CFA Society United Kingdom

10 December, 2021

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Financial Conduct Authority
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**Submitted by e-mail to:** VFMdiscussionpaper@fca.org.uk and VFMdiscussionpaper@tpr.org.uk

Dear Mr Gibson & Ms Leveridge,

**CFA UK response to the FCA and TPR regarding DP21-3: Driving Value for Money in Defined Contribution Pensions**

The CFA Society of the UK (CFA UK)[1] is pleased to respond again on this important topic which is fundamental to the investment profession being seen to provide good service to wider society.

CFA UK has been an active participant in regulatory consultations on Value for Money[2] over the last years and published both a Value for Money Framework in 2018[3] and a Review of UK Funds' Value Assessment reports in 2020[4]. CFA Institute's GIPS standards are used and recognised by regulators globally and establish a consistent, robust and effective framework for investor reporting and we have highlighted how elements of GIPS that could translate across well to this proposed framework. We also draw your attention to CFA Institute's two documents, 'Guidance to Best Practice in Investment Reporting' and 'Principles of Best Practice in Investment Reporting'[5] which clearly set out the key tenets behind establishing an effective reporting framework for end-investors.

Our responses to your questions are found in Appendix II of this document. In this covering letter we wish to make three overriding recommendations:

[1] CFA UK's mission is to help build a better investor profession for the ultimate benefit of society. We refer you to Appendix 1 for a brief overview of both CFA UK and our umbrella organisation, CFA Institute.
[2] A list of recent relevant consultation response letters is provided in Appendix III.
[3] Value for Money: a framework for assessment (https://www.cfauk.org/professionalism/research-and-position-papers/value-for-money-a-framework-for-assessment#gsc.tab=0)
[4] Review of UK Assessment of Value Reports: (https://www.cfauk.org/professionalism/research-and-position-papers/review-of-uk-fund-assessment-of-value-reports#gsc.tab=0)
[5] These two documents can be found at https://www.cfainstitute.org/en/ethics-standards/codes

## 1. Fourth Pillar for 'Sustainability':

On one level, CFA UK is pleased to see the continuing build-out of a three-pillared framework – Performance/Service/Costs & Charges – in the FCA's and TPR's proposals mirroring our own 2018 VFM Framework. Overall, we believe the proposals continue the journey towards ensuring greater transparency in the quality of pension provision and establishing a regime to enable effective competition by creating 'the informed customer'.

On another level, however, the pension industry and asset management more generally have moved on since 2018 and are being required to move still much further over the next 5 years. On reflection, we believe the proposed 3-pillar framework gives insufficient prominence to the increasingly important value components of Stewardship, ESG Factors and carbon reporting. CFA UK considers these now to be an essential component of 'Value'. Including these elements within their own pillar also would allow stakeholders to take a view of its contribution to value on an ex ante basis, rather than ex post in Performance several years down the line.

Therefore, CFA UK recommends the FCA and TPR consider the creation of a fourth pillar, under the heading of ''Sustainability' which would align with the FCA's proposals outlined in DP21/4 on Sustainability Disclosure Requirements (SDR) and investment labels currently outstanding for consultation.

## 2. Short & Long Form VFM Reports

In considering the readership of these VFM framework reports, CFAUK also believes there may be a good case for a short-form version for lay-beneficiaries and long-form version for IGCs, trustees, other investment professionals and those beneficiaries with greater interest, financial literacy and engagement. This would allow for the presentation of some topics, such as risk for example, to be tailored to its audience's ability to understand it. There is ample precedence for this approach, for example, we note in the US that each mutual fund produces a value assessment report, in both a short (4-page) report for fund beneficiaries and a longer report for fund advisors and regulators. Similarly, the PRIIPs KID is designed as a short template targeted at end retail investors.

## 3. Decomposition of Investment Returns

For default schemes, with the proposed disclosures by cohort, there is a lack of transparency as to how each scheme achieves its overall investment returns.

Out-performance or under-performance of a scheme versus a peer group or benchmark can come from both asset allocation and from asset selection. For example:

- Scheme A adopts the same asset allocation as the 'glidepath' benchmark for its cohort and select funds that out-perform their asset class benchmarks;
- Scheme B adopts a more aggressive asset allocation than the benchmark 'glidepath', with a greater weighting (say) to Equities, selecting funds that perform in line with their asset-class benchmarks and achieves a higher overall return than Scheme A.

In this example, Scheme A has produced outperformance by selecting better performing funds within each asset class and with similar risk to the scheme's benchmark, scheme B has out-performed through asset allocation deviations from the benchmark and has taken on higher risk in order so to do. In reality, there will be a combination of asset allocation and selection within the asset classes that will drive any deviation from the benchmark return produced by a scheme.

Once risk is considered, scheme A has offered better VFM than scheme B, yet a straight comparison of net returns would argue the opposite. Typically, 90% of DC investors participate in 'default strategies' which adopt a 'glidepath' asset allocation strategy progressively reducing risk as their members' retirement approaches. Therefore, the requirement for all schemes to report a decomposition of returns showing both (i) asset allocation variances from the benchmark and (ii) asset class performance versus its benchmark would bring helpful insight to scheme stakeholders seeking to determine the value received for their money.

Should you have any questions or points of clarification regarding this letter or our responses to the questions, do not hesitate to contact us.

Yours sincerely,

Will Goodhart
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CFA Society of the UK

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With thanks to contributions from:

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and the oversight of the CFA UK Professionalism Steering Committee

CFA Society United Kingdom

## APPENDIX I: About CFA UK and CFA Institute

**CFA UK** serves nearly twelve thousand leading members of the UK investment profession. Many of our members work with pension funds, either managing investment portfolios, advising on investments, or as in-house employees responsible for pension investment oversight.

- The mission of CFA UK is to build a better investment profession and to do this through the promotion of the highest standards of ethics, education and professional excellence in order to serve society's best interests.
- Founded in 1955, CFA UK is one of the largest member societies of CFA Institute and provides continuing education, advocacy, information and career support on behalf of its members.
- Most CFA UK members have earned the Chartered Financial Analyst® (CFA®) designation or are candidates registered in CFA Institute's CFA Program. Both members and candidates attest to adhere to CFA Institute's Code of Ethics and Standards of Professional Conduct.
- For more information, visit www.cfauk.org or follow us on Twitter @cfauk and on LinkedIn.com/company/cfa-uk/.

**CFA Institute** is the global association for investment professionals that sets the standard for professional excellence and credentials.

- The organisation is a champion of ethical behavior in investment markets and a respected source of knowledge in the global financial community. Our aim is to create an environment where investors' interests come first, markets function at their best, and economies grow.
- It awards the Chartered Financial Analyst® (CFA) and Certificate in Investment Performance Measurement® (CIPM) designations worldwide, publishes research, conducts professional development programs, and sets voluntary, ethics-based professional and performance-reporting standards for the investment industry.
- CFA Institute has members in 162 markets, of which more than 170,000 hold the Chartered Financial Analyst® (CFA) designation. CFA Institute has nine offices worldwide and there are 158 local member societies.

For more information, visit www.cfainstitute.org or follow us on Twitter at @CFAInstitute and on Facebook.com/CFA Institute.

## APPENDIX II: Responses to questions

***Q1. Do you agree that consistent disclosure of performance is necessary to enable better decision making?***

Yes. CFA UK agree that disclosures of performance that are both consistent (the same presentational format over different time-periods by the same scheme) and comparable (the same presentational format across similar schemes to facilitate peer comparison) would assist decision making. Providers should apply consistent performance calculation methodologies and explain differences between classes of funds or members.

***Q2. Do you agree that comparisons should be of net rather than gross investment performance?***

In determining Value for Money a client needs to know **both** the Value (the gross return) and the Money (the fees deducted from the gross return to arrive at the net return).

Ideally, performance disclosures should be both net and gross of fees. This ensures the most transparency and means that stakeholders can see the amount and relative proportion of the fees charged. We agree that if both cannot be shown, then showing only net performance is preferable to showing only gross performance, but schemes should be asked to show both in our view – both for default and self-selection options (see also our response to question 7 below).

***Q3. Do you have any suggestions on how to make disclosure of net investment returns effective given that there may be varying charges for the same funds within multi-employer schemes? For example displaying a range, or requiring disclosure of each different level of net investment performance.***

In circumstances where different employers in the same scheme pay different fees, we would support schemes reporting gross performance, the range of the fees charged and the range of net performance for different scheme members. Each employer's scheme should separately report their net and gross performance to its members, possibly explaining where they sit in the range and why.

***Q4. Would it be helpful to mirror the DWP's approach in terms of the reporting periods?***

Yes. Reporting over 1, 5, 10, 15 and 20 years makes sense. In practice some funds will not have long term performance track histories, especially out to 20 years but we would advocate against the use of a 'Since Inception' ("SI") figure as this will not be comparable and can be manipulated. We refer you to the calculation methodology in the CFA Institute Global Investment Performance Standards or GIPS® (https://www.cfainstitute.org/en/ethics-standards/codes/gips-standards" https://www.cfainstitute.org/en/ethics-standards/codes/gips-standards) and would be happy to meet/discuss further should any of this require explanation or amplification.

***Q5. Would publishing a set of metrics based on age cohorts bring investment performance reporting closer to the saver's investment performance experience of a pension scheme/product? If not, is there a better alternative we have not considered?***

Yes. The publication of age cohorts would allow for better comparison making some allowance for each scheme's members' 'lifestyle'. This should result in the performance of similar asset class mixes being compared, such as an equity fund versus the equity universe in the accumulation phases of glide paths. However, this could result in inconsistent asset class mixes being compared. Pension providers should be able to comment as to the reasons why their glide path may be targeting a different level of risk or return to the universe being compared to.

The Discussion Paper assumes that a particular asset mix or member's investment strategy may be compared to other pension providers. However, a selection of members from a pension offering could be pooled to gain a more representative average asset allocation against which to compare.

***Q6. When considering which age cohorts to consider, is the example we have provided appropriate? Alternatively, would it be more effective to mirror the DWP's approach?***

We prefer the approach suggested in the paper rather than that of the DWP. The target date when scheme members are expected to start draw-down of their pension is more relevant than scheme members' actual age since members decide to draw on their pension at different ages depending on their individual circumstances.

Our preferred approach is to define precise points preceding the date savings are drawn down, such as 0, 5, 10, 20, etc. years before the date of expected drawdown. This would help avoid ranges of member asset allocations being compared.

***Q7. What disclosures, if any, should be made for self-select options?***

A simple and clear approach would be to list the self-selected fund options (such as in a table) and show gross and net performance over 1, 3, 5, 10, 20, etc. year time horizons.

***Q8. Do you think reporting based on age cohorts would be enhanced through the use of risk-adjusted returns as an element of a scheme's VFM assessment or would risk-adjustment then be unnecessary?***

We refer you to our response in question 9 below.

As stated in our 'Value for Money Framework (2018)' it is critical that investment returns should be reported on in such a way that the underlying risk is clearly described and illustrated if true comparison is to be achieved. Ideally the application of a consistent methodology will facilitate comparison between schemes.

We note that longer term less liquid assets are currently gaining more traction as DC pensions investments. Often these cannot be valued frequently and are less able to use most of the risk-adjusted measures suggested in the Discussion Paper as there is often an insufficient sample size or the distribution is significantly away from being normal. Qualitative risk description may have to replace the quantitative approach adopted for liquid assets, however, this may be a step too far for some users (beneficiaries rather than investment professionals) as less sophisticated readers could have difficulty with the volume and complexity in such reporting.

***Q9. If risk-adjustment is used, what risk-adjustment metric(s) would you suggest? For example, the Sharpe ratio as i) a standalone factor, or ii) in combination with other risk metrics?***

In our ‘Value for Money Framework (2018)’ we also stated that risk is complex and multi-faceted and cannot be boiled down into one particular ratio.

However, if we had to choose one ratio, CFA UK’s preferred approach (drawing on the GIPS standards) would be to require each scheme to report its annualised standard deviation of monthly returns, matching each of the periods for which investment returns are reported – i.e.  3-year (36 months), 5 year (60months) and 10 year (120 months) etc., noting 1-year is too short and should be ignored.

From our perspective it is a very simple measure of risk and easily understandable when compared against the net investment return for the same time period.  It might also be presented using a distribution graph, for example, indicating the mean and median monthly return and the distribution of all the monthly returns of that longer time period.

CFA Institute’s GIPS team currently believes that rather than readers having to unpick a risk adjusted measure, it is preferable to provide a risk measure and the relevant period returns and let the readers themselves visualise or model the product’s return and risk profile.

By comparing the 3,5 and 10 year annualised standard deviation of monthly returns the reader may, or may not, see growing or declining volatility through the time periods which could be of interest.

Note, if using net returns for the standard deviation calculation then fees need to be deducted monthly so they are smoothed across the sample.

The Sharpe Ratio is useful though it can sometimes be negative and is prone to easy manipulation by the choice of the risk-free rate used - this must therefore be clearly defined to ensure consistency!

The Discussion Paper lists four ratios all of which could be included in a risk dashboard. We would not expect most scheme members to pay much attention to this, but some will. More importantly the information, especially if precisely prescribed and therefore consistently provided along with the relevant ratio of the benchmark for comparison, should prove resourceful for relevant professional stakeholders.

***Q10. Is there any reason why it would be impractical to report on risk-adjusted performance metrics in addition to providing a metric based on actual performance returns?***

There is probably no such thing as the perfect risk-adjusted report to fit all DC pension schemes and as a consequence any prescribed risk-reporting format will contain some elements which may be not relevant for some schemes.  However, risk has to be reported on, performance has to be measured through a risk lens and reporting should be consistent and comparable across all schemes.

As mentioned above in question 8 above, long-term illiquid assets are proving increasingly popular for many DC pension schemes, but present significant challenges when it comes to risk-adjusted reporting.

Short track histories of returns for funds would create practical issues when calculating realised levels of risk and risk-adjusted returns.

***Q11. What are your views on presenting returns as an annual geometric average to provide consistency with the DWP's requirement?***

Yes, we agree returns should be presented on an annualised (time-weighted) basis using a geometric average.

Presentation of time-weighted returns will allow comparability between schemes, but it will be different to the money-weighted returns that a member actually receives which take into accounting the timing of their investments. This may give rise to member queries and schemes should be required to both anticipate this in the report with some cautionary language and be ready to explain any differential.

The following link is to the calculation required for GIPS Standard provision 6.B.2.c, for annualised returns for periods greater than 12 months and is available on the GIPS website at: HYPERLINK "https://www.gipsstandards.org/resources/tools/" \t "_blank"https://www.gipsstandards.org/resources/tools/.

***Q12. We would welcome views on how you see this developing. Would it be helpful/possible to establish a benchmark, or would you prefer to compare cohorts against a market average or against a few selected similar schemes? If so, how would that selection be made?***

While we recognise the advantages of benchmarking, we consider the following to be of concern:

- Existing market benchmarks may not necessarily reflect the asset allocation chosen by a particular scheme, making comparison of a scheme to that benchmark inappropriate. A fund that allocates to alternatives should not be compared to a passive, low-cost, listed investment benchmark.
- As noted in the consultation, comparing performance in situations where one scheme's costs have been subsidised may not be a fair reflection of the opportunity cost of the provider. For a scheme beneficiary this presentation is arguably preferred as it will resemble the returns they actually receive. This presentation requires further explanation to ensure comparable performance comparisons. We note also that some subsidies are time-limited and, as such, full inclusion of the subsidy, absent explanation could be seen to be misrepresentative about future likely returns.
- We consider ESG factors to be financially material and schemes are now incorporating these factors into their investment decision making. However, different schemes are adopting different approaches making benchmarking to an ESG-appropriate index problematic. For example, a scheme may chose to tilt their portfolio away from high carbon emitting sectors and prefer engagement over exclusion, but may then be compared to a benchmark that excludes high emitting sectors.
- As noted in the consultation, comparison along cohorts is also problematic. Schemes may have different glidepaths within an age cohort and may allocate to alternative asset classes or remain invested for longer, making comparison to similar age cohorts inappropriate. Where comparisons of DC providers' risks and returns are already available the differences in glide path asset allocations does create a

wide range of results. This can be seen on the freely available Capa Data website providing by Corporate Adviser that shows the realised risk and returns of DC master trust glide path strategies (for example https://capa-data.com/risk-return-younger-saver-30-years-from-retirement-5-year-annualised/" https://capa-data.com/risk-return-younger-saver-30-years-from-retirement-5-year-annualised/).

- Similarly diverse results are found in the risks and returns reported for UK DB pension outcomes by the CFA Institute GIPS Standards for Fiduciary Management Providers to UK Pension Schemes (https://www.cfainstitute.org/en/ethics-standards/codes/gips-standards/fiduciary-management-providers-for-uk-pension-schemes ).
- This is also driven in turn by differences in underlying strategic asset allocation. We note pension funds moved away from peer group benchmarks such as the CAPS Median benchmark for balanced funds around 20 years ago. Targeting a scheme-specific rate of return relevant to a scheme's liabilities became more popular than aiming to outperform the general industry. A known issue at the time was that peer group benchmarks encouraged the herding of investor behaviours. As fund performance versus the peer group gained prominence there was less appetite for fund managers to take positions away from the wider universe in case they significantly underperformed. Funds therefore became more similar in asset allocation.

If a benchmark is to be established, we would consider a goals-based composite benchmark to be the most appropriate, for example an inflation linked benchmark. In terms of the other characteristics of what CFA UK would consider 'good' benchmarks, CFA UK draws your attention to a paper published in 2017 "Benchmarks & Indices" [6]

Savers are likely to consider a good retirement outcome in terms of their buying power which is largely influenced by inflation. Therefore an outcome-oriented benchmark that targets building savings wealth in real terms could be beneficial.

***Q13. Do you think a commercial benchmark is likely to emerge if these data are made publicly available?***

In the case where data is made publicly available and a commercial benchmark emerges, we do not think it is likely to be an appropriate comparator. As mentioned in the consultation, there is work undergoing to further enable the inclusion of illiquid assets in default strategies through a proposed new type of regulated fund, a Long-Term Asset Fund. Schemes may start to allocate more to illiquid alternative real assets, many of which are unique and/or realise return over the long term. Consideration of how this nuance could be incorporated into a benchmark would need to be addressed.

Furthermore, a scheme's strategic asset allocation is likely to change over time. A commercial benchmark would need to accommodate market-wide shifts in order to remain relevant as a scheme comparator.

It may however be the case that a range of commercial benchmarks emerge based on the different approaches taken by schemes. In this case, schemes could select a

[6] Benchmarks & Indices (2017): https://www.cfauk.org/professionalism/research-and-position-papers/benchmarks-and-indices#gsc.tab=0

benchmark that most closely matches their investment goals, SAA and member demographic.

***Q14. Do you agree the quality of communication is a relevant factor to consider in VFM assessments?***

Yes, and this is reflected in the survey data usefully provided in the Discussion paper. We note from this data provided that Communication is of growing importance to stakeholders.

***Q15. Do you agree administration is a relevant factor that contributes to long-term VFM?***

Yes. Accurate and reliable administration is an exceedingly important component of value for money and sadly often only noticed when it is poor. Accurate and timely execution and communication of member transactions carries real value to beneficiaries and we highlight in particular the area of exit transfers and the ability of members to complete these without barrier, delay and/or cost as worthy of the FCA's attention.

***Q16. Do you agree the effectiveness of governance is a relevant factor that contributes to long-term VFM?***

Yes. This was highlighted in our 'Value for Money Framework (2018)'. Rather like Administration as explained in Question 15, the negative value of poor Governance is often only noticed when things go wrong.

***Q17. In your opinion, are there any obvious service standards missing from the above list? Please explain how your suggestion contributes to scheme value.***

We strongly suggest the following factors are given inadequate coverage in the Discussion Paper's proposed framework:

- Carbon reporting
- ESG considerations
- Stewardship
- Liquidity and risk management (as specific components of governance)

As suggested in CFAUK's 2018 VFM Framework, they could be considered as components of the 'Service' pillar. However, the first three of these are assuming so much importance nowadays such that there is a strong case for the creation of a fourth pillar, perhaps labelled 'Sustainability', but including Stewardship, Carbon Reporting and ESG Reporting within it. We note that regulation is driving the investment sector towards the rapid development of much improved investor reporting in this area which should enable pension scheme reporting of these areas to become more data-driven, complete and comparable over time. We believe this would align with the FCA's proposals currently outstanding for consultation in DP21/4: 'Sustainability Disclosure Requirements (SDR) and investment labels' [7].

[7] DP21/4 Sustainability Disclosure Requirements (SDR) and investment labels' (November 2021): https://www.fca.org.uk/publication/discussion/dp21-4.pdf

Many service standards are included in the list. However the good communication of the investment decisions made around the default investment design and self-select choices should be clearly communicated with members. Standards should also make clear to IGCs the importance of encouraging members to take guidance and investment advice throughout the savings process. This is because quite often members will only know if they haven't taken the right savings approach when it is too late at the point of retirement.

***Q18. Do you agree this is not a role for the regulators at this stage?***

We agree that at this stage private or third-sector provided solutions may be the best way forward rather than the introduction of regulatory rules. If an authoritative set of industry standards did emerge these could receive regulatory recognition in due course along similar lines as the adoption of CFA Institute's GIPS® Standards for Fiduciary Management providers.

In practice different members often place different amounts of value on certain client services whether written letters, spoken letters, emails, phone conversations, meetings or app functionality. There is therefore unlikely to be a role for a regulator at this stage.

***Q19. Would it be helpful to appoint a neutral convenor to develop a service metrics standard? If not, who do you think should create metrics on service in pensions?***

There are two components to this question. First, can a truly neutral convenor be found? We have reservations. Second, what is the cost of these service metrics providers and can it be justified? If a truly neutral convenor can be identified at an acceptable cost then we believe this would be a positive development.

***Q20. Do you think that over time independent certification against a standard is worth exploring for benchmarking service metrics? If not, what alternative arrangement would you suggest?***

Yes. We believe that there is currently a wide divergence in Service standards amongst DC pension providers and the establishment of a benchmark would help improve those schemes with poor service levels.

***Q21. Should we use the existing administration charges and transaction costs definitions in developing VFM costs and charges metrics?***

We are not content with the precise definitions and can share some examples where higher specification is needed to ensure that schemes allocate overhead costs consistently to the same buckets. Because of this we are not convinced that the definitions are being applied consistently by all schemes – for example, around transaction costs and overheads. This may require further detailed work with the pension schemes industry to fully resolve.

An important aspect is that costs and charges information is applied as consistently as possible across the industry so that it is comparable. There are many type of costs and charges such as annual management charges, member admin charges (percentage and fixed charges), fund admin, fund trust, fund custody, transactions costs (explicit and implicit) and incidental costs such as performance fees. There should be look-through of these costs and charges through all fund layers that are paid by members. The practical definitions of these that are applied should be as consistent as possible across all schemes to aid the transparency for end savers. We are also conscious that for small schemes, presenting administration charges separately may lead to publication of commercially sensitive data regarding the scheme's custodian arrangements unless other material administrative costs can be pooled.

***Q22. Would splitting out the administration charges be a more useful metric? If not, are there other definitions you think would be more appropriate?***

Yes. We could see that this would support better trustee stewardship of schemes. It might highlight relative inefficiency in administration or dealing and prompt corrective action.

***Q23. Do you agree we should introduce benchmarks for costs and charges?***

CFA UK supports the creation of a set of benchmarks that would allow different types of DC scheme to compare their costs and charges with those of similar schemes. The range of benchmarks should be sufficiently broad so as to ensure that every DC pension scheme has an applicable benchmark to use that is representative of their costs and charges structure. The criteria for each benchmark should be clear to avoid schemes selecting an inappropriate benchmark against which they compare unreasonably favourably. The benchmarks would need to aggregate at a reasonably high level to avoid the inadvertent leakage of commercially sensitive data.

Whilst it would be helpful to compare a DC scheme's costs and charges to a larger, potentially not-for-profit, scheme it should also be recognised that costs and charges below a certain level are likely acceptable. The risk here is that the level of costs and charges is considered for a scheme but not the value delivered to members. Schemes should therefore be allowed to apply the requirements to disclose costs and charges information but also to explain the value that they are adding such as through stewardship, client service, ESG and other activities.

***Q24. What are your views on our suggested options for benchmarking costs and charges? If not these options, what benchmarks should be used?***

To avoid the skew of outliers in the data-sets, we would agree the quartile-sorting should be via a median rather than a mean. We would support the publication of quartile data for constituents of each benchmark so as to engender competition between schemes and mitigate against the risk of using median ranking identified in the Discussion Paper that all funds are poor value and remain uncompetitive on costs and charges.

We agree that work-place and non-workplace pensions should each have a separate set of benchmarks. We would support the use of a not-for-profit benchmark for work-place pensions. If a work-place pension scheme is shown to compete poorly on costs and charges against the not-for-profit benchmark due to lack of economies of scale this is very relevant information for the stakeholders of that fund and probably indicates that the trustees should be considering moving from an employer to a not-for-profit scheme.

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## Appendix III: Previous CFA UK Publications on Value for Money:

### A) Position Papers:

- Value for Money: A Framework for Assessment (November 2018): https://www.cfauk.org/-/media/files/pdf/pdf/5-professionalism/3-research-and-positionpapers/value-for-money--a-framework-for-assessment.pdf

- Review of UK Assessment of Value Reports (January 2020): (https://www.cfauk.org/professionalism/research-and-position-papers/review-of-uk-fund-assessment-of-value-reports#gsc.tab=0)

### B) Recent Consultation Responses:

- CFA UK response to DWP on further Consultation re: incorporating performance fees within the charge cap (April 2021): https://www.cfauk.org/-/media/files/pdf/pdf/5-professionalism/2-advocacy/responses/charge-cap-ii-cfa-uk-final.pdf

- CFA UK response to DWP's Consultation – Improving outcomes for members of defined contribution pensions schemes (October 2020): https://www.cfauk.org/-/media/files/pdf/pdf/5-professionalism/2-advocacy/responses/dwp-improving-outcomes-for-dc--oct-2020.pdf

- Response to the FCA regarding CP20/9: CFA UK Response to CP 20/09: Driving Value for Money in Pensions (September 2020): https://www.cfauk.org/-/media/files/pdf/pdf/5-professionalism/2-advocacy/responses/igc-vfm-to-psc.pdf

- Response to the FCA regarding MS17/1.2: Investment Platforms Market Study (September 2018): https://www.cfauk.org/-/media/files/pdf/pdf/5-professionalism/2-advocacy/responses/cfaletter-to-kate-blatchfordhickfinal.pdf?la=en&hash=96A9B1F1AE37C588706DE59377574D38FC8D24CA

- Response to the FCA regarding CP18/9: Consultation on Further Remedies – Asset Management Market Study (June 2018): https://www.cfauk.org/-/media/files/pdf/pdf/5-professionalism/2-advocacy/responses/cfaletter-to-karen-northey.pdf?la=en&hash=D330FBFA4E022E4392EC47A7AE395EEDE44E8EC5