deducted from members' pots and contributions paid provide good value in relation to the benefits and services provided by or on behalf of the Trustees.

The Trustees have sought information from Royal London and considered the quality of services provided to members, including administration, fund management and communications. Based on information received and taking into account the circumstances of the Scheme the Trustees have concluded that the Scheme does offer good value for money.

The Trustees will continue to monitor the Scheme's value for money and will provide an updated statement in the next year's chair's statement.

### Illustrations to show the cumulative effect of costs and charges:

The Trustees are required to illustrate the effect of the costs and charges typically paid by a member on the value of their defined contribution fund at retirement (as a "pounds and pence figure"). The Regulations allow the Trustees to exercise their discretion with regards to the illustrative examples provided to show the effect of costs and charges over time, as long as they are realistic and representative of the Scheme's membership.

The Trustees have taken account of the statutory guidance when preparing these illustrations.

The Trustees have decided to provide illustrations for the Crest Secure Fund and Balanced Retirement Strategies (Lifestyle strategies that use the other funds available) as these are the funds with the most members. The Trustees have decided to illustrate two example members, using average current fund values in each fund of £15,000:

- Example member 1: the example youngest member (age 44) with a retirement age of 65;
- Example member 2: the average member (age 56) with a retirement age of 65.

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The tables below illustrate the effect of the costs and charges at different ages on the members' projected retirement pots for the example members.

Example member 1: For the example youngest member (age 44), the estimated impact of charges on accumulated fund values is shown in the table below.

Age	Crest Secure Fund (With Profits)			Balanced Retirement Strategies		
	Fund value (before charges)	Fund value (after charges)	Impact of charges on Fund value	Fund value (before charges)	Fund value (after charges)	Impact of charges on Fund value
45	£14,880	£14,670	£210	£15,620	£15,470	£150
50	£14,320	£13,130	£1,190	£19,190	£18,060	£1,130
55	£13,790	£11,750	£2,040	£22,930	£20,520	£2,410
60	£13,270	£10,510	£2,760	£26,940	£22,910	£4,030
65	£12,770	£9,410	£3,360	£30,530	£24,670	£5,860

Example member 2: For the average member (age 56), the estimated impact of charges on accumulated fund values is shown in the table below.

Age	Crest Secure Fund (With Profits)			Balanced Retirement Strategies		
	Fund value (before charges)	Fund value (after charges)	Impact of charges on fund value	Fund value (before charges)	Fund value (after charges)	Impact of charges on fund value
57	£14,880	£14,670	£210	£15,490	£15,330	£160
60	£14,540	£13,720	£820	£17,050	£16,380	£670
63	£14,210	£12,840	£1,370	£18,520	£17,240	£1,280
65	£14,000	£12,280	£1,720	£19,330	£17,630	£1,700

**Notes:**

- Fund values shown are estimates and are not guaranteed;
- Fund values are in today's terms;
- Inflation is assumed to be 2.5% per year;
- The projected growth rates and costs and charges used for the illustrations are shown in the table below.

Fund	Total assumed annual charge*	Growth rate
Crest Secure Fund (With Profits)	1.47%	0.78% p.a. below inflation
Balanced Retirement Strategies**	1.07%	4.3% p.a. above inflation to 2.12% p.a. above inflation

\*using five-year average for transaction costs with any negative transaction costs set to zero

\*\*depending upon term to retirement

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### Net investment returns:

The Trustees are required to report the net investment returns for all funds which members were invested in during the Scheme year. Net investment return refers to the returns on funds minus the fund management charge. The net investment returns have been prepared having regard to statutory guidance. The guidance states that net investment returns must be shown for a member aged 25, 45 and 55 at the start of the investment reporting period, where they vary dependent upon term to retirement, for example in the Balanced Retirement Strategies. It is important to note that past performance is not a guide to future performance.

Net investment returns to 31 March 2024		
Fund	1 year (%)	5 years (% p.a.)
Crest Secure Fund (With Profits)	0.3%	1.6%
Balanced Retirement Strategies*	-0.5%	3.8%
Balanced Retirement Strategies**	-5.7%	4.1%

\*member aged 25 or 45 at the start of the investment reporting period

\*\*member aged 55 at the start of the investment reporting period

## 5. TRUSTEE KNOWLEDGE AND UNDERSTANDING

The Trustees are required to maintain an appropriate level of knowledge and understanding of the Scheme and the law to run the Scheme effectively.

The Trustees have maintained familiarity with the Scheme's Trust Deed and Rules and current policies, along with knowledge of the law relating to pensions and trusts. To assist with this, all Trustees are required to complete the Pensions Regulator's trustee toolkit. The Trustees also benefit from training sessions run by the Trustees' advisers.

The Trustees collectively also have many years' experience and are supported by professional advisers. I and the pensions department also monitor the Trustees knowledge and understanding for any gaps that need to be filled and liaise with external advisers to ensure that appropriate training is provided where gaps are identified. The Trustees are also able to feedback to me where they feel that they would benefit from additional training.

The Scheme also has an induction process in place for new trustees to ensure that they reach an appropriate level of knowledge and understanding. This includes training on their duties as trustees, attendance at introductory training for pension scheme trustees and completion of the Pension Regulator's trustee toolkit.

As a result, I am confident that the combined knowledge and understanding of the Trustees, along with the advice provided by our professional advisers, enables us properly to exercise our functions as the trustees of the Scheme.

Signed .....  
Chair on behalf of the Trustees

Date 28/10/25 .....