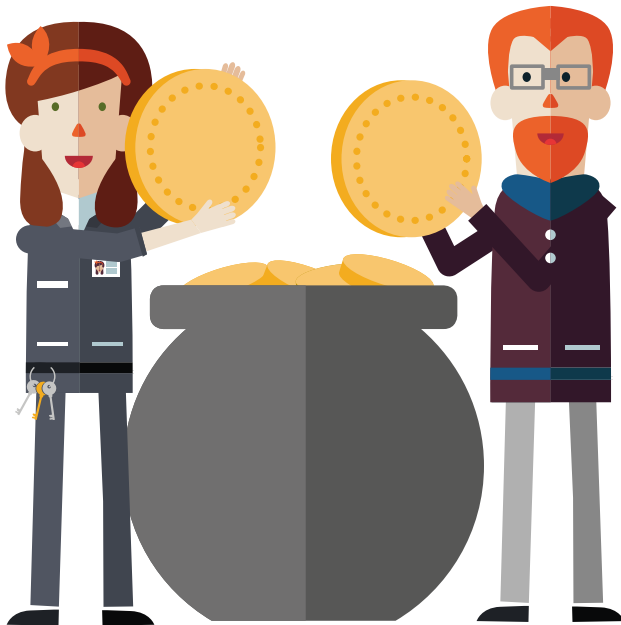


NILGOSC

AVCs with Prudential

**ANNUAL REVIEW OF ADDITIONAL
VOLUNTARY CONTRIBUTIONS (AVCs)**

1 April 2022 - 31 March 2023



WELCOME TO THE ANNUAL REVIEW OF ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCs) WITH PRUDENTIAL

In consultation with its investment advisor, Aon Investments Limited (Aon), NILGOSC has completed its annual review of the Scheme's AVC arrangement with the Prudential Assurance Company Ltd (Prudential). The outcome of the review is summarised in this report and details the following information:

- Prudential's financial strength
- Views on the investment options with Prudential
- Recent developments and other useful information
- A performance report for all funds offered by Prudential (Annexes A and B)

Overall, there are no material concerns with the existing AVC arrangements and Prudential continues to be regarded as an appropriate provider. The performance of each fund is measured by comparing returns to a relevant stock market index or average for the relevant sector where no index is available. This index is referred to as 'the benchmark' throughout this report. If you are unsure of the funds in which you are invested, then please refer to your last Prudential Statement or you could also log onto the Prudential portal. The website can be accessed at:

www.pru.co.uk/existing-customers/products/personal-pension.



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Prudential's Financial Strength

Financial strength ratings describe the financial security characteristics of a company and its ability to meet its financial commitments. AKG Financial Analytics Limited (AKG), a specialist in the provision of ratings information and market assistance to the financial services industry currently applies an 'A' rating for Prudential's overall financial strength. Defined as 'Superior' in terms of assessment of capital base, parental strength and typical fund performance achievements, an 'A' rating is the highest available.



Prudential AVC members are protected by the Financial Services Compensation Scheme (FSCS) for 100% of the value of their investment should Prudential default. In the case that a pension provider collapses, a claim would need to be made with the FSCS. In eight out of ten pension claims, the FSCS makes decisions within 11 months (as at 4 September 2023), but this process can take longer if it is a complicated case.

Views on the Investment Options

At 31 March 2023, the Prudential AVC arrangement had 13 funds available to new members, in addition to one lifestyle option. There are also several legacy funds that are closed to new members, but if you are already invested, you may still be able to make additional payments if you wish.

The fund range consists of equity, multi-asset, bond, cash, with-profits, faith-based and ethical funds, and includes both actively and passively managed funds. NILGOSC's investment advisor, Aon, believes that the existing fund range should satisfy the needs of most members.

Performance and Fees

Aon has summarised the performance data and fees of all the available funds within NILGOSC’s AVC Scheme in Annex A. For each fund there is an Annual Management Charge (AMC) applied by Prudential. This charge is calculated as a percentage of the value of units and varies according to the fund(s) selected. For example, if you paid £1,000 into a fund with an AMC of 0.75%, the annual charge would be £7.50. Funds which are higher risk, i.e. those seeking returns above the benchmark, have a higher cost.

Longer-term performance of funds within the current range is provided in Annex B. More information, as well as Aon’s view of each investment option available at 31 March 2023 within NILGOSC’s AVC Scheme, is set out below:

Growth Funds	
Prudential Dynamic Growth I Fund	<ul style="list-style-type: none">• These funds aim to deliver long-term growth by investing in a diversified range of assets both in the UK and globally. At any time, the Dynamic Growth I Fund will invest a maximum of 30% in equities, while the Dynamic Growth III Fund will invest 20-55% in equities. The remaining assets in both Funds are invested in bonds, property and money market securities. Allocations are based on rolling ten-year forecasts.
Prudential Dynamic Growth III Fund	<ul style="list-style-type: none">• Both are ‘funds of funds’, meaning they are made up of a range of predominantly BlackRock passively-managed and M&G actively-managed funds, which reduces exposure to manager risk. Investments are managed across asset classes and across world markets with a focus on long-term investment potential.• Although returns for both funds have been negatively impacted by exposure to fixed-interest, performance was in line with the benchmarks. Aon has no major concerns over the quality of either fund.

Growth Funds

BlackRock Aquila UK Equity Index Fund	<ul style="list-style-type: none"> • These funds are managed by BlackRock, who Aon regards as having a very strong culture of risk management combined with high quality systems, as well as a well-resourced and experienced investment team. Due to its scale and structure, Aon continues to have a high regard for Blackrock's index-tracking capabilities.
BlackRock Aquila Emerging Markets Equity Fund	<ul style="list-style-type: none"> • The three available Blackrock funds offer members access to all equity regions on a passively-managed basis.
BlackRock Aquila World (ex-UK) Equity Index Fund	<ul style="list-style-type: none"> • Although UK equities have lagged global markets over the longer term, UK equities were the best performing equity market in sterling terms over the year. Performance in the BlackRock Aquila UK Equity Index Fund was supported by a heavy-weight to the energy sector, which performed well due to growing supply concerns over the period as a result of the ongoing conflict in Ukraine. • The BlackRock Aquila Emerging Markets Equity Fund suffered a loss over the year to 31 March 2023, as emerging markets were the second-to-worst performing equity market. The rise in interest rates by major central banks resulted in emerging market returns lagging other markets. • The BlackRock Aquila World (ex-UK) Equity Index suffered losses over the period to 31 March 2023, due to its significant allocation to US equities. Over the year to 31 March 2023, the US market was particularly impacted by elevated inflation and expectations of higher interest rates, which led to the under-performance of sectors such as Information Technology and Consumer Discretionary. However, following Silicon Valley Bank's collapse in March 2023, investors shrugged off concerns over the banking sector and priced in a quicker end to the sharpest tightening cycle in recent memory.

Growth Funds

Prudential Discretionary Fund

- This fund provides a multi-asset approach to investment, holding a mix of UK and overseas company shares, bonds, property and cash, but with a small element of listed alternative assets, primarily through other M&G funds or direct holdings. It is actively managed against an internal benchmark asset allocation set by the M&G Treasury & Investment Office.
- The Discretionary Fund is a 'fund of funds' where both active stock selection, within the underlying sector funds, and asset allocation decisions are used to add value. Derivative instruments (for example futures or options, which are generally an arrangement between different parties to buy or sell a standard quantity of a specified asset on a future date at a price agreed today) may be used for efficient portfolio management.
- This fund aims to outperform its benchmark by 1.15% – 1.40% p.a. before charges, on a rolling 3-year basis. Unfortunately, it has failed to achieve this objective over the 1, 3 or 5 year periods, although Aon consider returns to have been reasonable considering market conditions over these periods.
- Aon's review raised no concerns over the quality of the Discretionary Fund. Members should note that there are a range of different funds available, at various cost points, and members should regularly review whether their AVC investment selection remains relevant to their needs.



Growth Funds

HSBC Islamic Global Equity Index Fund

- A diversified global equity fund which meets Islamic investment principles as interpreted and laid down by HSBC's Global Asset Management Shariah Committee, thus providing an option for any members restricted by their religious faith. This fund will not invest in derivatives.
- Despite the fund's significant allocation to US equities negatively impacting returns over the year to 31 March 2023, returns over the 3 and 5-year periods remained positive.
- As a result of HSBC's investment capabilities, as well as performance, Aon has no major concerns over the quality of the fund.

LGIM Ethical Global Equity Index Fund

- A passively managed global equity fund tracked against the FTSE4Good Developed Index, and managed by Legal & General Investment Management (LGIM).
- Provides access to a fund investing in companies demonstrating good environmental, social and governance policies from around the world.
- Returns for the year were marginally negative, but remain positive, over 3 and 5-year periods.
- Aon considers LGIM to have an experienced and capable passive management team who take a pragmatic approach to index-tracking within strict tolerances, and as a result of the manager's scale and structure, Aon continues to highly rate LGIM.



Growth Funds

Prudential With-Profits Fund

- A diversified and actively managed portfolio of UK and overseas shares, bonds, property and cash, with a significant portion (c. 59%) of the fund invested in growth assets (i.e. equities and property) which are expected to produce attractive long-term returns.
- Equities and property encountered a volatile year to 31 March 2023, and therefore the gross return on the underlying fund for the reported period was -1.5%, which is a decrease from the 12% underlying return in the previous year.
- A With-Profits fund seeks to smooth out the volatility of investment markets by declaring annual bonuses. The regular bonus rate added from 15 March 2023 was 1.5% which was an increase from the 1.0% bonus declared for the previous two years (subject to a guaranteed minimum of 4.75% on contributions paid in scheme years ending before 15 March 1997 and 2.5% on contributions paid in scheme years ending between 15 March 1997 and 31 December 2003.)
- In addition to annual bonuses, profits are distributed by a final (or terminal) bonus, which makes up the difference between guaranteed benefits and the overall smoothed value of the AVC plan. Final bonus rates continue to be paid upon death or at retirement, however, the final bonus may vary and is not guaranteed. Further information on bonuses is available at www.mandg.com/pru/adviser/en-gb/funds/with-profits/bonus-declaration.
- AKG rated the financial strength and future performance prospects of the Prudential With-Profits Fund as 'Excellent', as at December 2022. Aon views it as a strong with-profits fund and has no concerns, other than the general lack of transparency which applies to all with-profits funds, although this has improved in recent years.
- Older policies contain valuable guarantees, so newer members without these guarantees should consider whether their investment remains appropriate for their needs.

Protection Funds

BlackRock Aquila Over 15 Years UK Gilt Index Fund

- Invests in long-dated conventional gilts, which could typically be used in the approach to retirement by a member either: intending to purchase a level annuity to help protect purchasing power; or to lower the risk of their portfolio. However, as encountered in the year to 31 March 2023, the underlying assets can be volatile and capital remains at risk.
- Returns in this fund have been in line with markets, returning a loss of -30.3% over the year. Aon highly rate Blackrock as a passive manager, considering their passive fixed interest investment process to be pragmatic and well structured.
- However, if you have chosen to invest in this fund based on a reduced appetite for investment risk, you may be concerned about the volatility exhibited and the losses incurred in recent years. You should review your investment choices and ensure that the funds selected remain suitable for your needs.
- Prudential previously communicated that it intended to close this fund but reversed that decision in October 2022.

BlackRock Aquila All Stocks Corporate Bond Index Fund

- Invests in investment grade corporate bonds, which members can use when approaching retirement to lower the risk of their portfolio.
- Returns in this fund have been in line with markets, returning a loss of -10.7% over the year to March 2023, and Aon continue to highly rate BlackRock as a passive manager, noting their investment process is pragmatic and well structured.
- However, if you have chosen to invest in this fund based on your appetite for investment risk, you may be concerned about the volatility exhibited in recent years and the losses incurred over the last year. You should review your investment choices and ensure that the fund selection remains suitable for your needs.
- Prudential previously communicated that it intended to close this fund but reversed that decision in October 2022.

Protection Funds

Prudential Cash Fund

- A low-risk fund, catering to those members intending to use all or part of their investment for cash.
- It primarily invests in reverse repurchase agreements which provide collateral. The fund also invests in interest bearing deposits, short-term UK Government bonds and Certificates of Deposit. Short-term cash loans are made in exchange for hold over some collateral, which is effectively bought and then sold back at a higher price to the borrower.
- It does not guarantee that the unit price will not fall and although the fund can be used to reduce the risk of a members' portfolio and manage volatility, long-term investment will potentially act as a drag on performance due to the low return prospects.
- The fund aims to perform in line with its benchmark (the Sterling Overnight Index Average (7-day)) before charges, on a rolling three-year basis. It has achieved this objective over all periods reported in Annex B and as such, Aon has no concerns over the quality of this fund. It has not however outperformed the benchmark after charges. As with all cash funds, returns have not kept pace with inflation and therefore this is unlikely to be a suitable long-term holding unless members have minimal appetite for investment risk or are close to retirement.

Prudential Index-Linked Passive Fund

- This fund invests in index-linked gilts with over five years to maturity, which could typically be used in the approach to retirement to lower the risk of a member's portfolio. However, as encountered in the year to 31 March 2023, these assets can be volatile and as a result of market conditions, this fund fell by over 30% over the period.
- Aon has no major concerns over the quality of this fund, which has tracked its benchmark before charges over periods reported in Annex B. However, Aon do not consider M&G to be best in breed for passive management.

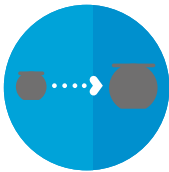
The in-house Prudential funds are managed by M&G, which is part of M&G plc. Aon does not regard M&G to be best in breed for these asset classes, however, based upon M&G's wider investment capabilities regards it to be a suitable manager of the assets members hold in the fund. Aon does not formally rate M&G as a passive fund manager, as it believes there are managers with greater scale and more expertise in this area, however, all the Prudential passively-managed funds tracked their benchmark within an acceptable tolerance over the periods reported in Annex B. As such Aon has no concerns over performance.

Specific information on each of the funds available can be accessed on the Prudential website at www.pru.co.uk/rz/localgov/northern-ireland/get_started.

Lifestyle Option – Global Equity Encashment Target Lifestyle

'Lifestyling' aims to provide long-term growth with automatic transitioning of members' investment into specific funds in the approach to retirement, in order to 'lock-in' accumulated investment growth. Doing so, may help protect against changes in the cost of turning an AVC fund into income and a lump sum benefit.

The lifestyle option available to NILGOSC AVC members is the 'Global Equity Encashment Target Lifestyle.' It consists of two phases:



Growth Phase: During which, the intention is to grow the size of a member's AVC pot by investing in funds which aim to grow at a faster rate than inflation.

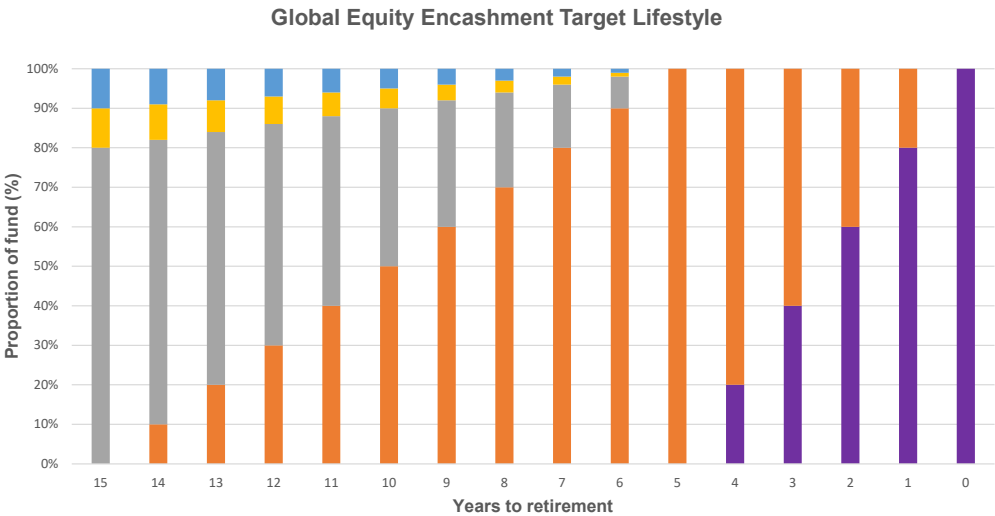


Defensive Phase: Investments are gradually switched into funds that could help reduce the risk of short-term falls in the value of pension savings for members approaching retirement. The switches happen automatically throughout the 15 years leading up to the member's selected retirement date.

The transition between the growth phase and defensive phase provides added diversification and therefore reduces investment risk as members approach retirement.

The Global Equity Encashment Target Lifestyle initially invests: 7.5% in the BlackRock Aquila UK Equity Index Fund; 10% in the BlackRock Aquila Emerging Markets Equity Fund; and 82.5% in the BlackRock Aquila World (ex-UK) Equity Index Fund. The profile automatically commences switching 15 years prior to a member's selected retirement date into the Prudential Dynamic Growth III Fund and finally five years out, starts to switch into the Prudential Cash Fund.

The lifestyle option is illustrated in the chart below:



Key:

- **Blue** - BlackRock Aquila Emerging Markets Equity Fund
- **Yellow** - BlackRock Aquila UK Equity Index Fund
- **Grey** - BlackRock Aquila World (ex-UK) Equity Index Fund
- **Orange** - Prudential Dynamic Growth III Fund
- **Purple** - Prudential Cash Fund

The switches between funds occur automatically. Charges will depend on which funds the members' money is invested in and when the charge is calculated. The funds within the lifestyle option may be subject to change in the future.

Aon continues to consider the Global Equity Encashment Target Lifestyle appropriate for members seeking growth, and has no concerns over the quality or suitability of the underlying funds.

Recent Developments and Other Information

Prudential developments and administration updates

In January 2023, it was brought to our attention that some members had not been able to access their Annual Benefit Statements online due to a system issue. Prudential made regulators aware of this breach of Regulation 17 (Statement of Benefits; Money Purchase Benefits) of the Occupational and Personal Pension Scheme (Disclosure of Information) Regulations 2013. Prudential have since introduced additional controls to ensure this does not happen again.

Members who receive their statements in paper format were unaffected. The system issue was resolved, and members registered for the online service can now access all previous statements online. It took approximately two years for Prudential to resolve issues resulting from the migration to the new platform. Although Prudential reported itself to the Pensions Regulator, its engagement during this period was poor. Prudential has since been focused on clearing the backlog and returning to its usual service standards and Aon believes that this has now been achieved for most schemes.

NILGOSC continues to monitor service delivery to ensure it returns to normal levels.



2023 market volatility and your AVC investment

2023 has seen market volatility and economic uncertainty due to a range of factors and events, including the ongoing Ukraine crisis, as well as central banks tightening their monetary policy in response to elevated inflationary pressures. This uncertainty and market volatility affects investment values, and it seems that markets will likely remain volatile for some time to come. When investment markets are experiencing volatility, the value of your AVC investment may go up or down, and each AVC investment fund will perform differently depending on the types of assets it invests in. If your AVC plan is invested in only one investment type it will be entirely exposed to the fluctuations of that particular type of investment.



If you are close to retirement, you should review the AVC funds you are invested in to ensure that you are protected from the possibility of big falls in value close to retirement.

If you are further from retirement and therefore a longer-term investor, expectations are that long-term growth should offset the impact of short-term volatility. However, you should ensure that your investments are suitable for your needs and investment risk appetite.

We understand that seeing short-term drops or fluctuations in your AVC investment value may be worrying, however it is important not to panic, and to instead consider the current volatility in relation to your longer-term intentions for your AVC investments. It is important that you are comfortable with the asset types you are invested in. You should review your investment choices considering recent market volatility and ensure that they remain suitable for your needs. If you are unsure whether your selected AVC investments suit your needs, you might like to seek advice from a qualified financial advisor. If you do not have a financial advisor, you can find a list of advisors at www.moneyhelper.org.uk/en. Please remember that NILGOSC cannot provide investment advice.

Changes to AVC contribution limits

As flagged last year, from 18 April 2022, the 50% limit on AVC's was removed due to an amendment to NILGOSC's Scheme Rules. As a result, members can contribute up to 100% of their pensionable pay each pay period, subject to any deductions made by their employer. If you would like to amend the contributions that you pay, please contact Prudential on 0345 6000 343, or you can amend your contributions on the Prudential online portal.

Environmental, Social and Governance Considerations

Environmental, Social and Governance (ESG) factors can have a material impact on long-term investment outcomes. The fund managers' goal is to achieve the best possible risk-adjusted returns, whilst considering all factors that influence investment performance. Consequently, ESG considerations are incorporated into investment decisions wherever they have a meaningful impact on risk or return.

ESG is embedded in many of the managers' underlying investment processes and many participate in a range of groups and initiatives to demonstrate their commitment to ESG. Each of NILGOSC's AVC fund managers (Prudential, M&G, BlackRock, HSBC and LGIM) are signatories to the United Nations supported Principles for Responsible Investment (PRI), meaning they voluntarily agree to incorporate ESG issues into their investment analysis and processes.

The NILGOSC range of funds includes two funds with a specific ESG focus: the LGIM Ethical Global Equity fund, which tracks an index of companies prioritising strong ESG practices; and the HSBC Islamic Global Equity Fund, which makes investment decisions that meet Islamic investment principles set by HSBC's Shariah Committee. The principles include bans on interest, uncertainty and speculation, as well as a promotion of ethical investments. The fund provides an option for members who are restricted by their religious faith as well as those who would like to invest in this way.



Using Your AVC

You can use your NILGOSC AVC fund at retirement in one of three ways:

1

You can use some or all of your AVC plan to buy a top-up pension through the Local Government Pension Scheme Northern Ireland (LGPS (NI)). The amount of top up will depend on your age and whether you are retiring on ill-health grounds. The pension income you receive is taxable and the rate of tax payable will depend on your overall income. NILGOSC's Pensions Administration team can provide a personal quotation to members who are interested in this option in the approach to retirement.

2

You can take up to 100% of your AVC fund as tax-free cash, subject to HMRC limits, providing it is drawn at the same time as your main Scheme benefits. If you left the Scheme before 1 April 2015 you may draw your AVC fund at a later date than your main Scheme benefits however you are restricted to 25% of your AVC fund as tax-free cash.

3

You can buy an annuity from an insurance company, bank or building society of your choice at the same time as drawing your main Scheme benefits.



You can transfer your AVC fund to another pension scheme or arrangement, even if you are still an active member of the main Scheme. However, you must have stopped making AVC contributions and you cannot already have drawn some AVC benefits from that fund, for example through flexible retirement.



Different pension providers offer different options in relation to what you can do with your AVC, including the option to buy regular income (an annuity). By transferring out to one or more different pension arrangements you may be able to access options that are not available under the Scheme rules, such as:

- Taking several lump sums at different stages – usually the first 25% of each cash withdrawal from your pot will be tax-free with the rest subject to tax.
- Taking the entire pot as cash in one go – usually the first 25% will be tax-free with the rest subject to tax. However, subject to certain conditions and HMRC limits, if you take your AVC pot at the same time as your main Scheme benefits, it is possible to take all of your LGPS (NI) AVC plan as a single tax-free lump sum.
- Providing a flexible retirement income – this is known as flexi-access drawdown. You are normally allowed to take a tax-free lump sum of up to 25% and then set aside the rest to provide taxable lump sums as and when, or as regular taxable income.

There may be tax implications associated with accessing your benefits in the ways described above. The income from a pension is taxable, and the rate of tax you pay depends on the amount of income that you receive from a pension and from other sources. The different options mentioned above have different features, different rates of payment, different charges and different tax implications.

Protect your AVC Investment from Fraudsters

Sadly, over the past decade there has been an increase in pension companies being formed to defraud the public of their pension savings, by encouraging them to transfer their pension savings to unsuitable or bogus schemes. Unfortunately, the recent pandemic led to an increase in these companies, with many using people's possible financial uncertainty to manipulate them into transferring their savings.

What should you look out for?

According to the Pensions Scams Industry Group (PSIG) victims of pensions scams report receiving cold or unsolicited calls, offers of free pension reviews, offers of upfront cash and promises of high rates of returns on investments, as warning signs of a scam. You may even be introduced to these companies by a friend or family member who is also unknowingly being scammed.

You should be very wary of a scheme offering to help you release cash from your pension before you're 55. This is known as pension liberation and is almost certainly a scam which will result in you having to pay a tax bill of 55% plus other charges, and you could lose your entire pension pot.

And...

- Do not click links or open emails from senders you don't already know.
- Do not give out personal details like bank details, address, existing pension or investment details.
- Beware of adverts on social media channels and search engines like Google.



How do you protect yourself?

- **Reject Unexpected Offers** - chances are it is high risk or a scam. If you receive a cold call regarding your pension, the safest thing to do is hang up – the call is illegal and probably a scam. If you have been offered a free pension review, please be very cautious. Professional financial advice on pensions is not free. A free offer from a company you have not dealt with before is probably a scam.
- **Check who you are dealing with** - Is the individual or company offering you advice on transferring your pension qualified to do so? You can confirm this by checking the FCA Register <https://register.fca.org.uk/s/> and/or calling the Consumer Helpline on 0800 111 6768 to check the firm is permitted to give pension advice. There are many different areas of registration and its important the advice you receive is specifically on pension transfers.
- **Don't be rushed or pressured into making a decision** - This is another red flag of a possible scam. Take your time and make sure you are happy. This will be time well spent. If you make the wrong decision and transfer your pension to a scam scheme your monies are unlikely to be recovered. Better to make sure you are making the right decision at the outset.
- **Get impartial advice** - You have worked hard to build up your pension savings, so a little extra time spent to make sure any transfer is in your best interest is very worthwhile.



Advice and Guidance

As with any choice of investment, no one can predict with certainty which fund will offer the best return. When you compare Prudential's funds, you need to decide which investment is most suitable for your needs. Often this will depend upon the level of risk you wish to take and how far you are from retirement.

Prudential has produced a Fund Guide for NILGOSC, which is specific to the NILGOSC AVC Scheme. The guide will provide you with full details of the funds available, their objectives, charges, and Prudential's risk rating of these funds to help you select funds most suitable for your needs. The guide is available to review on the Prudential website at

<https://www.mandg.com/dam/pru/shared/documents/en/avck0512.pdf>.

Any investment decision is a personal one, reflecting your financial circumstances, approach to investment and attitude to risk. **Please note that NILGOSC and its professional advisors are not authorised to give you financial advice.** If you are in any doubt about your investment decisions or how to use your AVCs, then we recommend that you seek guidance and/or independent financial advice to help you decide which option is most suitable for you.

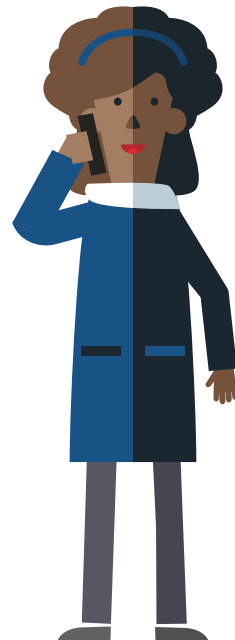
MoneyHelper is a government service that offers free and impartial money advice, including pensions and retirement information, as well as help with finding an independent financial advisor. You can find out more at www.moneyhelper.org.uk/en/pensions-and-retirement, or call for free on 0800 011 3797.



Pension Wise is a government service from MoneyHelper that offers free impartial pensions guidance about your AVC (which is a defined contribution pension) options. You can book an appointment via their website www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise, or by telephone on 0800 138 3944. Since 1 June 2022, members wishing to transfer out an AVC are required to either book a Pension Wise appointment and provide confirmation of receiving guidance from Pension Wise, or formally opt out of this guidance. It is not possible to proceed with the transfer until this step has been taken. Please note, Pension Wise does not provide guidance about taking benefits from a defined benefit scheme such as the LGPS (NI).

The Financial Conduct Authority (FCA) is the regulatory body for independent financial advisors (IFAs). The FCA maintains a register of authorised IFAs. Details can be found on the FCA website at www.fca.org.uk, or by telephoning the FCA on 0800 111 6768.

Unbiased is a website listing regulated and independent financial advisors, mortgage brokers, solicitors and accountants. The service checks that all experts listed on the site are regulated by the relevant official bodies, appropriately qualified and independent of product providers. You can find an IFA in your area by typing your postcode into the 'Browse Professionals' search tool on the website www.unbiased.co.uk.



Further Information

NILGOSC website

Further information on the AVC Scheme, including the investment performance of funds in the approved AVC fund range, can be found on the Members' section of the NILGOSC website at:

www.nilgosc.org.uk/additional-voluntary-contribution.

Prudential website

Prudential has a dedicated website that provides a wealth of information on AVC arrangements, which is accessible at:

www.mandg.com/pru/workplace-pensions/employees.

All members invested in AVCs are encouraged to read the 'Key Features' document on this website, which provides important information, including the key risks and benefits of investing in the AVC Scheme. This should be read in conjunction with the 'Guide to Fund Options' document referred to on page 21. Factsheets on all the funds available within the NILGOSC AVC Scheme can be found at:

www.pru.co.uk/funds/prudential-corporate-pension-factsheets.

PruRetire

Prudential also provides its AVC members with a user-friendly portal that gives online access to details of their AVC funds. The portal enables you to:

- View the current value of your pension fund
- Illustrate the pension you could get when you retire
- Access information on fund prices and fund factsheets
- See transactions on your account
- Review or change your investment choices at any time
- Model different pension contributions and how different investment returns could impact your benefits

- Change personal details
- Amend contribution levels and investment choices

The portal can be accessed at:

www.mandg.com/pru/workplace-pensions/employees/public-sector-avc-schemes/local-gov.

First time users need to register on the portal and will be provided with log-in details for future access.

Please note that members who are not registered for the online service, or those who register but opt out of online statements, will continue to receive a paper statement. Otherwise, an email notification will be sent to members when their Annual Statement is available.

Existing members can also contact the Prudential AVC member support team by phone on 0345 6000 343.

If you require any further information in relation to your AVC fund, the Pensions Administration team at NILGOSC is happy to help with your questions, but please remember that NILGOSC staff cannot give you financial advice about your investments. The Pensions Administration team can be contacted on 0345 3197 325 or by email at info@nilgosc.org.uk.



Annex A

Summary of Fund Performance and Charges to 31 March 2023

The table below lists all the Prudential funds currently used in the NILGOSC Scheme (including those no longer open to new members) and details the annual management charge (AMC), 1 year investment return to 31 March 2023 and the performance relative to each fund's benchmark for the same period. Aon's view of each fund is also provided. Please note that past performance of any particular fund is no guide to future performance.

Fund	AMC (%) ¹	1 Year Return to 31 March 2023 (%) ²	Net Performance Relative to Benchmark ³	Aon View
Funds Open To New Members At 31 March 2023				
Passively Managed Funds				
Prudential Index-Linked Passive Fund	0.55	-30.7	-0.6	Aon has no major concerns over fund quality, although do not consider M&G best in breed for passive management. Members may be concerned by losses incurred over year.
LGIM Ethical Global Equity Index Fund	0.85	-0.1	-1.1	Aon rates LGIM highly as a passive fund manager and funds have tracked their benchmarks closely.

1 AMC – Annual Management Charge

2 Performance is shown net of fees.

3 The benchmark is the relevant index against which the performance of each fund is measured. Please refer to the Fund Guide and Fund Factsheets for further details of benchmarks for each fund.

Fund	AMC (%) ¹	1 Year Return to 31 March 2023 (%) ²	Net Performance Relative to Benchmark ³	Aon View
BlackRock Aquila All Stocks Corporate Bond Index Fund	0.63	-10.7	-0.5	Aon rates BlackRock highly as a passive fund manager and funds have tracked their benchmarks closely over longer timeframes. Members may be concerned by losses incurred over year.
BlackRock Aquila Emerging Markets Equity Fund	0.80	-7.2	-2.3	Aon rates BlackRock highly as a passive fund manager and funds have tracked their benchmarks closely over longer timeframes.
BlackRock Aquila Over 15 Years UK Gilt Index Fund	0.62	-30.3	-0.6	Aon rates BlackRock highly as a passive fund manager and funds have tracked their benchmarks closely over longer timeframes. Members may be concerned by losses incurred over year.
BlackRock Aquila UK Equity Index Fund	0.62	2.3	-0.6	Aon rates BlackRock highly as a passive fund manager and funds have tracked their benchmarks closely.
BlackRock Aquila World (ex-UK) Index Fund	0.63	-3.7	-2.4	Aon rates BlackRock highly as a passive fund manager and funds have tracked their benchmarks closely over longer timeframes.

Fund	AMC (%) ¹	1 Year Return to 31 March 2023 (%) ²	Net Performance Relative to Benchmark ³	Aon View
HSBC Islamic Global Equity Index Fund	0.80	-4.0	-1.5	Aon has no major concerns over fund quality due to HSBC's investment management capabilities.
Actively Managed Funds				
Prudential Cash Fund	0.55	1.7	-0.5	Aon has no major concerns over fund quality due to M&G's investment capabilities. However, returns have not kept pace with inflation.
Prudential Discretionary Fund	0.65	-4.3	-4.2	Aon has no major concerns over fund quality due to M&G's investment capabilities. However, fund is not achieving its long-term objective.
Prudential Dynamic Growth I Fund	0.62	-5.1	-0.3	Aon has no major concerns over fund quality due to M&G's investment capabilities.
Prudential Dynamic Growth III Fund	0.62	-3.2	-0.6	Aon has no major concerns over fund quality due to M&G's investment capabilities.
Prudential With-Profits Fund	N/A	1.50 ⁴	N/A	Aon has no concerns, other than the general lack of transparency which applies to all With-profit funds.

Fund	AMC (%) ¹	1 Year Return to 31 March 2023 (%) ²	Net Performance Relative to Benchmark ³	Aon View
Funds Closed To New Members At 31 March 2023				
Passively Managed Funds				
Prudential Long Term Bond Fund	0.55	-26.4	0.0	Aon has no concerns over fund quality. The passively managed funds tracked their benchmarks reasonably closely before charges.
Prudential Long Term Gilt Passive Fund	0.55	-29.9	-0.3	
Prudential Long Term Growth Index Fund	0.55	1.8	0.1	
Prudential Overseas Equity Index Fund	0.55	0.5	-0.3	
Prudential UK Equity Index Fund	0.55	2.3	-0.6	
Prudential N America Equity Index Fund	0.55	-2.9	-2.5	

1 AMC – Annual Management Charge

2 Performance is shown net of fees.

3 The benchmark is the relevant index against which the performance of each fund is measured. Please refer to the Fund Guide and Fund Factsheets for further details of benchmarks for each fund.

Fund	AMC (%) ¹	1 Year Return to 31 March 2023 (%) ²	Net Performance Relative to Benchmark ³	Aon View
Actively Managed Funds				
Prudential Deposit Fund	Interest rate declared net of charges	2.1	-0.2	Aon has no major concerns over fund quality, due to M&G's investment management capabilities and reported past performance. However, they do not consider the funds to be "best in breed" in their asset classes.
Prudential All Stocks Corporate Bond Fund	0.65	-9.5	0.7	
Prudential Fixed Interest Fund	0.65	-16.3	0.7	
Prudential Global Equity Fund	0.65	0.3	-2.0	
Prudential Index-Linked Fund	0.65	-30.1	0.0	
Prudential International Equity Fund	0.65	1.9	0.8	
Prudential UK Equity Fund	0.65	-0.9	-3.8	

Annex B

Longer-Term Fund Performance to 31 March 2023

The table below shows the annualised performance, including benchmark and relative performance, of the unit linked funds open to new members at 31 March 2023. Please note that past performance of any particular fund is no guide to future performance.

Fund	1 Year (% P.A.)	3 Years (% P.A.)	5 Years (% P.A.)
BlackRock Aquila UK Equity Index Fund	2.3	14.7	4.6
Benchmark	2.9	13.8	5.0
Relative Performance	-0.6	0.9	-0.4
BlackRock Aquila Emerging Markets Equity Fund	-7.2	7.7	1.0
Benchmark	-4.9	7.9	1.6
Relative Performance	-2.3	-0.2	-0.6
BlackRock Aquila World (ex-UK) Index Fund	-3.7	16.9	10.7
Benchmark	-1.3	16.4	10.7
Relative Performance	-2.4	0.5	0.0
Prudential Dynamic Growth I Fund	-5.1	2.4	1.6
Benchmark	-4.8	1.6	1.8
Relative Performance	-0.3	0.8	-0.2
Prudential Dynamic Growth III Fund	-3.2	6.2	3.1
Benchmark	-2.6	5.3	3.4
Relative Performance	-0.6	0.9	-0.3

Fund	1 Year (% P.A.)	3 Years (% P.A.)	5 Years (% P.A.)
Prudential Discretionary Fund	-4.3	8.8	3.7
Benchmark	-0.1	9.1	5.1
Relative Performance	-4.2	-0.3	-1.4
HSBC Islamic Global Equity Index Fund	-4.0	17.6	14.5
Benchmark	-2.5	17.6	15.7
Relative Performance	-1.5	0.0	-1.2
LGIM Ethical Global Equity Index Fund	-0.1	18.4	11.4
Benchmark	1.0	17.8	12.2
Relative Performance	-1.1	0.6	-0.8
Prudential Index-Linked Passive Fund	-30.7	-8.5	-3.9
Benchmark	-30.1	-9.1	-4.1
Relative Performance	-0.6	0.6	0.2
BlackRock Aquila Over 15 Years UK Gilt Index Fund	-30.3	-16.6	-6.3
Benchmark	-29.7	-16.4	-6.4
Relative Performance	-0.6	-0.2	0.1
BlackRock Aquila All Stocks Corporate Bond Index Fund	-10.7	-3.9	-1.2
Benchmark	-10.2	-3.1	-0.9
Relative Performance	-0.5	-0.8	-0.3
Prudential Cash Fund	1.7	0.3	0.2
Benchmark	2.2	0.7	0.6
Relative Performance	-0.5	-0.4	-0.4

Note: Performance is provided Net of Fees

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