

THE HCA INTERNATIONAL LTD STAFF RETIREMENT BENEFITS SCHEME SCHEME HIGHLIGHTS IN 2018/19

MISSION & STRATEGY

SCHEME MISSION

Run the Scheme in accordance with regulation and provide a Scheme which is valued by employees.



STRATEGY

Our strategy covers seven areas that impact on members' outcomes and experience of the Scheme:

1. Safe custody of assets
2. Prompt and accurate administration service
3. Suitable investment arrangements
4. Value for members
5. Clear and engaging communications
6. Self-help tools for members
7. Engagement with members

Each year the Trustee prepares a 'Chair's Statement' that describes how the Scheme has been governed in members' interests. Here are some highlights of the Chair's Statement at 31 March 2019.

SCHEME UPDATES

MEMBER PRESENTATIONS

During the Scheme year, Aviva carried out 12 member presentations across six of the HCA sites. The feedback has been invaluable and the Trustee and the Company are now looking to see how else they can better support the membership. We shall keep you informed regarding the decisions we make as a result.

GREATER TRANSPARANCY

As a result of increased legislative requirements, we are pleased to be able to provide the members of this Scheme with greater transparency, in terms of the running of the Scheme and the impact of charges on a member's fund value. You can now find the latest Chair's Statement, published online at <https://vfm.Aviva.co.uk/hca-international>

REDUCTION IN FEE CHARGES

During the Scheme year, it was arranged that the Scheme charge would be reduced from 0.40% per annum (p.a.) down to 0.35% p.a.. This will support great value for members going forward and has been implemented as of December 2019. To put this fee reduction into context, the total fee for the Mercer Growth Fund (the most popular fund) reduced from 0.60% p.a. to 0.55% p.a. in December 2019.

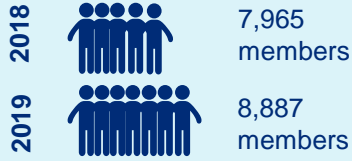
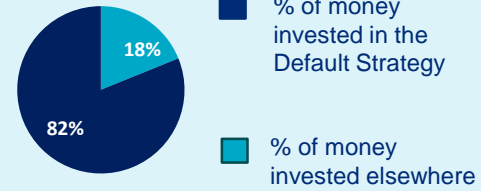


DATA HIGHLIGHTS AT 31ST MARCH 2019



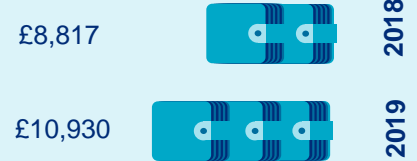
**GROWTH
IN PLAN
SIZE**

**MEMBER
INVESTMENT
SELECTIONS**



**MEMBER
GROWTH***

**MEDIAN
ACTIVE
MEMBER
FUND
BALANCE**



*Numbers represent members with only DC benefit

THE TRUSTEE'S ASSESSMENT

Does the Scheme deliver Value for members?

STATUTORY DUTY - Assess, at least annually, the extent to which charges and transaction costs provide good value for members. The Trustee believes that value is about more than simply member-borne costs, and therefore assess whether the wider features of the Scheme deliver good value.



ADMINISTRATION - Dedicated teams and senior personnel to support response times and provide commitment to deliver a high level of customer service.



Members have access to online tools, guidance and advice, available through the **Aviva MyMoney platform** and through **Mercer Harmonise**.

FEES - Fees paid by members, known as Total Expense Ratios (TER*) are rated as **good**. This supports value for members and improved member retirement benefits.

*The TER comprises of Annual Management Charges (AMCs), Scheme charges and any additional expenses, such as custody and audit fees.

PERFORMANCE - The majority of governed funds have either outperformed or performed in line with their target performance objective in the year.

**GOOD
NEWS!**



The **Mercer Growth Fund** (the most popular fund) has provided great increases in DC pot size for members, delivering **11.1% per annum (p.a.) after fees in the three years to 31 March 2019 (37.1% on a cumulative basis)**.



CONCLUSION - The Scheme's services have been assessed as providing members with **good value for members**.



WHO PAYS FOR SCHEME SERVICES?

COMPANY PAYS FOR:

MEMBER COMMUNICATIONS

TRUSTEE GOVERNANCE

SELF-HELP ONLINE TOOLS AND BENEFIT MODELLERS THROUGH HARMONISE

MEMBER PAYS FOR:

CHARGES*

*These costs contain both investment and non-investment charges (e.g. administration) are deducted from members' savings in the Scheme