Assessing your Fidelity Workplace Pension

The Independent Governance Committee's 2023 report

Acting in your best interests

Fidelity INTERNATIONAL

Contents

Executive summary

Welcome to the 2023 annual report from the Independent Governance Committee (IGC), covering the period January to December 2022. It's our job to work in the best interests of all members of Fidelity's workplace pension schemes and to assess whether members are receiving Value for Money from their pension plans. We do this using the criteria set out in our Value for Money framework.

The Value for Money framework

We work hard on members' behalf to assess in detail the Value for Money received from Fidelity. We receive presentations and information from Fidelity, member and employer feedback, and independent advice and benchmarking.

When we assess Value for Money, we look at the following factors:

- The costs and charges that members pay
- The performance of the investments available to members
- The quality of service provided to members

Following our assessment this year, and after examining each of these factors, we have concluded that Fidelity has met our expectations. Fidelity continues to offer members Value for Money when saving for retirement and when using drawdown to access their pensions, including Investment Pathways.

There were several areas where Fidelity performed well against its peer group:

- Fidelity was among the top providers in terms of online account and app functionality
- Fidelity delivered a wide range of member engagement campaigns
- Past performance for FutureWise over three years to 31 December 2022 had been competitive for those further from retirement
- FutureWise and Investment Pathways have one of the highest levels of sustainability integration
- Fidelity was one of the few providers to offer drawdown in the same product and keep the charges the same

Overall, Fidelity's charging data shows it is competitively priced, with a higher proportion of members in the lower two charge bands than most other participants in the benchmarking survey.

We have a couple of areas of concern we raised with Fidelity in July 2023 and we are expecting their response shortly:

- Retirement is one of Fidelity's lowest scoring journeys on member feedback, with the key issues being the length of time taken during calls and the paper/postal process for receiving and submitting documents. The issues with this journey were also flagged by the benchmarking survey, which noted other providers have taken some of the more routine parts of the journey digital. We would like to see an improved retirement journey, as it would allow members to focus on important retirement decisions.
- We have seen that most members who are using income drawdown are taking their withdrawals at rates of 5% a year or higher, and investment strategies are varying with pot size. We think the retirement member journey could be better integrated, with comprehensive tools covering a member's total retirement picture, including state and private pensions, and non-pension savings. This would help members make informed retirement decisions.

We also note that FutureWise produced disappointing performance for members closer to retirement, which was worse than some of its peers. However, the changes to FutureWise that started to be introduced during the year are designed to address this situation and we hope there will be better performance going forward.

In addition, we have highlighted two areas to Fidelity that we believe would be worth prioritising, as they could have a positive impact on Value for Money in the years ahead:

- Fidelity needs to ensure basic member communications are simple and use language that members can easily understand. We would like to see an improvement in the ease-of-use score and the structure of communications.
- When the FutureWise transition is complete, we would like to see progress in the implementation of the standard self-select fund range for non-advised employers, including sustainability and decumulation options. We would also expect to see details of its ongoing governance and maintenance.

Finding out more

We have made a short video that explores the results of our Value for Money assessment. You can watch it here.

Getting in touch with the IGC

We receive regular presentations from Fidelity about member views and feedback, which is collected through online and phone surveys, as well as member complaints. However, we also value hearing directly from members to help us understand the specific issues that people face. We then use this feedback to inform our conversations and the activities we carry out with Fidelity.

Over the review period, we received more emails than usual from members and this helped us understand people's concerns. If you would like to get in touch with us, there are a couple of ways you can do this:

By email: ZGL.FidelityIGCChair@zedra.com

By post: Fidelity IGC Chair, ZEDRA,
Park House, Park Square East,
Leeds, LS1 2PW

We look forward to hearing from you.

K Nash

Kim Nash
Chair, Independent
Governance Committee

September 2023

Value for Money

Who we are

The Independent Governance Committee (or IGC, for short) is responsible for scrutinising Fidelity's Group Personal Pension, Stakeholder and Section 32 plans, to see if they provide members with Value for Money. We also review the four Investment Pathways funds designed for non-advised members at retirement. The document that sets out what we do and how we do it is called a Terms of Reference and ours can be downloaded here.

In doing this, we always act in members' best interests, which means we must act independently from Fidelity. This is why we always have a majority of IGC members who are independent of the pension provider. Of our six members, four are independent (including the Chair) and two are representatives from Fidelity. By the end of 2023, all members of the IGC will be independent of Fidelity.

This report is our assessment of Value for Money, along with an update on the improvements we have seen throughout 2022 and the areas we'd like Fidelity to work on. After completing this assessment, we formally correspond with Fidelity about any concerns we have or areas where we would like to see improvements to enhance Value for Money. Fidelity will then formally respond with its plans to resolve these concerns and we will track its progress.

In addition, our Chair and members regularly interact with senior executives of Fidelity, including the Chair of their Board, to raise concerns and provide ongoing feedback.

At the end of 2022, the IGC was looking across 297 Group Personal Pension, Stakeholder and Section 32 arrangements, representing the best interests of 434,720 members with £17 billion of retirement savings.

For more information about anything covered in this report, to ask us questions or provide feedback, please get in touch using the contact details on page 4.

How we assess value for money

To see if members are receiving Value for Money from their pension plans, we monitor Fidelity's performance and service in the context of the costs and charges paid by members. To be considered good Value for Money, we expect a pension plan to achieve certain standards. These standards are documented in our Value for Money framework.

We then review the features of Fidelity's pension plans against these standards, so we can see where Fidelity is performing well and where it needs to do more.
In determining Value for Money, we assess the three areas set out by our regulator, the Financial Conduct Authority (FCA):

- The costs and charges that members pay
- The investment returns members receive
- The level and quality of services that members receive

In addition, the FCA expects IGCs to compare Fidelity against other providers on each of the above three factors. We are obliged to highlight to Fidelity or employers where better Value for Money might be available elsewhere.

We were pleased that Fidelity participated again in the Redington benchmarking survey for 2022. The survey included seven other workplace pension providers with over 1,120,000 employer schemes and nine million members, whose savings total £161 billion. Investment returns were included to 31 December 2022, while costs and service were reviewed to 30 September 2022. This survey covers a large number of relevant workplace pension plans and gave us a rich source of information to draw on.

Comparisons can be useful if the data is available, relevant, and valid. However, each pension plan has been established by its sponsoring employer to meet its own requirements. This means there are different contribution levels and often different investment strategies being used.

For that reason, Redington analysed all schemes in the survey by dividing them into employer cohorts or groups. This was based on key factors such as member numbers per employer, average pot size, and contribution rates. These factors tend to be the main considerations when providers set the costs and charges for each workplace pension plan. This is the most pragmatic way to assess and compare Value for Money between providers on a consistent basis.

Fidelity also participated in a second Redington benchmarking survey focused on the four Investment Pathways funds available to members at retirement.
The survey compared Fidelity's Investment Pathways to those offered by six other providers, covering over 60,000 retirees and £2.5bn in both workplace and personal retirement accounts. Once again, the survey compared the costs, returns and quality of service delivered to members, based on relevant cohorts such as pot size, age and investment strategies.

We think the cohort approach used in the survey is a sensible way of collecting the right amount of detail and market insight to inform our overall assessment on each of the key factors set by the FCA. Looking at different cohorts meant that the comparisons have a good chance of being on a like-for-like basis.

Comparing Fidelity with other providers gave us a helpful insight to our overall assessment of Value for Money, alongside the evidence we collect directly from Fidelity during the year. As well as the Redington survey, Fidelity also participates in a range of market surveys and shared the results with us, which we used where relevant.

Our conclusions

The following pages explain how we have reached our conclusions on Fidelity's Value for Money for the calendar year 2022. When assessing each factor, we have looked to provide a view of how Fidelity has done against the expectations we had at the beginning of this review period, including how Fidelity compared with other providers:

- **Not met** – Where Fidelity has failed to meet our expectations
- **Partly met** – Where Fidelity has met some of our expectations, but we would like to see greater progress
- **Met** – We are happy that Fidelity has achieved the standard we expect
- **Exceeded** – Fidelity has outperformed our expectations

The ongoing evolution of the FutureWise strategy

FutureWise is the name of Fidelity's standard default investment strategy. This is where a member's money is invested if they don't make an investment choice. During 2022, FutureWise started to undergo one of the most significant changes it has seen in many years. This is why we have given it a dedicated section in this report to explain what the changes are and why they are being made.

A quick word about terminology

Until the changes were introduced, FutureWise took what's called a 'lifestyle' approach. This means the default changes where it invests over time, generally to reduce risk as a member gets closer to retirement.

The new FutureWise approach is based around Target Date Funds. We will look at what these are later in this section, but we highlight it here to explain for clarity the terminology we will use in this section and throughout the report.

The previous approach will be called the FutureWise lifestyle strategy. The new approach will be called the FutureWise Target Date Funds (TDFs).

The changes to FutureWise started in November 2022, so we will focus on the FutureWise lifestyle strategy in the rest of this report. All members used this strategy for at least 11 months of the year and most remained in it for the whole 12 months, as they will transition to the Target Date Funds during 2023.

The FutureWise lifestyle strategy

With the FutureWise lifestyle strategy, Fidelity moves members' savings from funds targeting long-term growth when members are a long way from retirement, to more cautious investments as they get closer to retirement. The aim is to stabilise the value of the savings. This changeover starts around 18 years from a member's chosen retirement date.

This strategy has met our expectations over all the years we have published this report. However, we have increasingly felt that it was no longer leading the way and that it could do more to meet members' needs. We pushed for Fidelity to review it in light of these views.

Areas for improvement in the default strategy

We asked Fidelity to review FutureWise as we wanted to make sure it was still structured in the best way to help members achieve their retirement goals. In particular, we asked Fidelity whether members were taking the right amount of risk at each stage in their savings journey to generate the returns members would need to sustain their lifestyle in retirement. Fidelity agreed to the review, and also with our opinion that it was unhelpful if members couldn't invest in self-select funds and the default investment strategy at the same time.

In addition, we wanted to see an even higher level of sustainability in the default investment strategy. As well as being something that we know really matters to many people, we believe sustainability leads to better risk-adjusted returns in the medium term. It can also be an effective way to encourage members to engage with their pension savings. It can make it easier for them to understand that having a pension means they are investors, which can then help them recognise the benefits of their pension and build confidence in their retirement savings.

Fidelity's solution – the FutureWise Target Date Fund strategy

After exploring these areas, Fidelity presented its solution, which is based around an investment approach called 'target date funds'. To help those who aren't familiar with this type of investment, we have included a top-level description in the box on page 9.

Our focus is on what has changed, why it has changed and if it is a good-value solution that meets members' needs. The areas we think that are most important in Fidelity's new TDF default strategy are as follows.

- The focus on income drawdown as a retirement choice, because we know this is an option that many members are interested in. (There's more information about this in the box on the next page.)
- The Target Date Funds are designed to have more potential for growth than the previous FutureWise lifestyle strategy.
- The new approach has greater flexibility that will allow Fidelity to better manage the strategy and integrate sustainability even further into FutureWise. It will also help Fidelity reach FutureWise's goals of halving its carbon footprint by 2030 and reaching net-zero by 2050.
- Each Target Date Fund gives the members who use it the flexibility to retire at any point in a five-year window. (For example, the Target Date 2035 Fund covers 2033 to 2037.) For bigger changes, members just have to update their retirement age on PlanViewer and Fidelity will switch them into the appropriate Target Date Fund.
- As members stay in their Target Date Fund throughout their career (assuming they don't change their retirement age significantly), they will have the simplicity of one annual fee that is easy for them to see and understand. In comparison, the previous strategy moved money between a selection of funds with different fees.
- Members can choose more than one Target Date Fund so they are able to tailor their retirement savings more effectively to when they would like to spend the money.

The Target Date Fund transition

As we have noted above, the transition to the FutureWise Target Date Funds started in November 2022 and it will finish in September 2023. This is why our report focuses on the nature and reasons for the changes.

Next year's report will look more closely at the transition process and start to analyse the performance of this new strategy.

Explaining FutureWise Target Date Funds

The FutureWise Target Date Funds are carefully managed towards specific time periods in the future. These are called their 'target dates' and they are set every five years from 2025 to 2070. This means that at launch there are 11 Target Date Funds and more will be introduced over the coming years.

Each fund will aim for higher growth when it is a long way from the target date, holding investments such as company shares. Then, at a certain number of years before its target, the fund will start to move some of its money from company shares into other investments such as bonds to prepare for long-term income drawdown in retirement.

As the target date approaches, the funds' investments will be designed for people who wish to take long-term income drawdown. Around three years after the fund reaches the target date, it will be closed and the money will be moved into the FutureWise Retirement Fund. This fund is designed to be a long-term option for members who choose to use income drawdown.

What members pay

Costs have a significant effect on the growth that members' investments achieve over the years. This is why we see it as an essential part of our role that we make certain all costs are appropriate, in line with the market, reasonable when compared with similar funds and, most importantly, provide members with Value for Money. In addition, we want charges to be explained clearly and effectively, as members need to understand what their investments cost them and what they receive for this money.

Costs and charges	
We examined the following criteria in relation to costs and charges: • Reasonable charges for the type of scheme, compared to other similar schemes or cohorts and nil exit charges.	**Met**
Our review covered the full range of relevant criteria in relation to costs incurred by members. It looked at them in absolute terms and in relation to similar charges levied by competitors. We have decided they are reasonable. **We conclude that Fidelity has met our expectations in this area.**	

Understanding costs and charges

As in previous reports, we would like to open this section by setting out some of the technical language that is used whenever charges are discussed. While we generally try to avoid jargon wherever possible, we feel it is important to use this language for precision when talking about charges. We also recognise that members will see it elsewhere when they look at financial products, including pensions, and this gives us an opportunity to set out what the terms mean.

Administration charge: This is the main charge paid by investors in a fund. The most well-known way of describing it is the total expense ratio (TER). This includes both the annual management charge (AMC), which pays the manager for managing the investments in the fund and the administration costs for managing the scheme, together with legal and trading costs. The TER is expressed as a percentage that is applied to the value of the investment. For example, a TER of 0.20% means a charge of 20p a year for every £100 invested, which would make a total charge of £200 if someone had £100,000 in their pension account.

Transaction costs: These costs are included within the unit price of each investment fund and relate to the costs of buying and selling investments within the fund.

We've highlighted a selection of charges and costs in the table below.

Administration charges (part of the TER)	Transaction costs (outside the TER)
Annual management charge (AMC), which includes both investment and administration management costs	Broker fees
Legal fees	Commission costs
Trading charges	Stamp duty
	'Slippage' and 'swing pricing'

Note: 'Slippage' describes any trade when the price that is paid is different to the one that was expected. This tends to happen when markets are very volatile. 'Swing pricing' is a way of ensuring that the transaction costs related to investments or withdrawals from a fund are paid for by the people making them, rather than all the investors in a fund.

Analysing administration charges

Our annual review of Fidelity's charges includes detailed benchmarking so we can see how they compare with the industry as a whole.

The industry benchmarking survey shows that Fidelity has a higher proportion of members in lower bands for administration and annual management charges when compared with the industry as a whole, with very few schemes having costs above 0.6%. (A 0.6% charge would mean a payment of 60p for every £100 invested.) We are happy to see that this remains consistent year on year.

We check default arrangements, including FutureWise, against the Government's 'charge cap' for auto-enrolment contributions, to ensure they don't exceed this maximum charge. As we would expect, these remain below this level.

We also consider the charges for the four Investment Pathways to be reasonable. The industry benchmarking survey showed that Fidelity members using Pathways 1, 2 and 4 were paying competitive fees, but it also highlighted that Pathway 3 has higher charges than others available in the market. We recognise that this is a result of the fund's complex investment strategy, but we have still asked Fidelity to confirm that the fund remains appropriate for members' needs.

Analysing transaction costs

Analysing transaction costs is rarely as straightforward as analysing administration charges. That said, now that our methodology for calculating them is well established, we're pleased to say managers have steadily improved the quality of the data they provide us with. This has allowed us to identify and address outliers.

Our Investment Sub-Committee regularly reviews transaction costs. It takes a close look at what they mean for performance, how appropriate they are given a fund's investment strategy and how they compare with the charges imposed by managers of similar funds.

As we have noted earlier in this report, this is an unusual year for FutureWise, as it has started to move to a new 'Target Date Fund' approach. We will be including the new FutureWise Target Date Funds in our transaction cost analysis going forwards.

Transaction costs for the previous FutureWise 'lifestyle' approach. Covering the year to end December 2022.

Transaction costs for the previous FutureWise 'lifestyle' approach. Year to end December 2022		
Period	Transaction cost	In £ and pence
40 years to retirement	0.06%	6p per £100
30 years to retirement	0.06%	6p per £100
20 years to retirement	0.06%	6p per £100
10 years to retirement	0.04%	4p per £100
At retirement age	-0.07%	-7p per £100

Source: Fidelity International December 2022. Please note that the net transaction costs can be negative when the slippage cost is negative (in other words, when the price paid is lower than the price expected).

Investment Pathway transaction costs for the year to end December 2022		
	Transaction costs	In £ and pence
Investment Pathway 1: I have no plans to touch my money in the next 5 years	0.09%	9p per £100
Investment Pathway 2: I plan to set up a guaranteed income (annuity) within the next 5 years	-0.04%	-4p per £100
Investment Pathway 3: I plan to start taking long-term income in the next 5 years	0.10%	10p per £100
Investment Pathway 4: I plan to take money as cash in the next 5 years	0.00%	0p per £100

Source: Fidelity International December 2022. Aggregate transaction costs calculated in line with FCA COBS 19.8. Please note that transaction costs can be negative when the slippage cost is negative (in other words, when the price paid is lower than the price expected).

Our view is that the transaction costs met our expectations. This is supported by our quarterly review and the findings from the industry benchmarking survey, which highlighted that the previous FutureWise lifestyle strategy had transaction costs well below the average level among the leading providers surveyed.

It was also the case that transaction costs for the four Investment Pathway funds were low compared with others in the survey.

Analysing other costs

The situation with other costs remains the same as it was last year. Fidelity does not impose exit charges when members move away from their workplace pension – which is what we would expect – and its charges for drawdown and Investment Pathways are aligned with the charges people pay while they are building up their savings. We consider this to be fair.

Helping members understand charges

As we said in our introduction, the work we do on charges isn't just about how much they are and if this is reasonable. We also want to make sure members have the support they need to understand what they are paying.

This starts with ensuring that literature provides figures in pounds and pence as well as percentages, so members can see what costs and charges actually mean for their savings. In addition, the charges on their pension scheme and investments are easily available if members want to view them. All a member has to do is go to Fidelity's dedicated website, select their plan or employer to view their charges. The information is also available on PlanViewer.

To help them put these charges in context, there are also illustrations that show the cumulative effect of charges on a pension pot over time. These illustrations have been designed using the FCA statutory guidance.

Investment returns

Investment performance isn't the only factor that influences a member's retirement outcome, but it is one of the most important. This is why we closely monitor the returns from all investment options available to members and we consider the level of risk taken when appropriate as well. We also look at how members can check performance for themselves, as this can help them ensure they are in the correct investments for their personal requirements.

Investment returns	
We examined the following criteria: • Investment returns appropriate for risk taken, compared to similar schemes.	**Met**
The benchmarking survey did not raise any concerns on investment performance. However, the year under review was particularly challenging for members invested in bonds, which are traditionally defensive investments. Fidelity members approaching retirement suffered declines in their account balances during the year due to interest rate rises across most major markets. This experience mirrored that encountered by members in similar schemes which took similar approaches to risk management. We have also factored into our evaluation the transition to the revised default strategy that we conclude now places members in a favourable position in relation to expected future returns. **We conclude that Fidelity has met our expectations in this area.**	

FutureWise lifestyle strategy

As we have mentioned earlier in this document, Fidelity's standard default strategy, FutureWise, started to undergo significant changes during the period under review. We have closely reviewed the performance of the 'lifestyle' approach in this report, as we have done in previous years.

This performance was in line with our expectations, given the blend of investments that the strategy used. After a 30-year period when interest rates trended downwards, 2022 saw the trend reversed in a dramatic fashion as a result of global inflation and UK economic policy. The defensive nature of fixed income investments (such as bonds) that had served members well for several decades suffered a harsh and sudden reversal. These types of fixed income investments are commonly used in investment strategies for members approaching retirement when, in many cases, there is a shorter period to recover the losses.

We are acutely aware of the impact that these events have had on the pension balances of members closer to or in retirement. We also acknowledge that the performance of FutureWise for those close to retirement did not compare favourably with some other default schemes during this period. While the new FutureWise Target Date Funds strategy (which members started to move to in late 2022) would not have been affected to the same extent, we recognise that the transition had not begun at the time members saw their pensions fall in value. The severity of the falls in bond and gilt values were unexpected in 2022, and Fidelity took prompt and extensive action to support members through this difficult time, but we are disappointed the review of FutureWise and its implementation did not happen sooner.

Going forward, we expect a normalised higher interest rate environment to have a more positive effect on members' savings as they move into fixed income investments when approaching retirement age.

FutureWise Target Date Fund strategy

The new 'Target Date Fund' approach does not yet have a long-enough performance history for us to review, so we are not able to analyse the returns it offers. However, we are happy with the changes being made and that the transition is well progressed.

We also think it's worth highlighting that the strategy will invest more in company shares at every stage of its investment process than it did with the previous approach. This offers the potential for higher returns (though, of course, it could also lead to greater volatility, particularly in the short term).

Reviewing the performance of the previous 'lifestyle' FutureWise strategy

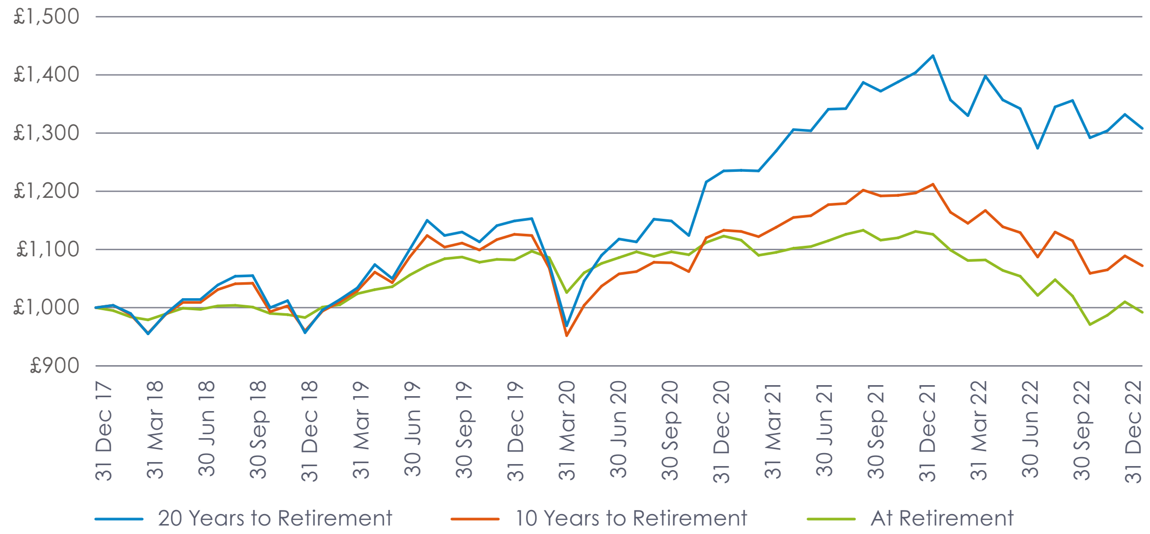
As the transition to the Target Date Fund approach has only just started, we have focused on the previous lifestyle strategy in a review of performance.

Returns before fees to 31 December 2022

FutureWise Investment Strategy – Returns before fees to 31 December 2022			
Period	**1 Year**	**3 Years (% p.a.)**	**5 Years (% p.a)**
40 Years to Retirement	-8.7%	4.4%	5.5%
30 Years to Retirement	-8.7%	4.4%	5.5%
20 Years to Retirement	-8.7%	4.4%	5.5%
10 Years to Retirement	-11.6%	-1.6%	1.4%
At Retirement Age	-12.0%	-2.9%	-0.2%

Investment returns

Cumulative returns over 5 years (starting pot of £1,000) to 31 December 2022



The industry benchmarking survey helped us review the performance of FutureWise in the context of the market, and its assessment found no reason for concern. The overall performance of FutureWise was in line with its investment objectives, given the level of risk taken.

Bespoke default arrangements

While we believe that FutureWise is a good choice for the vast majority of members, we recognise that some employers have specific requirements from their pension schemes that mean they prefer to use their own, bespoke, default strategies. To do this, they must hire an independent investment adviser to advise them about the bespoke strategy on an ongoing basis. Any proposed changes are also shared with Fidelity.

Fidelity monitors the strategy in several ways:

- **Quarterly:** A review of all the funds used in the strategies
- **Yearly:** Confirmation that the employer still has an investment adviser for the bespoke strategy
- **Yearly:** Confirmation the employer reviews the offering for continuing suitability

If an employer wants to stop using a bespoke strategy, Fidelity will move the members to FutureWise, as this makes certain they have a fully-governed default strategy.

Self-select fund range

Although we think it is a good idea for most members to use the default option, we understand that some people prefer to make their own investment decisions. This is why every pension scheme also offers a 'self-select' range of funds that a member can use to create a specific portfolio that more closely meets their requirements. Fidelity also has a selection of tools to help members learn more about their self-select options, explore investment performance and decide which funds are right for them.

We don't provide performance information about self-select funds in this report, as they vary from employer to employer, but we do monitor them closely. In particular, we receive a report from Fidelity every three months that tells us about any funds that are underperforming and why this is happening. For members there are full details of all the funds on PlanViewer.

Last year, we asked Fidelity about the benefits of communicating with self-select members to remind them about the importance of reviewing their investments regularly. While this was already in place if a member's email address is recorded and their employer is signed up to Fidelity's Workplace Workout member engagement programme, Fidelity is now exploring if it can use a secondary solution to issue reminders to self-select members who have given it their email addresses and are outside Workplace Workout. We want all self-select members to be contacted regularly, but we are disappointed with the speed of the developments so far.

Investment Pathways

Investment Pathways are designed to ensure that anyone who is using pension drawdown (or, to be more specific, a Pension Drawdown Account, as this includes people who have only taken their tax-free cash lump sum) has access to good-value investments that broadly match a range of goals.

As such, the Pathways are an important area for us. In line with our expectation, Fidelity reviews performance and suitability regularly. The table below shows the key areas of focus. Fidelity also monitors the absolute and relative net performance over one, three and five years of all the underlying funds used by the Pathways.

Investment Pathway	Aim	Main criteria we monitor
1	I do not plan on touching my money within the next 5 years	The performance of the Pathway over the long-term
2	I plan on purchasing a guaranteed income (annuity) within the next 5 years	How well the Pathway reflects changes in annuity rates over time
3	I plan on starting to take a long-term income drawdown within the next 5 years	How much income the Pathway is generating relative to its objective
4	I plan on taking all my money as cash within the next 5 years	The performance of the Pathway over the short-term

The industry benchmarking survey once again noted the wide variety of approaches that different pension providers use for their Pathways. While Fidelity's approach was among the most cautious for Pathway 4, it is worth noting that it served members particularly well in 2022 relative to the market.

That said, it may not always be competitive over five years and is unlikely to achieve a real return in a higher inflation environment. Fidelity reviewed the objectives of fund and structure and is comfortable with its approach, but we expect regular reviews to continue.

From a longer-term perspective, the Pathways continue to perform to expectations. We have no concerns so far about their performance against objectives and they have performed in the middle of peers. Fidelity reviews the suitability of Investment Pathways on an annual basis and will be doing so again in 2023, including how these align with the new FutureWise Target Date Funds.

How Fidelity manages members' savings

There's a lot that goes on behind the scenes with any pension scheme and it's our responsibility to closely review all these elements as well. We start with the default strategies, as they are used by the vast majority of members, and then move on to the more technical areas of Fidelity's governance and investment policies.

Investment oversight	
We examined the following criteria: **Default strategy:** • A default strategy with clearly defined aims and objectives that is designed and executed in the interests of members.	**Met**
Governance: • Fidelity regularly reviews the characteristics and net performance of investment strategies to ensure alignment with the interests of members and takes action to make any necessary changes. • A self-select range is available and encompasses a range of funds in the principal investment areas (equities, bonds, diversified growth and property) and allows members to invest in funds that reflect their beliefs around environmental, social and governance issues (ESG) if they wish to do so. • The implementation and management of out-of-market exposure is considered.	**Met**
Investment policies: • Engagement practices: Investment managers have a programme of active corporate engagement which holds companies to account for ESG-related policies in the default strategies. • A sustainable investing policy exists, and there is accountability for the development, content and operation of the policy along with a review and sign off process that ensures effective input, challenge and oversight. This incorporates ESG Ratings and there is a process in respect of non-compliance and escalation.	**Met**

We reviewed Fidelity's investment governance framework and how Fidelity ensures that FutureWise stays aligned with members' interests. We are pleased to see Fidelity's default strategy review led to action and change as necessary. The evolution of FutureWise is outlined in detail on pages 7 to 9. The transition to the new FutureWise Target Date Fund strategy is a major change and reflects Fidelity's commitment to the ongoing enhancement of the default strategy, which offers several improvements over the current lifestyle approach. We were also pleased with Fidelity's progressive sustainability policy and how it was implemented.

We conclude, in this context, that Fidelity has met our expectations in this area.

Introducing default investment strategies

As many people know, a default investment strategy is where a member's money is invested if they don't make an investment choice. This makes it central to any pension scheme, as it is the investment that is responsible for most members' retirement outcomes.

What is sometimes missed, though, is that a really good default strategy is one that should also be actively selected by many members, as it offers an attractive alternative to the self-select fund range.

FutureWise default strategies

Given the significant changes to FutureWise that started during the review period, we have taken a different approach to our usual one in this report. Instead of describing and reviewing the strategy here, we have covered both the 'lifestyle' and 'Target Date Fund' strategies in a dedicated section starting on page 7.

Bespoke default strategies

Some employers prefer to design their own default investment strategies, as they believe this is a more effective way to meet their employees' specific needs. When employers do this, they must retain an adviser to provide them with ongoing oversight to ensure the strategies are still appropriate for members.

In the review period, there were 23 employers with bespoke default strategies. Fidelity has checked with these employers and all of them received ongoing advice. It's worth noting that if an employer with a bespoke default ever stops receiving advice, the members will be moved into FutureWise.

Governance

There was a change this year on the governance front, as Fidelity established a new Investment Governance Framework. Originally Fidelity had two committees overseeing investments:

- Asset Range Governance Committee (ARGC) – Focused on fund performance
- Workplace Investing Investment Oversight Group – Focused on investment strategy and Investment Pathway performance

It has now restructured them and we are pleased to see that this allows greater focus on key areas:

- Asset Range Governance Committee (ARGC) – Focusing on fund performance
- UK & Ireland WI Solutions Forum (WISF) – Focusing on investment strategy performance
- Investment Pathways Sub-Forum (IPSF) – Focusing on Investment Pathway performance

What has stayed the same, though, is that the updates from this framework are received and reviewed every three months by the Investment Sub-Committee.

One area we focus on when it comes to governance is Fidelity's self-select range. Although we believe default investment strategies are a good option for most members, we recognise that some people do want the greater freedom and control that comes from being able to self-select their own portfolio of funds. As in previous years, the industry benchmarking survey shows there is a huge range in the number of funds offered by pension providers. We think Fidelity's decision to have a limited range of funds is a sensible one, as people tend to become overwhelmed by too much choice – and we support Fidelity's ongoing work in streamlining the range further. We also know that Fidelity considers consistency is important in this area, particularly when it comes to sustainable and ethical funds.

A key part of self-selection is the ability to move easily between funds, as it is very unlikely a fixed portfolio of funds would be appropriate for a member throughout their working life – and that's before the possibility of underperformance is taken into account. Members can make switches through PlanViewer, including the App, by calling Fidelity or in writing. We also like the way that Fidelity provides alerts to members who make a lot of switches in a short period of time so they know the risks involved.

One of Fidelity's responsibilities with its self-select range is to ensure that the funds it offers remain appropriate for members. This includes having a clear process for adding, removing and replacing funds when it is necessary.

Fidelity has been working on a standard fund range, which we have reviewed and are happy with. This will be rolled out to new employers soon, but there is more to do on the implementation for current clients. We understand why this has taken some time, as Fidelity has been focused on the FutureWise developments, but we expect this to progress in late 2023/early 2024 once the FutureWise transition has been completed for all clients. The work will need to include the governance structure for ensuring the list is kept up to date and changes are made across the board.

There are a few funds that are offered by just one employer. This can only happen if the employer takes independent advice, so Fidelity checks every year that these employers continue to receive advice.

While Fidelity has made some progress in the way it has streamlined the collation and issuing of factsheets, we would like to have seen it achieve more during the review period, particularly in terms of improving the factsheet content. We expect them to do more on this in 2023.

Investment policies

Our role with Fidelity's investment policies is not just to ensure they are in place and set out what is expected, we want to check they are being followed. During the review period, we took a close look at Fidelity's approach to engagement and its sustainable investing policy, which covers how Fidelity considers sustainability in the funds and solutions (including FutureWise and Investment Pathways) that it offers for pension scheme members.

In the context of its pension schemes, Fidelity administers them through FIL Life which is what's known as a 'life company'. This means FIL Life does not directly invest in the underlying companies held by funds, so it doesn't have the voting rights on them. However, Fidelity does review and assess the engagement policies of the fund managers. This is carried out through an annual assessment of manager voting and engagement policies and engagement activities for the funds that make up the solutions it uses.

We reviewed a wide range of Fidelity's policies including those looking at the financial considerations around sustainable investing, non-financial matters, other financial considerations and stewardship. We also asked Fidelity about how it is implementing sustainability, reviewed its governance process for making changes to policy and looked at how this was implemented.

These policies meet our expectations and have been implemented in the way we expect.

We would like to highlight that our review of Fidelity's policies extends beyond the company itself. Our Investment Sub-Committee meets with BlackRock every year as well. BlackRock is Fidelity's largest third-party fund provider, so we wanted to see their stewardship practices and performance against industry standards.

The industry benchmarking survey noted that changes made to FutureWise during the review period meant that it had one of the highest levels of sustainability integration. It also flagged that this integration continued when it comes to Investment Pathways, thanks to Fidelity's approach of embedding ESG principles in its investment decisions. In addition, most of the Pathways have high MSCI ESG scores and lower than average (based on the median) carbon intensity metrics.

Fidelity made five sustainability-focused funds available to members within the self-select range in 2021. By the end of 2022, 771 members were using these funds, which was a 50% increase in usage compared with the end of 2021.

How Fidelity manages members' savings

Efficient administration, relevant information and timely support

We recognise that members need help to make the most of their pension savings and achieve the best outcomes in retirement. This is why we carefully review the information, guidance and support they receive throughout their membership of the plan. We look at everything from the moment they join to the time they retire – and beyond in many cases. In addition, we check that their money is administered effectively, as this helps to build members' confidence that their pension is well looked after. It also improves engagement if members have a good experience when they contact Fidelity.

Member experience	
We examined the following criteria: **Core financial transactions** • Good-quality administration which is both timely and accurate, and within industry ranges. • Automation of admin tasks contributes to accuracy and timeliness, and reduces errors. • Member feedback on transactions is positive and within industry ranges. • Employers are supported with good quality information and systems that enhance their employee benefit programme delivery. • Members should be able to make changes to contributions easily. • Easy to transfer in and out of Fidelity to consolidate different retirement savings accounts. • Both the number of errors and impact of errors are minimised. • Member complaints are low and within industry ranges.	**Met**
Communications are fit for purpose • A helpline is available to members when needed and performance is within industry ranges.	**Partly met**
• Good levels of member contact data	**Met**
• Standard communications are timely, relevant, clear and in plain English • Use of a variety of effective media, including a member portal that's easy to access	**Partly met**
• Feedback and MI lead to improvements	**Met**
Improving member outcomes by supporting good decisions • Communications take account of needs of different member groups and segments, such as employer level, active/deferred, vulnerability, income levels and levels of financial understanding. • Members are effectively and pro-actively supported in an appropriate, inclusive manner when they need to make decisions at relevant times throughout their member journey. • Feedback and MI lead to improvements in member communications and engagement.	**Met**
Overall, our view is that Fidelity met its objectives. There was strong performance in core administration processes, with financial transactions being processed promptly and accurately. We were pleased to see Fidelity undergo its first external assurance audit, which is something we have requested for several years. Controls were generally found to be robust and some areas were identified for improvement. There was a drop-off in telephone and email response times during the year, but Fidelity did respond to improve the position by the end of the year through improvements in recruitment and training. All key indicators of member communications and engagement tracked higher during the year, especially use of digital channels, and Fidelity compares well with other providers. We believe its communications are fit for purpose and take into account the characteristics, needs and objectives of the members. We were pleased to see Fidelity offer good support for members during difficult financial times. We'd still like to see further improvement in accessibility of written communications, but it was positive to see Fidelity check member understanding with pre-testing and feedback panels. Our highest priority continues to be further enhancements in communications and decision-making tools for members as they plan and enter retirement. **We conclude that Fidelity has met our expectations in this area.**	

Core financial transactions

Overall, we are satisfied with Fidelity's administration of core financial transactions, with every category having met our expectations.

The key development for this year was Fidelity completing its first AAF Type 1 report specially for Workplace Investing. AAF stands for Audit and Assurance Faculty, and it is an independent, external review that takes a close look at a company's administration, controls and governance. The aim is to ensure a company looks after its members' money, with investments being made correctly and on time.

While Fidelity has had an AAF for its overall technology and business processes for some time, we wanted the extra focus that a dedicated report on Workplace Investing would bring. The Type 1 report was completed during the review period and it set out the measurements and controls that would be used to analyse Fidelity's actions, as well as defining what would be considered to be good performance.

An interim Type 2 report was concluded just outside the review period, in early 2023, but we believe it is important to include its findings for completeness. This checked 120 controls and found no areas of concern, which was good news.

Automation

The type 2 report also highlighted some areas where Fidelity could make improvements, particularly in terms of straight through processing (often referred to as STP). This reduces the risk of manual error, speeds processes up and releases resources that can then be used in other areas, so we have encouraged Fidelity to act on these suggestions.

Fidelity does use STP or partial STP for many of its tasks, but it does not yet use it for all of them. That said, this is not unusual, as the industry benchmarking survey shows many companies take a similar approach. Overall, Fidelity compares well with other providers, but we do note that it is one of the few that doesn't automate annual statement production. We do not believe that the areas that are yet to be automated affect member service in a material way.

Feedback and complaints

We monitor complaint levels closely and have identified that Fidelity's are at a higher level than other providers'. After taking a close look at this issue, we are satisfied that this is due to Fidelity's approach to complaints.

The point where a member query becomes a complaint varies between providers and Fidelity is very cautious on this front, treating even a mild expression of dissatisfaction as a complaint, when other companies wouldn't. This is a deliberate decision that helps it identify member needs and areas for service improvement, though it does have the effect of skewing its figures.

Fidelity's number of upheld complaints is similar or below other providers participating in the survey. However, we also note that the number of complaints did increase in 2022, mainly around manual administration tasks such as form completion. As we have mentioned elsewhere, we hope Fidelity will do more to automate its member-facing administration processes, which should have the effect of reducing the level of complaints, though we will continue to monitor this area closely.

Keeping in touch with members

Fidelity does a lot of work on member feedback and we then receive regular reports summarising the latest findings. Fidelity's scores on member feedback were generally high, which was consistent with previous years, though market performance has hit members' perception of Value For Money and made many members less tolerant of poor investment performance or service issues. In particular, there was a period of lower scores which coincided with poor performance on call response times. During this time, Fidelity had the third-longest average wait time, the second-longest call length and the third-highest call drop off rate. This was caused by a combination of staffing issues, difficult market conditions, particularly in the period following the October 2022 mini-Budget, and the fact that members seem to be calling more often, and talking for longer, than they did before the pandemic.

We would like to see continuous improvement in the quality of calls. During the review period, we listened to a number of calls and our one concern was that Fidelity representatives didn't always test the understanding of the callers in sufficient depth. In our opinion, this level of detail is good practice to support members. We also note that when the Consumer Duty requirements come into effect in the next review period, there will be even more pressure on Fidelity to ensure that it provides members with an appropriate level of support for their needs and situation. We will be doing further extended call listening in late 2023 to review these refinements.

All this being said, we are still happy with Fidelity's call answering. When compared with other providers in the industry benchmarking survey, Fidelity is not noticeably out of step with them. It has also recruited additional staff, which led to improvements in response times later in the year, and it has made improvements in identifying and supporting members with additional needs.

In our last report, we highlighted that Fidelity had introduced a new tracing provider with the aim of improving the proportion of members for whom it has accurate contact details. This was introduced for contract-based schemes in the January after the review period ended. In addition, Fidelity ran some campaigns that were successful in improving contact data, particularly among deferred members. This is important as we want Fidelity to keep in touch with these members by email. We hope we will be able to tell you about an improvement in overall data quality in our next report.

A note about 2022

While we analyse communications in detail every year – and have the same high level of expectations each time – we do want to highlight that pension providers can do even more to support their members in difficult times.

During 2022, members faced a cost-of-living crisis and significant volatility (or, to put it another way, rapid changes in prices) in both the share and bond markets. Understandably, they looked to Fidelity for reassurance that their money was in safe hands and their long-term plans were still on track.

Fidelity produced a range of support for members at different stages in their journey to retirement that encouraged them to weather the storm, stay focused on their long-term goals and avoid making sudden investment decisions. This support was delivered through website information and email campaigns, and extended beyond pensions to provide members support on issues such as debt, market volatility, coping with the unexpected and overall financial resilience.

Fidelity can now track contribution trends, which is something we talked about last year and it puts the company ahead of many of its peers. This tracking showed there was no significant rise in opt-outs during 2022 and 96% of members were contributing at levels at or above their employer's default rate. We were pleased to see that members are continuing to contribute and we will monitor this trend.

Standard communications

We believe that effective communications start with getting the basics right, which is why we have encouraged Fidelity to treat this as a priority, particularly as detailed benchmarking against its peers showed that it needed to make improvements in readability and structure. We're pleased to say this area has been focused on and we are hoping to see improved levels of consistency and quality from this investment. We expect to say more in our next report.

This starts with the use of plain English to ensure that members with different levels of education and reading ability can understand the communications they receive. Although it's slightly after the review period, we would like to highlight that Fidelity has entered into a partnership with Fairer Finance to get expert assistance with the readability and structure of its communications. It has also started a partnership with Plain Numbers to help it talk more clearly about numbers and performance. These two partnerships represent a major investment by Fidelity and we will look for evidence that they are working in 2023.

Fidelity has adopted SMBS (Simplified Member Benefit Statements) to help the consistency of its annual benefit statements, which remain an integral part of the annual communications calendar. In addition, it has had a successful trial of video-based statements, which we are pleased to say is being expanded.

We believe it is essential to get members' views on the communications they receive and if they are easy to understand. We're encouraged by Fidelity's use of a member communications panel who are reviewing key communications for understanding and accessibility – and Fidelity is making adjustments based on the feedback it receives. We were pleased to see an increase in the use of member testing before critical information is sent to members.

Of course, anything involving communications is an ongoing process and there are still areas where we would like to see Fidelity do more. One example is its fund factsheets, which play an important role in helping members learn more about where their money is invested and to understand their options, if they are thinking about self-selecting their pension holdings. As well as suggesting the information could be more current, with more details about sustainable investing, we have raised questions about how risks are communicated and labelled. We hope to see this reviewed in 2023.

Digital developments and PlanViewer

With more people using the internet for a wider range of tasks, digital access to financial information has never been more important – and pensions are a key part of that requirement. We're pleased to say Fidelity made a number of improvements over the review period and the industry benchmarking survey highlighted the overall quality of its online account functionality and app.

Fidelity enhanced the navigation and search on its website and introduced a better user experience for the PlanViewer app focused on the key areas that members use the app for. This included checking the value of their savings, updating their expression of wish form and looking after their investment choices.

Another development that we are particularly interested in is the introduction of Illuminate in conjunction with Tumelo. Sustainable investing is a key focus for the Board, so we're very pleased that members can now see more about the companies they are invested in – and have the option to provide feedback on the shareholder vote proposals that the fund managers will be taking part in. We believe this could help members recognise that through their pension savings they are investors and understand that the growth in companies whose products and services they use in their everyday lives also grows their pension pot.

Our reviews of data we receive from Fidelity around digital performance have also shown several positive signs for member engagement. The key performance indicators around digital member contact continue to rise (including email addresses, use of PlanViewer, completion of an expression of wish and selecting a retirement age), as did the use of Fidelity's wide-ranging member engagement programme, Workplace Workout. We would like to see Fidelity continue to bring clients into Workplace Workout as it provides an easy way to nudge members about the areas they should be thinking about to support their decision making.

Serving members' different needs

Pensions must be one of the few products where companies have to provide detailed support for everyone from those starting their first job after school to people who might be several years into retirement (if they are using income drawdown). It also has to help those who are actively saving into a pension with their current employer and those who have a 'deferred' pension with a previous employer.

This is why Fidelity has specific communication strategies for deferred and active members, as well as different materials for people at different ages (and distances to retirement) – including an innovative trial of using social media with younger audiences for whom pensions are a long way in the future.

In addition, Fidelity supports different savings messages and priorities, so members can understand the topics they need to think about and the actions they should consider. This includes helping those who are interested in sustainable investing and carrying out a survey of LGBTQ+ members to understand their specific needs. Fidelity also reminds self-select savers who have access to Workplace Workout every year that it's important to make sure they are still investing in the right funds for their requirements and future plans. We would like to see this extended to all self-select members, as we noted earlier in this report.

One area where we believe more work may still be needed is the retirement journey. We're pleased with the phone support for decision making, but we think the journey would be improved by moving more of its elements online, such as making it possible to sign and submit documents digitally.

Fidelity has responded to last year's suggestions about including more risk warnings in its retirement packs. This includes talking about 'longevity risk' (the risk that you outlive your savings) and 'sequencing risk' (the risk related to when returns are generated and withdrawals made). However, we think it still needs to do more to help members actually make decisions that involve these risks once they have read about them.

Fidelity has introduced the ability for members to see any investments they hold directly with Fidelity (through its 'Personal Investing' service) alongside their pension savings in PlanViewer. We think this is a positive development, as it means members now have a better overview of all their savings.

When it comes to sustainability, there are a range of ways that members can find information. This includes fact sheets and a variety of online information. We particularly like Fidelity's online sustainability hub, which shows members how their different views about environmental, social and governance issues are reflected in both FutureWise and the self-select fund range.

We do note that some of the changes planned for 2022 weren't introduced as Fidelity's time and resources were taken up by the high levels of regulatory change. This is understandable, as regulations must take priority in order to ensure Fidelity remains compliant.

Finally, we do observe that the take up of Investment Pathways is still low. However, this is an area we will look at more closely next year, as it will need to be reviewed in the context of the updated FutureWise offering an alternative solution for those using income drawdown.

Employer support

Every year we look at the support that employers receive from Fidelity and, as in previous years, we are happy with what is offered. Employers receive the same management information that we do, plus they are provided with quarterly investment reports and they receive support from relationship directors and administration managers. Employers also have access to the same member information that we see and Fidelity's comms teams are available to work with them if they want to develop their own bespoke member communications. We have reviewed feedback from employers and it continues to be positive.

Key developments that started late in the review period

The big change that began late in the review period was the introduction of the new FutureWise Target Date Funds, which we explain more about on pages 7 to 9. From a communications perspective, we were kept fully informed about the developments and the transition plan. In addition, all the communications were reviewed and tested by Fidelity, and we monitored feedback from members, which was generally positive.

We are now waiting to see what comes next with FutureWise, which we have suggested should include a suite of integrated communications and tools aligned with the outcomes that savers want to achieve.

Alongside the FutureWise developments, Fidelity also started to introduce the option for members to store all their correspondence in their personal PlanViewer account. As well as supporting the move away from paper, which we encourage, this gives members easy access to all correspondence whenever they need it. Fidelity had been behind many of its peers on this front, so we're pleased it has made good progress. Supporting this change, members now have the option of setting their communications preferences to digital, with regular reminders on all communications that information will be issued by email in future.

There will be a lot more going on with these projects in 2023, so we look forward to telling you more about them in our next report. We will closely review the developments and monitor member feedback throughout the next review period, but we're happy to say that so far our findings are positive.

Efficient administration, relevant information and timely support

Introducing the IGC

Skills, experience, and independence

The IGC Board remained unchanged in 2022. Roger leads our Administration Sub-Committee, with Dianne Day leading our Communications Sub-Committee and Gerald Wellesley heading the Investment Sub-Committee. Together, we have the expertise and independence to act solely in members' interests when assessing the Value for Money of their Fidelity pensions.

Reviewing our effectiveness

In 2021, we carried out an effectiveness review led by Fidelity's company secretariat team. This external review followed the same process that would be used to review a company Board. The review involved a mix of questionnaires, meeting observations and interviews with IGC members. During 2022, we ensured that all required actions were implemented and we scheduled our next effectiveness review for 2024. We also discussed how we operate and looked at ways we can improve our governance at the end of each meeting, with a process of continual improvement in mind.

We are comfortable with the support provided by Fidelity. There has been an investment in meeting the costs of independent advice and the benchmarking study, alongside the internal governance framework to support the IGC.

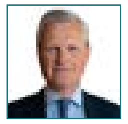
Members of the IGC

Kim Nash –
Independent Governance Committee Chair

Kim is Managing Director at ZEDRA Governance Limited (ZEDRA), joining them in February 2012. Kim is a qualified actuary and previously worked for Willis Towers Watson as an actuarial benefits consultant. Kim is able to bring her significant DC experience both as a Trustee and a member of a governance committee to lead the IGC to develop the Value for Money framework and make comparisons on Fidelity's performance against the wider industry. Kim was reappointed to the Chair in 2020, for her final five-year term.

Dianne Day –
Independent Member

Dianne is a Client Director at Independent Trustee Services Ltd (ITS). She joined ITS in 2015, specialising in defined contribution (DC) schemes. Dianne holds the PMI Certificate in DC Governance and is a Fellow of the Financial Services Institute of Australasia. She has worked for major investment firms in senior communications and management roles. Dianne applies her extensive DC governance and communications experience to help with the evaluation of Fidelity's member service, communications and engagement programmes. Dianne was appointed in January 2020 for an initial five-year term.



Gerald Wellesley –
Independent Member

Gerald is a Professional Trustee and Client Director of Vidett Trust Corporation Limited. He has over 35 years' experience in the finance industry, 20 years as pension trustee and 3 years in HR management. His current portfolio of trusteeships includes chair, sole trustee and subcommittee positions with DB and DC schemes and DC Master Trusts. He brings strengths in the investment and financial management disciplines, together with more broadly-based trustee skills. He was previously at BNY Mellon where he led the corporate strategy for the UK and European pensions industry. Gerald was appointed in April 2020 for an initial five-year term.

Roger Breeden –
Independent Member

Roger Breeden is a Trustee Executive with independent trustee company BESTrustees, which he joined in 2021, and specialises in workplace Defined Contribution and Master Trust pension schemes. His financial services experience spans more than 40 years, the majority of which was with Mercer where most recently as a Partner he led the launch and successful authorisation of a Master Trust establishing operational and governance systems and processes. He started his career as a personal financial adviser which provided him with day-to-day experience of the needs of pension scheme members while both building and drawing down on their savings. Roger was appointed in September 2021 for an initial five-year term.

Daniel Smith –
Fidelity Representative

Daniel is Head of UK Full Service – Workplace Investing, leading the overall strategic and corporate management of Fidelity's DC businesses in the UK. He joined Fidelity in 2002 and has more than 25 years' experience in the corporate pensions market. Daniel ensures that the Independent Members of the IGC are provided with all the necessary support and information to undertake their roles effectively. In addition, he ensures that the IGC members have full access to Fidelity resources and are consulted on business strategy and change projects.

James Carter –
Fidelity Representative

James is Head of Pension Products and Policy with more than 20 years' experience in the workplace pensions market. He is responsible for the product implementation and management of Fidelity's workplace pension products. James also leads Fidelity's engagement with the government, regulators and industry bodies in the development of pension policy, and the business analysis of the impact and opportunities of new pensions regulations. Prior to joining Fidelity, James was a Director in Willis Towers Watson's pension consulting business, having also worked for KPMG and Aon, advising trustees and employers operating large DC pension schemes.

Changes to the IGC after the review period

On 30 June 2023, James Carter and Daniel Smith stepped down from the IGC, with Jackie Wells joining us as a new independent member on 1 July 2023. Another independent member is due to be appointed later in the year.

Jackie Wells –
Independent Member

Jackie is an independent policy consultant and a governance professional. She has worked in the pension sector for many years and was involved in a wide range of policy initiatives, including stakeholder pensions and the implementation of the Pensions Commission recommendations. Jackie then completed an MSc in Gerontology and shifted her focus towards a wider range of ageing issues including later life finances. Jackie now works with pension schemes on issues such as value for money, is a member of Guiide's Governance Committee overseeing DB to DC transfer advice and is a trustee of Age UK Wiltshire.

Independence

ZEDRA, ITS, Vidett, BESTrustees, and Jackie Wells are independent of Fidelity and are satisfied that they continue to meet the independence criteria set by the FCA:

- They or their representatives are not directors, managers, partners or employees of Fidelity, or any company within the groups, or paid by them for any role other than as members of the IGC, nor are they members of the share option or performance related pay schemes of Fidelity, nor have they been within the last five years
- They do not have a material business relationship of any description with Fidelity or any company within their group, and have not done so within the last three years (except as trustee of Fidelity's Master Trust)

We record any potential conflicts of interest in a log and consider them in accordance with our conflicts of interest policy.

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