

The Emcel Filters Ltd Group Money Purchase Plan

Phoenix Assurance

Scheme Overview & Statement of Investment Principles

The Emcel Filters Ltd Group Money Purchase Plan was established as a fully insured scheme with National Provident Institution (NPI) 1st April 1994 under reference number 709282.

The recommended investment strategy that most employees adopted was a 50/50 split between NPI's With Profits and Managed Funds.

The scheme was made paid up 18th June 2007.

Phoenix Assurance acquired the business of NPI in 2015.

As at 31st March 2023 the scheme membership was 19 deferred members and 10 members with annuities in payment.

Annual statements are issued by Phoenix Assurance and are distributed to the members.

The scheme is an Occupational Money Purchase Pension Scheme established prior to April 2006. Accordingly members may have beneficial tax free cash entitlements based upon their period of service with and remuneration from the employer as at April 2006. This entitlement would generally be lost on transfer of benefits out of the scheme.

The administration and day to day investment management of the paid up scheme is carried out by Phoenix Assurance.

The scheme Trustee is Emcel Filters Ltd.

The financial advisers to the scheme Trustees are Somerville Financial Services Ltd, Unit 4 Stour Valley Business Centre, Brundon Lane, Sudbury, CO10 7GB.

Investment Strategy

The recommended, default investment strategy was a 50/50 split between NPI (now Phoenix) With Profits & Managed Funds.

Prior to 2007 NPI (now Phoenix) imposed a Market Value Reduction (MVR) penalty on benefits in the With Profits Fund which has meant it is extremely unattractive to members to transfer out of the scheme or "switch" to alternative funds. The With Profits fund applies a 4% bonus rate to the accumulation units held in the With Profits fund which the scheme advisers state is not unattractive and the MVR penalty ceases to apply at normal retirement age.

The Managed Fund is well diversified and has a reasonable performance record in its sector which is the Association of British Insurer's Mixed 40-85% Shares sector.

There is a limited range of 13 other investment funds available under this "legacy" contract. Included are funds with stock selection which is based on those companies which have a positive impact on society or the environment.

Current Scheme Status

The membership of this paid up scheme is reducing as members reach scheme retirement age, 65.



In view of the substantial penalty on transfer or “switch” out of the With Profits Fund the advice to the scheme trustees from the scheme advisers is that members are advised not to transfer out in normal circumstances.

The ongoing administration of the With Profits Fund is monitored by the scheme’s advisers and the documentation most recently supplied to the Scheme’s Trustees from Phoenix Life are;

- With Profits Annual Report to 31st December 2022;
- Principles and Practices of Financial Management With Profits Policies at October 2023;
- Questions & Answers for unitised policies invested in Pearl With Profits Fund at October 2023.

In view of the financial penalties on transfer or “switch” out of the With Profits fund coupled with the potential for the loss of beneficial entitlements the advice to the Scheme Trustees from the Scheme Advisers is for the current investment strategy to be maintained. This approach will be kept under annual review.

D I Spraget
Managing Director
Emcel Filters Limited
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