ZEDRA

DO MORE. ACHIEVE MORE.

Chair’s annual report

Fundment Workplace Personal Pension Plans

Year ended 31 December 2024

The ZEDRA Governance Advisory Arrangement (GAA)

September 2025

Executive summary

This report on the Workplace Personal Pension Plans provided by Fundment ("the Firm"), has been prepared by the Chair of the ZEDRA Governance Advisory Arrangement ("the GAA") for pension policyholders. It sets out our assessment of the value delivered to policyholders and our view of the adequacy and quality of the Firm's policies in relation to Environmental, Social and Governance (ESG) risks, non-financial considerations and stewardship.

Further background on the activity of the GAA and details of the credentials of the GAA can be found in Appendices C and D respectively. The GAA works under an agreed Terms of Reference, the latest version of which is dated 29 March 2022 and is publicly available (see Appendix D). The Fundment workplace pension plans comprise the Advised Client Plans and a Staff Plan available to those Fundment staff who choose to opt out of joining the employer's auto-enrolment scheme.

Since the overwhelming majority of policyholders hold Advised Client Plans and only a very small number of policyholders are members of the Staff Plan, this report focuses on the value delivered to policyholders in the Advised Client Plans and we have not carried out a detailed VFM assessment for policyholders in the Staff Plan.

As Chair of the GAA for this Firm, I am pleased to deliver this value assessment of the Fundment workplace personal pension plans. The GAA has conducted a rigorous assessment of the Value for Money ('VfM') delivered to policyholders over the period 1 January 2024 to 31 December 2024. The GAA has developed a Framework to assess Value for Money which balances the quality of services provided to advised and sophisticated policyholders against what they pay for those services. Less weighting is placed on investment strategy than other criteria within a SIPP wrapper, since the Firm has no role in setting or managing investment strategies. Further details are set out on page 7.

A COLOUR CODED SUMMARY OF THE GAA ASSESSMENT

	Weighting toward VfM assessment*	Advised Client Plans
1. Product strategy design and investment objectives	7%	
2. Investment	7%	
3. Communication	20%	
4. Firm governance	7%	
5. Security of policyholder benefits	7%	
6. Administration and operations	18%	
7. Engagement, innovation and improvements for policyholder experience	3%	
8. Cost and charge levels	33%	
Overall Value for Money assessment	100%	

** May not add to 100% due to rounding*

Quality of service and investment features (1–7)

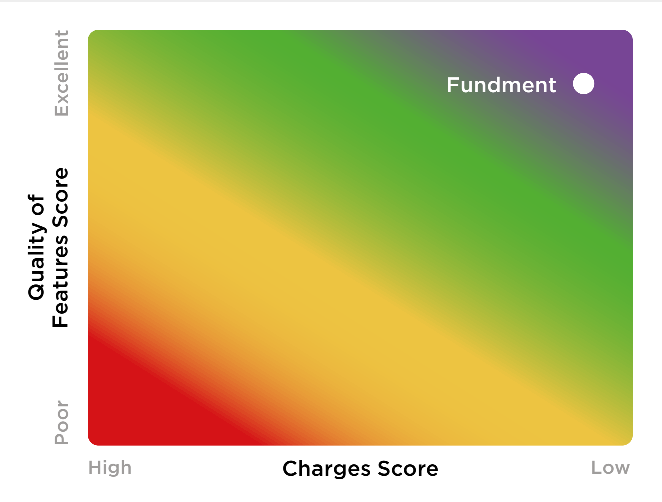
Excellent Good Satisfactory Poor

Cost and charge levels (8)

Low Moderately Low Moderately High High

How we determine our Value for Money rating is set out on page 7 of this report. The overall Value for Money is visually represented by the heatmap below.

VALUE FOR MONEY SCORING



Our conclusion is that the Fundment Workplace Personal Pension Plans provide **excellent** value for money.

There are no specific areas identified where the GAA has challenged Fundment to make improvements where issues are not already being addressed, but it has made the following observations:

- In addition to existing processes, Fundment should consider implementing a formal process to seek confirmation direct from policyholders on a triennial basis that they have an IFA in place.
- Fundment have clearly described and evidenced the governance structure that is in place to oversee the Fundment Workplace Pension Plans. However, there is limited evidence of the MI reporting that is received by the relevant governance committees, especially in respect of external suppliers, and how this informs decision making. We are aware this is an area that Fundment is working to address, and we look forward to seeing the improvements in the 2025 VFM assessment.
- With the GAA having increased its focus on IT, cyber security and disaster recovery procedures, the GAA has asked Fundment to provide additional evidence around the BCP testing, penetration testing and phishing testing that is conducted. The GAA is aware that testing of all these areas is currently being undertaken during 2025.
- As Fundment grows, it should develop more formal channels to obtain feedback from IFAs and policyholders to inform product innovation, acknowledging that feedback has historically been obtained informally and evidenced as driving innovation.

The GAA has not raised any concerns with Fundment during the year.

The Financial Conduct Authority (FCA) requires a comparison of Fundment's pension product with other similar options available in the market. If an alternative scheme appears to offer better value, we must inform the pension provider. I can confirm that we have not considered it necessary to make this notification this year. Our view on each feature that we are required to make a comparison on is included in the relevant section of the report. Details of how we selected the comparator group is set out in Appendix B.

A joint consultation was launched in early 2023 by the FCA, the Department for Work and Pensions (DWP) and The Pensions Regulator (TPR) on the framework for assessing Value for Money. This consultation set out a transformative framework of metrics and standards to assess value for money across all Defined Contribution (DC) pension arrangements including the workplace pensions reviewed by the GAA. TPRs overarching aim is to improve the value savers get from their DC pension by increasing comparability, transparency, and competition across defined contribution (DC) pension schemes, regardless of whether regulated by the FCA or TPR. The consultation does not affect this year's review but may mean a change in the way that Value for Money is assessed in the future.

Where we have used technical pensions terms or jargon, these are explained in the glossary in Appendix E.

Details of the numbers of policyholders and their funds were supplied to ZEDRA for the assessment and are summarised in Appendix F.

I hope you find this value assessment interesting, informative and constructive.

Clare James

Chair of the ZEDRA Governance Advisory Arrangement for Fundment Workplace Personal Pension Plans

September 2025

If you are a policyholder and have any questions, require any further information, or wish to make any representation to the GAA you should contact:

Fundment
66–67 Newman Street, London W1T 3EQ

support@fundment.com

Alternatively, you can contact the GAA directly at **zgl.gaacontact@zedra.com**

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Overview of the value assessment

The GAA has assessed the Value for Money delivered by Fundment to its workplace personal pension policyholders by looking at costs versus investment and service benefits. More detail about how we have done this is set out below.

Our approach

The GAA believes that value for money is subjective and will mean different things to different people over time, depending on what they consider important at that time.

What is clear is that it is always a balance of cost versus investment and service benefits. Our fundamental approach has therefore been to compare all the costs paid by policyholders against the quality of investment and other services provided to policyholders.

The key steps for the GAA in carrying out the Value for Money assessment are:

- Issuing a comprehensive data request to the Firm, requesting information and evidence across a wide range of quality features, including full information on all costs and charges, including **transaction costs**.
- Attending a number of formal meetings with representatives of the Firm to interrogate the data provided and to enable the GAA to question or challenge on any areas of concern. All such meetings have been documented by formal minutes and a log is also maintained containing details of any challenges raised, whether informally or through formal escalation.
- Once the Firm has provided the information and evidence requested, the GAA has met to discuss and agree provisional Value for Money scoring using the Framework developed by the GAA and to undertake comparisons of the Firm's product against a suitable comparator group of providers for certain Quality of Service and Investment Features and Cost and Charges.
- The provisional Value for Money score, including a full breakdown, has then been shared and discussed with the Firm.

The Framework developed by the GAA to assess overall Value for Money for policyholders involves rating the Firm against eight different features covering Quality of Service, Investment Strategy (the "Quality of Service and Investment Features"), and the Costs and Charges borne by the Policyholders. This assessment is undertaken relative to the GAAs view of good practice.

The Quality of Service and Investment Features have been determined based directly on the FCA requirements for assessing ongoing Value for Money set out in **COBS** 19.5.5, including services relating to communications with policyholders and processing of **core financial transactions**. The assessment also includes other aspects the GAA considers important based on the GAA's experience of conducting Value for Money assessments over many years, such as the Firm's governance structure, the financial security for policyholders, the Firm's approach to engagement, innovation and service improvement and a wider overview of the administration quality and processes.

Within each of the Quality of Service and Investment Features are several sub-features.

These sub-features are each scored using a numeric scoring system of 0 to 4, Scoring is aided by means of score descriptors, developed for each sub-feature, ensuring the GAA adopts a consistent approach to scoring across clients, each outlining what the GAA would expect to see to achieve the relevant numeric score. The scores for each sub-feature are then aggregated to the feature level based on our view of the relative value of the sub-feature to the policyholders ranging from Poor to Excellent.

The GAA will then consider the value represented by the cost and charges which policyholders bear. The assessment of cost and charges is primarily driven by the level of ongoing charges for investment management, administration, and any platform fees. The GAA also considers the underlying transaction costs incurred by the funds invested in and how they are controlled, and any additional costs the policyholders have to pay in managing their policies. The costs and charges are also rated on a scale from Low to High. This rating takes into account information available to the GAA on general levels of costs and charges for pension providers in the marketplace.

The scores for each feature are then combined using the weightings set out in the table in the Executive Summary to determine an Overall Value for Money rating. The weightings used are based on the GAA's views of the relative importance to the policyholders of each feature. The weightings are tilted towards the features which have been identified in the regulations relevant to forming this assessment of value. Where possible, we have taken into account the likely needs and expectations of this group of policyholders.

Value for money assessment framework for Group SIPPs

This section comments on how we have applied our value for money assessment framework in the case of advised group Self-Invested Personal Pension Plans ("SIPPs") such as the Fundment Advised Client Plans.

The FCA has prescribed specific features that the GAA must assess, as discussed in the framework described above. However, some of these do not directly apply in the SIPP environment where the policyholder is advised or sophisticated and are only relevant to the GAA due to the classification of Group SIPPs as workplace personal pension plans. In isolation, the SIPP regulations do not require that providers consider these aspects, and we explain this below.

The FCA requires the GAA to assess whether:

1. "default investment strategies are designed and managed taking the needs and interests of **relevant policyholders** into account"
2. "default investment strategies have clear statements of aims and objectives"
3. "all investment choices available to relevant policyholders, including default options, are regularly reviewed to ensure alignment with the interests of relevant policy holders"

Under the rules of a SIPP, the policyholder directs the investment strategy, and is usually guided by their FCA authorised IFA. The SIPP provider does not have a role in designing or managing investment strategies nor in setting their aims and objectives or monitoring investment performance and risk. These roles are fulfilled by the FCA authorised IFA or the policyholder or, in some cases, potentially by the employers where appropriate.

For some Group SIPP providers there are policyholders who choose this type of pension because they are "certified high net worth" or "sophisticated" investors as defined in FCA Handbook COBS 4.12.6/7/8 R. In these cases, our interpretation is that the provider can assume that the policyholder is able to design the strategy and evaluate whether they are obtaining value for money over time from their investments.

By their nature, SIPPs can invest in "non-standard" assets such as the unquoted shares or business premises of the employer. In such cases, it is likely that the policyholder themselves will be much better placed to obtain information on, and understand the characteristics and net performance of, such strategies, rather than the Firm. The Firm is not able to make changes to the investments because, as described, it has no role in setting or managing investment strategies. The Firm can raise concerns but cannot require action to be taken.

Group SIPPs, including those offered by the Firm, do not have default funds in operation because each member is choosing their own investments or has an appointed IFA.

Accordingly, the GAA has not assessed the Firm in relation to the first two areas highlighted above for such policyholders.

Further, the GAA would only carry out an assessment of the third area where there are unsophisticated or non-advised policyholders. In cases where the policyholder is "certified high net worth" or "sophisticated" or advised by an FCA authorised IFA, the GAA has focused on ensuring this is evidenced.

Similarly, the GAA has not assessed the Firm in relation to transaction costs and the charges paid directly to the underlying investment managers over which the Firm has no control or influence, instead focussing on ensuring that such charges are appropriately disclosed to policyholders.

In the sections on the following pages, we have described the Firm's approach to delivering each of the features, and the rating the GAA has awarded, together with any areas for improvement we have identified.

In addition, there is a section to set out the GAA's views on the adequacy and quality of the Firm's policies on ESG financial considerations, non-financial considerations, and stewardship to the extent these apply to the Firm. Largely, however, these considerations do not apply to a SIPP provider, on the basis that the Firm is not making any investment decisions on behalf of its policyholders.

A comparative assessment of the Firm's pension product has also been made of the quality of communication and quality of the administration service including the processing of core financial transactions, SIPP provider-controlled costs and charges and the disclosure of cost and charges relative to a suitable comparator group of product providers. We have not included an assessment of net investment return as this does not apply to a SIPP provider. Comments on the outcome of these assessments is included in the sections for the relevant features. We have also considered whether, overall, an alternative provider would offer better Value for Money so that we can inform the Firm if we believe this to be the case. Details of how the comparator providers and products were determined is set out in Appendix B.

1. Product strategy design and investment objectives

Value score: ● Excellent ○ Good ○ Satisfactory ○ Poor

What are we looking for?

Given the limited involvement of the Firm in designing investment strategies, we seek confirmation that all SIPP policyholders can be considered as fully advised or sophisticated investors.

We expect to see that all investment options have clear statements of aims and objectives – in particular that as well as qualitative objectives, there are quantitative objectives in place, that investment performance outcomes can objectively be measured against. Ideally, we would like to see evidence that policyholders are reminded to review their investments regularly.

We look for evidence of a robust decision process on the suitability for adding new investment funds onto the platform.

The Firm's approach

After an extensive period of engagement with advisers, Fundment designed and launched its workplace personal pension plans for clients in March 2020 (referred to in this report as the Advised Client Plans). At the same time, Fundment launched a plan for its own staff (referred to in this report as the Staff Plan).

Policyholders in the Advised Client Plans all have FCA regulated advisers paid for by their employers and receive advice from their advisers on an appropriate investment strategy to suit their individual needs and objectives.

Policyholders in the Advised Client Plans have access to a universe of 2,000-3,000 retail client funds, including Fundment's own investment range. Fundment carry out an appropriate but limited due diligence process on external funds when an IFA requests a new fund is added to the platform.

Fundment's own investment range comprises 16 model portfolios, across 3 different fund ranges: standard, ethical and income. There are 9 standard, 5 ethical and 2 income funds. Each fund range provides different fund choices to suit varying risk appetites, ranging from a target allocation to equities of 20% to 100%, as well as holdings in long term bonds, cash, gold and short-term bonds. The majority of assets are passively managed, with the only exception being the infrastructure allocation in the income portfolios.

In the case of the Staff Plan, policyholders are not provided with IFA advice, but policyholders are required to complete an online risk questionnaire, which is used to assess each policyholder's risk profile and capacity for loss. The responses to the questionnaire lead to a fund choice suggestion, but policyholders are free to choose higher or lower risk options within a specified range of the suggested funds. Fundment intends that policyholders will complete a similar questionnaire annually, to help them review if their investment choices remain appropriate.

In the case of policyholders in the Staff Plan, only the Fundment standard fund range is available for investment.

Fundment has no default investment options.

The Firm's strengths

In the case of the Advised Client Plans, Fundment has evidenced a robust due diligence process it conducts on IFAs to ensure their ongoing regulatory status. Fundment has also evidenced how it monitors that all policyholders have IFAs in place on an ongoing basis and the process in the event a policyholder were to become non-advised. During 2024, there were no non-advised policyholders in the Advised Client Plans.

Fundment send regular communications to policyholders in the Advised Client Plans reminding them to review their investment choices with their IFA.

Fundment have evidenced that they take **ESG** into account across the entirety of Fundment's own investment range in their selection of the underlying investment managers and review their ESG processes and engagement activity on an ongoing basis. Fundment offer a specific ethical range of funds.

Areas for improvement

GAA observations

In addition to existing processes, Fundment should consider implementing a formal process to seek confirmation direct from policyholders on a triennial basis that they have an IFA in place.

2. Investment

Value score: ● Excellent ○ Good ○ Satisfactory ○ Poor

What are we looking for?

The Firm has a limited role in that it makes available investment options but does not assess the performance of those funds as this falls within the remit of the policyholder who may be guided by their IFA. We focus on the processes the Firm has in place to monitor that IFAs remain in place on an ongoing basis and look for evidence that the Firm regularly reminds policyholders to review their investment choices with their IFA.

Nevertheless, we expect to see a robust governance framework under which investment performance information is regularly gathered and made easily accessible to policyholders and advisers. The performance results disclosed should be assessed against investment objectives, including against a measurable and stated benchmark and should be net of investment fees.

The Firm's approach

Policyholders in the Advised Client Plans all have FCA regulated advisers paid for by their employers. Fundment monitors that all policyholders have IFAs in place on an ongoing basis and has a clear process in the event a policyholder were to become non-advised.

Fundment make available, via their adviser portal, access to Morningstar financial information on the full fund range available to policyholders. This includes information on investment performance, costs and charges, fund ratings and fund factsheets.

Fundment monitors their own investment portfolios on a daily basis, rebalancing when volatility measures exceed specified risk levels and when asset allocations deviate outside specified asset allocation tolerances. Investment performance of Fundment's own funds is monitored against Index Industry Association ("IAA") benchmarks. Fundment's Investment Committee is responsible for the governance of the investment fund ranges, including oversight of investment performance and risk monitoring. The Investment Committee meets on a quarterly basis.

The Firm’s strengths

Fundment has evidenced a robust due diligence process it conducts on IFAs and Fundment has also evidenced how it monitors that all policyholders have IFAs in place on an ongoing basis and the process in the event a policyholder were to become non-advised. During 2024, there were no non-advised policyholders in the Advised Client Plans.

Fundment send quarterly communications to policyholders in the Advised Client Plans reminding them to review their investment choices with their IFA.

Areas for improvement

GAA observations

In addition to existing processes, Fundment should consider implementing a formal process to seek confirmation direct from policyholders on a triennial basis that they have an IFA in place.

3. Communication

Value score: ● Excellent ○ Good ○ Satisfactory ○ Poor

What are we looking for?

As a minimum we expect communications to be fit for purpose, clear and engaging and to be tailored to take into account policyholders' characteristics, needs and objectives.

Where the Firm is communicating directly with policyholders, we would expect to see a comprehensive suite of communications including annual benefit statements, pre-retirement wake-up letters and retirement option packs.

Information on administration and investment charges, and transaction costs should be made available to policyholders on a publicly available website annually, including illustrations of the compounding effect of the administration and investment charges and transaction costs on an annual basis.

Although an advised policyholder would expect to get most of their support from their IFA, in a high-quality communication service offering we would expect the Firm to offer substantial additional support. This would include a range of tools and materials such as online calculators to enable personalised calculations although these may be made available via the policyholders IFA rather than to the policyholder directly. We would expect telephone support to be available, with good evidence of telephone scripts, call monitoring and staff training.

Additionally, we expect policyholders or their IFAs to be able to switch investment options online and for non-advised policyholders to have support available to help them make appropriate decisions. In particular, we would expect there to be appropriate risk warnings built into the process.

We expect the provider to able to offer a range of different retirement options for policyholders, as well as clear signposting to policyholders on where they can obtain guidance and advice on their retirement options.

The Firm's approach

Fundment provides a range of routine communications directly to policyholders in the Fundment Workplace Personal Pension Plans, including benefit illustrations and retirement wake-up letters with accompanying risk warnings.

These communications are reviewed on a regular basis, at least annually and in many cases quarterly depending on the frequency of the communication. Fundment have a dedicated team who review communications and update these for regulatory changes, such as Consumer Duties, and in response to any feedback from IFAs.

Fundment's Compliance Officer reviews and signs off communications as part of the review process.

Fundment's risk questionnaire, whilst primarily developed for policyholders in the Staff Plan to assist them with the selection of their investments, can be made available to policyholders in the Advised Client Plans if their adviser or employer requests this.

Communications are predominantly through the online portal. However, in addition, policyholders can communicate with Fundment by telephone, e-mail, and via their online member portal. Communications can also be sent by post, on request.

For the Advised Client Plans, policyholders are advised by FCA regulated advisers paid for by their employers. The adviser, rather than the policyholder, tends to be the main point of interface with Fundment, and adviser feedback is obtained on an ongoing basis, informing the development of the Fundment product offering.

The Firm's strengths

The GAA has been provided with a range of sample communications to review including pensions illustrations, quarterly pensions statements and retirement wake-up communications. Communications are clear and contain appropriate risk warnings, and pensions terminology is explained in a glossary.

The Firm has an online portal for its policyholders. A range of tools are available, for example a projection illustration tool and the facility for IFAs to run ad hoc reports to obtain information on policyholders' holdings and asset valuations without having to wait for a quarterly statement.

A new client dashboard was released in 2024, providing easier navigation and a re-imagined account overview. Full online functionality is available to switch investment options.

Fundment provide an advised drawdown facility and the ability to take benefits in the form of an Uncrystallised Funds Pensions Lump Sum ('UFPLS') at retirement.

Comparator results

We have assessed how the communication materials provided to the Firm's policyholders compare to other sufficiently similar workplace pension arrangements. This takes account of the nature of the provider.

This assessment identified that the communication materials provided to the Firm's policyholders over 2024 were above average, i.e. relative to the comparator group.

Areas for improvement

The GAA did not identify any specific areas for improvement.

4. Firm governance

Value score: ○ Excellent ● Good ○ Satisfactory ○ Poor

What are we looking for?

We expect to see a comprehensive governance structure in place where, for example, Terms of Reference are provided for key committees, reviewed on a regular basis, with clearly defined scope. We expect to see evidence of the key committees operating during the year with minutes or meeting packs demonstrating that the key scope elements of the committee remit have been adequately covered.

There should be a transparent and documented process for appointing and monitoring service providers, including a clear process for monitoring whether all policyholders either continue to have an independent financial adviser in place or remain classified as a "sophisticated investor" with evidence of regular reviews being completed and appropriate steps being taken, as required.

The Firm's approach

Fundment has put in place a governance framework for appointing and monitoring internal and external service providers. This includes an investment process for reviewing and selecting investment portfolios available on retail platforms, which Fundment use to construct their model portfolios and a process for monitoring custodians.

Fundment's Risk and Compliance Committee oversee the formal due diligence process to check that IFAs are FCA regulated and appropriately qualified, the management of data security and cyber-risk and an annual review of banks and custodians.

Fundment also have a clear process for dealing with policyholders who no longer have an IFA.

The Firm's strengths

Fundment has provided the GAA with documentary evidence of the due diligence process for checking advisers are FCA regulated and has clearly explained its monitoring process to ensure IFAs remain in place on an ongoing basis and the process it would follow in the event any policyholders within the Advised Client Plans are no longer advised.

Fundment has provided evidence of regular monitoring of external investment managers to ensure the funds continue to satisfy Fundment's due diligence requirements and regular monitoring of custodians in line with FCA requirements.

Fundment has developed their own tools to monitor investment performance and risk and have provided the GAA with screen shots to evidence the information the relevant committees have available to monitor and assess all areas of operation.

Administration is in-house with automated straight through processing.

Areas for improvement

GAA observations

Fundment have clearly described and evidenced the governance structure that is in place to oversee the Fundment Workplace Pension Plans. However, there is limited evidence of the MI reporting that is received by the relevant governance committees, especially in respect of external suppliers, and how this informs decision making. We are aware this is an area that Fundment is working to address, and we look forward to seeing the improvements in the 2025 VFM assessment.

5. Security of policyholder benefits

Value score: ● Excellent ○ Good ○ Satisfactory ○ Poor

What are we looking for?

We expect to see that the Firm is in a sound financial position with sufficient capital backing to enable it to continue to operate for the foreseeable future.

We also look for information about how the assets are protected, for example in the event of fraud or bankruptcy, at both the Firm and investment manager level. For example, this could relate to Financial Services Compensation Scheme ('FSCS') or other regulatory protections, ringfencing or the structure of the underlying product.

We are looking for evidence that the Firm has processes in place for protecting policyholder assets against fraud and scams and for the Firm to be actively monitoring for possible scamming activity.

The Firm's approach

Fundment is a start-up business that is currently investing significantly in the development of its platform and investment offering.

Policies are set up under trust with the assets segregated from the Firm. Policyholders can expect to receive FSCS protection up to the cap of £85,000.

Fundment take appropriate steps to protect policyholders against fraud and scams. There is a formal process required to be followed where a policyholder wishes to access funds, for example in drawdown. New bank accounts need to be verified and other security checks are carried out before a payment is made.

Transfer packs include scam literature and appropriate warnings and signposting. Transfers are completed via Origo.

Fundment staff undertake regular online training courses on fraud and scams. Staff are also trained on how to identify and support vulnerable customers.

The Firm's strengths

Policyholders in the Advised Client Plans have an additional layer of protection as Fundment require liaison with policyholders' FCA regulated advisers as part of the transfer process.

Areas for improvement

GAA observations

With the GAA having increased its focus on IT, cyber security and disaster recovery procedures, the GAA has asked Fundment to provide additional evidence around the BCP testing, penetration testing and phishing testing that is conducted. The GAA is aware that testing of all these areas is currently being undertaken during 2025.

6. Administration and operations

Value score: ○ Excellent ● Good ○ Satisfactory ○ Poor

What are we looking for?

We expect Firms to have robust administration processes in place with appropriate service standard agreements and regular monitoring and reporting around adherence to those service standards. In particular, we are seeking evidence that core financial transactions are processed promptly and accurately, such as processing contributions, transfers processing and death benefit payments.

We look for evidence of regular internal and external assurance audits on controls and administration processes. In particular, we are looking for a robust risk control framework around the security of IT systems, data protection and cyber-security. We would expect to see evidence that cyber-security is considered as a key risk by the Firm's relevant risk governance committee and that appropriate monitoring, staff training and penetration testing is put in place.

We expect Firms to have a comprehensive business continuity plan and evidence of its effectiveness through appropriate testing or in maintaining continuity of business.

We expect to see a low level of substantive complaints and demonstration of a clear process for resolving complaints.

The Firm's approach

Fundment has straight through end-to-end processing for core financial transactions, such as investment of contributions and investment switches.

Risk management, including security of IT systems, is the responsibility of the Risk and Compliance Committee and Fundment has a Chief Technology Officer in place. Measures are in place to ensure data is held within systems securely, with restricted staff access, and that any transfer of data is encrypted. Fundment adopts a policy that no e-mail communications can contain links or personal data.

Fundment has supplied the GAA with a copy of its business continuity plan and they plan to review it every six months to ensure that it is still viable. Fundment carried out a review of their processes and controls in 2024 and are in the process of implementing changes where areas for improvement were identified.

Annual penetration testing is carried out by Cobalt, an external security consultancy. No critical vulnerabilities were found in 2024. Lower risk vulnerabilities and recommendations were fed back to the technical team and mitigations put in place. A further security review is scheduled for 2025.

Staff receive GDPR and cyber training immediately on joining Fundment and then annually on an ongoing basis.

Fundment has a clear, formal process for handling complaints.

The Firm's strengths

As Fundment have straight through processing for their core financial transactions, they are consistently able to deliver 100% on their service level agreement (SLA) targets, which are mostly set at 1 working day.

Fundment has demonstrated exceptional performance in meeting its wider SLAs, achieving a 96-100% compliance rate. This highlights the company's commitment to excellence and reliability in delivering its services. The high SLA compliance rate is a testament to the company's robust operational protocols, dedicated team, and customer-centric approach, ensuring that client expectations are not only met but often surpassed.

Fundment received no complaints during 2024 for the members in scope for this report. Fundment was able to demonstrate the process it has in place for resolving any potential complaints, with provision to provide appropriate redress in the event of financial loss if a complaint is upheld.

Comparator results

We have assessed how the quality and timeliness of the administration services, including the core financial transaction processing, provided to the Firms policyholders compare to other sufficiently similar workplace pension arrangements.

This assessment identified that the administration services provided to the Firm's policyholders over 2024 were above average, i.e. relative to the comparator group.

Areas for improvement

GAA observations

With the GAA having increased its focus on IT, cyber security and disaster recovery procedures, the GAA has asked Fundment to provide additional evidence around the BCP testing, penetration testing and phishing testing that is conducted. The GAA is aware that testing of all these areas is currently being undertaken during 2025.

7. Engagement, innovation and improvements for policyholder experience

Value score: ○ Excellent ● Good ○ Satisfactory ○ Poor

What are we looking for?

We expect to see evidence that the product is reviewed on a regular cycle of not more than every three years, with new product features or service innovations being launched when appropriate and in line with relevant improvements being made to other similar products being offered by the Firm. We expect these changes to have been developed taking into account policyholders' characteristics, needs and objectives, including direct feedback from policyholders.

We are looking for evidence of regular, proactive engagement with policyholders or their advisers to obtain feedback and for this feedback to be taken into account when reviewing the product offering.

The Firm's approach

Fundment has a culture of encouraging feedback from advisers on an ongoing basis and this feedback informs product development.

Fundment's Product Review Committee meet quarterly to review developments for the next quarter and also in the longer term and Fundment has created a roadmap for future developments. Fundment use the Jeera system to track all new product developments.

The Firm's strengths

Fundment was able to demonstrate ongoing regular engagement with advisers, leading to a rolling programme of new developments and innovations. Fundment have evidenced a number of wider developments during 2024, including the new client dashboard and digital drawdown functionality.

Areas for improvement

GAA observations

The Firm should continue to develop its proactive engagement with IFAs and policyholders in order to obtain broader feedback on its product. The GAA notes that the policyholder survey, planned to be launched in 2024, did not go ahead and Fundment should consider this in 2025.

8. Cost and charge levels

Value score: ● Low ○ Moderately Low ○ Moderately High ○ High

What are we looking for?

The GAA has considered the overall level of charges borne by policyholders over the year that are within the control of the Firm. This included assessing:

- The annual administration charges being borne by policyholders;
- Any other charges being paid to the Firm by policyholders to manage and administer their workplace pensions;
- The process for collecting and monitoring overall member charges, including transaction costs;
- Whether the overall level of charges within the control of the Firm is reasonable, bearing in mind the nature of the services provided by the Firm;
- The distribution of charges across policyholders.

Whilst we have considered the average total costs and charges payable by policyholders we have noted where there may be significant outliers such as high charges for small pots.

Where policyholders are advised or sophisticated investors, we do not include charges which policyholders will incur specifically in relation to the underlying investment funds, nor the charges which a policyholder may incur in relation to obtaining advice since both are outside the control of the Firm.

Required disclosures relating to costs and charges payable by the Firms policyholders can be found in Appendix A.

The Firm's approach

Fundment's approach is to use technology to automate processes and by using mainly passive investments Fundment is able to reduce costs and create efficiencies for its policyholders.

In the case of policyholders in the Advised Client Plans the average charge levied by Fundment is a product fee of 0.16% per annum and the maximum charge is 0.2% per annum.

Fundment have confirmed that there are no other charges levied on policyholders.

The GAA believes that the Firm offers low charges to all policyholders in the Fundment Workplace Personal Pension Plans.

Risk of high charges for legacy products

As this is a relatively new and evolving product, there is no legacy of older policies with higher charges.

Comparator results

We have assessed the overall cost and charge levels payable by the Firm’s policyholders in comparison to policyholders of other sufficiently similar workplace pension arrangements. This takes account of the nature of the provider.

This assessment identified that the overall cost and charge level paid by the Firm’s policyholders over 2024 were below average, i.e. relative to the comparator group.

Areas for improvement

The GAA did not identify any specific areas for improvement.

ESG financial considerations, non-financial matters and stewardship

What are we looking for?

Where the Firm has an investment strategy or makes investment decisions which could have a material impact on policyholders' investment returns, the GAA will assess the adequacy and quality of the Firm's policy in relation to ESG financial considerations, non-financial matters, and stewardship. The GAA will consider how these are taken into account in the Firm's investment strategy and investment decision making. We will also form a view on the adequacy and quality of the Firm's policy in relation to stewardship.

Typically, however, these considerations do not apply to a SIPP provider, on the basis that the Firm is not making any investment decisions on behalf of its policyholders.

The Firm's approach

In the case of the Advised Client Plans, Fundment is not responsible for the investment decisions taken, which remain the responsibility of the policyholder, taking advice from their IFA. Whilst Fundment do provide a fund range on their platform that policyholders can invest in, the overwhelming majority of Advised Client Plan policyholders are not invested in these funds. However, since the Fundment funds are made available to a very small proportion of policyholders in the Staff Plan, the GAA has asked Fundment to provide further details of its approach to ESG.

Fundment believes that ESG is fundamental to delivering sustainable, long-term returns to policyholders. Fundment constructs its own investment portfolios through fund-of-fund multi-asset solutions, supporting the UN development goals and the 2015 Paris Climate Change Agreement.

Fundment's fund range seeks to invest in companies that embrace best practices in areas such as sustainability, energy efficiencies, gender equality and clean water. Fundment's investment selection process evaluates how each of the underlying funds are constructed and their alignment with Fundment's goals. Fundment applies specific exclusions to investment in companies involved in arms and gambling.

The Firm's strengths

Fundment has provided details of its policies on ESG financial considerations, non-financial matters and stewardship to the GAA.

Fundment also provided the GAA with details of its approach to stewardship, including evidence and examples of how it monitors ongoing engagement and voting activity of underlying managers.

The GAA considers the policies to be adequate and of good quality.

Areas for improvement

GAA observations

ESG is a continually evolving area and so the GAA will continue to keep this under review.

Appendix A: Administration charge and transaction cost disclosures

The FCA requires that administration charges and transactions costs in relation to each Relevant Scheme must be published by 30 September, in respect of the previous calendar year for free on a publicly accessible website. These disclosures must include the costs and charges for each default arrangement and each alternative fund option that a policyholder is able to select. They should also include an illustration of the compounding effect of the administration and investment charges and transaction costs, on a prescribed basis and for a representative range of fund options that a policyholder is able to select.

The Firm has compiled these disclosures and compounding illustrations, which are provided on a publicly accessible website at www.fundment.com/governance-advisory-arrangement

Appendix B: Approach to comparisons

The FCA requires that a comparative assessment be made of certain sub-features of the Value for Money assessment. The GAA is required to compare the Firm's offering against a selected group of other similar product options available in the market based on publicly available information. If an alternative scheme(s) would offer better value, the GAA must inform the pension provider.

ZEDRA's GAA operates for a number of Firms, all of whom have agreed that the GAA can make use of the data we have gathered on their offerings to carry out the required comparisons this year. This is done on an anonymised basis.

How the comparators were selected

The GAA has selected a number of comparator products that we determined are sufficiently similar products so as to be comparable to those provided by the Firm for this purpose. The selection was based on the following broad criteria:

- Type of product i.e. within accumulation whether the product is a SIPP or workplace group personal pension.
- Products where Firms provide similar services, for example whether the provider has responsibility for setting and monitoring the investment strategy.

Based on these criteria we believe that the comparator products chosen will provide a reasonable comparison for the policyholders of Fundment's Advised Client Plans.

Comparison of net investment performance

As all policyholders are either advised or sophisticated investors, we have not included a comparison of net investment performance as the funds are selected directly by the policyholder and their adviser.

Comparison of communication provided to policyholders

We have assessed how the full range of communication materials, including any websites and modelling tools, provided to the relevant policyholders compares to other sufficiently similar employer pension arrangements. This takes account of the type of pension product provided, and whether the communication materials are fit for purpose considering the age profile of the relevant policyholders.

Comparison of administration services

We have assessed how the quality and timeliness of the administration services, including the core financial transaction processing, provided to the Firms policyholders compares to other sufficiently similar employer pension arrangements.

Comparison of costs and charges

We have undertaken the comparison of cost and charge levels considering three categories of charges:

- Annual administration charge
- Other costs and charges
- Approach to cost data collection and disclosure

We have assessed the overall cost and charge levels payable by the Firm's policyholders in comparison to policyholders of other sufficiently similar employer pension arrangements. This takes account of the type of product provided. The costs of services that are provided directly to the policyholder and paid for separately by the policyholder (for example financial or investment advice) are not included.

Appendix C: GAA activity and regulatory matters

This section describes the work that the GAA has done over the year and also covers the other matters which we are required to include in our annual report.

GAA engagement and actions this year

We prepared and issued a request for data on all the relevant workplace pension policies in early 2025.

Members of the GAA meet with representatives of the Firm to kick off the Value for Money assessment process for the 2024 calendar year and to discuss and agree timescales.

We subsequently had a meeting with representatives of the Firm to discuss the information that had been provided in response to the data request. This was an opportunity for members of the GAA to meet key personnel with responsibility in the various different areas including investment strategy and how this has evolved, fund range including design of defaults, investment governance, approach to ESG, non-financial matters and stewardship, administration and communications and risk management. In some cases this meeting was virtual.

We discussed the GAA's provisional scoring of Value for Money of the Firm's in-scope workplace pensions and the approach for meeting the cost and charges disclosure requirements in COBS 19.5.13.

As part of the Value for Money assessment process the Firm has provided the GAA with all the information that we requested, including evidence in the form of minutes and other documentation to support areas of discussion at the site visit.

Over the last year the GAA reviewed our Value for Money assessment framework and scoring methodology to ensure this continued to be suitable and can be applied consistently. Whilst the Value for Money assessment framework itself remains largely unchanged from the previous year, significant work was undertaken to improve the data request to make the overall process more efficient.

The GAA documents all formal meetings with the Firm and maintains a log which captures any concerns raised by the GAA with the Firm, whether informally or as formal escalations.

The key dates are:

Item	Date
Issue data request	27/01/2025
Kick off meeting	31/01/2025
Site visit	06/03/2025
GAA panel review meeting	02/05/2025
Discuss provisional scoring	13/06/2025

The arrangements put in place for policyholders' representation

The following arrangements have been put in place to ensure that the views of policyholders can be directly represented to the GAA:

- The role of the GAA and the opportunity for policyholders to make representations direct to the GAA has been and will continue to be communicated to policyholders by Fundment via their website at www.fundment.com/governance-advisory-arrangement

- The Firm will receive and filter all policyholder communications, to ensure that this channel is not being used for individual complaints and queries rather than more general representations which may be applicable to more than one policyholder or group of policyholders. Where the Firm determines that a communication from a policyholder is a representation to the GAA, it will be passed on in full and without editing or comment for the GAA to consider.

- In addition, the GAA has established a dedicated inbox at zgl.gaacontact@zedra.com so that policyholders can make representation to the GAA directly. The Firm has included details of this contact e-mail address on www.fundment.com/governance-advisory-arrangement

Appendix D: ZEDRA GAA credentials

In February 2015 the Financial Conduct Authority (FCA) set out new rules for providers operating workplace personal pension plans (called relevant schemes) to take effect from 6 April 2015. From that date, providers had to have set up an Independent Governance Committee or appointed a Governance Advisory Arrangement whose principal functions is to:

- Act solely in the interests of the relevant policyholders of those pension plans; and to
- Assess the "value for money" delivered by the pension plans to those relevant policyholders.

The FCA rules require that the Chair of each Independent Governance Committee and Governance Advisory Arrangement produce an annual report setting out a number of prescribed matters.

The ZEDRA Governance Advisory Arrangement ("the GAA") was established on 6 April 2015 and has been appointed by a number of workplace personal pension providers and investment pathways providers. ZEDRA is a specialist provider of independent governance services primarily to UK pension arrangements. Amongst other appointments we act as an independent trustee on several hundred trust-based pension schemes and we sit on a number of IGCs. More information on the ZEDRA GAA can be found at www.zedra.com/GAA

The members of the ZEDRA GAA are appointed by the Board of ZEDRA Governance Ltd. The Board is satisfied that individually and collectively the members of the GAA have sufficient expertise, experience, and independence to act in the interests of relevant policyholders.

The Board of ZEDRA Governance Ltd has appointed ZEDRA Governance Ltd to the GAA. The majority of ZEDRA Governance Ltd.'s Client Directors act as representatives of ZEDRA Governance Ltd on the GAA.

The Board of ZEDRA Governance Ltd has also appointed Dean Wetton, acting on behalf of Dean Wetton Advisory UK Ltd, to the GAA. Dean Wetton and Dean Wetton Advisory UK Ltd are independent of ZEDRA.

The Board of ZEDRA Governance Ltd has appointed either a specific named Client Director of ZEDRA Governance Ltd or Dean Wetton of Dean Wetton Advisory Ltd to act in the capacity of Chair of the GAA in respect of each Firm.

More information on each of ZEDRA's Client Directors, their experience and qualifications can be found at www.zedra.com/people/

Information on Dean's experience and qualifications can be found at www.deanwettonadvisory.com

The GAA has put in place a conflicts of interest register and maintains a conflicts of interest policy with the objective of ensuring that any potential conflicts of interest are managed effectively so they do not affect the ability of ZEDRA Governance Ltd or Dean Wetton Advisory Ltd to represent the interests of relevant policyholders.

The terms of reference for the GAA agreed with the Firm can be found at: www.fundment.com/governance-advisory-arrangement

Appendix E: Glossary

Please note that some of the terms referred to in this glossary may not be applicable to your product.

Active management

The investment of funds where the skill of the fund manager is used to select particular assets at particular times, with the aim of achieving higher than average growth for the assets in question.

Annual management charge (AMC)

A deduction made by the pension provider or investment manager from invested assets, normally as a percentage of the assets. The AMC is generally how the pension provider or investment manager is paid for their services.

Annuity

A series of payments, which may be subject to increases, made at stated intervals, usually for life. If the annuity is "joint life", it will continue to a spouse (usually at a lower rate) after the death of the original person receiving the payments ("the annuitant").

COBS

The Conduct of Business Sourcebook prepared by the Financial Conduct Authority (FCA). In particular when we use COBS in this report we are referring to Chapter 19 of the COBS which sets out the provisions relevant to the Value for Money Assessment of workplace pensions.

Core financial transactions

The essential processes of putting money into a pension policy or taking it out, namely:

- Investment of contributions
- Implementation of re-direction of future contributions to a different fund
- Investment switches for existing funds, including life-styling processes
- Settlement of benefits – whether arising from transfer out, death or retirement

Decumulation

The process of converting pension savings to retirement income.

Environmental, social and governance (ESG)

These are the three main factors looked at when assessing the sustainability (including the impact of climate change) and ethical impact of a company or business. ESG factors are expected to influence the future financial performance of the company and therefore have an impact on the expected risk and return of the pension fund investment in that company.

Flexible access

This refers to accessing pension savings in the form of income and/or lump sums. Pension savings that are not being accessed immediately will generally remain invested.

Life-styling

An automated process of switching investment strategy as a policyholder approaches retirement, in a way that is designed to reduce the risk of a policyholder's retirement income falling.

Net investment performance

The investment performance of the fund after deducting all asset management charges, administration charges, taxes and fees for managing the fund including any transaction costs.

Pathway investor

A retail client investing in a Firm's pathway investment offering.

Pathway investment

A drawdown fund which is either a capped drawdown pension fund or a flexi-access drawdown pension fund.

Relevant policyholder

A member of a Relevant Scheme who is or has been a worker entitled to have contributions paid by or on behalf of his employer in respect of that Relevant Scheme.

Relevant Scheme

A personal pension scheme or stakeholder pension scheme for which direct payment arrangements are, or have been, in place, and under which contributions have been paid for two or more employees of the same employer.

Transaction costs

A combination of explicit and implicit costs included within the price at which a transaction (i.e. buying or selling an asset) takes place.

With Profits

An insurance contract that participates in the profits of an insurance company. The insurance company aims to distribute part of its profits to with-profits policy holders in the form of bonuses.

Unit-Linked

A type of investment where the investments of a number of people are pooled together and divided into units of equal value. The value, or price, of each unit depends on the value of the assets of the unit linked fund. The unit price determines the number of units the policyholder receives when they invest money in the fund, and the sum they receive when they sell their units.

Appendix F: Summary of data as of 31 December 2024

Employers	Assets Under Management as at 31 December 2024	Number of Policyholders
550	£172,067,132	1,385

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