

ANNUAL DC GOVERNANCE CHAIR'S STATEMENT ASSOCIATED BRITISH FOODS PENSION SCHEME

PREPARED IN ACCORDANCE WITH REGULATION 23 OF THE OCCUPATIONAL PENSION SCHEMES (SCHEME ADMINISTRATION) REGULATIONS 1996 (THE "REGULATIONS")

As the Chair of the Associated British Foods Pension Trustees Limited, I, together with my fellow Trustee Directors, must continually review and assess the Associated British Foods Pension Scheme's ("the Scheme") systems, processes, and controls across a number of areas to ensure they are consistent with those set out by legislation and The Pensions Regulator (TPR). Governance requirements apply to defined contribution ("DC") pension arrangements, to help members achieve a good outcome from their pension savings. The Trustee of the Scheme is required to produce a yearly statement (which is signed by the Chair of the Trustee) to describe how these governance requirements have been met in relation to:

- The investment options in which members' funds are invested (this means the "default arrangement" and other funds members can select or have assets in, such as self-select).
- The requirements for processing financial transactions.
- The charges and transaction costs borne by members, including:
 - Reporting net investment returns.
 - An illustration of the cumulative effect of these costs and charges.
 - Assessment of value for members.
 - Target date fund asset allocations.
- Trustee knowledge and understanding; and
- Scheme operations statement.

This Statement provides an insight to the steps taken during the Scheme year ending 5 April 2025 to ensure our compliance with these requirements for the DC Section.

1. DEFAULT INVESTMENT ARRANGEMENT-TARGET DATE FUNDS (TDFs)

All members are contractually or automatically enrolled into the Scheme and their contributions are invested by default within the Target Date Fund applicable to their Normal Retirement Age (although members can later choose an alternative target retirement age, if they wish). However, members are given the option to select an alternative investment via the Scheme welcome letter they receive from the Scheme. The Trustee has set out the following aims and objectives for the Target Date Funds:

- It is likely to be appropriate for most members;
- The Glidepath is dynamically managed to manage risk and to seek significant long-term real growth whilst members are further from their target retirement date;
- It has a risk and reward profile that addresses the various risks that members face as identified by the Trustee in the SIP, in particular that these reflect the period remaining until members reach retirement age and their ability to recover any market losses. As members move towards their retirement "**target date**," the **fund** gradually reduces risk by changing the investments within the **fund** to ensure it has an asset allocation at the target retirement date that is appropriate and consistent with how most members are expected to take their retirement savings; and
- It includes the Trustee's consideration of the environmental, social and governance (ESG) factors including climate change and stewardship risks.

The Trustee regularly reminds members to review their investment options to ensure they remain appropriate via annual communications and the website. www.abfpensions.com/dc/investments

- 1.1 A copy of the latest Statement of Investment Principles (SIP) prepared in accordance with Regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005 is attached as Appendix 1 to the Financial Statements.
- 1.2 The Trustee is responsible for the Scheme's investment governance, which includes setting and monitoring the investment strategy for the Scheme's default arrangements. A review of the default strategy and the performance of the default funds was undertaken four times during the Scheme year against the aims and objectives as set out in the SIP. The review included the following key areas:
 - Value of Assets in the TDFs

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

- Commentary submitted by Alliance Bernstein including performance relative to targets and asset allocation decisions
- Fees and Charges
- Consideration of whether all TDF Vintages had outperformed or underperformed their objective and if they remain 'on track' to deliver the objective over the long term
- CyRil membership analysis (demographic analysis undertaken to 'stress test' risk parameters)
- Reviewing risk budgets in line with changes to central risk/return forecasts
- A review of the underlying asset allocation and the use of private assets.

The last formal review on 7 March 2024 concluded that all TDF vintages had performed well since inception net of fees. However, the Trustee noted that while currently many members cash in their pension accounts on retirement, this is likely to change as the Scheme matures and average pot size increases. The Trustee agreed that the glidepath should better reflect this. They therefore decided to postpone de-risking by TDFs, to increase the level of risk in TDFs at and beyond target date to reflect that pension savings will increasingly be accessed through drawdown. They decided to introduce investment in private credit to improve the glidepath's balance of risk and reward. They agreed that the TDFs' objective should be to provide a real return over the life of the glidepath, while managing risk as retirement approaches.

These changes were gradually introduced to the Target Date Funds during the current Scheme year from 1st July 2024. With these changes now implemented, the Trustee concluded that:

- Alliance Bernstein remains appropriate as a Company for the provision of investment services having demonstrated their continued commitment to the market, their ongoing and dynamic research and implementation processes, and their long-term demonstrable track record.
- The TDFs remain appropriate to deliver a default strategy which meets the Trustee's objectives (as set out in the SIP).
- Each TDF's investment approach as members near retirement remains appropriate given the glidepath construction and the management thereof.
- The investment performance for each TDF, relative to the aims and objectives of the default as set out in the SIP, was acceptable. The Trustee reviews both short term and long-term performance regularly and all strategies were ahead of the journey plan defined under the glidepath.
- The total expense ratio for each TDF was significantly lower than the charge cap (0.75%) and continues in the opinion of the Trustee to provide value for money to members.

Overall, the review concluded that the default strategy and its risk and return characteristics remain consistent with the Trustee's objectives as set out in the SIP and that TDFs remain an appropriate default investment strategy for the Scheme.

In addition to the review of the default strategy, the Trustee also considered in February 2024 the range of alternative self-select funds which were available to members for whom the default strategy did not meet their needs. The range of alternative funds at the time of review consisted of 76 funds. Having considered the views of their investment advisor, Mercer, the Trustee decided to consolidate the self-select range where:

- The very small number of members and/or value of contributions invested in them did not justify the significant expense of governing and administering those funds and a suitable alternative was available, and/or;
- Taking into account recent performance and/or fees, compared to alternative investment options available through the Scheme, the funds were no longer delivering value for money.

In addition, the Trustee considered where there was a need to provide a particular type of fund that was either not currently available through the Scheme or a better alternative was available. As a result, four new funds were introduced in July 2024 as follows:

- LGIM Future World Global Equity Fund (a passive global equity ESG fund, providing members access to a sustainable fund with lower fees than the ESG funds currently available through the Scheme).
- BlackRock Aquila Connect Corporate Bond All Stocks Fund (a passive all stocks corporate bond fund to replace the all stocks fund being removed).

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

- Insight Broad Opportunities Fund (a diversified growth fund, to replace the Invesco Global Targeted Returns Fund which was recently closed by the fund manager).
- Nordea Diversified Return Fund (a diversified growth fund, to replace the BNY Real Return Fund).

The Trustee concluded that the combination of the funds which have been retained, together with the new funds introduced will maintain a broad choice across asset classes and investment styles going forward. The changes to the self-select range were explained to all members in a communication sent out in advance, and members were also invited to an online presentation, during which the changes were explained and members had the opportunity to ask questions. Members invested in funds closing were defaulted into the Target Date Fund aligned with their 65th birthday (unless they have selected a different target retirement age). Members could also choose from the range of self-select funds. The transfer took place in Q3 2024.

The Trustee reviews investment performance every quarter and formally reviews both the performance and the strategy at least every three years or earlier where necessary. The next formal review is intended to take place by the end of the Scheme year 5 April 2027.

2. CORE FINANCIAL TRANSACTIONS

2.1 Regulation 24 of the Occupational Pension Schemes (Scheme Administration) Regulations requires the Trustee to ensure that core financial transactions have been processed promptly and accurately during the Scheme year. Core financial transactions include investment of contributions, transfers of assets relating to members into and out of the Scheme, transfers of assets relating to members between different investments within the Scheme and payments from the Scheme to, or in respect of, members. The Trustee has received assurances from the Scheme's administrator, ABF Group Pensions Department, and as such is confident that the requirements of Regulation 24 have been met during the year for the following reasons:

- The Trustee treats all transactions which relate to the handling of contributions and assets as core financial transactions. All receipts have been matched to the corresponding payments to ensure that all transactions are monitored on a daily basis and actioned in a timely manner. This control complements existing member level unit reconciliations and provides an increased level of monitoring at transaction level.
- Contributions for each pay period from all pay-sites were tracked to record the date the monies were received and the date the schedule providing a breakdown of the contributions per member was received. This was checked against a pre-agreed Contribution Calendar. Processes are in place to resolve any issues directly with the senior management teams of the employer within one working day and to rectify any systems failures etc to ensure the issue is not repeated.
- All contributions received by the Scheme were invested within two working days of receipt of the correct funds, file and supporting documents detailing the breakdown of individual member contributions, whichever was the latter.
- Transfers of members' assets into and out of the Scheme were processed in accordance with the Pensions Act requirements and complied with the Transfer Regulations (which came into effect from November 2021).
- Members' assets being switched between different funds within the Scheme were actioned in a timely manner and in accordance with the member's instructions.
- Payments from the Scheme to, or in respect of, members were completed in a timely manner and in accordance with statutory requirements.
- The Scheme Administrator utilises internal Service Level Agreements to drive and monitor all aspects of the day-to-day administration. These include the accuracy and timeliness of all core financial transactions. These include:
 - All payments are actioned within 5 working days once monies have completed disinvestment from Mobius Life.
 - Contributions including individual transfers into the Scheme are invested within 2 working days of receipt of monies and confirmation of who the payments relate to.
 - Once instructions for switches between funds are confirmed these are mostly actioned within 5 working days.

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

- A workflow monitoring tool is in place which is used to monitor Compliance against the Service Levels in respect of all cash movements within the DC Section.
- All receipts into the Trustee bank account are reconciled against contribution files and member data.
- At least two individuals are involved with checking investment transactions.

The Group Pensions Director reviews all logs and monthly reconciliation reports and provides an update of any findings to both the Trustee Board and Audit Sub-Committee. The Trustee also receives quarterly Admin Reports detailing the administrator's performance and compliance. The Scheme administrator adopts an Internal Controls Framework (based on AAF01/20) and has provided confirmation that all receipts for the financial year were matched to the corresponding payments. In addition, confirmation has been received that all transactions were monitored on a daily basis and actioned in a timely manner and well within statutory deadlines. These checks were complementary to both the daily bank reconciliations and monthly member level unit reconciliations.

I am happy to report that during the Scheme year there were no regulatory breaches reported, no issues were found that gave rise to concern by the Trustee and there are no outstanding issues at the date of this statement.

3. CHARGES AND TRANSACTION COSTS

- 3.1 The Trustee is required to set out the on-going charges borne by members in this statement, which are annual fund management charges plus any additional fund expenses, such as custody costs, but excluding transaction costs; this is also known as the Total Expense Ratio ("TER"). The TER is paid by the members and is reflected in the unit price of the funds. The Employer meets all administration and risk costs for the DC Section of the Scheme. The Trustee is also required to separately disclose transaction costs figures that are borne by members. In the context of this statement, the transaction costs shown are those incurred when the Scheme's fund managers buy and sell assets within the investment funds.

3.2 Target Date Fund charges and transaction costs

The levels of charges and transaction costs applicable to the 21 default Target Date Funds at the end of the Scheme year are shown in the table below. The Target Date Funds have been designed to help manage investment risk which means that as members move towards their retirement "target date", the fund gradually reduces risk by changing the investments within the fund. This means that the level of charges and transaction costs will vary depending on how close members are to their target retirement date and which fund they are invested in. The Trustee is required to separately disclose the transaction costs for each Fund (see penultimate column below). The costs and charges shown in the table below have been produced in line with statutory guidance.

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

Fund Name	Alliance Bernstein Fee (%) (a)	Mobius Life Platform Charge (%) (b)	Additional Fund Expenses (%) (c)	Total Expense Ratio (%) (a+b+c)	Transaction Costs (%)	Fund returns net of fees & costs (%)
AB Retirement Fund 2011-2013	0.191	0.040	0.0230	0.2540	(0.02)	3.37
AB Retirement Fund 2014-2016	0.191	0.040	0.0230	0.2540	(0.02)	3.20
AB Retirement Fund 2017-2019	0.191	0.040	0.0220	0.2540	(0.03)	3.21
AB Retirement Fund 2020-2022	0.191	0.040	0.0230	0.2540	(0.03)	3.19
AB Retirement Fund 2023-2025	0.191	0.040	0.0240	0.2560	(0.04)	3.08
AB Retirement Fund 2026-2028	0.191	0.040	0.0260	0.2570	(0.04)	2.96
AB Retirement Fund 2029-2031	0.191	0.040	0.0270	0.2580	(0.05)	3.07
AB Retirement Fund 2032-2034	0.191	0.040	0.0290	0.2600	(0.07)	3.42
AB Retirement Fund 2035-2037	0.191	0.040	0.0300	0.2610	(0.08)	4.33
AB Retirement Fund 2038-2040	0.191	0.040	0.0300	0.2610	(0.08)	5.85
AB Retirement Fund 2041-2043	0.191	0.040	0.0290	0.2600	(0.10)	6.28
AB Retirement Fund 2044-2046	0.191	0.040	0.0280	0.2590	(0.13)	6.33
AB Retirement Fund 2047-2049	0.191	0.040	0.0270	0.2580	(0.13)	6.21
AB Retirement Fund 2050-2052	0.191	0.040	0.0270	0.2580	(0.13)	6.21
AB Retirement Fund 2053-2055	0.191	0.040	0.0270	0.2580	(0.13)	6.21
AB Retirement Fund 2056-2058	0.191	0.040	0.0270	0.2580	(0.13)	6.21
AB Retirement Fund 2059-2061	0.191	0.040	0.0270	0.2580	(0.13)	6.21
AB Retirement Fund 2062-2064	0.191	0.040	0.0270	0.2580	(0.13)	6.21
AB Retirement Fund 2065-2067	0.191	0.040	0.0270	0.2580	(0.13)	6.22
AB Retirement Fund 2068-2070	0.191	0.040	0.0270	0.2580	(0.13)	6.22
AB Retirement Fund 2071-2073	0.191	0.040	0.0270	0.2580	(0.13)	6.22

There are no performance-based fees charged by Alliance Bernstein or Mobius Life on The Target Date Funds.

This data has been provided by Alliance Bernstein and Mobius Life as at 31 March 2025 and shows return net of fees for the previous 12 months.

3.3 Target Date Funds net investment returns

The net returns are shown as an annual geometric average. The annual net return, which compounded over time, delivered the returns shown below which have been calculated in line with the statutory guidance:

Fund Name	Inception Date	Age of Member in 2025 (Years)	Annualised Returns 1 Year p.a. (2025) Net (%)	Annualised Returns 3 Years p.a. (2022-2025) Net (%)	Annualised Returns 5 Years p.a. (2020-2025) Net (%)	Annualised Returns 10 Years p.a. (2015-2025) Net (%)
AB Retirement Fund 2011-2013	30/09/2012	78	3.4	2.7	3.4	3.1
AB Retirement Fund 2014-2016	30/09/2012	75	3.2	2.4	3.4	3.2
AB Retirement Fund 2017-2019	30/09/2012	72	3.2	2.3	3.6	3.5
AB Retirement Fund 2020-2022	30/09/2012	69	3.2	2.2	3.9	4.0
AB Retirement Fund 2023-2025	30/09/2012	66	3.1	2.0	4.7	4.5
AB Retirement Fund 2026-2028	30/09/2012	63	3.0	2.0	5.9	5.1
AB Retirement Fund 2029-2031	30/09/2012	60	3.1	1.7	6.4	5.5
AB Retirement Fund 2032-2034	30/09/2012	57	3.4	2.2	7.5	6.0
AB Retirement Fund 2035-2037	30/09/2012	54	4.3	3.1	8.8	6.5

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

Fund Name	Inception Date	Age of Member in 2025 (Years)	Annualised Returns 1 Year p.a. (2025) Net (%)	Annualised Returns 3 Years p.a. (2022-2025) Net (%)	Annualised Returns 5 Years p.a. (2020-2025) Net (%)	Annualised Returns 10 Years p.a. (2015-2025) Net (%)
AB Retirement Fund 2038-2040	30/09/2012	51	5.9	4.5	10.6	7.3
AB Retirement Fund 2041-2043	30/09/2012	48	6.3	5.7	12.7	8.0
AB Retirement Fund 2044-2046	30/09/2012	45	6.3	6.4	13.3	8.3
AB Retirement Fund 2047-2049	30/09/2012	42	6.2	6.4	13.3	8.3
AB Retirement Fund 2050-2052	30/09/2012	39	6.2	6.4	13.3	8.3
AB Retirement Fund 2053-2055	30/09/2012	36	6.2	6.4	13.3	8.3
AB Retirement Fund 2056-2058	30/09/2012	33	6.2	6.4	13.3	8.3
AB Retirement Fund 2059-2061	30/09/2012	30	6.2	6.4	13.3	8.3
AB Retirement Fund 2062-2064	31/10/2012	27	6.2	6.4	13.3	8.3
AB Retirement Fund 2065-2067	28/02/2013	24	6.2	6.4	13.3	8.3
AB Retirement Fund 2068-2070	28/02/2013	21	6.2	6.5	13.3	8.3
AB Retirement Fund 2071-2073	28/02/2013	18	6.2	6.8	13.5	8.4

3.4 Target Date Funds Asset Allocation

Asset Class	Average 25 y/o (%)	Average 45 y/o (%)	Average 55 y/o (%)	Average 65 y/o (%)
Cash	0.00	0.00	0.00	0.00
Bonds	0.00	1.73	19.13	52.28
Government Bonds	0.00	0.00	10.77	36.82
Corporate Bonds	0.00	1.73	8.36	5.93
Short Duration Bonds	0.00	0.00	0.00	9.53
Listed Equities	75.97	74.41	58.18	33.86
Small Cap Equities	4.25	3.94	2.51	0.39
Developed Market Equities	64.42	63.72	51.46	32.82
Emerging Market Equities	7.30	6.75	4.21	0.65
Private Equity	5.74	5.56	4.17	0.64
Property	3.73	3.73	3.11	1.00
Infrastructure	3.03	3.03	2.53	1.19
Private Debt	10.02	9.65	10.35	10.38
Other	1.51	1.89	2.53	0.65
Total	100.00	100.00	100.00	100.00

The following describes the types of investments covered by the above asset classes:

- Cash – Cash and assets that behave similarly to cash e.g. treasury bills. It only includes invested cash and not the cash balance held by the Scheme.
- Bonds – Loans made to the bond issuer, usually a government or a company, to be repaid at a later date.
- Listed Equity – Shares in companies that are listed on global stock exchanges. Owning shares makes the Scheme a part owner of the company, entitled to a share of the profits (if any) payable as dividends.
- Private Equity – Unlisted equities that are not publicly traded on stock exchanges. Encompasses a broad range of investment styles, including: Venture Capital – Small, early stage businesses that may have high growth potential, albeit at significant risk, Growth Equity – Relatively mature companies that are going through a

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

transformational event with potential for growth, Buyout funds – Invested in more mature businesses, often taking a controlling interest, Leveraged buyout funds take out loans to raise the funds required to invest.

- Infrastructure: physical structures, facilities, systems, or networks that provide or support public services including water, gas and electricity networks, roads, telecommunications facilities, schools, hospitals, and prisons
- Property – Real estate, potentially including offices, retail buildings which are rented out to businesses.
- Private Debt – Other forms of loan that do not fall within the definition of a 'Bond'.
- Other – Any assets that do not fall within the above categories.

3.5 Self-select options charges and transaction costs

The Trustee also offers DC members access to the full range of self-select funds on the Mobius Life Platform (which together with the Target Date Funds are also available to DB members who wish to make Additional Voluntary Contributions (AVCs)). Over the year, members had access to 75 funds. During the year to 5 April 2025, this range was consolidated as covered in section 1.2. The self-select assets account for less than 1% of members and assets in the DC Section. The TER for providing these funds range from 0.07% to 1.04 per annum (the TER can be negative where Mobius are able to purchase units at the bid price when they have bought the assets at a lower price than its true investment value. Similarly, a negative cost would be seen if Mobius sold units at the offer price). Detailed information relating to these funds can be found on the Scheme website at www.abfpensions.com/dc/investments. The level of charges and transaction costs applicable to the self-select funds currently utilised by DC and DBAVC members at the end of the Scheme year are shown in the table below:

Mobius Life have provided transaction costs and return net of fees for the 12 months to 31 March 2025. The Trustee is required to separately disclose the transaction costs for each Fund.

Fund Name	Investment Manager Fee (%) (a)	Mobius Life Platform Charge (%) (b)	Additional Fund Expenses (%) (c)	Total Expense Ratio (%) (a+b+c)	Transaction Costs (%)	Fund returns net of fees & costs (%)
AB Dynamic Diversified Beta	0.19	0.04	0.02	0.25	(0.05)	5.2
AB Emerging Market Multi-Asset*	0.80	0.04	0.15	0.99	0.33	22.1
AB Global Plus Fixed Income	0.50	0.04	0.08	0.62	0.11	3.2
abrdn Diversified Growth and Income Pension*	0.50	0.04	0.45	0.99	0.33	30.0
abrdn Emerging Markets Equity*	0.89	0.04	0.12	1.04	0.31	1.7
abrdn Sterling Corporate Bond Fund	0.50	0.04	0.09	0.63	0.02	2.8
Aegon Investment Grade Bond*	0.61	0.04	0.04	0.69	0.41	2.3
Aegon UK Corporate Bond*	0.21	0.04	0.01	0.25	(0.43)	2.0
Aquila Connect >15 Year Corporate Bond*	0.05	0.04	0.01	0.10	(0.32)	(5.3)
Aquila Connect >15 Year UK Gilt*	0.05	0.04	0.00	0.09	0.01	0.8
Aquila Connect >5 Year UK Index Linked Gilt*	0.05	0.04	0.00	0.09	(0.11)	(9.7)
Aquila Connect Pacific RIM Equity Index*	0.05	0.04	0.01	0.10	(0.14)	0.8
Aquila Connect US Equity*	0.05	0.04	0.00	0.09	(0.03)	19.5
Aquila Life 50:50 Currency	0.10	0.04	0.01	0.14	(0.41)	6.6
Aquila Life Up to 5 Years Gilt*	0.05	0.04	0.00	0.09	0.06	11.3
Aquila Life World Equity Index*	0.05	0.04	0.01	0.10	0.04	4.9
Artemis SmartGARP Global Equity	0.75	0.04	0.13	0.92	0.12	6.2

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

Fund Name	Investment Manager Fee (%) (a)	Mobius Life Platform Charge (%) (b)	Additional Fund Expenses (%) (c)	Total Expense Ratio (%) (a+b+c)	Transaction Costs (%)	Fund returns net of fees & costs (%)
AXA Framlington American Growth	0.61	0.04	0.06	0.71	0.07	1.6
AXA Framlington Health*	0.61	0.04	0.06	0.71	0.15	3.9
AXA Framlington UK Select Opportunities	0.61	0.04	0.07	0.72	0.09	1.7
Baillie Gifford Diversified Growth*	0.42	0.04	0.15	0.61	0.52	5.3
Baillie Gifford IF Long Term Global Growth Investment Fund (ABF)*	0.51	0.04	0.03	0.58	0.11	6.7
Baillie Gifford OGF Emerging Markets Leading Companies Fund (ABF)*	0.60	0.04	0.07	0.71	0.32	5.6
Baillie Gifford OGF Euro Fund*	0.55	0.04	0.05	0.64	0.17	(0.8)
Baillie Gifford UKB Global Alpha Growth Fund (ABF)	0.45	0.04	0.03	0.52	0.16	11.1
Baillie Gifford UKB Managed*	0.30	0.04	0.02	0.36	0.17	1.1
BlackRock Gold & General	0.71	0.04	0.16	0.91	0.69	48.3
BlackRock Institutional Sterling Liquidity	0.10	0.04	0.00	0.14	0.01	5.1
BlackRock Life Balanced Growth*	0.45	0.04	0.00	0.49	0.24	4.6
BlackRock UK Smaller Companies*	0.61	0.04	0.16	0.81	0.72	3.5
BlackRock UK Special Situations*	0.61	0.04	0.16	0.81	0.64	7.4
BNYM Global Equity*	0.31	0.04	0.07	0.42	0.16	0.3
BNYM Real Return*	0.65	0.04	0.10	0.79	0.04	0.9
EF Tellsons Endeavour Fund*	0.40	0.04	0.24	0.68	0.00	0.0
HSBC Islamic Global Equity	0.18	0.04	0.09	0.31	0.01	3.6
Invesco High Income*	0.76	0.04	0.00	0.80	0.25	8.2
Invesco Income*	0.76	0.04	0.00	0.80	0.13	6.0
iShares 100 UK Equity Index*	0.06	0.04	0.00	0.10	0.00	5.2
iShares Emerging Markets Index	0.06	0.04	0.07	0.17	0.08	8.1
Janus Henderson Global Select*	0.71	0.04	0.23	0.98	0.10	(1.1)
JPM Natural Resources	0.69	0.04	0.08	0.81	0.54	0.1
Jupiter China*	0.75	0.04	0.00	0.79	0.24	0.9
Jupiter Global Convertibles*	0.76	0.04	0.24	1.04	0.21	(2.0)
Jupiter India Fund*	0.75	0.04	0.00	0.79	0.10	2.4
LGIM All Stocks Gilt Index	0.04	0.04	0.00	0.08	0.05	(1.3)
LGIM All Stocks Index Linked Gilt	0.04	0.04	0.00	0.08	0.04	(7.7)

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

Fund Name	Investment Manager Fee (%) (a)	Mobius Life Platform Charge (%) (b)	Additional Fund Expenses (%) (c)	Total Expense Ratio (%) (a+b+c)	Transaction Costs (%)	Fund returns net of fees & costs (%)
LGIM Asia Pacific (ex Japan)	0.08	0.04	0.00	0.12	0.02	(3.5)
LGIM Cash*	0.05	0.04	0.00	0.09	0.07	2.2
LGIM Diversified Fund*	0.30	0.04	0.02	0.36	0.04	2.3
LGIM FTSE4Good Developed Equity Index (ABF)	0.30	0.04	0.00	0.34	0.00	3.3
LGIM FTSE4Good UK Equity Index (ABF)	0.20	0.04	0.00	0.24	0.00	13.7
LGIM Europe (ex UK) Equity Index	0.08	0.04	0.00	0.12	0.16	2.3
LGIM Global Equity Fixed Weights 60/40*	0.08	0.04	0.00	0.12	0.06	4.4
LGIM Global Real Estate Equity Index	0.18	0.04	0.00	0.22	0.02	2.7
LGIM Japan Equity Index	0.08	0.04	0.00	0.12	0.01	(0.8)
LGIM North American Equity Index	0.08	0.04	0.00	0.12	0.01	5.3
LGIM Over 5 Year Index Linked Gilt*	0.04	0.04	0.00	0.08	0.05	(0.9)
LGIM Property Fund	0.60	0.04	0.03	0.67	1.85	0.1
LGIM UK Equity Index	0.03	0.04	0.00	0.07	0.05	11.2
LGIM World Emerging Market Equity Index*	0.30	0.04	0.00	0.34	0.16	(2.1)
LGIM World ex UK Equity Index	0.08	0.04	0.00	0.12	0.04	4.1
Liontrust European Dynamic	0.75	0.04	0.10	0.89	0.23	(0.9)
M&G Corporate Bond*	0.35	0.04	0.04	0.43	0.08	2.7
MFS Global Equity Institutional	0.55	0.04	0.07	0.66	0.07	(0.3)
Ninety One Emerging Markets Local Currency Debt	0.69	0.04	0.20	0.93	0.22	2.6
Schroder Institutional UK Smaller Companies	0.50	0.04	0.01	0.55	0.16	7.2
Schroder Life Intermediated Div Growth	0.55	0.04	0.05	0.64	0.31	3.8
Schroders Global Emerging Markets	0.37	0.04	0.23	0.64	0.32	4.2
Stewart Investors Asia Pacific Leaders	0.76	0.04	0.04	0.84	0.07	(0.7)
Stewart Investors Global Emerging Markets Leaders*	0.65	0.04	0.07	0.76	0.14	(0.4)
Storebrand Global ESG Plus	0.17	0.04	0.06	0.27	0.04	2.1
CT Global Select*	0.42	0.04	0.03	0.49	0.20	11.3
CT UK PAIF*	0.66	0.04	0.06	0.76	(0.10)	2.1
Vanguard FTSE Developed World ex UK	0.08	0.04	0.00	0.12	0.02	4.3
Vanguard US Equity Index CCF*	0.08	0.04	0.00	0.12	0.09	8.4

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

Fund Name	Investment Manager Fee (%) (a)	Mobius Life Platform Charge (%) (b)	Additional Fund Expenses (%) (c)	Total Expense Ratio (%) (a+b+c)	Transaction Costs (%)	Fund returns net of fees & costs (%)
BlackRock Aquila Connect Corporate Bond All Stocks	0.04	0.04	0.00	0.08	(0.04)	0.5
LGIM Future World Global	0.10	0.04	0.00	0.14	(0.03)	2.5
Insight Broad Opportunities [#]	0.04	0.04	0.00	0.08	(0.04)	(3.3)
Nordea Diversified Return [#]	0.10	0.04	0.00	0.14	(0.03)	0.6

3.6 Self-select net investment return

Fund Name	Inception Date	1 Year p.a. (%) Net	3 Years p.a. (%) Net	5 Years p.a. (%) Net	10 Years p.a. (%) Net
AB Dynamic Diversified Beta	30/09/2012	5.2	4.2	9.6	6.7
AB Emerging Market Multi-Asset (ABF)*	14/03/2019	22.1	32.9	68.1	51.4
AB Global Plus Fixed Income (ABF)	14/03/2019	3.2	0.9	1.6	2.2
abrdn Diversified Growth and Income Pension*	14/03/2019	30.0	16.4	18.4	20.5
abrdn Emerging Markets Equity (ABF)* (CTNB)	14/03/2019	1.7	(3.3)	27.8	9.7
abrdn Sterling Corporate Bond Fund (ABF)	14/03/2019	2.8	(1.9)	1.5	5.4
Aegon Investment Grade Bond (ABF)*	14/03/2019	2.3	(0.3)	6.1	8.5
Aegon UK Corporate Bond (ABF)*	14/03/2019	2.0	(2.5)	(0.6)	4.1
Aquila Connect >15 Year Corporate Bond (ABF)*	14/03/2019	(5.3)	(22.2)	(23.6)	(18.5)
Aquila Connect >15 Year UK Gilt (ABF)*	14/03/2019	0.8	(33.0)	(45.5)	(32.3)
Aquila Connect >5 Year UK Index Linked Gilt (ABF)*	14/03/2019	(9.7)	(40.3)	(39.5)	(34.2)
Aquila Connect Pacific RIM Equity Index (ABF)*	14/03/2019	0.8	0.9	25.1	32.9
Aquila Connect US Equity (ABF)*	14/03/2019	19.5	16.2	147.1	150.5
Aquila Life 50:50 Currency Hedged Global Equity (ABF)*	14/03/2019	6.6	23.5	88.5	60.9
Aquila Life Up to 5 Years Gilt (ABF)*	14/03/2019	11.3	12.3	9.5	11.5
Aquila Life World Equity Index (ABF)	14/03/2019	4.9	25.7	102.0	96.9
Artemis SmartGARP Global Equity (ABF)	14/03/2019	6.2	(5.0)	44.2	(1.4)
AXA Framlington American Growth (ABF)	14/03/2019	1.6	21.0	115.8	125.3
AXA Framlington Health (ABF)*	14/03/2019	3.9	20.4	74.7	75.7
AXA Framlington UK Select Opportunities (ABF)	14/03/2019	1.7	(4.7)	37.3	10.5
Baillie Gifford Diversified Growth (ABF)*	14/03/2019	5.3	(0.4)	20.7	1.0
Baillie Gifford IF Long Term Global Growth Investment Fund (ABF)*	01/10/2021	6.7	12.9	-	-
Baillie Gifford OGF Emerging Markets Leading*	01/10/2021	5.6	6.9	-	-
Baillie Gifford OGF European Fund (ABF)*	14/03/2019	(0.8)	(3.2)	32.9	43.1

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

Baillie Gifford UKB Global Alpha Growth Fund*	01/10/2021	11.1	22.8	-	-
Baillie Gifford UKB Managed Fund (ABF)*	14/03/2019	1.1	2.1	37.1	39.0
BlackRock Gold & General (ABF)	14/03/2019	48.3	30.7	89.5	121.3
BlackRock Institutional Sterling Liquidity (ABF)	14/03/2019	5.1	12.8	12.9	13.7
BlackRock Life Balanced Growth (ABF)*	14/03/2019	4.6	10.9	44.2	37.5
BlackRock UK Smaller Companies (ABF)*	14/03/2019	3.5	(13.5)	38.4	29.0
BlackRock UK Special Situations (ABF)*	14/03/2019	7.4	5.1	51.5	32.6
BNY Global Equity (ABF)*	14/03/2019	0.3	23.0	85.5	86.2
BNY Real Return (ABF)*	14/03/2019	0.9	4.1	26.0	22.9
EF Tellsons Endeavour Fund (ABF)*	14/03/2019	0.0	0.4	23.9	26.2
HSBC Islamic Global Equity Index (ABF)	14/03/2019	3.6	28.9	112.3	134.4
Invesco High Income (ABF)*	14/03/2019	8.2	23.6	70.0	12.6
Invesco Income (ABF)*	14/03/2019	6.0	19.6	60.2	6.1
iShares 100 UK Equity Index (UK)*	08/06/2020	5.2	19.0	54.3	-
iShares Emerging Markets Index (ABF)	14/03/2019	8.1	6.7	43.8	25.1
Janus Henderson Global Equity (ABF)*	14/03/2019	(1.1)	14.3	68.8	71.8
JPM Natural Resources (ABF)	14/03/2019	0.1	1.6	128.1	64.3
Jupiter China (ABF)*	14/03/2019	0.9	(20.9)	(25.8)	(38.2)
Jupiter Global Convertibles (ABF)*	14/03/2019	(2.0)	(4.5)	13.5	7.0
Jupiter India Fund (ABF)*	14/03/2019	2.4	66.5	197.1	109.6
LGIM All Stocks Gilt Index (ABF)	14/03/2019	(1.3)	(17.3)	(27.0)	(17.2)
LGIM All Stocks Index Linked Gilt (ABF)	14/03/2019	(7.7)	(34.8)	(33.7)	(28.0)
LGIM Asia Pacific (ex Japan) Dev Equity (ABF)	14/03/2019	(3.5)	(3.7)	48.7	25.1
LGIM Cash (ABF)*	14/03/2019	2.2	9.6	9.6	10.3
LGIM Diversified Fund (ABF)*	14/03/2019	2.3	4.8	33.6	28.9
LGIM Ethical Global Equity Index (ABF)	14/03/2019	3.3	25.3	102.0	99.9
LGIM Ethical UK Equity Index (ABF)	14/03/2019	13.7	23.8	78.0	47.0
LGIM Europe (ex UK) Equity Index (ABF)	14/03/2019	2.3	22.9	79.6	67.1
LGIM Global Equity Fixed Weights 60/40 Index (ABF)*	14/03/2019	4.4	19.6	77.8	55.6
LGIM Global Real Estate Equity Index (ABF)	14/03/2019	2.7	(10.0)	33.8	11.5
LGIM Japan Equity Index (ABF)	14/03/2019	(0.8)	23.3	48.9	52.9
LGIM North American Equity Index (ABF)	14/03/2019	5.3	27.6	117.7	120.5
LGIM Over 5 Year Index Linked Gilt (ABF)*	14/03/2019	(0.9)	(24.8)	(34.1)	(27.8)
LGIM Property Fund (ABF)	14/03/2019	0.1	(9.0)	13.1	7.9
LGIM UK Equity Index (ABF)	14/03/2019	11.2	23.6	80.8	47.7
LGIM World Emerging Market Equity Index (ABF)*	14/03/2019	(2.1)	(2.4)	34.9	17.5
LGIM World ex UK Equity Index (ABF)	14/03/2019	4.1	24.7	101.9	97.4
Liontrust European Dynamic (ABF)	14/03/2019	(0.9)	27.3	127.8	111.6
M&G Corporate Bond (ABF)*	14/03/2019	2.7	0.5	6.6	5.6
MFS Meridian Global Equity Institutional (ABF)	14/03/2019	(0.3)	8.9	64.9	59.1

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

Ninety One Emerging Markets Local Currency Debt (ABF)	14/03/2019	2.6	13.8	16.4	13.6
Schroder Institutional UK Smaller Companies (ABF)	14/03/2019	7.2	(9.2)	60.7	24.3
Schroder Life Intermediated Div Growth (ABF)	14/03/2019	3.8	2.4	30.0	22.6
Schroders Global Emerging Markets (ABF)	14/03/2019	4.2	3.8	40.0	27.4
Stewart Investors Asia Pacific Leaders (ABF)	14/03/2019	(0.7)	2.1	49.5	38.6
Stewart Investors Global Emerging Markets (ABF)*	14/03/2019	(0.4)	0.3	40.0	4.3
Storebrand Global ESG Plus Lux (ABF)	31/12/2019	2.1	18.3	86.6	61.1
CT Global Select (ABF)*	14/03/2019	11.3	35.0	93.9	106.9
CT UK PAIF (ABF)*	14/03/2019	2.1	(16.7)	(7.2)	(3.9)
Vanguard FTSE Developed World ex UK (ABF)	14/03/2019	4.3	24.9	100.7	97.1
Vanguard US Equity Index CCF (ABF)*	14/03/2019	8.4	32.1	130.8	129.5
LGIM Future World Global Equity Fund (ABF) #	14/08/2024	2.5	-	-	-
BlackRock Aquila Connect Corporate Bond All Stocks Fund (ABF) #	13/08/2024	0.5	-	-	-
Insight Broad Opportunities Fund (ABF) #	13/08/2024	(3.3)	-	-	-
Nordea 1 – GBP Diversified Return Fund (ABF) #	14/08/2024	0.6	-	-	-

Net fund performance for self-select funds is calculated on the percentage change of the net unit prices from the start to the end of the period and includes any income the Fund receives. The net fund performance figures are shown after deductions for annual management charge and additional fund expenses. Fund expenses will vary depending on the costs incurred.

* Performance and charges shown until the month end prior to fund closures.

Performance and charges shown from date of inception to 31 March 2025.

The following fund names changed during the Scheme year until the date of this statement sign off:

Old Fund Name	Date Changed	New Fund Name
Stewart Investors Global Emerging Markets	14 July 2024	Stewart Investors Global Emerging Markets Leaders
CT UK Property	17 April 2024	CT UK PAIF
LGIM Ethical Global Equity Index	31 May 2024	L&G FTSE4Good Developed Equity Index
LGIM Ethical UK Equity Index	31 May 2024	L&G FTSE4Good UK Equity Index

All charges are collected through a daily adjustment in unit prices and are payable to the following parties:

Alliance Bernstein (AB) for investment management and asset allocation advice in relation to the Retirement Strategies Funds. This includes management fees charged by third-party fund managers in relation to any other underlying funds by which the value of the AB Retirement Strategies Funds is determined.

Mobius Life for the establishment, administration and maintenance of the Retirement Strategies Funds.

Additional fund expenses payable to third-party fund managers in relation to expenses incurred by those underlying funds such as custodian fees, audit fees, depository/trust fees and legal fees. These expenses are dependent upon the underlying asset allocation of the Retirement Strategies Funds at any given time.

The total expense ratio of the Retirement Strategies Fund is the total annual cost associated with managing and operating the Retirement Strategies Fund.

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

During the year, the following funds were either suspended or closed and the funds redirected accordingly:

Fund Name	Dates Suspended	Comments
abrdn Diversified Growth and Income Pension Fund	29 May 2024	Fund closed 19 May 2024.
Jupiter Global Convertibles	31 May 2024	Fund closed 31 May 2024
Storebrand Global ESG Plus Fund	23 August 2024 to 30 August 2024	Fund temporarily suspended to enable a change of administrator

If a fund is suspended or closed, the steps taken are as follows:

1. The fund manager will notify the investment platform provider, Mobius Life, who in turn will notify the Trustee.
2. On behalf of the Trustee, the administration team identify which members are affected and notify them in writing, seeking confirmation of their instructions for existing and/or future contributions (as applicable). If members do not provide an investment instruction, their existing and/or future contributions (as applicable) will be invested in their default Target Date Fund.
3. In certain circumstances the Trustee may not be notified of the fund suspension or closure in advance. In this situation, the Trustee will invest any future contributions in the member's default Target Date Fund until the member is able to provide an alternative investment instruction.
4. The member website is updated to show the fund is suspended or closed.

In addition, the following funds were closed in September 2024 by the Trustee following the review of the self-select funds explained in Section 1 above:

- abrdn Emerging Markets Equity (CTNB)
- Aegon Investment Grade Bond
- Aegon UK Corporate Bond
- Aquila Connect Over 15 Year UK Gilt Index Fund
- Aquila Connect Over 5 Year UK Index-Linked Gilt
- Aquila Connect Pacific RIM Equity Index
- Aquila Connect US Equity
- Aquila Life 50:50 Currency Hedged Global Equity
- Aquila Life Up to 5 Yrs Gilt
- AXA Framlington Health
- Baillie Gifford Diversified Growth
- Baillie Gifford IF Long Term Global Growth Inv
- Baillie Gifford OGF Emerging Markets Leading Cos
- Baillie Gifford OGF European Fund
- Baillie Gifford UKB Global Alpha Growth Fund
- Baillie Gifford UKB Managed Fund
- BlackRock Life Balanced Growth
- BlackRock UK Smaller Companies
- BlackRock UK Special Situations
- BNY Global Equity
- BNY Real Return
- CT Global Select
- CT UK PAIF Property Fund
- EF Tellsons Endeavour
- Invesco High Income
- Invesco Income
- iShares 100 UK Equity Index
- Janus Henderson Global Select
- Jupiter China
- Jupiter India
- LGIM Cash
- LGIM Diversified Fund

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

- LGIM Global Equity Fixed Weights 60/40 Index
- LGIM Over 5 Year Index Linked Gilt
- LGIM World Emerging Market Equity Index
- M&G Corporate Bond
- Ninety One Global Income Opportunities
- Stewart Investors Global Emerging Markets Leaders
- Vanguard US Equity Index CCF

3.7 Legacy Additional Voluntary Contributions (AVC) (Defined Benefit AVCs that commenced prior to 2012)

The self-select and TDF funds outlined above are used for both current and future AVC investments. However, During the year to 5 April 2025, some members of the Scheme were invested in legacy AVCs. Details of these funds and providers funds are shown in the table below.

Legacy AVC Provider	Type of Fund	Type of Fund	Type of Fund	Payment of Contributions
Clerical Medical	With-profits fund	Unit linked funds	-	No further contributions
Phoenix Life	With-profits AVC	-	-	No further contributions
Prudential	With-profits cash accumulation	-	-	No further contributions
Reassure Limited	Basic with-profits	-	-	No further contributions
Standard Life	Pension Millennium with-profits fund	Pension with-profits fund	Managed pension fund	No further contributions
Standard Life	Money market pension fund	Pension with-profits one fund	Ethical pension fund	No further contributions

With effect from 1 April 2023, member AVC contributions ceased to be invested with the legacy AVC providers Clerical Medical, Standard Life, Phoenix Life and Prudential. All AVCs from 1 April 2023 are now invested in the funds available through the Mobius Life investment platform.

During the quarter to December 2024, following advice provided by the Scheme's investment advisors Mercer and a comprehensive communications exercise with the affected members, all AVCs invested with the legacy AVC providers were disinvested with the majority transferring to the DC investment arrangements on the Mobius Life investment platform. Where applicable, an additional payment was made by the Trustees to members' funds invested in the Mobius Life investment platform to compensate them for fees incurred during the transfer and the loss of any enhanced benefits provided by the legacy arrangements (including with profit guarantees, annual bonuses and guaranteed annuity rates). A handful of members had their AVCs withheld from being transferred to the DC investment platform as they wished to retire.

It is important to note that all firms that conduct with-profits business are required to publish a Principles and Practices of Financial Management (PPFM) which explains how the with-profits fund is managed. An annual report for the with-profits policyholders outlining providers' compliance with obligations relating to PPFM is produced. This information including investment information, net return on investments, arrangement costs and charges can be obtained from the Providers' website as The Trustee has not managed to obtain this information as at the time of writing this report. As such this information is available to members using the links to the provider websites as shown in the following table:

Legacy AVC Provider	Principles and Practices of Financial Management (PPFM) Web Address
Clerical Medical	www.clericalmedical.co.uk/business/fundsprices/withprofits www.clericalmedical.co.uk/fund-availability-and-prices/fund-factsheets/unit-linked.html
Phoenix Life	www.phoenixlife.co.uk
Prudential	www.pru.co.uk/funds/ppfm
Reassure Limited	www.reassure.co.uk
Standard Life	www.standardlife.co.uk/c1/funds/with-profits-important-information.page www.standardlife.co.uk/investments/tools/fund-performance

3.8 The impact of charges on a member's fund

All pension arrangements will apply charges to a member's account which cover items such as the cost of administering their account and the cost associated with the investments. As a member of the Scheme, the employer covers all the costs of running the Scheme, so the only charges are those related to the running of the investment funds. Most members in the Scheme are invested in the default option, the maximum charge for these funds is 0.261%. This is significantly lower than the maximum permitted charge for default funds of 0.75%. As member's fund growth can be significantly affected by the charges deducted over time, it's important that they understand how their fund at retirement can be impacted.

Additionally, in all DC pension schemes, a further layer of costs is incurred when contributions are invested. This is because investments involve transactions such as buying, selling, lending, and borrowing of investments - and all of these transactions incur costs. Transaction costs are payable by members in addition to the AMC and the additional fund expenses described above.

3.9 Default investment arrangement costs

The following tables show the estimated costs for the target date fund cohorts. This is based on the estimated cost of regular contributions and rebalancing events and the spread of the underlying portfolios, rolled up into the TDF. Please note that the figures and costs shown represent the worst-case level of costs (i.e., a full mid-offer spread) and the actual spreads experienced are typically lower. As most members of the Scheme are invested in the default arrangement an illustration is shown as follows.

Example:	
Annual salary	£32,200
Total contribution (from member and employer)	8%
Total investable contribution (per year)	£2,576
Average pot size	£32,560
Future Investment charges (based on rate applicable as at 31 March 2025)	0.253%-0.261% depending on age
Transaction costs associated with contributions	
Based on average Offer to Mid Spread of Target Date Funds as at 31 March 2025 including those that are incurred for single swinging priced funds prudently assuming that the swing is unfavourable for all such transactions	0.0100%
Transaction costs associated with ongoing investment management	
Based on average total transaction costs associated with investment management for the period 31.3.2021-31.3.2025 including rebalancing costs associated with trading between single swinging priced funds. In years where costs were negative (i.e., beneficial to members) these have been counted as zero for the purposes of these calculation.	0.0185%

The table below shows the potential impact over time of costs and charges borne by the Scheme's DC members on projected values over a range of ages.

Projected pension pot in today's money (as at 1 st April 2025)			
Years	Standard default arrangement		
	Accumulated contributions before investment returns, costs, and charges	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	2,576	35,991	35,897
3	7,806	43,194	42,876
5	13,140	50,872	50,279
10	26,951	72,322	70,784

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

15	41,466	97,365	94,439
20	56,721	126,512	121,650
25	72,754	160,348	152,870
30	89,606	199,536	188,599
35	107,317	238,786	223,749
40	125,931	274,594	255,123
43	137,553	292,662	270,567

Assumptions used

- Projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
- The starting pot size is assumed to be £32,560 at age 22 for a member retiring at age 65.
- Inflation is assumed to be 2.5% each year.
- Contributions are assumed to be paid at the beginning of each month from age 22 to 65 and increase in line with assumed earnings inflation of CPI plus 1.0% each year on the anniversary of the first contribution. Initial contribution level is assumed to be £215 per month.
- Values shown are estimates and are not guaranteed.
- Charges are based on a prudent historical average of charges (as a percentage of the fund invested) including all member borne charges and underlying transaction costs. This is likely to overestimate the impact of these costs and charges as it is likely they will fall through time as the size of the plan grows and provision of administration and investment services to the plan becomes more efficient. Furthermore, we note that the transaction costs incurred when buying and selling the TDF strategies has been included in this analysis, which is noted as an option for trustees and investment managers within the guidance provided by the DWP.
- The projected future growth rate, after all costs and charges have been deducted, for the default strategy is initially CPI + 3.5% up until 32 years before retirement reducing gradually to CPI + 0% at 2 years before retirement – based on the latest assumptions used to produce member SMPI illustrations as at 31 March 2025. These are in line with the targets set for the default strategies by the Trustee. For purposes of these illustrations these rates, gross of charges, have been capped at 2.5% plus estimated transaction costs in line with DWP guidance and for the period to 5 April 2020.
- The provision of these outcomes on behalf of members assumes the provision of investment services, as such the numbers shown for the accumulated fund allowing for investment returns but before the deduction of costs and charges is purely hypothetical and does not represent an achievable member outcome.
- In addition, the trustee is required to provide value for money to members and as such it would be inappropriate to assume that lower costs and charges would necessarily equate to better member outcomes i.e. that the assumed level of overall service to members, including the investment returns achieved, could be maintained at a lower cost.

3.9.2 Self-select Funds Illustration on impact of charges

The table below shows the potential impact over time of costs and charges borne by the Scheme's DC members on the lowest and highest charging funds, using the same member assumptions shown below.

Example:	
Annual salary	£32,200
Total contribution (from member and employer)	8%
Total investable contribution (per year)	£2,576
Average pot size	£32,560

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

Projected pension pot in today's money (as at 5th April 2024)				
Years	Most expensive fund: JPM Natural Resources		Least expensive fund: Aquila Connect Corporate Bond All Stocks	
	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges	Projected fund value before the deduction of costs and charges	Projected fund value after the deduction of costs and charges
1	£36,883	£36,350	£35,642	£35,614
3	£46,292	£44,430	£42,024	£41,930
5	£56,811	£53,219	£48,706	£48,533
10	£88,785	£78,672	£66,794	£66,365
15	£130,740	£109,898	£87,011	£86,227
20	£185,582	£148,074	£109,559	£108,305
25	£257,054	£194,607	£134,656	£132,799
30	£349,977	£251,186	£162,541	£159,928
35	£470,557	£319,833	£193,473	£189,925
40	£626,787	£402,972	£227,733	£223,047
43	£741,802	£460,996	£250,011	£244,533

- Projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation.
- The starting pot size is assumed to be £32,560 at age 22 for a member retiring at age 65.
- Inflation is assumed to be 2.5% each year.
- Contributions are assumed to be paid at the end of each month from age 22 to 65 and increase in line with assumed earnings inflation of CPI plus 1.0% each year on the anniversary of the first contribution. Initial contribution level is assumed to be £215 per month.
- Values shown are estimates and are not guaranteed.
- Charges are based on a prudent historical average of charges (as a percentage of the fund invested) including all member borne charges and underlying transaction costs. This is likely to overestimate the impact of these costs and charges as it is likely they will fall through time as the size of the plan grows and provision of administration and investment services to the plan becomes more efficient. Transaction costs incurred when buying and selling the self-select funds have not been included in this analysis.
- The projected future growth rate is assumed to be 7% p.a. for the JPM Natural Resources Fund. The TER applicable for the JPM Natural Resources Fund is 0.805% p.a. and the transaction costs are assumed to be 0.645% p.a. which is the average transaction cost over the 5 years to 5 April 2025.
- The projected future growth rate is assumed to be 4% p.a. for the Aquila Connect Corporate Bond All Stocks Fund. The TER applicable for the Aquila Connect Corporate Bond All Stocks Fund is 0.080% p.a. and the transaction costs are assumed to be 0.000% p.a. which is the average transaction cost of the fund since its inception within the Scheme in August 2024.
- Transaction costs for the self-select funds have been averaged over a 5 year period from 6 April 2020 to 5 April 2025. Fund's inception within that 5 year period have been assessed from the point of inception up until 5 April 2025. Where annual transaction costs are negative, they have been assumed to be zero.
- The provision of these outcomes on behalf of members assumes the provision of investment services, as such the numbers shown for the accumulated fund allowing for investment returns but before the deduction of costs and charges is purely hypothetical and does not represent an achievable member outcome.
- In addition, the trustee is required to provide value for money to members and as such it would be inappropriate to assume that lower costs and charges would necessarily equate to better member outcomes i.e. that the assumed level of overall service to members, including the investment returns achieved, could be maintained at a lower cost.

3.10 Transaction costs

Over a period of time, the charges and transaction costs that are taken out of a member's pensions savings can reduce the amount available to the member at retirement. Transaction costs have been obtained from the investment managers who invest money for the Trustee. For the Target Date Funds these are shown on the fourth page of this document and on the seventh to ninth pages for the self-select funds. Transaction costs can be positive or negative depending on how the market moves between arrival and execution and depends on the time period used.

Historical Fund performance information can be found on the fund factsheets for each of the available funds, the factsheets are available on the website at www.abfpensions.com/dc/investments. We also provide members under two years to normal retirement age with a personalised projection on their benefit statements each year.

3.11 Net Investment Returns

The DWP recommends that figures for net investment returns should be shown dating back at least 5 years and the Trustee has selected standard reporting periods of 1 year, 3 years, 5 years and added 10 years for clarity even though there is no data currently available for some of the funds reporting, as the inception date for these funds is less than 10 years ago.

The self-select fund is distinct from the underlying fund, with its own price and other fund specific details. However, the fund is fully invested in the underlying fund. The performance of the fund will not exactly match that of the underlying fund due to price swings, valuation timing or charges. Fund performance shown on page 10 is based on the unit prices calculated each day for the fund. Each fund has a single unit price, which means that on any given date, an investor will purchase units at the same price as an investor selling units.

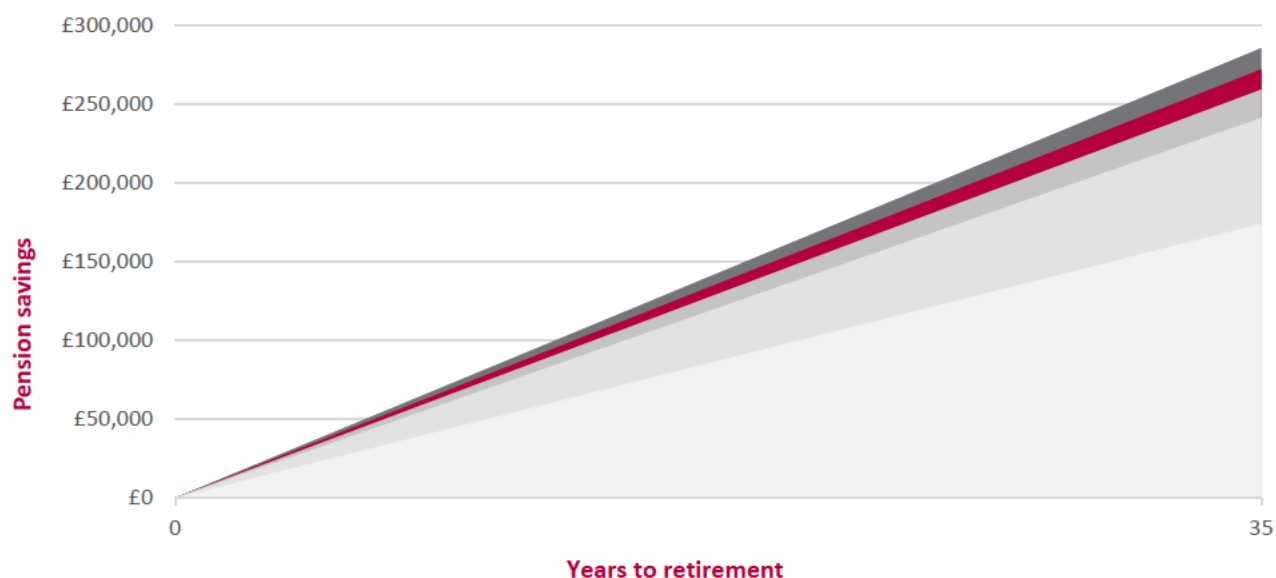
3.12 Value for Money Assessment

The Trustee is required to assess the extent to which member borne charges and transaction costs represent good value for members. It is difficult to give a precise legal definition of "good value," but the Trustee considers that it broadly means "that the combination of costs and the quality of what is provided in return for those costs is appropriate for the Scheme membership as a whole, when compared to other options available in the market." The Trustee reviews all member-borne charges (including transaction costs) annually, with the aim of ensuring that members are obtaining value for money given the circumstances of the year. The Trustee notes that value for money does not necessarily mean the lowest fee, and the overall quality of the service received has also been considered in this assessment. The Trustee's investment advisers have confirmed that the fund charges are competitive for the types of funds available to members. The Trustee's assessment included a review of the performance of the Scheme's investment funds (after all charges) in the context of their investment objectives. In carrying out the assessment, the Trustee also considers the other qualitative benefits members receive from the Scheme, which include:

- The oversight and governance of the Trustee – this ensures the Scheme is compliant with relevant legislation, such as the charge cap, holds regular meetings to monitor the Scheme and address any material issues that may impact members.
- The design of the default arrangement – this is structured to allow members' benefits to grow in order to provide benefits on the member's retirement.
- The range of investment options and strategies – the Trustee has provided an additional suite of funds to allow members to self-select their investment options.
- The quality of communications delivered to members – all communications to members has been provided in accordance with the regulatory requirements and written in a clear and concise manner so it is easily understood by the members.
- The quality of support services - the Scheme website provides members with online access to Scheme information and their fund values.
- The efficiency of administration processes - the administration process has met or exceeded its expected levels of standards for the Scheme year.

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

The chart below illustrates the impact of charges for a 30-year-old member who is paying £200 a month into the Scheme and is invested in the default fund option. In preparing the chart below, the Trustee had regard to how the level of charges incurred by the Scheme members in the default fund compare to those levied by National Employment Savings Trust (NEST).



Band 1 - no charge – the fund could be £285,890

Band 1 shows the potential fund at age 65 if no charges were deducted from the fund or contributions. Unfortunately, as all investment managers will make a charge for running the fund, this result is only provided for comparison purposes.

Band 2 - 0.2% charge – the fund could be £272,359

Band 2 shows the potential fund at age 65 for a member of the Scheme who is invested in the default TDF option. The Scheme does not deduct any charges from your contributions, so if you pay £100, then the full £100 is used to purchase units in your chosen investment fund.

Band 3 - 0.4% charge – the fund could be £259,534

Band 3 shows the potential fund at age 65 for the average charge for DC members.

Band 4 - 0.7% charge – the fund could be £241,539

Band 4 shows the potential fund at age 65 if a charge a little below the maximum charge of 0.75% that is permitted for a default fund is levied.

Band 5 - 2.1% charge – the fund could be £174,181

Band 5 shows the fund if a 2.1% charge was taken from total contributions. This is similar to the charge that we understand is currently levied by National Employment Savings Trust (NEST). According to NEST's March 2024 quarterly investment report, NEST will deduct 1.8% from each contribution paid, meaning that from £100, only £98.20 is used to purchase units. They then deduct a further investment charge of 0.3% on the fund.

The Trustee assessment of the extent to which the charges and transaction costs set out above represent good value for members relative to what members receive and to other comparable schemes and have concluded that members continue to receive excellent value.

This is demonstrated by the following:

- According to the DWP Pension Charges Survey 2020, the average member charge for Qualifying Workplace unbundled DC trust-based schemes (i.e., comparable to the Scheme) was 0.48% pa, whereas the maximum total expense ratio for the Scheme's default fund at the year-end was 0.261% pa.

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

- The maximum total expense ratio for the Scheme default fund is 0.261% per annum which we understand is much lower than the total charges for a member in the National Employment Savings Trust (NEST) who we understand currently incurs 2.1% in total charges according to NEST's March 2024 quarterly investment report.
- The TDFs are actively managed glidepaths using passive sleeves of assets and their investment performance since inception has ranged between 3.8% and 9.8% per annum which was above the relevant benchmark in all cases and ranged from 3.0% and 6.3% per annum in the current year.
- There are strict controls in place to ensure timely investment and accuracy of contributions as per our monitoring procedures in 2.1.
- The Employer meets all other costs of running the DC section e.g., administration and communications.

4. TRUSTEE KNOWLEDGE AND UNDERSTANDING

4.1 In order to run the Scheme effectively, the Trustee Directors are required to maintain appropriate levels of knowledge and understanding. Sections 247 and 248 of the Pensions Act 2004 require that each Trustee Director:

- is conversant with the trust deed and rules of the Scheme, the Scheme's Statement of Investment Principles and any other document recording policy for the time being adopted by the Trustee relating to the administration of the Scheme,
- has, to the degree that is appropriate for the purposes of enabling the individual to properly exercise his or her functions as a Trustee Director, knowledge and understanding of the law relating to pensions and trusts and the principles relating to investment of the assets of occupational pension schemes.

4.2 The Trustee has measures in place to comply with the requirement under Sections 247 & 248 of the Pensions Act 2004 regarding conversance and knowledge and understanding for the Scheme year ending 5 April 2025. Details of how the conversance and knowledge and understanding requirements have been met during the year covered by this statement are set out below.

4.3 The Trustee has a rolling program of training requirements to cover legislative changes, Scheme specific events, conversance with Scheme documentation and general pensions and trust law. During the Scheme year, each of the Trustee Directors attended training, examples of which included:

- Cyber Security and how cyber risk affect the Scheme and its members
- Competition Markets Authority (CMA) requirements
- Conflict of interest
- Data Audit Management
- Default Fund Review
- Effect of GMP to Scheme and membership
- Investment Fund Monitoring reporting
- Self- Select Fund range review
- General Information on financial markets
- Pension Regulators' guidance on equality, diversity and inclusion for Pension Schemes
- "The General Code "requirements

4.4 Trustee knowledge and understanding and training requirements are assessed through Trustee training by the Scheme Actuary and self-assessment questionnaires (produced and analysed by the Scheme's Investment and Actuarial adviser). The questionnaires are completed by Trustee Directors in September each year with the results discussed at the Q4 Trustee meeting. The questionnaire covered (amongst other areas):

- Contents of the Pensions Regulator's Codes of Practice
- Cyber Risk
- Competition Markets Authority (CMA) requirements
- Covenant assessment
- Effective System of Governance for the Scheme (ESOG)
- Pension Dashboard
- Pensions Regulator's guidance on equality, diversity & inclusion
- Regulators Powers

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

- 4.5 The Scheme Secretary used the output from the questionnaires to recommend appropriate additional individual and full board training requirements to supplement the rolling program of training sessions. Any additional training for the Trustee has already been included as part of the Trustee training program for the Scheme year. The Trustee is also encouraged to request training if required and the cost is met by the Scheme.
- 4.6 Trustee training was provided via regular training and update sessions provided by the Scheme Secretary and the Scheme's advisers. The sessions covered compliance with legal requirements, general pensions, and Scheme specific topics, developing a working knowledge of the Trust Deed and Rules and other key Scheme documents and specifically incorporated good practice in the DC Code and DC regulatory guidance.
- 4.7 To understand the specifics of the Scheme, Trustee Directors have access to all key Scheme documents, Trustee policies and key Scheme information. This includes the Trust Deed and Rules of the Scheme and the Statement of Investment Principles. The Trustee is legally required to have a working knowledge of these documents. All Trustee Directors are aware of the importance of these documents, and the documents are regularly covered in the context of Trustee training and the receipt of professional advice from the Trustee's appointed advisers legal, investment, actuarial and other advisers. In addition, the Trustee produces an annual Implementation Statement which sets out how the policies within the Statement of Investment Principles have been followed during the Scheme year.

The Scheme has a detailed induction / training process for new Trustee Directors run by the Scheme Secretary and strongly suggests completion of the Pension Regulator's Trustee Toolkit within 6 months of appointment. Kelly Brown was appointed as a new Trustee Director on 20 February 2025 with both Clair McGairy and Will Reckitt subsequently appointed on 22 May 2025. The Trustee Toolkit is an online learning programme from The Pensions Regulator aimed at helping new trustees of occupational pension schemes meet the minimum level of knowledge and understanding.

- 4.8 The Trustee believes that the combined knowledge and understanding of the Trustee, together with the advice which is available to it from its range of appointed professional advisers enables it to properly exercise its functions as Trustee. This is achieved by evaluating and identifying the risks critical to the Scheme and obtaining a clear understanding of the Scheme's operational procedures, applicable legal and regulatory requirements, investments, and communications. The Group Pensions Director is delegated to monitor the performance and effectiveness of the Board against the objectives of the Scheme's business plan and to raise any concerns with the Board as they arise. Additionally, the Scheme Investment Advisers report to the Board any concerns they may have with regard to either the investment strategy or underlying fund managers. These reviews are proactive and would include concerns not immediately obvious by way of performance, for instance change in staffing, structure, or culture at respective investment managers. The regular reviews also include consideration of potential future enhancements or changes to our strategies.
- 4.9 All Trustee training records are maintained by the Secretary to the Trustee and are updated quarterly following each Trustee Board meeting. The standards of practice adopted by the Trustee are in line with the DC code and regulatory guidance.
- 4.10 Taking into account the knowledge and experience of the Trustee Directors with the specialist advice (both in writing and whilst attending meetings) received from the appointed professional advisors (e.g., actuary, investment consultants, legal advisers), the Trustee Directors believe they are well placed to exercise their functions as Directors of the Scheme properly and effectively.

5. Chairman's Closing Remarks

I am pleased to confirm that all aspects of the Scheme have continued to be delivered to members and participating employers throughout the Scheme Year.

Following the Defined Contribution investment review, the Scheme successfully implemented three DC projects last year. These projects resulted in the disinvestment of Legacy AVCs with the majority transferring to the DC investment arrangements on the Mobius Life investment platform and successfully implementing changes to the self-select fund range and introduced private debt allocation into the Target Date Fund range (default investment strategy) enhancing the investment options given to members.

Trustee meetings have been held in accordance with the annual calendar defined in the Trustee Business Plan & Risk Register and DC quarterly fund value monitoring, value for money and cyber risk management have remained top of the Trustee agenda.

ANNUAL DC GOVERNANCE CHAIR STATEMENT (CONTINUED)

Finally, I am happy to confirm that the Scheme remains compliant and there are no concerns to raise with members.

Signed for and on behalf of Associated British Foods Pension Trustees Limited

A black rectangular box redacting the signature of the Chair.

Chair

22.8.2025

Date