



CF Fertilisers UK Limited Pension Scheme

Chair's Statement

1 January 2023 to 31 December 2023

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01 Introduction

£36.48m

Total defined contribution funds in the Scheme as at 30 September 2023

This is the Chair's Statement for the CF Fertilisers UK Limited Pension Scheme (the "Scheme") covering the period 1 January 2023 to 31 December 2023.

As the Chair of the Trustees, I provide you with a yearly statement which explains what steps have been taken by the Trustee Board, with help from our professional advisers, to meet the new governance standards. The law sets out what information has to be included in my Statement and this is designed to help members achieve a good outcome from their pension savings.

The Scheme is a defined contribution ('DC') arrangement providing benefits to members. The Scheme was used as a qualifying scheme to comply with the automatic enrolment legislation in the UK, in relation to current employees.

Members of the Scheme and their existing DC assets were transferred from the CF Fertilisers UK Limited Pension Scheme to the Mercer Master Trust (MMT) on 31 October 2023. New contributions have been invested within the Master Trust from 01 September 2023 onwards.

There are a small number of annuity policies currently held in the name of the Scheme. These policies are in the process of being assigned to the relevant members. Following the transfer of these annuities, the Scheme will be wound up.

01.01 Governance and Queries

The Scheme was established by the first Definitive Deed dated 20 September 2007 in order to provide benefits for employees of CF Fertilisers UK Limited.

The Trustees committed to having high governance standards and met regularly to monitor the controls and processes in place in connection with the Scheme's investments and administration. During the Scheme year, the Trustees carried out a review of the Scheme and ultimately decided to close the Scheme and move the assets to the MMT.

I, Susan Anyan, on behalf of Capital Cranfield Pension Trustees Limited am appointed as the Chair of the Trustees and I am signing this Statement in that capacity.

02 Default Investment Strategy

Statement of Investment Principles (SIP)

A copy of the SIP, which set out the objectives for the Scheme's investment strategy, can be found in Appendix B

02.01 The default investment options

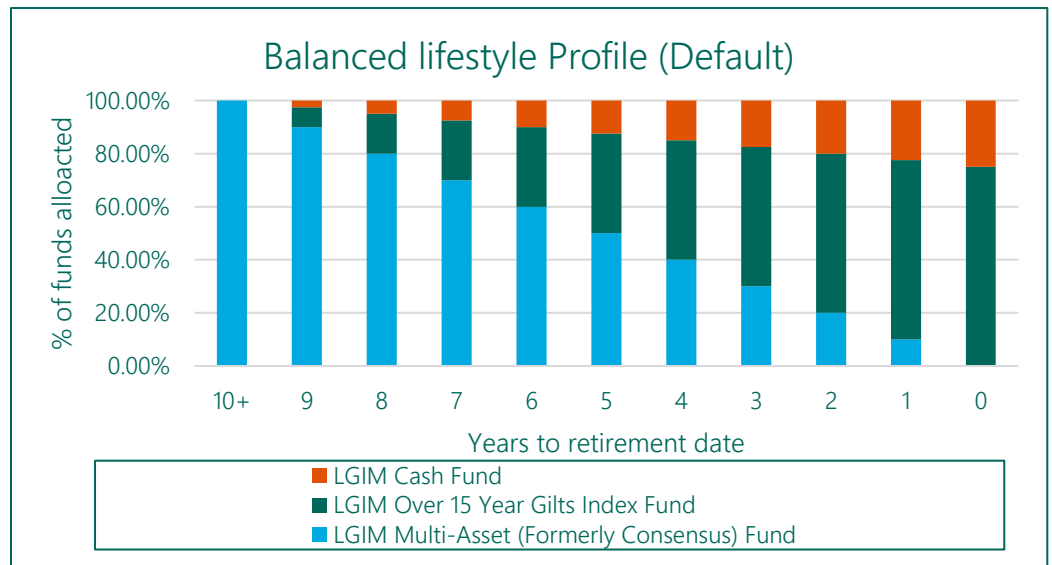
If members did not make their own investment choices in the Scheme, their funds were invested in the "default investment option".

Pre-Retirement Default

The Scheme's default investment option was the Balanced Lifestyle Fund. This is what is known as a "lifestyle" strategy, which seeks to switch investments gradually into lower risk funds as members approach retirement.

When members are more than 10 years from their target retirement date, the Balanced Lifestyle Fund was invested entirely in the LGIM Multi-Asset (formerly Consensus) Fund. This fund invested in a mixture of equities (shares in companies) and bonds, aiming to achieve long-term capital growth whilst avoiding excessive risk. The LGIM Multi-Asset (formerly Consensus) fund was "passively managed", which means it aimed to track an index, rather than make regular trades to try to achieve excess returns.

Once members were within 10 years of their Target Retirement Date (TRD), the Balanced Lifestyle Fund gradually switched their investments into the LGIM Over 15 Year Gilts Index Fund ("Gilts") and the LGIM Cash Fund ("Cash"), until, at their TRD, 75% of the investment was in Gilts and the remaining 25% was in Cash.



The aim of the lifestyle fund overall was to reduce the risk of members being inappropriately invested at retirement. In the early years, money was invested in funds with greater growth prospects. As retirement approached, the individual's account was gradually and automatically switched into lower-risk investment funds.

Members could opt out of the default investment option and invest in any other fund offered by the Trustee Board.

Default Investment Strategy

continued

Post Retirement Default

For members who elected to take advantage of the freedoms offered direct from the Scheme, a default option had been set where members moved into Flexi Access Drawdown and were invested in a default investment option. The Post Retirement default was the Schroders Dynamic Multi-Asset Fund Series 1 which invested in a broad range of assets and aimed to deliver long-term growth with reduced risk.

02.02 Reviewing the default investment arrangements

Trustees are expected to review the investment strategy and objectives of the default investment options at regular intervals (at least every three years).

The last formal strategic review was completed on 1 May 2022. The Trustees reviewed the investments in detail to consider amongst other things any possible alternative long-term arrangements for the Scheme.

Following the review, it was agreed that the Scheme should be transferred to a Master Trust arrangement. Members of the Scheme and their existing DC assets were transferred from the CF Fertilisers UK Limited Pension Scheme to the MMT in October 2023. New contributions are being invested within the Master Trust from this date onwards.

As part of the move to the MMT, the responsibility of monitoring and reviewing the investments now falls on the Master Trust Trustees going forward.

03 Net returns, charges and transaction costs

03.01 Net returns

Changes to legislation introduced in October 2021 required trustees of relevant occupational pension schemes to report on the net investment returns for the default arrangement(s) and for each fund which Scheme members are, or have been able to, select, and in which Scheme members are invested during the Scheme year.

Net investment returns refer to the returns on funds after the deduction of all transaction costs and charges and including them in this statement is intended to help members understand how their investments are performing. More details of this are set out in Appendix A.

03.02 Fund Performance

Prior to the transfer to the MMT, members were invested in a range of funds managed by Legal & General Investment Management (LGIM) and Schroders.

XPS provided the Trustees with quarterly investment performance information to monitor the Default Investment, which it reviewed and challenged in Trustee meetings. The Trustee Board raised performance questions directly with LGIM, Schroders and also with XPS, the appointed investment adviser.

This table shows how the Default options have performed for members at three different ages, over the last one, three and five years, with a target retirement date of 65.

The returns shown are for the period to the Scheme year end (31 December 2023). It should be noted though that members funds were transferred to the MMT with effect from 31 October 2023.

	Annualised Net Ret		
	Age 25	Age 45	Age 55
Balanced Lifestyle Fund			
1 year returns to 31 December 2023	8.12%	8.12%	8.12%
3 year returns to 31 December 2023	1.55%	1.55%	1.55%
5 year returns to 31 December 2023	4.95%	4.95%	4.95%

Post Retirement Default*	Annualised Net Ret
1 year return to 31 December 2023	5.50%
3 year return to 31 December 2023	1.02%
5 year return to 31 December 2023	3.64%

* Schroder Life Sustainable Future Multi Asset Fund

Source: Legal & General Investment Managers (LGIM) December 2023. Figures are net of fees. Past performance is not a reliable indicator of future results. The value of investments may go down as well as up and members may get back less than they invest

Figures are net of fees but members should be aware of the level of charges and transaction costs paid by members on the default strategies, which depends on the underlying mix of assets based on the age of the member and duration to retirement.

Net returns, charges and transaction costs

continued

03.03 Self-Select Funds

The table below shows the annualised net return for the past 1-year, 3-year and 5-year periods for each of the additional lifestyles and Self-Select Funds.

	Annualised net returns		
	1 year to 31 December 2023	3 years to 31 December 2023	5 years to 31 December 2023
Cautious Lifestyle			
Age 25	8.12%	1.55%	4.95%
Age 45	8.12%	1.55%	4.95%
Age 55	6.16%	-3.16%	1.77%
Adventurous Lifestyle			
Age 25	8.12%	1.55%	4.95%
Age 45	8.12%	1.55%	4.95%
Age 55	8.12%	1.55%	4.95%
Cash Lifestyle			
Age 25	8.12%	1.55%	4.95%
Age 45	8.12%	1.55%	4.95%
Age 55	8.12%	1.55%	4.95%

Net returns, charges and transaction costs continued

	1 year to 31 December 2023	3 years to 31 December 2023	5 years to 31 December 2023
Self-Select Fund			
LGIM Managed Property	-1.72%	2.33%	1.52%
LGIM Global Equity 70:30 Index Fund	10.18%	8.59%	8.31%
LGIM Over 15y Gilts Index Fund ¹	1.56%	-17.43%	-6.44%
LGIM Multi-Asset Fund ¹	8.12%	1.55%	4.95%
LGIM UK Equity Index Fund	8.18%	8.50%	6.19%
LGIM Cash Fund ¹	4.53%	1.89%	1.27%
Schroder Life Global Equity Fund	16.40%	9.31%	11.89%
Schroder Life UK Equity Portfolio	6.00%	6.35%	6.12%
Schroder Life Sustainable Future Multi Asset	5.50%	1.02%	3.64%
Schroder Life Diversified Growth Fund	4.50%	0.23%	3.54%
Schroder Life All Maturities Corporate Bond Fund	9.20%	-4.46%	-20.00%

¹part of the Default lifestyle

Source: Legal & General Investment Managers (LGIM) and Schroders December 2023. Figures are net of fees. Past performance is not a reliable indicator of future results. The value of investments may go down as well as up and members may get back less than they invest.

The Trustees selected a range of funds which they believed to be appropriate for members of the Scheme. The funds were managed by Legal & General Investment Management (LGIM) and Schroders.

The funds available were a mix of “passively managed” funds, which means they aimed to track an index, and “actively managed” which made regular trades to try and achieve excess returns over passively managed funds. Members could self-select their investment strategy, investing in any of these funds in whatever proportions they chose, or select the lifestyle investment option. Alternatively, if they did not make a choice, their funds would be invested in the default investment option.

The charges and other expenses applied to the default investment option (which are averaged across the membership based on the split of their investments), along with the other available portfolio options and self-select funds available to members during the Scheme year, were:

Fund Name	Ongoing Charges Figure	Other expenses	Total Expense Ratio
Default Investment Option			
Balanced lifestyle Fund (default)	0.010% - 0.026%	0.00%	0.010% - 0.026%
Self-Select Funds			
LGIM Managed Property	1.10%	0.865%	1.27%
LGIM Global Equity 70:30 Index Fund	0.21%	0.008%	0.23%
LGIM Over 15y Gilts Index Fund ¹	0.10%	0.006%	0.11%

LGIM Multi-Asset Fund ¹	0.26%	0.006%	0.29%
LGIM UK Equity Index Fund	0.18%	0.004%	0.17%
LGIM Cash Fund ¹	0.13%		0.23%
Schroder Life Global Equity Fund	0.50%		0.61%
Schroder Life UK Equity Portfolio	0.52%		0.56%
Schroder Life All Maturities Corporate Bond Fund	0.25%		0.32%
Schroder Life Sustainable Future Multi Asset	0.25%		0.64%
Schroder Life Diversified Growth Fund	0.56%		1.00%
Other Portfolios			
Lifestyle Option 2 - Cautious	0.010% - 0.026%	0.00%	0.010% - 0.026%
Lifestyle Option 3 - Adventurous	0.010% - 0.026%	0.00%	0.010% - 0.026%
Lifestyle Option 4 - Cash	0.010% - 0.026%	0.00%	0.010% - 0.026%

(Source: Legal & General Investment Management, Schroders)
¹part of the Default lifestyle

Net returns, charges and transaction costs continued

Transaction costs are costs associated with buying and selling of investments and include for example stamp duty and brokerage fees. Transaction costs are incurred when contributions are invested, on switching between funds and when selling investments to take benefits. The following table indicates transaction costs incurred by each of the funds available for investment over assessment periods monitored by the investment manager:

Fund Name	Transaction Costs (% of funds traded)
Default Investment Option	
Balanced lifestyle Fund	0.002% - 0.105%
Self-Select Funds	
LGIM Managed Property	-0.697%
LGIM Global Equity 70:30 Index Fund	0.004%
LGIM Over 15y Gilts Index Fund ¹	0.002%
LGIM Multi-Asset Fund ¹	0.024%
LGIM UK Equity Index Fund	-0.014%
LGIM Cash Fund ¹	0.105%
Schroder Life Global Equity Fund	0.109%
Schroder Life UK Equity Portfolio	0.035%
Schroder Life All Maturities Corporate Bond Fund	0.066%
Schroder Life Sustainable Future Multi Asset	0.385%
Schroder Life Diversified Growth Fund	0.441%
Other lifestyle Funds	
Lifestyle Option 2 – Cautious	0.002% - 0.105%
Lifestyle Option 3 - Adventurous	0.002% - 0.105%
Lifestyle Option 4 - Cash	0.002% - 0.105%
¹ part of the Default lifestyle	

(Source: Legal & General Investment Managers and Schroder Investment Management)

Net returns, charges and transaction costs

continued

03.04 Administration Charge

The Employer paid all administration charges with the exception of the small transaction costs detailed in this statement. The Employer also paid the cost of insured lump sum death in service benefits as part of the Scheme.

Member charges Post Retirement

If a member chose to place their funds in Flexi-Access Drawdown or leave the whole fund invested and make withdrawals throughout retirement, they would have been charged a fixed administration charge of 0.4% of their fund plus £50 p.a. These charges would have been deducted directly from their post-retirement investment fund(s) on 1 January each year.

03.05 Asset allocation disclosure requirements

The new 2023 regulations required Trustees of relevant occupational pension schemes with a scheme year end of 1 October 2023 onwards to disclose and explain the percentage of assets allocated in the default arrangement(s) to specified asset classes.

The regulator believes that publication of asset allocation data will be an important step towards transparency, standardisation and comparability across the pensions market and that it is important that members have access to all relevant information surrounding the investments being made using their savings and the outcomes these investments could have on their future retirement.

03.06 Asset allocation

The asset allocations for the Balanced Lifestyle (default) and the Post Retirement default are shown below.

<u>Balanced Lifestyle</u> <u>(Default)</u>	Percentage allocation: Age 25	Percentage allocation: Age 45	Percentage allocation: Age 55	Percentage allocation: Day before SPA
Cash	1.80%	1.80%	1.80%	10.80%
Bonds	45.90%	45.90%	45.90%	89.20%
Corporate bonds	40.90%	40.90%	40.90%	0.00%
Govt bonds	5.00%	5.00%	5.00%	89.20%
Other bonds	0.00%	0.00%	0.00%	0.00%
Listed equities	52.30%	52.30%	52.30%	0.00%
Private equity	0.00%	0.00%	0.00%	0.00%
Property	0.00%	0.00%	0.00%	0.00%
Infrastructure	0.00%	0.00%	0.00%	0.00%
Private debt	0.00%	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%	0.00%

<u>Post Retirement</u> <u>Default</u>	Percentage allocation: Age 25	Percentage allocation: Age 45	Percentage allocation: Age 55	Percentage allocation: Day before SPA
Cash	5.00%	5.00%	5.00%	5.00%
Bonds	26.90%	26.90%	26.90%	26.90%
Corporate bonds	13.10%	13.10%	13.10%	13.10%
Govt bonds	11.10%	11.10%	11.10%	11.10%
Other bonds	2.70%	2.70%	2.70%	2.70%
Listed equities	45.50%	45.50%	45.50%	45.50%
Private equity	0.00%	0.00%	0.00%	0.00%
Property	0.00%	0.00%	0.00%	0.00%
Infrastructure	0.00%	0.00%	0.00%	0.00%
Private debt	14.80%	14.80%	14.80%	14.80%
Other	7.80%	7.80%	7.80%	7.80%

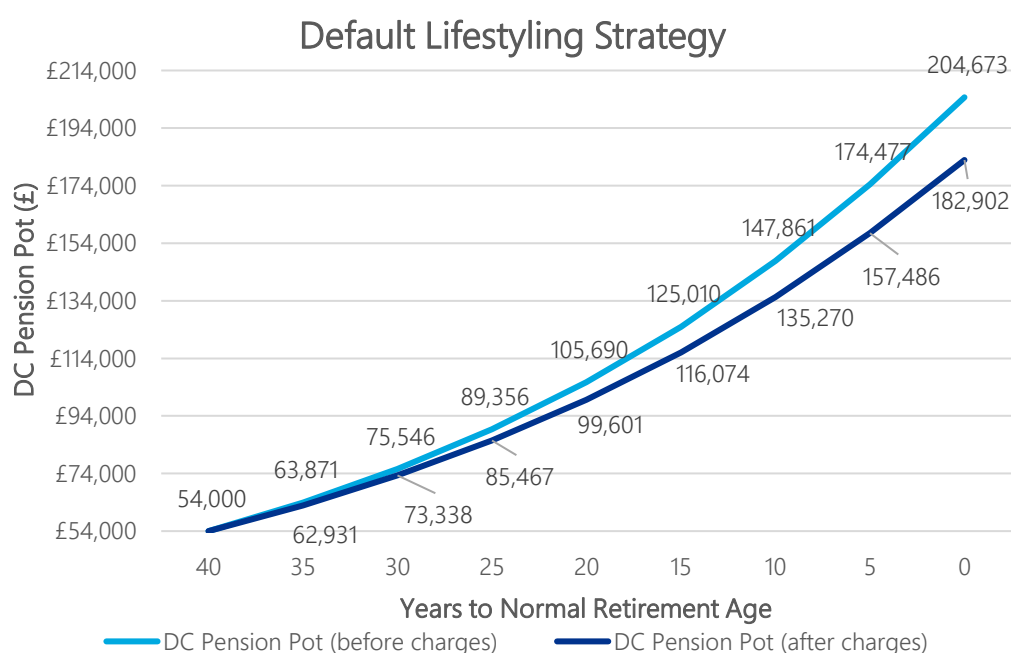
Net returns, charges and transaction costs

Continued

03.07 An illustration of the charges levied on members

The Trustees are required to produce an illustration of the cumulative effect of the costs and charges on members' retirement fund values as required by the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018.

Below you can find an illustration of the effect of the Total Expense Ratio and transaction costs met by members. The below is an example pension pot, invested in the default investment strategy, and is in real money terms, taking into account the effect of inflation. Further information is in Appendix A.



Please note that this is for illustration purposes only. The actual returns received are likely to differ over time, as will individual member pension pot sizes. This illustration is based on:

- > An initial pension pot of £54,000 – which is the average pot size in the period
- > Investment returns estimated as 6.00% pa (gross of charges) for the LGIM Multi Asset Fund in which all monies are invested until 10 years before the member's Normal Retirement Date.
- > Investment returns estimated as 7.00% pa (gross of charges) for the LGIM Over 15 Year Gilts Index Fund and 2.00% pa (gross of charges) for the LGIM Cash Fund. Monies are gradually switched into over the 10 years before the member's Normal Retirement Date.
- > Inflation of 2.5% pa and salary increases of 2.5% pa.
- > The Investment Manager Charges as stated in the above section, which are correct as at 31 December 2023 (they may have changed since then).

Net returns, charges and transaction costs

Continued

- > The expected returns, salary increase and inflation assumptions have been set taking into account the guidance in the Financial Reporting Council's Actuarial Standards Technical Memorandum 1.

Following the transfer of the DC assets to the MMT on 31 October 2023, members should refer to the Chair's Statement for the MMT for details in relation to their investments within that scheme.

03.08 What are the assumptions based on?

In preparing these illustrations, the Trustees have had regard to:

- > The Department for Work and Pensions' 'Reporting of costs, charges and other information: guidance for trustees and managers of relevant occupational schemes';
- > Actuarial Standards Technical Memorandum 1 (AS TM1) issued by the Financial Reporting Council; and
- > The Financial Conduct Authority (FCA) Transaction cost disclosure in workplace pensions Policy Statement PS17/20.

04 Core financial transactions

04.01 Assessing Core Transactions

The assets contained in the Scheme were transferred to the MMT in October 2023, however, during the period in which assets were in the Scheme, the Trustees ensured the requirements of Regulation 24 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 were met and that the Scheme's core financial transactions were processed promptly and accurately by:

- > having an agreement in place with XPS Pensions Limited (as "Scheme Administrator" or "Administrator"), committing them to defined service level agreements ("SLAs"). Amongst other matters, this covers the accuracy and timeliness of all core financial transactions;
- > having XPS Pensions Limited report on their performance against the SLAs above as a means of monitoring that the SLA requirements are being met and to cover what they do to ensure no issues arise; and
- > having the Scheme auditor independently test a sample of financial transactions for accuracy and timeliness as part of the annual audit process.

Where any error or issue is identified, the Trustees took appropriate steps to resolve and take action as required. We can confirm there were no material issues in the Statement period on which to report. As part of the journey-planning, a risk register was maintained in order to minimise the occurrence of any issues and to understand any root cause.

The core financial transactions include:

- > **The investment of contributions** - The Scheme Administrator monitored the payment of contributions to the Scheme by the Company, ensuring that these are paid within statutory timescales. Any late payment outside these timescales was reported directly to the Trustees and appropriate action was taken. The settlement of all DC funds was actioned promptly by the Administrator and the Trustees monitored the service standards of the Administrator.
- > **The transfer of assets relating to members into and out of the Scheme** – The Administrator maintained and reconciled comprehensive records of individual member's contributions and fund values. Contributions were invested within 5 working days of receipt. Any investments withdrawn or transferred to another scheme were processed within 12 working days following receipt of all relevant paperwork, subject to any investigations required where there is evidence of a pensions scam.
- > **The transfer of assets relating to members between different investments within the Scheme** – Transfers between Scheme investments took place annually in February (to rebalance members funds if in one of the Scheme's lifestyles) and in respect of individual members switches were accomplished as quickly as possible.
- > **Monitoring of bank accounts** – There was a dedicated contribution processing team, checking investment and banking transactions.
- > **Payments to members** – All payments out of the Scheme in respect of members' benefits were made in line with standard checks. This included agreed processes and authorisation levels to ensure any payment made was calculated correctly and in line with the Scheme rules and legislation and also complies with HMRC rules and guidance. In addition, every effort was made to check for possible pension scams.

Noting the requirement for accurate member data to process contributions and payments correctly, the Trustees took steps to continually review and where necessary, correct any problems with the member data which is held by the Scheme Administrator. This was reported each year to the Pensions Regulator in the online scheme return. As part of the

transition to the MMT member data was cleansed by the administrator and sent over securely to the new provider as part of multiple data cuts. Checks were carried out by both XPS and MMT to ensure that the data was accurate.

05 Value for Members

05.01 Assessment of Value

When assessing the charges and transaction costs which are payable by members, the Trustees are required to consider the extent to which the investment options and the benefits offered by the Scheme represent good value for members when compared to other options available in the market.

As the assets of the Scheme were transferred to the MMT in October 2023, the Trustees received a report from their advisors which took into consideration the transfer of assets. The Trustees, with their advisers XPS Consulting then reviewed and considered the value for members taking into account Administration, Governance, Communications, Net returns and Costs and Charges. The findings were that the Scheme did not offer value which supported the decision to move assets to the MMT.

The following elements were considered as part of the assessment:

- > the **processes that were in place** to ensure the efficient administration and governance of the Scheme (which include those explained in the 'Core financial transactions' and the 'Knowledge and understanding of the Trustees' sections of this Statement);
- > the **returns achieved by the investment funds** compared to the charges and transaction costs that were met by members (as set out in this Statement);
- > the **type and range of investment options** that were offered allow members to target the most popular retirement choice(s). In addition, a range of self-select funds, covering a broad range of asset types, were available for those who wished to manage their own investment approach. The Trustees regularly monitored both the performance and appropriateness of the funds and could take action to make changes when required. Each year, the Trustees reviewed at a meeting the member investment choices to look at how members' funds were invested. The Trustees discussed whether it was satisfied that the investment funds offered and communications concerning those investment funds were appropriate and offered members the opportunity to maximise the value of contributions to the Scheme. As mentioned previously the full investment review was commenced in the period of the report and actions were taken to improve this position. The Scheme transitioned to a Master Trust following a review undertaken by the Trustee.
- > the **quality of communications** and other services provided to members on an annual and ad-hoc basis which were provided by the Scheme Administrator within the legal timescale;
- > the Scheme was a **contributory** defined contribution pension scheme and provided members with a generous employer contribution rate of 9% when the minimum rate required by members at 4% is made. This offered members a good opportunity of achieving a good outcome at retirement with most members receiving 12% or over which is deemed the level required to provide an adequate income in retirement.

05.02 Service Providers

In addition to assessing the costs charged by service providers, the Trustees kept providers' service levels under review. This was to ensure that the services provided reflect the SLAs and continued to meet the needs of the members.

Value for Members

Continued

As an example, meetings were held with XPS Pensions Limited representatives to discuss their performance as third-party administrator in order to ensure that administrative performance met the standards set by the Trustees.

In order to ensure the services provided remain the most appropriate and offer value for members, the Company and Trustees would from time to time put services out to tender.

05.03 Communications

Good member communications are crucial to achieving good value. The Trustees and Company engaged in ongoing efforts to improve communications with members and were considering provision of access to an online tool and website ahead of the transfer to the MMT. Another aim of the Trustees was that their service providers introduce, where possible, more user-friendly and online communications for the membership.

As an example, the Trustees reminded all members annually whether they are invested in the default strategy and stresses the importance of reviewing their investments on a regular basis to make sure they remain appropriate to their needs.

05.04 Flexibility - accessing benefits

The Trustees offered members direct access to Flexi Access Drawdown direct from the Scheme. In addition, members (who meet prescribed conditions under legislation) also had the option to take an Uncrystallised Funds Pension Lump Sums.

The benefits of membership included (amongst other things), the design of the default arrangement and how this reflects the interests of members in matching the investment profile to their desired retirement choice.

05.05 Conclusion

Assessment of value for members is an ongoing process and the Trustee Board has undertaken a review each year to check that the Scheme has been offering value and that any changes in legislation, market conditions or member views are reflected for benefits of members. The Trustees should look to better understand its members by gathering their views.

The review reported that the Trustees met all their legal obligations but that improvements could be made in certain areas. Any change should take a pragmatic approach and overall the Trustees deemed that the Scheme did provide members with reasonable value but that value would be significantly improved by the move to the MMT.

06 Trustee Knowledge and understanding

06.01 Knowledge and understanding of the Trustees

The Trustees are satisfied that it has complied with the knowledge and understanding requirements set out in section 248 of the Pensions Act 2004.

The Trustees have knowledge of the law relating to pensions and trusts, principles of investment and the requirements for funding a pension scheme. This is evidenced by the Trustees' interaction with its advisers as shown in the Trustee Meeting minutes, and the governance framework established by the Trustees.

The Trustees Board has access to key Scheme documentation through a central portal.

The Trustees have exercised their discretions and powers in line with the Trust Deed and Rules, current legislation and, where required, legal advice has been taken, demonstrating its working knowledge of the Scheme's Trust Deed and Rules.

06.02 Trustee Training

In-house training was offered, use of the Pensions Regulator's (TPR's) online Trustee Toolkit was encouraged, and trustees attended external seminars and updates. Any new trustee was expected to carry out this training and be fully conversant with the Scheme's documentation within six months. A log of trustee participation in training was maintained by the Trustees, and the Trustees are regularly polled regarding the training that they would find most valuable and to identify any gaps in knowledge.

The Trustees' advisers provided in-meeting training on new legislation and literature published by TPR relating to its Codes of Practice, in particular Code of Practice no. 13.

Trustees were expected to complete the Trustee Toolkit in addition to making use of a team of expert advisers including Investment advisers, representatives from the third-party administrator, and other experts including legal advisors regularly attend meetings of the Trustees. There has been no formal training undertaken during the scheme year due to the ongoing Master Trust transition project.

06.03 Conclusion

Due to the efforts made by the Trustees to ensure the completion of the transfer to MMT, the Trustees time and focus was primarily placed on this project. However, as a result of the training activities completed by the Trustees in previous years, (both individually and collectively), and taking into account the professional advice available, I am confident that the combined knowledge and understanding of the Trustees have enabled them to properly exercise their function.

07 Conclusion

The annual production of this Statement provides members with a narrative of how the Trustees look after members' interests, especially in the areas of the five key elements within this Statement listed below.

- > Default investment strategy
- > Charges and transaction costs
- > Core financial transactions
- > Providing Value for Members
- > Trustee Knowledge and Understanding

The Trustees monitored these key areas and reported to members both via the annual Chair's Statement and other communications as appropriate. In conclusion, with the continual monitoring and the reviews detailed here, I am pleased to be able to submit this report in accordance with the Chair's Statement requirements. I believe that the Scheme was operated and governed appropriately during the reporting period.

Signature

Date

Name

Susan Anyan

Qualification

Chair of the Trustees
CF Fertilisers UK Limited Pension
Scheme

Appendix A

Projections

A.01 Projections for the Default, Post Retirement Default and highest and lowest charging funds

The schedule below provides an illustration of the real accumulated fund that might be available from the Scheme when a member retires at various intervals. The notes below indicate the assumptions used within the illustration to arrive at the real accumulated fund. The illustrations provide an indication of the values before any charges are incorporated and after all costs and charges are incorporated to assist in seeing the effect of all costs and charges.

	Default Lifestyle		LGIM Over 15 Year Gilts Index Fund ¹		LGIM Property Fund ²		Post Retirement Default ³	
	Investment Return	Charges	Investment Return	Charges	Investment Return	Charges	Investment Return	Charges
Investment Return	2.00% - 7.00%	2.00% - 7.00%	7.00%	7.00%	6.00%	6.00%	6.00%	6.00%
Charges	0.00	0.11% - 0.29%	0.00%	0.11%	0.00%	1.27%	0.00%	0.64%
Years to Normal Retirement Age	DC Pension Pot (before charges)	DC Pension Pot (after charges)	DC Pension Pot (before charges)	DC Pension Pot (after charges)	DC Pension Pot (before charges)	DC Pension Pot (after charges)	DC Pension Pot (before charges)	DC Pension Pot (after charges)
40	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
35	63,871	62,931	66,941	66,592	63,871	60,135	63,871	60,842
30	75,546	73,338	82,984	82,119	75,546	66,968	75,546	68,551
25	89,356	85,467	102,871	101,267	89,356	74,577	89,356	77,237
20	105,690	99,601	127,524	124,881	105,690	83,050	105,690	87,023
15	125,010	116,074	158,085	154,000	125,010	92,486	125,010	98,049
10	147,861	135,270	195,971	189,909	147,861	102,994	147,861	110,473
5	174,477	157,486	242,935	234,192	174,890	114,696	174,890	124,470
0	204,673	182,902	301,155	288,800	206,859	127,727	206,859	140,241

¹Lowest charging fund

²Highest charging fund

³Post Retirement Default option uses Schroder Life Sustainable Multi Asset Fund

Notes:

- > The projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of inflation.
- > The starting pot size is assumed to be £54,000. This is the average pot size of members that are currently active in the Scheme.
- > Inflation is assumed to be 2.5% each year.
- > All values are estimates and cannot be guaranteed to apply for the future. What happens to your own individual circumstances may vary considerably from these general assumptions.
- > It is also important to note that the amount of real accumulated fund will depend on the actual contributions paid, the way in which your own fund is invested and the investment growth it achieves.



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