GE Pension Plan

Annual statement of Governance by the Chair of the Trustee for the year to 31 March 2020

What is this Statement for?

It's important that you can feel confident that your savings in the Plan ("the Plan") are being looked after and give good value.

This Statement sets out how the Trustee has managed the Plan in the last year and what it aims to do in the coming year.

A copy of this Statement, together with other key Statements about how the Plan is managed are posted on-line at https://www.mygepension.com /chairs-statement.

What's in this Statement?

We've included information on the following areas in this Statement:

1 **How we manage your Plan** – who the Trustee are and what guides our decision making;

2 **Investment options** – what we have done to review the performance, strategy and suitability of the Plan's investment options, especially those used by our members who don't want to make an investment choice (known as the "default arrangement");

3 **Cost and charges** – what costs and charges you have paid in the last year and how these charges might impact the size of a typical member's savings in the Plan over time;

4 **Value for Members** - how the quality of the Plan's services which you pay for (including the investment returns on your savings) compare with other pension schemes.

5 **Administration** – how well the Plan has been administered including how promptly and accurately key transactions (such as the investment of your contributions) have been processed;

6 **Trustee knowledge** – what we as Trustee have done to maintain our level of knowledge and obtain the professional advice we need to look after the Plan for you; and

7 **Our plans for the next year** – what key actions the Trustee took in the last year and what we aim to do in the coming year to continue to improve the Plan for all our members.

What were the highlights from the last 12 months?

We can confirm to you that:

1 How we manage your Plan

Harshal Chaudhari and Stuart Bage were appointed as new Trustee Directors in December 2019, replacing Christoph Reimnitz and Matt Zakrzewski who ceased to be Trustee Directors in October and December 2019 respectively. Chris Clarke also ceased to be a Trustee Director on 31 March 2020 and was replaced by Scott Hodgson on 1 April 2020.

The Statement of Investment Principles, which sets out the Trustee's policies on how your contributions should be invested, was updated in September 2019 (and is currently undergoing further review in 2020) to reflect how the Trustee monitors fund managers, their performance and their position on environmental, social and governance issues.

2 Investment options

We completed an in-depth review of the Plan's default arrangement on 14 November 2019. We're satisfied that the default arrangement has performed in-line with our objectives and remains suitable for most of our members – see section 2 for more details. The next full review of the investment options will be carried out in 2022.

There were no changes to the investment options in the last year.

3 Costs and charges

You pay for the Plan's investment, administration and communications while the Company pay for part of the Plan's communications and all of the governance (i.e. the way in which the Plan is run).

We monitored the costs and charges going out of our members' pension pots during the last year:

The charges in the last year for the "default arrangement" were between 0.22% to 0.25% of the amount invested (or put another way £2.20 to £2.50 for every £1,000 invested) depending on how far our members were from their selected retirement age. Although your Plan is not subject to the "charge cap" for auto-enrolment required by the Government, these charges are well within the cap.

We have also looked at how the costs and charges taken out of a typical member's pension pot each year might affect its future size when they come to retire. As an example, for an average member aged 53, the level of charges and costs seen in the last year would reduce their projected pot value at retirement in today's money from around £40,000 to £39,000.

4 Value for Members

Each year we look at the costs and charges you pay as well as the range and quality of the services you pay for and see how they compare with similar pension schemes.

We found that the Plan gave good value in the last year. Over the next year, our main priority in order to make sure the Plan continues to offer good value for you will be to formally review your DC administration provider against other providers to ensure its charges and services remain competitive – see section 8 for more details.

5 Administration

We checked that the administration of the Plan was going smoothly at our quarterly meetings by reviewing reports and updates from your pension provider and administrator, Legal & General ("the Provider"), and found that:

- All the key financial transactions (e.g. the investment of your contributions and the processing of retirements) were processed promptly and accurately by the Provider; and
- The wider administration of the Plan was generally completed within the service standards we agreed with Legal & General except for on a few occasions.

The Covid-19 pandemic inevitably impacted the Plan between March and June 2020 while:

- the Provider arranged for most of its staff to work from home and dealt with increases in staff absences;
- the Provider's performance against service levels slipped slightly on some of the less critical processes while they dealt with this disruption, however they prioritised member requests such as retirements and transfers; and
- Trading in property funds was suspended because of the difficulty in fairly valuing properties and contributions were redirected to a cash fund, letters were sent to all members who were impacted by this.

We are comfortable that the crisis was generally handled well by the Provider and are confident that members were not adversely impacted in terms of the key transactions, and we continue to receive regular updates from the Provider on progress.

6 Trustee knowledge

It's important that we as a Trustee board keep our knowledge of pension and investment matters up to date and have access to sound professional advice.

Harshal Chaudhari and Stuart Bage became Trustee Directors in the last year and have been through a thorough training programme. During the last year the Trustee Directors attended training sessions on subjects such as Administration and Legal updates and checked our level of knowledge and understanding by carrying out regular assessments to confirm and identify any gaps – see section 6 for more details.

There have been no changes to the Trustee's advisers during the year. We regularly review our advisers and are comfortable that they continue to do a good job.

Hymans Robertson are the Plan's investment and DC adviser and Eversheds Sutherland are the Plan's legal advisers.

Overall, the Trustee believes that the Trustee Directors have the right skills and expertise together with access to good quality professional advice so that they can run your Plan properly.

7 Our plans for the next year

During the last year the Trustee:

- carried out a review of the default arrangement to ensure it remains suitable for you;
- reviewed their professional advisers to ensure they are receiving the best advice; and
- regularly assessed the fund fees, suitability and performance through input from the Plan's DC investment adviser

During the next year the Trustee will:

- continue to monitor Value for Members during the next 12 months;
- in particular, review our DC administration provider against other providers to ensure its charges and services remain competitive; and
- review the self-select fund range to ensure it remains suitable for you.

The remainder of this Statement provides you with more detail - please read on if you'd like to find out more about how we have managed your Plan in the last year.

We hope this Statement is of help to you planning for your future. If you have any questions, please contact the Plan Secretary on ge.secretarial@aon.com.

Introduction

Governance requirements apply to defined contribution ("DC") pension arrangements like the Plan, to help members achieve a good outcome from their pension savings. The Trustee is required to produce a yearly statement describing how these governance requirements have been met.

This Statement covers the period from 1 April 2019 to 31 March 2020.

For the record This Annual Statement regarding governance has been prepared in accordance with: Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (SI 1996/1715) as amended by the Occupational Pension Schemes (Charges and Governance) Regulations 2015 (SI 2015/879); and The Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 (SI 2018/233).

Name: Mark Elborne

Date: 29 September 2020

Chair of Trustee of the GE Pension Plan

1 How we manage your Plan

The Trustee of the Plan is GE Pension Trustees Limited, at 31 March 2020, the Trustee Directors of the Plan were:

Mark Elborne (Chair of Trustee); Martin Bath; Kerrie Rowland-Tew; Ian Chadwick; Jane Snelling; James Heenan; Stuart Bage: Harshal Chaudhari, and Chris Clarke.

Harshal Chaudhari and Stuart Bage were appointed as a new Trustee Directors in December 2019, replacing Christoph Reimnitz and Matt Zakrzewski who ceased to be Trustee Directors in October and December 2019 respectively. Chris Clarke also ceased to be a Trustee Director on 31 March 2020 and was replaced by Scott Hodgson on 1 April 2020

The Statement of Investment Principles sets out the Trustee's investment policies which the Trustee, with the help of their advisers, review at least every three years. The last review was carried out in September 2019 (and is currently undergoing further review in 2020) to reflect how the Trustee monitors fund managers, their performance and their position on environmental, social and governance issues.

2 Investment options

Default arrangement

The Plan's default arrangement, the GE AVC Lifestyle, is designed for members who join the Plan and do not choose an investment option. The Trustee is responsible for the governance of the default arrangement which includes setting and monitoring its investment strategy.

The Trustee decided that the default arrangement should be a lifestyle strategy, which means that our members' contributions are automatically moved between different funds as they approach their selected retirement date.

The main investment objectives for the default arrangement are in outline:

- to help facilitate good member outcomes at retirement;
- manage the principal investment risks members face during their membership of the Plan;

- maximise investment returns relative to inflation while taking an appropriate level of risk during membership of the Plan for the majority of members who do not make investment choices; and
- reflect members' likely benefit choices at retirement.

The Statement of Investment Principles covering the default arrangement is appended to this Statement. Please note that the Statement of Investment Principles covers all the Plan's defined contribution investments – the principles guiding the design of the default arrangement are set out on pages 3 to 4.

The Trustee believes that the default arrangement is appropriate for the majority of the Plan's members because:

- they have taken into account a number of factors including members' projected pot sizes at retirement, contribution levels, and the likely return on investment after the deduction of charges payable on the funds used by the default strategy;
- based on this analysis, the Trustee believes that most members will want to take their retirement benefits as cash, as members have saved their DC benefits in order to top up their defined benefit pension.

The Trustee regularly monitors the investment performance of the default arrangement and formally reviews both the investment performance against the default arrangement's objectives and the suitability of the investment strategy at least every three years.

A full review of the performance, strategy and suitability of the default arrangement was conducted on 14 November 2019. It is intended that the next full review will take place by November 2022 or immediately following any significant change in investment policy or the Plan's membership profile.

Following the November 2019 review, the Trustee was satisfied that the default arrangement performance and strategy are consistent with its objectives and that the default arrangement remains appropriate for the majority of the Plan's members because:

- Its investment performance has been consistent with its investment objectives;
- Its design continues to meet its principal investment objectives;
- The demographic profile of the membership has not changed materially; and
- Members' needs and likely benefit choices at retirement have not changed materially.

As a result, there were no changes to the default arrangement as a result of this review.

3 Costs and charges

The charges and costs borne by members and/or the Company for the Plan's services are:

Service	By members	Shared	By the Company
Investment management	✓		
Investment transactions	✓		
Administration	✓		
Governance			✓
Communications		✓	

The presentation of the charges and costs, together with the projections of the impact of charges and costs, takes into account the statutory guidance issued by the Department for Work and Pensions.

Charges

The charges quoted in this Statement are the funds' Total Expense Ratios ("TERs"). The TER consists of a fund's Annual Management Charge ("AMC") and Operating Costs and Expenses ("OCE"). OCEs include, for example, the fund's custodian costs. While the AMC is usually fixed, the OCE, and hence the TER, can vary slightly from day to day.

The investment based charges borne by members include 0.12% p.a. towards the costs of the Plan's administration.

Transaction costs

The funds' transaction costs are in addition to the funds' TERs and can arise when:

- The fund manager buys or sells part of a fund's portfolio of assets; or
- The platform provider or fund manager buys or sells units in an underlying fund.

Transaction costs vary from day to day depending on where each fund is invested and stock market conditions at the time. Transaction costs can include custodian fees on trades, stockbroker commissions and stamp duty (or other withholding taxes).

Transaction costs are deducted before the funds' unit prices are calculated. This means that transaction costs are not readily visible, but these costs will be reflected in a fund's investment performance.

The Financial Conduct Authority ("FCA") requires fund managers and providers to calculate transaction costs using the "slippage method", which compares the value of assets immediately before and after a transaction has taken place. This can give rise to negative transaction costs where favourable stock market movements during a transaction offset the rest of the trading costs (such as stockbroker commission).

The transaction costs shown here do not include any costs members may incur from time to time when buying or selling units in the provider's funds caused by the fund manager's unit price for a fund moving from a "bid" to "offer" basis (or vice versa) or any other "dilution levy" when units in that fund are bought or sold to protect the value of the fund for other investors.

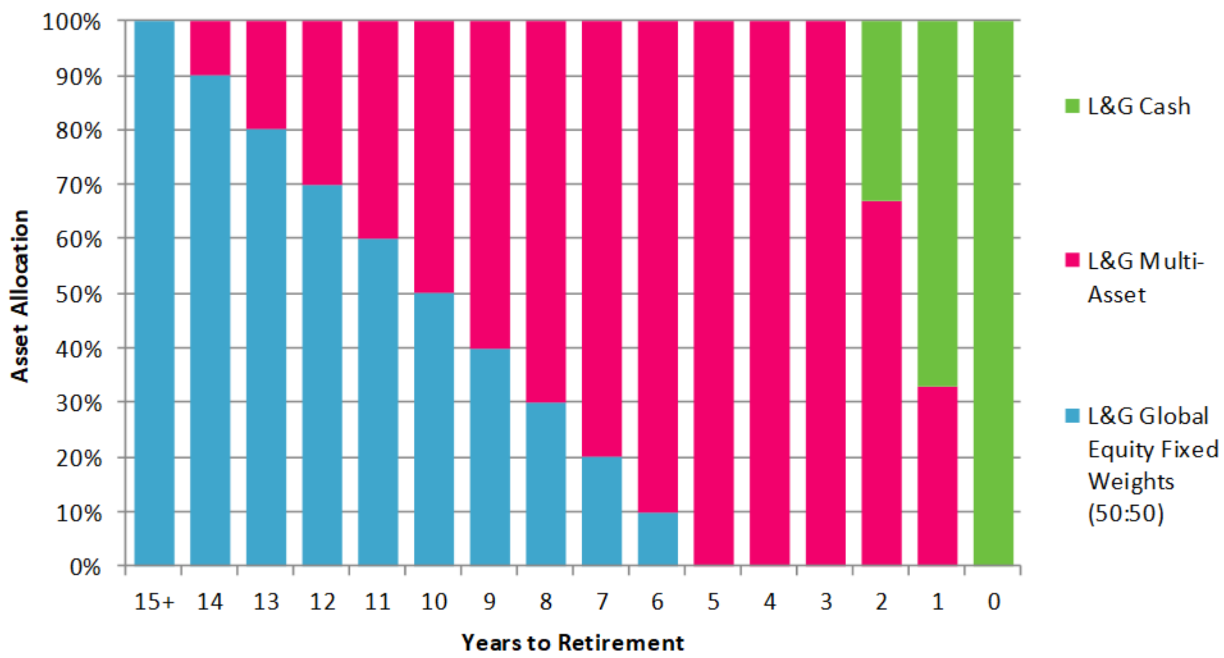
Member-borne charges and transaction costs

The charges and transaction costs have been supplied by the Plan's provider, Legal & General.

Default arrangement

The default arrangement is a "lifestyle strategy" which invests contributions in funds according to how far each member is from their selected retirement date. This means that the level of charges and transaction costs borne by members can vary from year to year depending on how close members are to their selected retirement age and in which fund they are invested at that time.

Default arrangement charges and transaction costs



During the year covered by this Statement the member-borne charges for the default arrangement were in a range from 0.22% to 0.25% of the amount invested or, put another way, in a range from £2.20 to £2.50 per £1,000 invested.

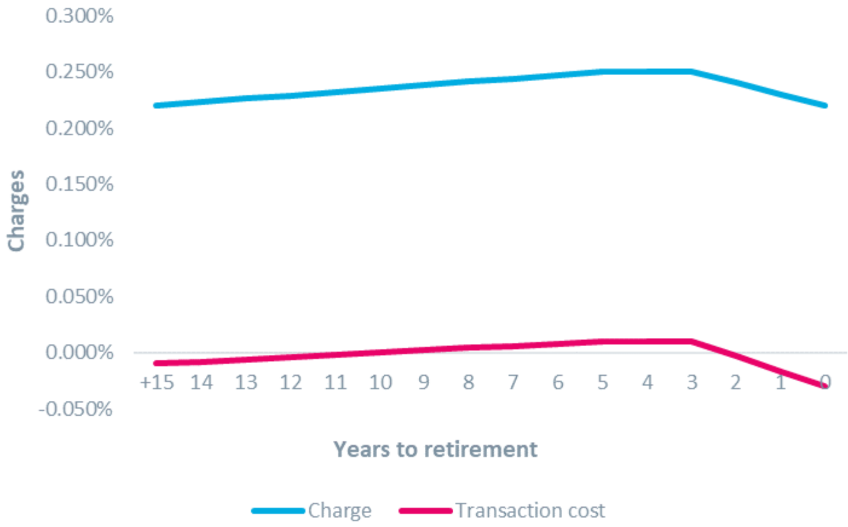
The transaction costs borne by members in the default arrangement during the year were in a range from a cost of 0.01% to a saving of 0.03% of the amount invested or, put another way, in a range from a cost of £0.10 to a saving of £0.30 per £1,000 invested.

The member borne charges in the default arrangement vary gradually over the course of a member's journey to retirement, the table below shows the charges and transactions costs at set points in the lead up to retirement. For the period covered by this Statement, the annualised charges and transaction costs are:

Period to retirement	**Charge**		**Transaction costs/ (saving)**	
	% p.a.	**£ per £1,000**	**% p.a.**	**£ per £1,000**
Up to 15 years	0.220%	£2.20	(0.01%)	(£0.10)
10 years	0.235%	£2.35	0.00%	£0.00
5 years	0.250%	£2.50	0.01%	£0.10
At retirement	0.220%	£2.20	(0.03%)	(£0.30)

Source: Legal & General

The following chart also shows graphically how these charges vary from year to year:



The average charge for the default arrangement over a 40 year saving period was 0.23%.

The table below, and in Appendix 2a, gives the charges and transaction costs for each fund used by the default arrangement.

The Plan is not a qualifying scheme for auto-enrolment purposes and so the default arrangement is not subject to the charge cap. However, the charges are still well within the charge cap.

Charges and transaction costs for the investment options outside the default arrangement

In addition to the default arrangement, our members also have the option to invest in 13 self-select funds.

Self-select funds

During the year the charges for the self-select funds were in a range from 0.20% to 1.03% of the amount invested or, put another way, in a range from £2.00 to £10.30 per £1,000 invested.

The transaction costs borne by members in the self-select funds during the year were in a range from a cost of 0.13% to a saving of 0.38% of the amount invested or, put another way, in a range from a cost of £1.30 to a saving of £3.80 per £1,000 invested.

The level of charges for each self-select fund (including those used in the default arrangement) and the transaction costs over the period covered by this Statement are:

Fund	**Charge**		**Transaction cost/(saving)**	
	% p.a.	**£ per £1,000**	**% p.a.**	**£ per £1,000**
L&G (PMC) Global Equity Fixed Weights (50:50) Index Fund 3	**0.22%**	**£2.20**	**(0.01%)**	**(£0.10)**
L&G (PMC) World (Ex-UK) Equity Index Fund 3	0.24%	£2.40	(0.01%)	(£0.10)
L&G (PMC) World Emerging Markets Equity Index Fund 3	0.37%	£3.70	0.02%	£0.20
L&G (PMC) UK Equity Index Fund 3	0.22%	£2.20	(0.02%)	(£0.20)
L&G (PMC) Ethical Global Equity Index Fund 3	0.42%	£4.20	0.01%	£0.10

L&G (PMC) Multi-Asset Fund 3	**0.25%**	**£2.50**	**0.01%**	**£0.10**
L&G (PMC) Property Fund 3	1.03%	£10.30	(0.50%)	(£5.00)
L&G (PMC) Pre-Retirement Inflation Linked Fund 3	0.25%	£2.50	0.01%	£0.10
L&G (PMC) AAA-AA-A Corporate Bond All Stocks Index Fund 3	0.24%	£2.40	(0.02%)	(£0.20)
L&G (PMC) Over 15 Year Gilts Index Fund 3	0.20%	£2.00	(0.01%)	(£0.10)
L&G (PMC) Over 5 Year Index Linked Gilts Index Fund 3	0.20%	£2.00	0.03%	£0.30
L&G (PMC) Cash Fund 3	**0.22%**	**£2.20**	**(0.05%)**	**(£0.50)**
L&G (PMC) HSBC Islamic Global Equity Index Fund 3	0.47%	£4.70	0.13%	£1.30

Source: Legal & General

Additional Voluntary Contributions ("AVCs")

The Plan offers members in the defined benefit section a choice of the same range of funds for their AVCs as for their other defined contribution benefits. The costs and transactions charges are therefore the same as those above and set out in Appendix 2b.

Impact of costs and charges - illustration of charges and transaction costs

The Trustee have asked the Plan's provider (Legal & General) to illustrate the impact over time of the costs and charges borne by members.

These illustrations show projected fund values in today's money before and after costs and charges for typical members aged 35 and 53, at stages up to retirement

The illustrations are included in Appendix 3 to this Statement and show these figures for the funds below, together with a note of the assumptions used in calculating these illustrations:

- The default arrangement; as well as 4 funds from the Plan's self-select fund range:
- The fund used by the greatest number of members and with some of the lowest annual member borne costs – the L&G (PMC) Cash Fund 3
- The fund with highest annual member borne costs –the L&G (PMC) Property Fund 3
- The second most popular, by value of assets invested, and one of the highest risk funds – the L&G (PMC) Global Equity Fixed Weights (50:50) Index Fund 3
- One of the most popular funds - L&G (PMC) Multi-Asset Fund 3.

The "before costs" figures represent the projection of the value of a member's pension savings assuming an investment return with no deduction of member borne fees or transaction costs. The "after costs" figures represent the projection using the same assumed investment return but after deducting member borne fees and an allowance for transaction costs.

As an example, for a 35 year old member in the default arrangement with pension savings of £20,000 now, the level of charges and costs seen in the last year would reduce their projected pot value at retirement in today's money from £74,337 to £70,268.

Notes on illustrations

- These illustrated values are not guaranteed and may not prove to be a good indication of how your own savings might grow;
- The transaction cost figures used in the illustrations are based on the average yearly costs incurred, measured over a period of up to the last five years.
- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.

Further notes on the illustrations, along with the assumptions used, are contained within the illustrations in Appendix 3.

4 Value for Members

Each year, with the help of our advisers, the Trustee reviews the charges and transaction costs for the default arrangement and other investment options, which are borne in full or in part by members, and carries out an assessment of whether they represent good Value for Members. Value is not simply about low cost – the Trustee also considers the quality and scope of provision (for example the quality of administration and the communications provided) compared against similar schemes and available external benchmarks.

Approach

The Trustee adopted the following approach to assessing Value for Members in the year ending 31 March 2020:

- **Services** – considered the investment management, administration and communication services where members bear or share the costs;
- **Outcomes** – weighted each service according to its likely impact on outcomes for members at retirement and the value the Trustee thinks members will place on each;
- **Comparison** – the cost and quality of each service were compared against similar schemes and available external comparisons;
- **Rating** – each service was rated on the basis outlined in the following section.

Results for the Year ending 31 March 2020

The Trustee, in conjunction with our advisers, concluded that the Plan gave **Good** Value for Members in the year ending 31 March 2020. The Trustee also decided that the Plan gave **Good** Overall Value for Money (a wider rating of value including aspects paid for by the Company) in the year ending 31 March 2020.

The ratings and weightings used for the assessment were:

Definition	Rating
The Trustee considers the Plan offers excellent value for members, providing services within a top 20% quality/cost range compared with typical options for similar Plans.	Excellent
The Trustee considers the Plan offers good value for members, providing services at better quality/cost compared with typical options for similar Plans.	Good
The Trustee considers the Plan offers average value for members, providing similar services at similar quality/cost compared with typical options for similar Plans.	Average

The Trustee considers the Plan offers below average value for members, providing similar services at higher cost or more limited services for similar cost compared with typical options for similar Plans.	Below average
The Trustee considers the Plan offers poor value for members providing services, within the bottom 20% quality/cost range compared with typical options for similar Plans.	Poor

Rating rationale

The rationale for the rating of each service was in outline:

Value for Money Service and weighting [(Overall Value for Money weightings)]	Rating	Rationale
Investment **65% (62.5%)**	**Good**	The Plan's default arrangement is a "lifestyle" strategy that changes the assets in which members are invested through their pension savings journey and which de-risks as they approach retirement. The charges for the Plan's default arrangement move from 0.22% (during the growth phase), to 0.25% (during the consolidation phase) to 0.22% (at the end of the de-risking phase). Over a 40 year saving period the average charge is 0.23% p.a. The Trustee notes that this compares well to the DWP pensions survey average charge of 0.61% p.a. for a trust based non-qualifying Plan with more than 1,000 members and is reasonable compared to the Hymans Robertson client average of 0.24% to 0.47% for a default offered by peer Plans. The transaction costs for the Plan's funds range from -0.38% to 0.03%. Whilst little comparative information is currently available, the Trustees believe this range is reasonable for the type of funds offered to members. The Trustee also provides 13 funds for the membership to self-select. The Trustee considers that this is a suitable range of self-select funds given membership characteristics. Performance for most funds remains competitive against respective benchmarks (after fees). The Trustee and their DC investment advisor continue to monitor charges and the Trustee receives bi-annual detailed investment reports. The Trustee is satisfied that the investment options are suitable for the Plan's membership because they carried out a review of the default investment strategy in November 2019, which included analysis of membership demographics and pot sizes.

		The Statement of Investment Principles was last reviewed in October 2019, when changes reflecting the Trustee's policy on responsible investment were documented.
Administration **10% (7.5%)**	**Average**	There is efficient processing of core financial transactions, good record keeping, and the Plan provides suitable quality administration support at an appropriate cost. This ensures members are informed about the Plan and their instructions are carried out within appropriate timeframes. Quarterly reports are produced for the Trustee, detailing performance against the service level agreements and to support the Plan's governance. These showed that the Provider met their service level agreements for core financial transactions on all occasions but missed these on other processes on a number of occasions. The Provider has taken steps to rectify this and the Trustee is monitoring the situation. Over the course of the year there were 2 complaints from members, which the Trustee considers to be low, considering the size of the membership. Both complaints were recorded as non-reportable which simply means resolution was sought within 3 working days following receipt of the complaint. Owing to the national lockdown in response the global Covid-19 pandemic, the Plan's provider moved their contact centre and administration teams to home working. There was some slight disruption while this was achieved, with contact centres closing briefly, however they recovered from this quickly. They have not altered their service levels in response to this change, choosing instead to prioritise member requests such as retirements and transfers over less critical requests, such as change of address, and allowing service levels to slip on these less critical processes. The Trustee is comfortable that the crisis was generally handled well by Legal & General and is receiving regular updates from their adviser on progress. Administration at retirement has been improved to avoid delays in processing members' benefits. A leaver notification form gives the administration team advance notice of leavers and AVCs are disinvested ahead of the retirement date to speed up the end process, although members can opt out of this if they wish.
Communication **25% (22.5%)**	**Good**	Members pay for communications provided by Legal & General through the annual management charge, these are limited to annual benefit statements and communications at retirement and are of a similar quality or better to typical communications for similar schemes. The Company communications are managed in partnership with the Trustee and the employer, GE. This allows the Trustee to fulfil its obligations whilst giving easier access to active members. GE offers fully-funded pre-retirement seminars to all members and their spouses, and releases communications at appropriate

		times, such as the tax year end and the flexible benefits enrolment window, to encourage engagement and informed decision making. The Trustee has received feedback from members to say that the pre-retirement seminars are of good quality, provide value to members in their retirement decision making process and that it is helpful that they are inclusive of spouses. These seminars also cover matters outside of pension, but which can be influential in terms of determining expected expenditure in retirement, such as tax, health and travel costs. A Company website is available to members and provides a range of appropriate guides, modelling tools and other relevant information for those building their pension or those nearing retirement. All core communications provided by the Company, (including a member guide, newsletters and summary funding statements) comply with the Plain English Campaign's Crystal Mark standard

Governance and Plan management is not included in the Value for Members assessment as it is paid for by the Company, but it can be included in the Overall Value for Money assessment.

Service and weighting	Rating	Rationale
Governance (7.5%)	Good	The Trustee govern the Plan to a high standard. The Plan is subject to supervision by the Pensions Regulator, who has been satisfied with their standards of governance, including the business continuity planning and Board resilience in the face of the pandemic situation. The Trustee met four times during the last year and reviewed their own and their advisers' effectiveness during the year.

5 Administration

The Trustee appointed Legal & General (the provider) to administer the Plan on their behalf.

The Trustee monitored core financial transactions during the year including (but not limited to):

- The receipt and investment of contributions (including inward transfers of funds);
- Switches between investment options; and
- Payments of benefits (including retirements and outward transfers of funds).

The Trustee has a Service Level Agreement in place with the provider, which covers the accuracy and timeliness of all core financial transactions as well as other processes such as:

- The investment of contributions;
- Switching investment options
- Providing quotations of benefits to members who are retiring or leaving the Plan;
- Payments of benefits;

- Producing annual benefit statements; and
- Responding to ad hoc enquiries from members.

The provider aims to complete 95% of its administration work and core financial transactions within these service levels.

The Trustee understands that the provider monitors its performance against these service levels by:

- Monitoring daily (by at least two individuals) investment and banking transactions;
- Daily monitoring of bank accounts;
- Monitoring daily workflow items;
- Regular internal audits of administration procedures;
- A dedicated contribution processing team; and
- Reviewing the level, causes and resolution of complaints.

The Trustee monitored the accurate and timely processing of core financial transactions, and administration service levels, and ensured no issues arose during the year by:

- Checking that contributions deducted from members' earnings have been paid promptly to the Plan by the Company;
- Receiving quarterly reports from the provider on the processing of financial transactions and other administration processes against the agreed service levels;
- Considering the reasons for and resolution of any breaches of service standards; and
- Considering member feedback including any complaints.

The Provider has confirmed to the Trustee that there are adequate internal controls to ensure that core financial transactions relating to the Plan are processed promptly and accurately.

The Trustee is satisfied that the service standards are competitive because:

- The Trustee conducted a review of the provider in 2016, when they were found to be competitive with other providers.
- Feedback from the Plan's advisers suggests that the standards compare competitively with other possible options

The Trustee has asked their advisers to formally compare service levels against other similar providers next year as part of the formal review.

Overall, the Trustee is satisfied that during the year:

- Core financial transactions were processed accurately, promptly and efficiently;
- There were no material administration errors in relation to processing core financial transactions; and

The Trustee identified the following issue with the administration service levels during the year:

- Over the 12 month period, the provider achieved an average performance against service levels of 78%, which is below the target service level of 95% and is below average compared to the DC market.

The provider has provided assurance to the Trustee that they have taken appropriate steps to improve this performance level through a concerted effort in the second half of 2019 and implementation of a recovery plan for certain areas and processes. They have invested heavily in improving standards, including recruiting more staff and the introduction and integration of automation, robotics and straight through processing solutions. The service levels for core financial transactions were met on all occasions, The Trustee receives updates on administration performance, including any improvement or deterioration, on a quarterly basis to allow them to monitor this.

Owing to the national lockdown in response the global Covid-19 pandemic, the Plan's provider moved their contact centre and administration teams to home working. There was some slight disruption while this was achieved, with contact centres closing briefly, however they recovered from this quickly. They have not altered their service levels in response to this change, choosing instead to prioritise member requests such as retirements and transfers over less critical requests, such as change of address, and allowing SLAs to slip on these less critical processes. The Trustee is comfortable that the crisis was generally handled well by Legal & General and are receiving regular updates from their adviser on progress.

Security of assets

The situation regarding the security of where pension contributions are invested is complex. It can vary from scheme to scheme and from fund to fund within each scheme. To date there have only been a few instances where members of plans such as ours have seen their benefits reduced as a result of a financial failure of a provider or fund manager.

The funds are provided through a policy of insurance issued to the Trustee by Legal and General Assurance Society Limited. As a result, the value of the funds may be affected in the event of Legal & General getting into financial difficulties.

The Plan's DC and AVC assets held under the policy with Legal and General Assurance Society Limited are covered by the Financial Services Compensation Scheme ("FSCS") in the event of Legal and General Assurance Society Limited getting into financial difficulties. However, losses would not be covered by the FSCS if the fund managers used by Legal & General get into financial difficulties.

The Trustee will continue to keep this under review. The Trustee takes the security of assets into account when selecting and monitoring the funds used by the Plan.

6 Trustee knowledge

The Plan's Trustee is required to maintain appropriate levels of knowledge and understanding to run the Plan effectively. Sections 247 and 248 of the Pensions Act 2004 require that the Trustee must:

- Be conversant with the Trust Deed and Rules of the Plan, the Plan's Statement of Investment Principles, the Plan's Statement of Funding Principles and any other document recording policy for the time being adopted by the Trustee relating to the administration of the Plan generally,
- Have, to the degree that is appropriate for the purposes of enabling the individual to exercise his or her functions properly as a Trustee Director, knowledge and understanding of the law relating to pensions and trusts and the principles relating to funding and investment of the assets of occupational pension schemes.

The Trustee has measures in place to comply with the legal and regulatory requirements regarding knowledge and understanding of relevant matters, including investment, pension and trust law. Details of how the knowledge and understanding requirements have been met during the period covered by this Statement are set out below.

The Trustee's current practices to maintain and develop their level of knowledge and understanding of matters relating to the Plan are:

- there is an induction process for newly appointed Trustee Directors, who are asked to complete the Pensions Regulator's "Trustee Toolkit", which is a free online learning programme aimed at Trustees of occupational pension schemes and is designed to help Trustees meet the minimum level of knowledge and understanding required by law. Trustee Directors appointed during the Plan year completed this and also received bespoke training from each of the Plan's legal, actuarial and investment advisers. They are also provided access to the Plan documentation which they are encouraged to read;

- the Plan's governing documentation was consolidated and re-written with a "plain English" approach in 2016 to assist the Trustee in maintaining a good working knowledge of the Plan's Trust Deed and Rules. The Trustee receives training when they are amended or updated and refers to the Deed and Rules in relation to all decisions in relation to the Plan. By way of example, the Trustee referred to them this year to confirm members' right to take their AVC benefits as tax free cash;
- the Plan's investment advisers provide training to ensure that the Trustee has a working knowledge of the Plan's Statement of Investment Principles as well as funding and investment principles (including the investment concepts relevant to the Plan). The Statement of Investment Principles was formally reviewed by the Trustee following its update in 2019;
- the Plan's legal advisers provide regular training to ensure that the Trustee has a working knowledge of the law and legislation relating to pension schemes, the Trustee's current policies and the Plan's governing documentation;
- the Trustee is encouraged to undertake further study and qualifications which support their work as Trustee Directors;
- the Trustee has a plan in place for ongoing training appropriate to their duties;
- the effectiveness of these practices and the training received are reviewed at least quarterly;
- the Trustee carries out regular assessments to confirm and identify any gaps in their knowledge and skills;
- The Trustee also receive quarterly "hot topics" from their adviser covering technical and legislative/regulatory changes affecting defined contribution (and additional voluntary contribution) schemes in general; and
- a weekly horizon scanning document is available for Trustee directors which lists upcoming legal and regulatory developments by sub-committee relevance.

The Trustee, with the help of its advisers, regularly considers training requirements to identify any knowledge gaps. The Trustee's investment advisers raise any changes in governance requirements and other relevant matters as they become aware of them, by updates at quarterly meetings or by sending articles and updates of relevance. The Trustee's advisers typically deliver training on such matters at Trustee meetings if they are material.

All of the Trustee Directors have access to copies of and are familiar with the current governing documentation for the Plan, including the Trust Deed & Rules (together with any amendments) and Statement of Investment Principles ("SIP"). The Trustee refers to the Trust Deed and Rules as part of deciding to make any changes to the Plan, and the SIP is formally reviewed at least every three years and as part of making any change to the Plan's investments.

A training log is maintained in line with best practice and the training programme is reviewed quarterly to ensure it is up to date.

In addition to the training set out above, the Trustee are encouraged to attend external training courses and a monthly schedule of opportunities is distributed on a monthly basis. The Trustee are asked to update their training logs on a quarterly basis and are asked to complete a Knowledge and Understanding questionnaire on an annual basis in order to identify gaps of knowledge within the Trustee Board.

During the period covered by this Statement, the Trustee received training on the following topics:

Date	Topic	Aim/benefit	Trainer
30 April 2019	GEPP Investment Strategy review	To provide the Trustee with adequate background knowledge of the principles of setting investment strategy to allow them to carry out a review of the Plan.	Aon Investment
30 April 2019	Covenant Update	The Trustee was updated on the covenant of the sponsoring employer which allows them to make informed decisions about the Plan's funding and future security.	WTW Covenant
30 April 2019	Administration	Update the Trustee on the Scheme Profile. Benefits the Trustee as they are more aware of Scheme membership.	WTW Admin
23 October 2019	TPR Relationship Supervision	The Trustee received training on what TPR supervision is, what it means for the Trustee and the Plan and how they might manage and plan for future changes in regulations. This benefitted the Trustee by allowing them to comply with and make the most of the supervisory relationship with TPR.	Gareth Boyd Steve Hull Brenda Capel
23 October 2019	Introduction to Relationship Supervision by the Pensions Regulator	TPR provided an update to the Trustee on supervision in order to aid the Trustee in understanding supervision to help them to comply with and make the most of it.	Mike Burton Claire Lachlan
23 October 2019	Legal	The Trustee were given an update on recent Pensions Ombudsman cases, which benefits them by giving them awareness of potential issues which could result in the involvement of the Ombudsman and the actions they could take to avoid these.	Eversheds Sutherland
Quarterly	Legal training	The Plan's legal advisers provide training and updates to the Trustee at each Board meeting, which increases the Trustee's understanding of legal matters concerning the Plan including a working knowledge of the Plan's Trust Deed and Rules.	Eversheds Sutherland

Quarterly	DC update	The Plan's DC advisers provide updates to the Trustee at each Board meeting on developments in the DC market and regulatory and legislative changes, which increases the Trustee's understanding of DC pensions and requirements and helps them to effectively manage the Plan's DC benefits.	Hymans Robertson

The Trustee has appointed suitably qualified and experienced actuaries, legal advisers, investment consultants and DC consultants to provide advice on the operation of the Plan in accordance with its Trust Deed and Rules, legislation and regulatory guidance.

The Trustee review the effectiveness of its advisers annually and provides feedback to the advisers, and periodically reviews the appointment of its advisers.

The Trustee undertook the following reviews during the last year:

Date	Review of
Q3 2019	The practices to maintain and develop Trustee knowledge and understanding
Q3 2019	The effectiveness of the training programme and training for the coming year
Q3 2019	Assessments to identify any gaps in the Trustee' knowledge and skills
Q4 2019	Assessed the overall effectiveness of the Trustee Board against the objectives of the Plan's business plan
Q4 2019	Formal review of legal advisers
Q1 2020	Effectiveness of advisers

The Trustee is satisfied that during the last year they have:

a) Taken effective steps to maintain and develop their knowledge and understanding; and

b) Ensured they received suitable advice.

The Trustee is satisfied that the combination of their knowledge and understanding together with access to suitable advice enabled them to properly exercise their duties during period covered by this Statement.

7 Our plans for the next year

During the Plan year ending 31 March 2020 the Trustee undertook the following (over and above "business as usual"):

- Improved Value for Members by:
    - Reviewing the Plan's default strategy to ensure it remains suitable for the membership and provides good Value for Members
- Arranged for the publication of this Statement, together with the Statement of Investment Principles in a publicly searchable location on the internet with a note of this location in the annual benefit statements;
- Updated the Statement of Investment Principles to reflect the September 2018 Regulations on Responsible Investment which came into force on 1 October 2019.

In the coming Plan year (which will be covered by the next Statement), the Trustee intends to carry out the following:

- Improve Value for Members by:
  - reviewing their DC administration provider against other providers through a competitive tender process to ensure its charges and services remain competitive; and
  - reviewing the self-select fund range to ensure they remain suitable for the Plan's membership.

The Trustee believes that this work will help you get the best out of our Plan.

Information

The Trustee is satisfied that it has obtained full information on charges and transaction costs.

The Trustee notes the following limitations:

- At this time, limited data is available on industry-wide comparisons of pension schemes and has relied heavily on the market knowledge of its advisers; and
- There is limited transaction costs data available to provide industry-wide comparisons.

The Trustee understands that these issues currently affect many pension schemes and pension providers. The amount of comparative information available should improve over the next few years.

GE Pension Plan

Statement of Investment Principles for the DC Section of the Plan

Introduction

The law requires the Trustee Directors to a produce formal “Statement of Investment Principles” for the Plan’s default arrangement and its other investment options. These Statements set out what the Trustee Directors aim to achieve with the investment options and its investment policies which guide how members’ money is invested.

This document is a compendium of the Statements of Investment Principles for the DC Section of the GE Pension Plan (the “Plan”). These Statements must cover a number of technical points to comply with legislation as well as meet the expectations of the Pensions Regulator and needs of the Plan’s Auditors which, as far as possible, are shown separately in “for the record” boxes.

The Trustee Directors will publish the Statements of Investment Principles from 1 October 2019 and a statement each year from 1 October 2020 describing how these Statements have been followed in the last year.

Statements of Investment Principles

The Trustee Directors’ Statements of Investment Principles for the DC Section contained in this document include the:

1 Statement of the aims and objectives for the default arrangement*;

2 Statement of the aims and objectives for investment options outside the default arrangement*; and

3 Statement of investment beliefs, risks and policies**.

The Statement of Investment Principles for the Plan ** comprises items 1, 2 and 3. The Statement of Investment Principles for the Plan’s default arrangement *** comprises items 1 and 3.

Appendices

A. Investment implementation for the default arrangement;

B. Investment implementation for the investment options outside the default arrangement;

C. Summary of the approach to investment governance; and

D. Summary of the Plan’s service providers.

For the record

* In accordance with Regulation 2A(1) of the Occupational Pension Schemes (Investment) Regulations 2005.

** In accordance with Regulation 2 of the Occupational Pension Schemes (Investment) Regulations 2005 as modified by subsequent Regulations and section 35 of the 1995 Act.

*** As required by the Occupational Pension Schemes (Charges and Governance) Regulations 2015

The Trustee Directors have taken proper written advice and consulted the principal sponsor of the Scheme (GEH Holdings) in the preparation of these Statements of investment Principles. These Statements will be reviewed by the Trustee Directors at least every three years or more frequently as required by the Regulations.

For and on behalf of the Trustee Directors of the Plan

Name	Signed	Date
Mark Elborne	*ME*	29 September 2020

1 Statement of the aims and objectives for the default arrangement

Reasons for the Default Arrangement

As the holdings in the Plan's DC and AVC arrangements are not designated as qualifying workplace pension schemes, there is no requirement to have a default arrangement in place.

However, in order to assist members who do not feel they are able to or wish to select funds in which to invest their pension contributions, the Trustee Directors have put in place a "lifestyle" arrangement as a default option for members. The lifestyle arrangement invests member contributions in accordance with a pre-determined asset allocation that aims to provide long-term growth with automatic switching taking place as the member approaches retirement. The Trustee Directors consider that this lifestyle arrangement is appropriate as a default option for Plan members.

The Trustee Directors have decided that the Plan should have a default investment arrangement because:

- It should be easy to become a member of the Plan and start building retirement benefits without the need to make any investment decisions; and
- A majority of the Plan's members are expected to have broadly similar investment needs.

Choosing the default arrangement

The Trustee Directors believe that understanding the Plan's membership is essential to designing and maintaining a default arrangement which meets the needs of the majority of members.

The Trustee Directors have taken into account a number of aspects of the Plan's membership including:

- The members' ages and salary profiles;
- The likely sizes of members' DC pension funds at retirement; and
- Members' likely benefit choices at and into retirement.

Objectives for the default arrangement

The main objective of the default arrangement is to provide good member outcomes at retirement by providing, on a defined contribution basis, benefits for members on their retirement or benefits for their dependants on death before or after retirement. The Trustee Directors believe that it is in the best interests of the majority of members to offer a default which:

- Manages the principal investment risks members face during their membership of the Plan;
- Maximises investment returns relative to inflation while taking an appropriate level of risk during membership of the Plan for the majority of members who do not make investment choices; and
- Reflects members' likely benefit choices at retirement.

The default arrangement

The default arrangement is therefore a lifestyle strategy (targeting cash at retirement, see Appendix A) which:

- Gradually moves investments between different funds to manage the levels of investment returns and principal investment risks at each stage of membership of the Plan; and
- Targets members who are expected to take cash at retirement.

The expected levels of investment returns (after the deduction of charges) and risks for the funds used are consistent with the Trustee Directors' objectives for the default arrangement. The expected investment returns and approach to managing investment risks including financially material considerations such as climate change are described in Section 3.

Full details of the current default arrangement are given in Appendix A ("Investment implementation for the default arrangement").

Inadvertent or temporary Default Arrangements

From time to time the fund manager may suspend trading in a fund due to market conditions or decide to close a fund commercial or regulatory reasons. This would be outside the Trustees' control.

Should these circumstances occur, it may be necessary for the Trustees to redirect contributions to an investment option which differs from some members' original choice. The Trustees will ensure that any alternative investment option adopted in this manner is consistent with the charge cap for default arrangements.

For example, in the event that buying or selling units in a fund chosen by members is suspended for any reason, the Trustees may decide that it is in the members' best interests to temporarily redirect contributions to another investment option. Once such as suspension has been resolved, the Trustee will arrange for the re-investment of contributions into the investment option originally chosen by members.

In all such circumstances, the Trustees and/or fund manager will notify members of the issue and steps being taken to resolve it. Where necessary, these will be described in the separate investment implementation document.

Full details of the current default arrangements, as well as any inadvertent or temporary default arrangements are given in Appendix A ("Investment implementation for the default arrangement").

2 Statement of the aims and objectives for investment options outside the lifestyle arrangement

Reasons for the investment options

In addition to the default arrangement, the Plan offers members a choice of investment options because:

- While the default arrangement is intended to meet the needs of a majority of the Plan's members, it may not meet the needs of a wider cross-section of members;
- Attitudes to investment risks and the need for investment returns will vary from member to member and will also vary for each member over time and, in particular, as they approach retirement;
- Members have differing investment needs and these needs change during their working lives; and
- Some members will want to be more closely involved in choosing where their contributions are invested.

Choosing the investment options

Membership analysis

The Trustee Directors believe that understanding the Plan's membership is important to maintaining an appropriate range of investment options and have taken into account a number of aspects including:

- The members' ages and salary profiles;
- The likely sizes of members' DC pension funds at retirement;
- Members' retirement dates and likely range of benefit choices at and into retirement;
- The levels of investment risk and return members may be willing to take;
- The degree to which members are likely to take an interest in where their contributions are invested; and
- The number of members who are likely to want responsible investment.

Member behaviour

The Trustee Directors have also considered the results of academic research and market surveys into how members choose where to invest their DC pension funds which in summary show:

- Too little choice is viewed negatively by members;
- Too much choice can prove confusing and deter members from taking action; and
- Some members will not regularly review their choices.

Costs of investment options

The investment costs are borne by members and so a balance needs to be struck between choice and costs.

Objectives for the investment options

The Plan offers members a choice of investment options as an alternative to the default arrangement.

Self-select funds

The objectives of the self-select fund range are to:

- Provide a choice of individual funds for members who want to be more closely involved in choosing where their DC pension fund is invested;
- Complement the objectives of the lifestyle arrangement and the alternative lifestyle options;
- Provide a broader choice of levels of investment risk and return;

- Provide a broader choice of investment approaches including responsible investing;
- Help members more closely tailor how their DC pension fund is invested to their personal needs and attitude to risk; and
- Help members more closely tailor how their DC pension fund is invested to reflect the benefits they intend to take at retirement.

Nevertheless, the self-select fund range cannot be expected to cover all the investment needs of all members.

Risk and return

The expected levels of investment returns (after the deduction of charges) and risks for the funds used are consistent with the Trustee Directors' objectives for these investment options. The expected investment returns and approach to managing investment risks including financially material considerations such as climate change are described in Section 3.

Full details of the current investment options are provided in Appendix A ("Investment implementation for the default arrangement") and Appendix B ("Investment implementation for investment options outside the default arrangement").

ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCS)

The Trustee Directors gives members the opportunity to pay AVCs in line with their normal contributions. The choice of funds for AVCs is the same as the DC fund choice, which is set out in Appendix A and B.

3 Statement of investment beliefs, risks and policies

Introduction

This Statement sets out the investment beliefs and policies which guide the Trustee Directors' decision making.

For the record

This Statement of investment beliefs, risks and policies should be read in conjunction with the Statements of the aims and objectives for both the default arrangement and the investment options outside the default arrangement. Collectively, these respectively form the Statements of Investment Principles for the Scheme and the default arrangement.

This Statement of investment beliefs has been prepared in accordance with the Occupational Pension Scheme (Investment) Regulations 2005 as amended by the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the Occupational Pension Schemes (Investment and Disclosure) Regulations 2019.

Risks

Principal investment risks

The Trustee Directors believe that the three principal investment risks most members will face are:

1) Inflation risk – investment returns over members' working lives may not keep pace with inflation and, as a result, do not produce adequate retirement benefits.

Further from retirement, this risk should be countered by funds investing in equities and other growth orientated assets which are expected to produce returns well in excess of inflation over the longer term. Approaching retirement, the impact of this risk needs to be balanced against the other main risks members face.

2) Benefit conversion risk – investment conditions just prior to retirement may increase the cost of turning members' fund values into retirement benefits.

For members taking cash at retirement, funds investing in cash deposits and other short-term interest-bearing investments provide a high degree of (but not complete) capital security. Funds investing in a mix of different assets are expected to be broadly suitable for members planning income drawdown during retirement. For members buying an annuity at retirement, the value of funds investing in longer-dated bonds may be expected to broadly follow changes in annuity rates caused by long-term interest rates.

3) Volatility/Market risk – falls in fund values prior to retirement lead to a reduction in retirement benefits.

Funds investing in bonds or a mix of assets or investment techniques intended to manage short-term risks may be expected to be subject to lower levels of short-term fluctuations in values - although there may be occasions when this does not hold good.

Other investment risks

The Trustee Directors believe that other investment risks members may face include:

Active management risk – a fund manager's selection of holdings may not lead to investment returns in line with the fund's objectives and investment markets generally.

The Trustee Directors are comfortable that the benchmark asset allocation of the default strategy offered to members is appropriate and consistent with the lifestyle approaches to investment which are in place. The decision to invest primarily in passive funds reduces manager risk relative to benchmark (which would arise from the potential underperformance of a benchmark).

Currency risk – changes in exchange rates will impact the values of investments outside the UK when they are being bought or sold.

Interest rate risk – the value of funds which invest in bonds will be affected by changes in interest rates.

Default risk – for bond funds (where money is lent in return for the payment of interest), the company or government borrowing money fails to pay the interest due or repay the loan.

Liquidity risk – funds which invest in assets which cannot be easily bought or sold (such as property) may at times not be able to accept new investments or disinvestments of existing holdings.

Counterparty risk – the financial institutions holding a fund's assets may get into financial difficulties leading to a reduction in a fund's value.

Market risks - Shifts in market sentiment (for example, in response to economic news or geopolitical events) or momentum in general market trading can lead to widespread changes and/or volatility in asset values over the short-term.

This can include short-term changes in the normally expected correlations of the behaviour of risks and returns seen between different asset classes, when standard approaches to mitigating risks such as diversification are temporarily ineffective.

Factor based investing – equity investments may show several factors (supported by academic research) that may be expected to deliver stronger returns over the longer-term, but which may show increased risks (including timing) in the shorter-term.

Environmental, Social and Governance (ESG) risks – the extent to which ESG issues are not reflected in asset prices and/or not considered in investment decision making leading to underperformance relative to expectations.

Climate risk - The extent to which climate change causes a material deterioration in asset values as a consequence of factors including, but not limited to: policy change, physical impacts and the expected transition to a low-carbon economy.

Legislative/Regulatory - Changes in government policy or taxation may have a long-term positive or negative impact on certain sectors of a country's economy or one country relative to its neighbours over the medium to longer-term. Changes in Regulations can also affect the operational costs, tax efficiency and security of one investment vehicle relative to other vehicles over the shorter-term.

Choosing investments

The funds in which members invest are pooled funds, which the Trustee Directors believe is appropriate given the size and nature of the DC Section. The managers of the pooled funds are given full discretion over the choice of individual stocks and are expected to maintain a diversified portfolio within each fund. The Trustee Directors are satisfied that the assets held in each fund are suitable in relation to the needs of the members.

Kinds of investment to be held

The investment manager may invest in UK and overseas equities, UK and overseas corporate bonds, UK and overseas government bonds (fixed interest and inflation linked), infrastructure, property, commodities, private equity and cash. However, the investments in each fund will depend on the nature of each fund, its objective and benchmark and the risk controls which operate. Within each fund, the proportions held at any time in each asset class or geographic region will reflect the benchmark for that fund.

Managing risks

The Trustee Directors have developed and maintained a framework for assessing the impact of all investment risks on long-term investment returns.

Time horizon

The Trustee Directors monitor the age profile of the Plan's membership to arrive at an appropriate investment horizon when considering all investment risks:

- The Plan is closed to new entrants but members who had previously made AVCs are still able to contribute if they are active members of the Plan.
- As a result, investment risks need to be considered over a time horizon in excess of 30 years.

Principal investment risks

The lifestyle options manage the three main investment risks as members grow older by automatically switching from funds which are expected to give long-term growth relative to inflation into funds whose values should fluctuate less in the short-term relative to the benefits members are expected to take at retirement.

The self-select fund range provides members with a choice of funds with differing risk and return characteristics which are expected to meet the investment needs of a majority of members.

Ability to invest/disinvest promptly

The Trustee Directors recognise that it is important that members' contributions can be invested promptly in selected investment funds, and that these can be sold promptly for example when members wish to change where they are invested, transfer to another arrangement or if they wish to draw on their pension pot. The Trustee Directors manage this risk by selecting pooled investment funds which can be dealt on a daily basis. The fund manager is responsible for monitoring the ability for members to invest and disinvest promptly and is expected to notify the Trustee Directors if a situation develops whereby there is any restriction on the ability for members to do so. For example, this situation could occur in the event of significant economic uncertainty impacting on the ability for fund managers to value the underlying assets.

Other investment risks

The Trustee Directors manage the other investment risks as part of the process for selecting and ongoing monitoring of the funds used by the Plan.

The funds used give a good spread of investments which will help manage risks associated with market conditions, fund manager actions and default.

The Trustee Directors acknowledge the relevance of climate change and the potential risk it can have on certain investments in the future. At this time, the Trustee Directors have not made explicit allowance for climate change within the development or implementation of its investment strategy. The Trustee Directors do discuss the potential impact of climate risks with its adviser and managers on a periodic basis and will monitor developments in this area including the availability of solutions to mitigate climate-related risks.

Financially material considerations

The Trustee Directors recognise that the consideration of financially material considerations, including ESG factors and climate risk, are relevant to the development, selection and monitoring of the Plan's investment options.

The Trustee Directors recognise the importance of ESG mandates and will put an option in place where relevant in the DC Section. The Trustee Directors have discussed the extent to which ESG issues, where relevant to the investment mandate, are integrated into the investment processes of their investment managers.

Implementation

The Plan uses standard pooled funds offered by the fund manager. This gives access to a range of funds while keeping down costs to members but means that the Trustee Directors cannot adopt an approach to managing financially material considerations specific to the Plan. The Trustee Directors nevertheless seek to manage financially material considerations to protect long-term returns by:

- Choosing fund managers who have clearly articulated policies for managing financially material considerations including climate change;
- In selecting new investment managers, where relevant to the investment mandate, the Trustee Directors explicitly consider potential managers' approaches to responsible investment and the extent to which managers integrate ESG issues in their investment process as a factor in their decision making;
- Considering the extent to which ESG issues including climate risk, where relevant, are integrated into the fund managers' investment processes and are satisfied that the fund managers follow an approach which takes account of financially material factors;
- For actively managed funds (where the fund manager decides where to invest), expect the fund managers to take financially material considerations into account, when selecting which companies and markets to invest in, including the potential impact of ESG factors and climate change in the implementation of their mandate;
- For passively managed funds, the Trustee Directors recognise that the funds' objectives are to deliver returns in line with its benchmark (which may or may not take into account ESG factors), which the Trustee Directors believe will deliver appropriate risk adjusted returns. The Trustee Directors will review the index benchmarks employed for the Plan on at least a triennial basis;
- In passive mandates, the Trustee Directors recognise that the choice of benchmark dictates the assets held by the investment manager and that the manager has minimal freedom to take account of factors that may be deemed to be financially material.
- For all funds, encourage fund managers to engage with companies in which the fund invests to encourage business strategies which should improve or protect the value of those investments; and
- Prefer fund managers who are signatories to the Financial Reporting Council's Stewardship Code in the UK and the United Nations supported Principles for Responsible Investment.

The Trustee Directors are satisfied that the investment managers are following an approach which takes account of all financially material factors.

Expected returns on investments

The Trustee Directors believe that it is important to balance investment risks with the likely long-term returns from different types of assets used in funds (taking the funds' costs and charges into account).

Asset class	Expected long-term investment returns relative to inflation	Expected shorter-term volatility in fund values	Objective
Equities (i.e. company shares)	Strong return relative to inflation	Most volatile in the short-term	Achieve an attractive real return over the long term
Property (e.g. offices, shops and warehouses)	Positive, but lower than equities	Lower than equities	Achieve an attractive real return over the long term

Asset class	Expected long-term investment returns relative to inflation	Expected shorter-term volatility in fund values	Objective
Multi-asset / Diversified Growth Funds (i.e. investing in a varying mix of asset classes)	Positive returns relative to inflation over the longer-term, but lower than equities	Lower short-term volatility than equities	Achieve an attractive real return over the long term
Corporate Bonds (i.e. loan stocks issued by companies)	Positive, but lower than equities and property	Lower than equities or property	Provide for the payment of the tax-free lump sum on retirement and to reduce the volatility of the cost of the annuity that may be purchased, rather than to achieve a specified 'real' or 'nominal' return
Fixed Interest Government Bonds (e.g. UK Gilts)	Positive, but lower than equities, property or corporate bonds	Lower than equities, property or corporate bonds	Provide for the payment of the tax-free lump sum on retirement and to reduce the volatility of the cost of the annuity that may be purchased, rather than to achieve a specified 'real' or 'nominal' return
Index-Linked Government Bonds (e.g. UK Index-Linked Gilts	In line with inflation	Lower than equities, property or corporate bonds	Provide for the payment of the tax-free lump sum on retirement and to reduce the volatility of the cost of the annuity that may be purchased, rather than to achieve a specified 'real' or 'nominal' return
Cash (and other short-term interest-bearing investments)	Return may not keep pace with inflation	Minimal with high degree (but not complete) of capital security	Provide for the payment of the tax-free lump sum on retirement and to reduce the volatility of the cost of the annuity that may be purchased, rather than to achieve a specified 'real' or 'nominal' return

The Trustee Directors note that long-dated bonds (e.g. UK Gilts and Corporate Bonds with a duration of 15 years or more) – should give fund values which move broadly in line with the financial factors influencing annuity rates.

Responsible Investment (i.e. funds selecting assets to mitigate ESG and/or climate change risks) – the strategy of these funds is expected to give a better risk adjusted return over the long-term than the broader market for the type of assets involved (e.g. equities).

The Trustee Directors are satisfied that these return objectives are consistent with the aims of members at different stages within the lifestyle process.

Investment beliefs

The Trustee Directors' investment decisions are made in the context of their investment beliefs that:

- The long-term nature of the Plan means that investments should be made with the expectation of long-term sustainable returns;
- Managing the principal investment risks is the most important driver of good long-term member outcomes;
- As the Plan invests for members over the long-term, financially material considerations including the impact of climate change will have a bearing on funds' expected levels of risk and return;
- Investment markets may not always behave in line with long-term expectations during the shorter-term;
- Taking investment risk is usually rewarded in the long term;
- Investment risks can be reduced by spreading investments both within and across asset classes;
- Actively managed funds, where the manager chooses where to invest, may not always deliver the expected investment returns in the shorter-term;
- Passively managed funds, whose returns are intended to track a market index, may produce investment returns more efficiently than actively managed funds in some markets.
- Charges and costs (levied by the fund manager) can have a material effect on net returns;
- Companies demonstrating positive ESG practices are expected to outperform others over the long term;
- Climate change is a material financial risk, particularly to younger members;
- Active stewardship can support positive engagement with members.

Types of funds used

Structure of the investment arrangements

The Scheme's asset, and the Trustees' contract with the provider, is the policy of insurance issued by the provider. As a result, the Trustees do not have any contractual arrangement with the investment managers or title to the underlying funds' assets

Delegation of investment decisions

The Plan uses pooled investment funds provided by Legal & General. This enables the Plan to invest in a range of assets giving a good spread of investments in a cost-effective manner. It does mean that the Trustee Directors has delegated day to day investment decisions including the management of financially material considerations to the fund manager.

Manager incentives

In respect of the pooled funds which are used by the Plan, the basis of remuneration of the fund manager is determined at the inception of each mandate based on commercial considerations and typically set on an ad valorem basis. The Trustee directors have has appointed each of its fund managers to deliver a specific benchmark or performance target, which overall will align to deliver the broader Plan investment strategy. The Trustee Directors ensures that the fund manager has clearly defined benchmarks, objectives and management parameters. The Trustee periodically reviews the fees paid to all of its managers against industry standards.

The Trustee Directors expect that it will be in the interests of the fund managers to produce growth in asset values in line with the funds' investment objectives. For passively managed funds this should be within an acceptable margin of the index the fund tracks. For actively managed funds the investment return should be commensurate with the level of investment risk implied by the fund's objectives.

When selecting funds, the Trustee Directors will ask their investment advisor to consider the fund managers' remuneration strategies and appropriateness of each fund's investment guidelines to ensure that there is no inducement or scope to take an undue level of risk and that the investment managers will act in line with the interests of the Plan's members.

In accordance with the 2015 Regulations, the Trustee Directors conduct an annual Value for Members assessment and will take action should the funds be found to be giving poor value. In addition, in accordance with guidance from the Pensions Regulator, the Trustee Directors will periodically review the Plan's choice of fund[s] to ensure the charges and services remain competitive. The Trustee Directors believe that these steps are the most effective way of incentivising the fund managers to deliver Value for Members, of which investment management charges and investment performance are key considerations.

The Trustee Directors also undertake a review at least every three years in which the appropriateness of the investment options and the suitability of the Plan's investment management arrangements are considered.

The Trustee Directors monitor the investment managers against a series of metrics on a rolling semi-annual basis over a long-term time horizon including:

- Performance of their funds' respective benchmarks [or performance targets];
- Relative tracking error where appropriate;
- The exercise of stewardship responsibilities (including engagement with issuers); and
- The management of risks.

The investment managers are expected to provide explanations for any significant divergence from a fund's objectives. A material deviation from performance and risk targets or approach to portfolio management is likely to result in the fund being formally reviewed.

Portfolio turnover

The Trustee Directors do not expect investment managers to take excessive short-term risk and will monitor the investment manager's performance against the benchmarks and objectives on a short, medium and long terms basis.

For passively managed funds the turnover of holdings is driven by changes in the index a fund seeks to track and hence is outside the control of the investment manager except where a fund's total assets under management are relatively small where the investment manager does not fully replicate the index or where a fund invests in less liquid stocks.

When selecting actively managed funds, the Trustee Directors will consider, with the help of their investment advisers, the expected level of turnover commensurate with a fund's investment objectives, the investment manager's investment processes and the nature of the fund's assets.

Whilst the Trustee Directors expect performance to be delivered net of costs, including the costs of trading within the portfolio, the Trustee Directors will ask the investment managers to report on at least an annual basis on the underlying assets held within fund with details of any transactions and turnover costs incurred over the Plan's reporting year. The Trustee Directors will seek to compare portfolio turnover and the resultant costs against peer groups or portfolio turnover and costs for an appropriate index.]

Where a fund has significantly under or outperformed its benchmark, the Trustee Directors will seek to ascertain where necessary whether higher or lower than normal turnover has been a contributory factor. The Trustee directors will challenge the investment managers if there is a sudden change in portfolio turnover or if the level of turnover seems excessive.

Portfolio duration

The Trustee Directors recognise the long-term nature of defined contribution pension investments and chooses funds which are expected to deliver sustainable returns over the Plan members' investment horizon. The Trustee Directors will carry out necessary due diligence on the underlying investment decision making process, to ensure the manager makes investment decisions over an appropriate time horizon aligned with the objectives for the related investment option.

The Trustee Directors expect that each fund will be used for at least three years, this being the period over which performance of the fund can be appropriately evaluated and the costs of change amortised, although all funds are subject to ongoing review against various financial and non-financial metrics in addition to their continued appropriateness within the investment strategy.

Security of assets

The funds are provided through a policy of insurance issued to the Trustee Directors by the manager. As a result, the value of the funds may be affected in the event of the manager getting into financial difficulties.

The Plan's DC assets held in LGIM's life wrapper funds are covered by the Financial Services Compensation Scheme ("FSCS"). The Trustee Directors will continue to keep the security of members' assets under review. The Trustee Directors take the security of assets into account when selecting and monitoring the funds used by the Plan.

Realisation of investments

The Trustee Directors expect that the fund managers will normally be able to sell the assets within a reasonable timescale. In particular, the assets are held in stocks which are quoted on major stock markets and may be realised quickly if required. There may, however, be occasions where the fund manager needs to impose restrictions on the timing of sales and purchases of assets (most notably for investments in property) in some market conditions to protect the interests of all investors in that fund.

Nevertheless, the Trustee Directors recognise that most members' DC pension funds have a long investment timeframe, during which assets which are less easily traded (such as property or infrastructure) can be managed to deliver good long-term returns while avoiding the impact of liquidity issues at retirement.

Balance of investments

The Trustees review the nature of the Scheme's investment options on a regular basis, with particular reference to suitability and diversification. The Trustees considers written advice from a suitably qualified person when determining the appropriateness of each investment manager and fund for the Scheme, particularly in relation to diversification, risk, expected return and liquidity.

Each fund has a defined objective within the overall framework. Overall, the Trustee Directors believe that the Plan's investment options:

- Provide a balance of investments;
- Are appropriate for different categories and ages of members; and
- Are appropriate for managing the risks typically faced by members.

Stewardship

The Trustee Directors recognise that stewardship encompasses the exercise of voting rights, engagement by and with the fund manager and the monitoring of compliance with agreed policies. The Trustee Directors accept that ESG matters and Stewardship activity can be relevant to different stakeholders to the Plan. The Trustee Directors will disclose relevant information in relation to ESG and Stewardship with key stakeholders, as requested from time to time.

Members' financial interests

The Trustee Directors expect that the fund manager will have the members' financial interests as their first priority when choosing investments.

Conflicts of interest

When choosing investment managers' funds, the Trustee Directors will seek to establish that the investment manager has an appropriate conflicts of interest policy in place. This includes any provisions to disclose any potential or actual conflict of interest in writing to the Trustees.

When given notice the Trustee Directors will consider the impact of any conflicts of interest arising in the management of the funds used by the Plan.

Responsibility for investment decisions has been delegated to the investment manager which includes consideration of the capital structure of investments and the appropriateness of any investment made. Where the manager is investing in new issuance, the Trustee Directors expect the investment manager to engage with the issuer about the terms on which capital is issued and the potential impact on the rights of new and existing investors.

The Trustee Directors will consider any conflicts of interest arising in the management of the funds used by the Plan and will ensure that the investment manager has an appropriate conflicts of interest policy in place. The Investment manager is required to disclose any potential or actual conflict of interest in writing to the Trustee Directors.

Voting and engagement

The Trustee Directors believe that engagement with the companies in which the Plan invests, including the proactive use of shareholder voting rights, can improve the longer-term returns on the Plan's investments.

The Plan invests via pooled funds with Legal & General, where investments are pooled with other investors to keep costs down and ensure adequate diversification. As a result, the Trustee Directors have adopted a policy of delegating voting decisions on stocks to the fund manager on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. The fund manager is expected to exercise the voting rights attached to individual investments in accordance with their own house policy.

LGIM have produced written guidelines of their process and practice in this regard and are encouraged to vote in line with their guidelines in respect of all resolutions at annual and extraordinary general meetings.

The investment managers should use engagement with company management for positive influence as opposed to divestment from companies unaligned with the Plan's objectives.

The Trustee Directors will regularly review engagement activity including voting undertaken by their investment managers. Where relevant, the Trustee Directors have reviewed the voting and engagement policies of the fund managers as well as the approach to governance of the provider and determined that these policies are appropriate. On an annual basis, the Trustee Directors will request that the investment provider and fund managers provide details of any change in their house policy.

Where appropriate, the Trustee Directors will engage with and may seek further information from the fund manager on how portfolios may be affected by a particular issue.

Monitoring

The Trustee Directors receive reports from the fund manager on their voting activity on a periodic basis and the Trustee Directors monitor their voting activity on a periodic basis. The Trustee Directors will also periodically review the fund manager’s voting patterns and may also monitor voting on particular companies or issues affecting more than one company.

The Trustee Directors review the fund manager’s voting activity on an annual basis in conjunction with their investment adviser and use this information as a basis for discussion with the fund manager. Where the Trustee Directors deem it appropriate, any issues of concern will be raised with the manager for further explanation.

The Trustee Directors aim to meet with the fund manager on an annual basis. The Trustee Directors will provide the fund manager with an agenda for discussion, including issues relating to individual holdings and where appropriate, ESG issues. The manager is challenged both directly by the Trustee Directors and by their investment advisers on the impact of any significant issues including, where appropriate, ESG issues that may affect the prospects for return from the portfolio.

Non-financial factors

Given the objectives of the Plan, the Trustee Directors do not impose any restrictions or exclusions to the investment arrangements based on non-financially material factors.

The Trustee Directors note that a large majority of members have made active investment choices. The Trustee Directors may conduct periodic surveys to ascertain members’ views on non-financial factors relating to the Plan’s investments. Nevertheless, while the Trustee Directors may bear members’ views in mind when reviewing the suitability of the Plan’s investment options and choice of funds used, the Trustee Directors will not be bound by the members’ views (for instance where it is uneconomic or impracticable to do so).

The Trustee Directors notes that non-financial factors can affect various investment risks which are borne by members and may under-perform other funds with broader-based investment approaches.

Fund managers are otherwise only expected to take non-financial factors into account when these do not conflict with the financial interests of members and the Plan’s investment objectives.

For the record

The Trustee Directors obtain and consider proper advice from suitably experienced and qualified persons when choosing investments and preparing the Statement of Investment Principles.

Funds are chosen by the Trustee Directors to give an expected level of return with an appropriate level of investment risk which meets the objectives of the lifestyle arrangement and other investment options.

The funds used at each stage of the lifestyle arrangement are intended to deliver good member outcomes at retirement from an appropriate balance of investment growth relative to inflation and the then pertinent investment risks.

The fund manager uses a life insurance company based legal vehicle for its funds. The funds may invest in quoted and unquoted securities traded in regulated UK and overseas markets:

- Equities (company shares);
- Fixed interest and index-linked bonds issued by governments and companies;
- Cash and other short-term interest-bearing deposits;
- Commercial and residential property;
- Illiquid assets including infrastructure, forestry, private equity and private debt;
- Commodities through collective investment vehicles; and
- Derivatives to facilitate changes in where funds are invested or to help control investment risks.

Funds provided through a life insurance company must comply with the Financial Conduct Authority ("FCA") "Permitted Links" rules, which place limits on the degree of leverage a fund can use. Fund managers using other fund vehicles subject to the European "UCITS IV" and the FCA's "Non-UCITS" regulations have to meet requirements on the security and concentrations of assets. Exchange Traded Funds may be used directly or indirectly to gain access to less easily traded and illiquid asset classes.

Subject to the funds' benchmarks and guidelines, the fund managers are given full discretion over the choice of securities and, for multi-asset funds, choice of asset classes. Fund managers are expected to maintain well-diversified and suitably liquid portfolios of investments.

The Trustee Directors consider that these types of investments are suitable for the Plan. The Trustee Directors are satisfied that the funds used by the Plan provide adequate diversification both within and across different asset classes.

Appendix A

Investment implementation for the default arrangement

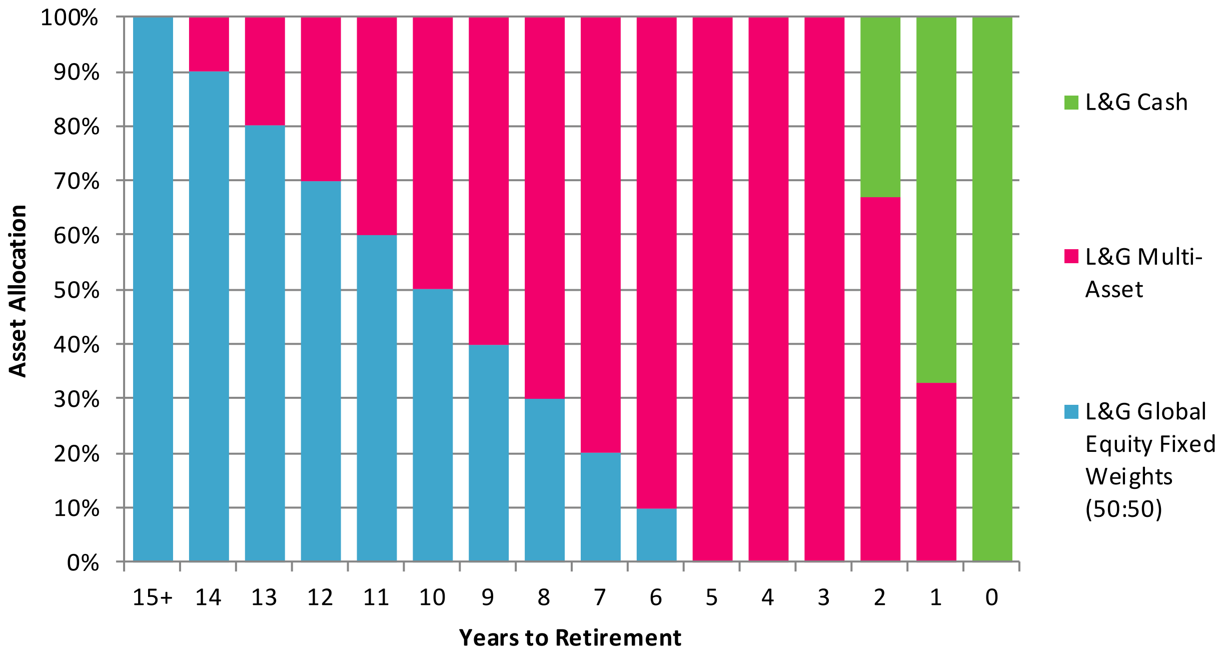
Default arrangement

To assist members with their investment choices the Plan offers a default investment option made up of a number of different investment funds that are combined into a "lifestyle glide path". This structure moves members from higher risk to lower risk funds as they approach their retirement age, helping to meet their tolerance for risk and return.

The individual investment funds within the lifestyle glide path are managed by Legal & General, who levy charges in the funds to pay for their services. The switching arrangements for the lifestyle funds are as follows:

- The initial fund, used for those with more than 15 years to retirement, is the L&G Global Equity Fixed Weights (50:50) Index Fund.
- Once a member reaches 15 years from retirement, switching then commences from the Global Equity Fund into the L&G Multi-Asset Fund, reaching a 100% allocation to the fund 5 years from retirement
- Finally, when a member reaches 3 years from retirement, switches commences from the Multi-Asset Fund into the L&G Cash Fund, reaching 100% in the Cash Fund at retirement

The above lifestyle glide path is shown in the chart below.



Fund allocation

The allocation to each fund in the **Lifestyle Strategy** default arrangement at yearly intervals up to a member's selected retirement date is:

Years to retirement	L&G Global Equity Fixed Weights (50:50) Fund	L&G Multi-Asset Fund	L&G Cash Fund
15 or more	100%	0%	0%
14	90%	10%	0%
13	80%	20%	0%
12	70%	30%	0%
11	60%	40%	0%
10	50%	50%	0%
9	40%	60%	0%
8	30%	70%	0%
7	20%	80%	0%
6	10%	90%	0%
5	0%	100%	0%
4	0%	100%	0%
3	0%	100%	0%
2	0%	67%	33%
1	0%	33%	67%
0	0%	0%	100%

Rebalancing between these funds takes place on a quarterly basis. "Reverse switching" in the event of marked relative movements between funds causing an overshoot of the target asset allocation is not undertaken.

Funds and charges

The funds used by the **Lifestyle Strategy** and their charges (expressed as a percentage annual management charge ("AMC") and Total Expense Ratio ("TER") as at 31 August 2020 are:

Underlying fund(s)	AMC %	TER %
L&G Global Equity Fixed Weights (50:50) Index	0.10%	0.10%
L&G Multi-Asset Fund	0.13%	0.13%
L&G Cash Fund	0.09%	0.10%

Members in the **Lifestyle Strategy** will see TERs range from 0.10% to 0.13%.

Other default arrangements

Inadvertent default arrangements

Due to the temporary suspension of trading in the L&G Property Fund, member contributions have been redirected to the L&G Cash Fund. Once the suspension has been lifted these contributions will be reinvested in the L&G Property Fund being the fund originally chosen by these members.

The charges on the L&G Cash Fund (expressed as a percentage annual management charge (“AMC”) and Total Expense Ratio (“TER”) as at 31 August 2020 are 0.09% (AMC) and 0.10% (TER).

Investment costs

Fund charges

The investment fund managers’ charges for the investment options are borne by the members.

The Plan is not a “qualifying scheme” for auto-enrolment purposes, which means that the lifestyle option is not subject to the charge cap introduced by the government from April 2015.

Transaction costs

Transaction costs arise when the fund managers buy and sell the assets held by each fund. Costs may also be incurred when units in the funds are bought and sold. These costs are taken into account when calculating the funds’ unit prices and members’ fund values.

Review

The present lifestyle arrangement was introduced in 2015 and was reviewed on 14th November 2019.

Appendix B
Investment implementation for investment options outside the default arrangement

Self-select fund range

The Plan offers members a choice of self-select funds options as an alternative to the default option and alternative lifestyle options.

Fund range

Members can currently choose between the following funds managed by LGIM as self-select funds. The choice of self-select funds and their charges (expressed as a percentage annual management charge ("AMC") and Total Expense Ratio ("TER")) as at 31 August 2019 are:

Fund type	Underlying fund	AMC %	TER %
Equity Funds	L&G Global Equity Fixed Weights (50:50) Index	0.10%	0.10%
	L&G World ex UK Equity	0.12%	0.12%
	L&G UK Equity	0.10%	0.10%
	L&G World Emerging Markets Equity	0.25%	0.25%
	L&G Ethical Global Equity	0.30%	0.30%
	L&G HSBC Islamic Global Equity Index	0.35%	0.35%
Bond Funds	L&G Over 15 Year Gilts	0.08%	0.08%
	L&G Over 5 Year Index Linked Gilts	0.08%	0.08%
	L&G AAA-AA-A Corporate Bonds All Stocks	0.12%	0.12%
	L&G Pre-Retirement Inflation Linked	0.13%	0.13%
Cash	L&G Cash Fund	0.09%	0.10%
Property Fund	L&G Property	0.30%	1.09%
Multi-Asset	L&G Multi-Asset Fund	0.13%	0.13%

Use of options

Members cannot contribute to the alternative lifestyle options and self-select funds at the same time.

Members cannot have investments from previous contributions in the alternative lifestyle options and self-select funds at the same time.

Investment costs

The investment fund managers' charges for the investment options are borne by the members.

Transaction costs arise when the fund managers buy and sell the assets held by each fund. Costs may also be incurred when units in the funds are bought and sold. These costs are taken into account when calculating the funds' unit prices and members' fund values and are borne by members.

Review

The current lifestyle option and self-select fund range were introduced in 2015 and will be reviewed in 2020.

Appendix C
Summary of the approach to investment governance

For the record
The Trustee Directors' approach to investment governance complies with the provisions of the Plan's Trust Deed and Rules as well as legislative requirements.

The Plan's investment governance is also intended to meet the expectations set out in the Pensions Regulator's 2016 Code of Practice 13.

Exercising the Trustee Directors' Powers

The Trustee Directors will always act in the best interests of the members.

The Trustee Directors have delegated day-to-day work on the Plan's administration and investments. The current service providers to the Plan together with how they are paid is set out in Appendix D.

Conflicts of interest

In the event of a conflict of interests, the Trustee Directors will ensure that contributions are invested in the sole interests of members and beneficiaries.

Monitoring

The Trustee Directors regularly monitor and review:

Investment Performance - The performance of the funds in which the Plan invests against both the funds' stated performance objectives and the investment objectives of the Plan.

Value for members - The member borne charges for the default option against the charge cap for auto-enrolment purposes and the funds' charges and transaction costs to ensure that they represent value for members.

Suitability - The suitability of the default option and investment options outside the default arrangement at least every three years and without delay after any significant change in investment policy or the demographic profile of the Plan's membership.

The Statements of Investment Principles - at least every three years and without delay after any significant change in investment policy or the demographic profile of the Plan's membership. The Trustee Directors will consult the sponsor on any changes.

Compliance with Statement of Investment Principles
The Trustee Directors will monitor compliance with the Statement of Investment Principles annually and publish a report to members with effect from the Plan year ending after 1 October 2020.

Investment process - The processes for investing contributions and taking money from the investment options to pay benefits to ensure that they are carried out promptly and accurately.

Security of assets - The security of funds' assets when choosing a fund provider/manager and thereafter.

Reporting

The Trustee Directors arrange for the preparation of:

- The Plan's audited Annual Report and Accounts (which includes the Annual Governance Statement);
- The Annual Governance Statement by the Chair of the Trustees describing the Plan's investment costs, value for members and governance during the previous year;
- Publication of an extract from the Annual Governance Statement by the Chair of the Trustees in a publicly searchable location on-line.
- An annual return to the Pensions Regulator.

Appendix D
Summary of the Plan's service providers.

The Plan's current service providers and their basis of remuneration are as follows:

Service	Provider	Remuneration basis
Fund managers	As shown in Appendices A and B	Percentage of fund value included within funds' Total Expense Ratios
Custodians	Selected by the fund managers.	Percentage of fund value included within funds' Total Expense Ratios
Pension administrator	Aon Hewitt Limited	A combination of fixed and time cost fees
Investment Consultant	Hymans Robertson LLP	A combination of fixed and time cost fees
Legal advisers	Eversheds-Sutherland (International) LLP	Time cost fees

Appendix 2

Table of funds and charges

Please note that the charges in the table below do take into account the 0.12% charge for administration services, which is also borne by members.

2a Default arrangement

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year used in the default arrangement were:

Fund	ISIN *	Charges **		Underlying Fund	ISIN *	Transaction costs	
		% p.a. of the amount invested	£ p.a. per £1,000 invested			% p.a. of the amount invested	£ p.a. per £1,000 invested
L&G PMC Global Equity Fixed Weights 50:50 Index 3	GB00B4QVNX86	0.22%	£2.20	L&G PMC Global Equity Fixed Weights 50:50 Index	GB00B4QVNX86	-0.01%	£0.10 saving
L&G PMC Cash 3	GB00B4VD0B60	0.25%	£2.50	L&G PMC Cash	GB00B4VD0B60	-0.03%	£0.30 saving
L&G PMC Multi-Asset 3	GB00B5W2CB33	0.22%	£2.20	L&G PMC Multi-Asset	GB00B5W2CB33	0.01%	£0.10 cost

Source: Legal & General

2b Self-select funds outside the default arrangement

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year for the self-select funds were:

Fund	ISIN *	Charges **		Underlying Fund	ISIN *	Transaction costs	
		% p.a. of the amount invested	£ p.a. per £1,000 invested			% p.a. of the amount invested	£ p.a. per £1,000 invested
L&G (PMC) Global Equity Fixed Weights (50:50) Index Fund 3	GB00B4QVNX86	0.22%	£ 2.20	L&G (PMC) Global Equity Fixed Weights (50:50) Index Fund	GB00B4QVNX86	-0.01%	£ 0.10 saving
L&G (PMC) World (Ex-UK) Equity Index Fund 3	GB00B4QBYH95	0.24%	£ 2.40	L&G (PMC) World (Ex-UK) Equity Index Fund	GB00B4QBYH95	-0.01%	£ 0.10 saving
L&G (PMC) World Emerging Markets Equity Index Fund 3	GB00B4XB7L79	0.37%	£ 3.70	L&G (PMC) World Emerging Markets Equity Index Fund	GB00B4XB7L79	0.02%	£ 0.20

L&G (PMC) UK Equity Index Fund 3	GB00B4MV7743	0.22%	£ 2.20	L&G (PMC) UK Equity Index Fund	GB00B4MV7743	-0.02%	£ 0.20 saving
L&G (PMC) Ethical Global Equity Index Fund 3	GB00B4LNM547	0.42%	£ 4.20	L&G (PMC) Ethical Global Equity Index Fund	GB00B4LNM547	0.01%	£ 0.10
L&G (PMC) Multi-Asset Fund 3	GB00B5W2CB33	0.25%	£ 2.50	L&G (PMC) Multi-Asset Fund	GB00B5W2CB33	0.01%	£ 0.10
L&G (PMC) Property Fund 3	GB00BGYBWM68	1.03%	£ 10.30	L&G (PMC) Property Fund	GB00BGYBWM68	-0.38%	£ 3.80 saving
L&G (PMC) Pre-Retirement Inflation Linked Fund 3	GB00B7LFGQ03	0.25%	£ 2.50	L&G (PMC) Pre-Retirement Inflation Linked Fund	GB00B7LFGQ03	0.01%	£ 0.10
L&G (PMC) AAA-AA-A Corporate Bond All Stocks Index Fund 3	GB00B4MWTZ99	0.24%	£ 2.40	L&G (PMC) AAA-AA-A Corporate Bond All Stocks Index Fund	GB00B4MWTZ99	-0.02%	£ 0.20 saving
L&G (PMC) Over 15 Year Gilts Index Fund 3	GB00B4NH9G49	0.20%	£ 2.00	L&G (PMC) Over 15 Year Gilts Index Fund	GB00B4NH9G49	-0.01%	£ 0.10 saving
L&G (PMC) Over 5 Year Index Linked Gilts Index Fund 3	GB00B3RQR779	0.20%	£ 2.00	L&G (PMC) Over 5 Year Index Linked Gilts Index Fund	GB00B3RQR779	0.03%	£ 0.30
L&G (PMC) Cash Fund 3	GB00B4VD0B60	0.22%	£ 2.20	L&G (PMC) Cash Fund	GB00B4VD0B60	-0.03%	£ 0.30 saving
L&G (PMC) HSBC Islamic Global Equity Index Fund 3	n/a	0.47%	£ 4.70	L&G (PMC) HSBC Islamic Global Equity Index Fund	n/a	0.13%	£ 1.30

Source: Legal & General

Additional Voluntary Contributions for members in the defined benefit section

The Plan offers members in the defined benefit section the same range of funds for their AVCs as for their other benefits. The costs and transactions charges are therefore the same as those above.

* ISIN = the International Securities Identification Number unique to each fund.

** Charge = the funds' Total Expense Ratio ("TER"), which includes the funds' Annual Management Charge ("AMC") and Operating Costs and Expenses ("OCE").

*** Underlying Fund = the fund in which the Plan's top level Fund invests.

Example Illustrations

As trustees we are required to provide you with examples to show you what you might get from your plan in today's terms and explain how charges, transaction costs and investment performance could impact your pension savings over time.

Showing the value of money in real terms takes the effect of inflation into account and give an indication of how much a sum of money in the future would be worth today. This is called its buying power.

These examples were correct as at July 2020.

We have assumed the following:

- That the amounts paid in to your pension will not change over time and that the frequency will not vary. In reality contributions paid into your pension are linked to salary so will vary over time and may also be impacted by changes in pensions legislation or breaks in employment.

- We've assumed inflation remains constant at 2.50% per year. In reality this will vary over time. Inflation reduces the worth of all savings and investments.

Please remember that these are just examples and may not reflect your individual circumstances. The exact amount you'll get will depend on a number of things including:

- The actual amount paid into your plan;
- How the fund or investments that you hold perform;
- When you choose to access your pension savings.

Costs and charges

We've assumed a number of charges in these illustrations and assume that they will not change over time. These charges reflect the costs incurred in keeping your pension plan running smoothly and managing the funds you're invested in.

Annual management charge (AMC): 0.12%

This covers the cost of running your pension plan, as agreed with your employer and is deducted from your plan monthly.

Costs and charges

Investment choices
The investment strategy used in these illustrations is L&G PMC Property 3. This is the default investment option for your scheme. We've used the following fund management charge (FMC) and growth rate(s) in these illustrations. These growth rates take into account the effect of inflation. If you are invested in a Pathway fund the growth rates assume that you are invested in the fund from the 1st January each year.

Fund name	FMC	Growth rate	Transaction costs
L&G PMC Property 3	0.91%	1.2%	-0.50%

Fund management charge (FMC)
This covers the cost of managing the fund or funds you're invested in and is included in the funds unit price.

Transaction costs
Transaction costs reflect the trading costs incurred by a fund in day-to-day management and when you make a request to buy, sell or switch your investments. Where transaction costs data is available we've included them in the calculation of these illustrations and they are based on the average yearly costs incurred, measured over a period of up to the last five years. This may be different to the charges shown on the scheme's annual chairman's statement. If the value in the table above is N/A we've not been able to include them, but you may still incur these costs.

If a cost does apply, it will not have been included in the calculation of your pension benefit statement so the outcomes may be different. It will be reflected in the unit prices used to calculate the value of your pension pot. You can find out more about transaction costs at landg.com/transactioncosts.

Retirement age

We have assumed that you will take your pension benefits when you reach 65 and that you are currently aged 35. These illustrations assume your money will remain invested for the periods shown in the table.

How will the charges affect what my pension is worth?

Pot value at end of year	Current fund value: £63,000.00 Contribution: £0.00 per month		Current fund value: £20,000.00 Contribution: £140.00 per month	
	Investment growth after inflation reduced from 1.2% a year to 0.6%.		Investment growth after inflation reduced from 1.2% a year to 0.6%.	
	No charges	After all charges	No charges	After all charges
1	63,738	63,401	21,906	21,794
3	65,239	64,209	25,663	25,295
5	66,775	65,029	29,352	28,686
10	70,777	67,123	38,318	36,717
20	79,513	71,515	55,429	51,157
30	89,328	76,195	71,944	63,908

Important note:
The charges mean that the value of your pension pot could be less than has been paid in, particularly if contributions stop during the early years of your pension plan.

Example Illustrations

As trustees we are required to provide you with examples to show you what you might get from your plan in today's terms and explain how charges, transaction costs and investment performance could impact your pension savings over time.

Showing the value of money in real terms takes the effect of inflation into account and give an indication of how much a sum of money in the future would be worth today. This is called its buying power.

These examples were correct as at July 2020.

We have assumed the following:

- That the amounts paid in to your pension will not change over time and that the frequency will not vary. In reality contributions paid into your pension are linked to salary so will vary over time and may also be impacted by changes in pensions legislation or breaks in employment.

- We've assumed inflation remains constant at 2.50% per year. In reality this will vary over time. Inflation reduces the worth of all savings and investments.

Please remember that these are just examples and may not reflect your individual circumstances. The exact amount you'll get will depend on a number of things including:

- The actual amount paid into your plan;
- How the fund or investments that you hold perform;
- When you choose to access your pension savings.

Costs and charges
We've assumed a number of charges in these illustrations and assume that they will not change over time. These charges reflect the costs incurred in keeping your pension plan running smoothly and managing the funds you're invested in.

Annual management charge (AMC): 0.12%
This covers the cost of running your pension plan, as agreed with your employer and is deducted from your plan monthly.

Legal & General

Costs and charges

Investment choices

The investment strategy used in these illustrations is L&G PMC Property 3. This is the default investment option for your scheme. We've used the following fund management charge (FMC) and growth rate(s) in these illustrations. These growth rates take into account the effect of inflation. If you are invested in a Pathway fund the growth rates assume that you are invested in the fund from the 1st January each year.

Fund name	FMC	Growth rate	Transaction costs
L&G PMC Property 3	0.91%	1.2%	-0.50%

Fund management charge (FMC)

This covers the cost of managing the fund or funds you're invested in and is included in the funds unit price.

Transaction costs

Transaction costs reflect the trading costs incurred by a fund in day-to-day management and when you make a request to buy, sell or switch your investments. Where transaction costs data is available we've included them in the calculation of these illustrations and they are based on the average yearly costs incurred, measured over a period of up to the last five years. This may be different to the charges shown on the scheme's annual chairman's statement. If the value in the table above is N/A we've not been able to include them, but you may still incur these costs.

If a cost does apply, it will not have been included in the calculation of your pension benefit statement so the outcomes may be different. It will be reflected in the unit prices used to calculate the value of your pension pot. You can find out more about transaction costs at landg.com/transactioncosts.

Retirement age

We have assumed that you will take your pension benefits when you reach 65 and that you are currently aged 53. These illustrations assume your money will remain invested for the periods shown in the table.

How will the charges affect what my pension is worth?

Pot value at end of year	Current fund value: £63,000.00 Contribution: £0.00 per month		Current fund value: £20,000.00 Contribution: £140.00 per month	
	Investment growth after inflation reduced from 1.2% a year to 0.6%.		Investment growth after inflation reduced from 1.2% a year to 0.6%.	
	No charges	After all charges	No charges	After all charges
1	63,738	63,401	21,906	21,794
3	65,239	64,209	25,663	25,295
5	66,775	65,029	29,352	28,686
10	70,777	67,123	38,318	36,717
12	72,443	67,979	41,816	39,766

Important note:
The charges mean that the value of your pension pot could be less than has been paid in, particularly if contributions stop during the early years of your pension plan.

Example Illustrations

As trustees we are required to provide you with examples to show you what you might get from your plan in today's terms and explain how charges, transaction costs and investment performance could impact your pension savings over time.

Showing the value of money in real terms takes the effect of inflation into account and give an indication of how much a sum of money in the future would be worth today. This is called its buying power.

These examples were correct as at July 2020.

We have assumed the following:

- That the amounts paid in to your pension will not change over time and that the frequency will not vary. In reality contributions paid into your pension are linked to salary so will vary over time and may also be impacted by changes in pensions legislation or breaks in employment.

- We've assumed inflation remains constant at 2.50% per year. In reality this will vary over time. Inflation reduces the worth of all savings and investments.

Please remember that these are just examples and may not reflect your individual circumstances. The exact amount you'll get will depend on a number of things including:

- The actual amount paid into your plan;
- How the fund or investments that you hold perform;
- When you choose to access your pension savings.

Costs and charges

We've assumed a number of charges in these illustrations and assume that they will not change over time. These charges reflect the costs incurred in keeping your pension plan running smoothly and managing the funds you're invested in.

Annual management charge (AMC): 0.12%
This covers the cost of running your pension plan, as agreed with your employer and is deducted from your plan monthly.

Costs and charges

Investment choices

The investment strategy used in these illustrations is L&G PMC Cash 3. This is the default investment option for your scheme. We've used the following fund management charge (FMC) and growth rate(s) in these illustrations. These growth rates take into account the effect of inflation. If you are invested in a Pathway fund the growth rates assume that you are invested in the fund from the 1st January each year.

Fund name	FMC	Growth rate	Transaction costs
L&G PMC Cash 3	0.09%	-1.8%	-0.05%

Fund management charge (FMC)

This covers the cost of managing the fund or funds you're invested in and is included in the funds unit price.

Transaction costs

Transaction costs reflect the trading costs incurred by a fund in day-to-day management and when you make a request to buy, sell or switch your investments. Where transaction costs data is available we've included them in the calculation of these illustrations and they are based on the average yearly costs incurred, measured over a period of up to the last five years. This may be different to the charges shown on the scheme's annual chairman's statement. If the value in the table above is N/A we've not been able to include them, but you may still incur these costs.

If a cost does apply, it will not have been included in the calculation of your pension benefit statement so the outcomes may be different. It will be reflected in the unit prices used to calculate the value of your pension pot. You can find out more about transaction costs at landg.com/transactioncosts.

Retirement age

We have assumed that you will take your pension benefits when you reach 65 and that you are currently aged 35. These illustrations assume your money will remain invested for the periods shown in the table.

How will the charges affect what my pension is worth?

Pot value at end of year	Current fund value: £63,000.00 Contribution: £0.00 per month		Current fund value: £20,000.00 Contribution: £140.00 per month	
	Investment growth after inflation reduced from -1.8% a year to -1.9%.		Investment growth after inflation reduced from -1.8% a year to -1.9%.	
	No charges	After all charges	No charges	After all charges
1	61,894	61,795	21,294	21,261
3	59,739	59,453	23,696	23,593
5	57,659	57,200	25,862	25,685
10	52,771	51,934	30,349	29,973
20	44,203	42,811	36,043	35,244
30	37,026	35,291	38,489	37,283

Important note:
The charges mean that the value of your pension pot could be less than has been paid in, particularly if contributions stop during the early years of your pension plan.

Example Illustrations

As trustees we are required to provide you with examples to show you what you might get from your plan in today's terms and explain how charges, transaction costs and investment performance could impact your pension savings over time.

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These examples were correct as at July 2020.

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- That the amounts paid in to your pension will not change over time and that the frequency will not vary. In reality contributions paid into your pension are linked to salary so will vary over time and may also be impacted by changes in pensions legislation or breaks in employment.

- We've assumed inflation remains constant at 2.50% per year. In reality this will vary over time. Inflation reduces the worth of all savings and investments.

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- When you choose to access your pension savings.

Costs and charges

We've assumed a number of charges in these illustrations and assume that they will not change over time. These charges reflect the costs incurred in keeping your pension plan running smoothly and managing the funds you're invested in.

Annual management charge (AMC): 0.12%

This covers the cost of running your pension plan, as agreed with your employer and is deducted from your plan monthly.

Costs and charges

Investment choices

The investment strategy used in these illustrations is L&G PMC Cash 3. This is the default investment option for your scheme. We've used the following fund management charge (FMC) and growth rate(s) in these illustrations. These growth rates take into account the effect of inflation. If you are invested in a Pathway fund the growth rates assume that you are invested in the fund from the 1st January each year.

Fund name	FMC	Growth rate	Transaction costs
L&G PMC Cash 3	0.09%	-1.8%	-0.05%

Fund management charge (FMC)

This covers the cost of managing the fund or funds you're invested in and is included in the funds unit price.

Transaction costs

Transaction costs reflect the trading costs incurred by a fund in day-to-day management and when you make a request to buy, sell or switch your investments. Where transaction costs data is available we've included them in the calculation of these illustrations and they are based on the average yearly costs incurred, measured over a period of up to the last five years. This may be different to the charges shown on the scheme's annual chairman's statement. If the value in the table above is N/A we've not been able to include them, but you may still incur these costs.

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Retirement age

We have assumed that you will take your pension benefits when you reach 65 and that you are currently aged 53. These illustrations assume your money will remain invested for the periods shown in the table.

How will the charges affect what my pension is worth?

Pot value at end of year	Current fund value: £63,000.00 Contribution: £0.00 per month		Current fund value: £20,000.00 Contribution: £140.00 per month	
	Investment growth after inflation reduced from -1.8% a year to -1.9%.		Investment growth after inflation reduced from -1.8% a year to -1.9%.	
	No charges	After all charges	No charges	After all charges
1	61,894	61,795	21,294	21,261
3	59,739	59,453	23,696	23,593
5	57,659	57,200	25,862	25,685
10	52,771	51,934	30,349	29,973
12	50,934	49,965	31,809	31,350

Important note:
The charges mean that the value of your pension pot could be less than has been paid in, particularly if contributions stop during the early years of your pension plan.

Example Illustrations

As trustees we are required to provide you with examples to show you what you might get from your plan in today's terms and explain how charges, transaction costs and investment performance could impact your pension savings over time.

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These examples were correct as at July 2020.

We have assumed the following:

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- We've assumed inflation remains constant at 2.50% per year. In reality this will vary over time. Inflation reduces the worth of all savings and investments.

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- When you choose to access your pension savings.

Costs and charges

We've assumed a number of charges in these illustrations and assume that they will not change over time. These charges reflect the costs incurred in keeping your pension plan running smoothly and managing the funds you're invested in.

Annual management charge (AMC): 0.12%

This covers the cost of running your pension plan, as agreed with your employer and is deducted from your plan monthly.

Costs and charges

Investment choices

The investment strategy used in these illustrations is GE AVC Lifestyle. This is the default investment option for your scheme. We've used the following fund management charge (FMC) and growth rate(s) in these illustrations. These growth rates take into account the effect of inflation. If you are invested in a Pathway fund the growth rates assume that you are invested in the fund from the 1st January each year.

GE AVC Lifestyle	FMC	Growth rate	Transaction costs
L&G PMC Global Eqty Fixed Weights 50:50 Index 3	0.10%	1.9%	0.01%
L&G PMC Cash 3	0.09%	-1.8%	-0.05%
L&G PMC Multi-Asset 3	0.13%	1.0%	0.04%

Fund management charge (FMC)

This covers the cost of managing the fund or funds you're invested in and is included in the funds unit price.

Transaction costs

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Retirement age

We have assumed that you will take your pension benefits when you reach 65 and that you are currently aged 35. These illustrations assume your money will remain invested for the periods shown in the table.

How will the charges affect what my pension is worth?

Pot value at end of year	Current fund value: £63,000.00 Contribution: £0.00 per month		Current fund value: £20,000.00 Contribution: £140.00 per month	
	Investment growth after inflation reduced from 1.4% a year to 1.2%.		Investment growth after inflation reduced from 1.3% a year to 1.1%.	
	No charges	After all charges	No charges	After all charges
1	64,168	64,020	22,049	22,000
3	66,569	66,111	26,138	25,974
5	69,060	68,270	30,223	29,922
10	75,702	73,981	40,465	39,716
20	90,003	85,893	60,829	58,666
30	96,312	89,526	74,337	70,268

Important note:
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Example Illustrations

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Costs and charges

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Costs and charges

Investment choices

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GE AVC Lifestyle	FMC	Growth rate	Transaction costs
L&G PMC Global Eqty Fixed Weights 50:50 Index 3	0.10%	1.9%	0.01%
L&G PMC Cash 3	0.09%	-1.8%	-0.05%
L&G PMC Multi-Asset 3	0.13%	1.0%	0.04%

Fund management charge (FMC)

This covers the cost of managing the fund or funds you're invested in and is included in the funds unit price.

Transaction costs

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Retirement age

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How will the charges affect what my pension is worth?

Pot value at end of year	Current fund value: £63,000.00 Contribution: £0.00 per month		Current fund value: £20,000.00 Contribution: £140.00 per month	
	Investment growth after inflation reduced from 0.8% a year to 0.6%.		Investment growth after inflation reduced from 0.7% a year to 0.4%.	
	No charges	After all charges	No charges	After all charges
1	63,976	63,816	21,985	21,932
3	65,803	65,298	25,861	25,681
5	67,448	66,567	29,594	29,257
10	70,637	68,734	38,138	37,302
12	69,461	67,314	40,036	39,059

Important note:
The charges mean that the value of your pension pot could be less than has been paid in, particularly if contributions stop during the early years of your pension plan.

Example Illustrations

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Costs and charges

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Annual management charge (AMC): 0.12%

This covers the cost of running your pension plan, as agreed with your employer and is deducted from your plan monthly.

Costs and charges

Investment choices
The investment strategy used in these illustrations is L&G PMC Global Eqty Fixed Weights 50:50 Index 3. This is the default investment option for your scheme. We've used the following fund management charge (FMC) and growth rate(s) in these illustrations. These growth rates take into account the effect of inflation. If you are invested in a Pathway fund the growth rates assume that you are invested in the fund from the 1st January each year.

Fund name	FMC	Growth rate	Transaction costs
L&G PMC Global Eqty Fixed Weights 50:50 Index 3	0.10%	1.9%	0.01%

Fund management charge (FMC)
This covers the cost of managing the fund or funds you're invested in and is included in the funds unit price.

Transaction costs
Transaction costs reflect the trading costs incurred by a fund in day-to-day management and when you make a request to buy, sell or switch your investments. Where transaction costs data is available we've included them in the calculation of these illustrations and they are based on the average yearly costs incurred, measured over a period of up to the last five years. This may be different to the charges shown on the scheme's annual chairman's statement. If the value in the table above is N/A we've not been able to include them, but you may still incur these costs.

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Retirement age

We have assumed that you will take your pension benefits when you reach 65 and that you are currently aged 35. These illustrations assume your money will remain invested for the periods shown in the table.

How will the charges affect what my pension is worth?

Pot value at end of year	Current fund value: £63,000.00 Contribution: £0.00 per month		Current fund value: £20,000.00 Contribution: £140.00 per month	
	Investment growth after inflation reduced from 1.9% a year to 1.6%.		Investment growth after inflation reduced from 1.9% a year to 1.6%.	
	No charges	After all charges	No charges	After all charges
1	64,168	64,020	22,049	22,000
3	66,569	66,111	26,138	25,974
5	69,060	68,270	30,223	29,922
10	75,702	73,981	40,465	39,716
20	90,965	86,875	61,460	59,317
30	109,305	102,017	83,880	79,560

Important note:
The charges mean that the value of your pension pot could be less than has been paid in, particularly if contributions stop during the early years of your pension plan.

Example Illustrations

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Costs and charges

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Annual management charge (AMC): 0.12%

This covers the cost of running your pension plan, as agreed with your employer and is deducted from your plan monthly.

Costs and charges

Investment choices

The investment strategy used in these illustrations is L&G PMC Global Eqty Fixed Weights 50:50 Index 3. This is the default investment option for your scheme. We've used the following fund management charge (FMC) and growth rate(s) in these illustrations. These growth rates take into account the effect of inflation. If you are invested in a Pathway fund the growth rates assume that you are invested in the fund from the 1st January each year.

Fund name	FMC	Growth rate	Transaction costs
L&G PMC Global Eqty Fixed Weights 50:50 Index 3	0.10%	1.9%	0.01%

Fund management charge (FMC)

This covers the cost of managing the fund or funds you're invested in and is included in the funds unit price.

Transaction costs

Transaction costs reflect the trading costs incurred by a fund in day-to-day management and when you make a request to buy, sell or switch your investments. Where transaction costs data is available we've included them in the calculation of these illustrations and they are based on the average yearly costs incurred, measured over a period of up to the last five years. This may be different to the charges shown on the scheme's annual chairman's statement. If the value in the table above is N/A we've not been able to include them, but you may still incur these costs.

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Retirement age

We have assumed that you will take your pension benefits when you reach 65 and that you are currently aged 53. These illustrations assume your money will remain invested for the periods shown in the table.

How will the charges affect what my pension is worth?

Pot value at end of year	Current fund value: £63,000.00 Contribution: £0.00 per month		Current fund value: £20,000.00 Contribution: £140.00 per month	
	Investment growth after inflation reduced from 1.9% a year to 1.6%.		Investment growth after inflation reduced from 1.9% a year to 1.6%.	
	No charges	After all charges	No charges	After all charges
1	64,168	64,020	22,049	22,000
3	66,569	66,111	26,138	25,974
5	69,060	68,270	30,223	29,922
10	75,702	73,981	40,465	39,716
12	78,534	76,396	44,593	43,620

Important note:
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Example Illustrations

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- We've assumed inflation remains constant at 2.50% per year. In reality this will vary over time. Inflation reduces the worth of all savings and investments.

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Costs and charges

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Annual management charge (AMC): 0.12%

This covers the cost of running your pension plan, as agreed with your employer and is deducted from your plan monthly.

Costs and charges

Investment choices
The investment strategy used in these illustrations is L&G PMC Multi-Asset 3. This is the default investment option for your scheme. We've used the following fund management charge (FMC) and growth rate(s) in these illustrations. These growth rates take into account the effect of inflation. If you are invested in a Pathway fund the growth rates assume that you are invested in the fund from the 1st January each year.

Fund name	FMC	Growth rate	Transaction costs
L&G PMC Multi-Asset 3	0.13%	1.0%	0.04%

Fund management charge (FMC)
This covers the cost of managing the fund or funds you're invested in and is included in the funds unit price.

Transaction costs
Transaction costs reflect the trading costs incurred by a fund in day-to-day management and when you make a request to buy, sell or switch your investments. Where transaction costs data is available we've included them in the calculation of these illustrations and they are based on the average yearly costs incurred, measured over a period of up to the last five years. This may be different to the charges shown on the scheme's annual chairman's statement. If the value in the table above is N/A we've not been able to include them, but you may still incur these costs.

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Retirement age

We have assumed that you will take your pension benefits when you reach 65 and that you are currently aged 35. These illustrations assume your money will remain invested for the periods shown in the table.

How will the charges affect what my pension is worth?

Pot value at end of year	Current fund value: £63,000.00 Contribution: £0.00 per month		Current fund value: £20,000.00 Contribution: £140.00 per month	
	Investment growth after inflation reduced from 1.0% a year to 0.7%.		Investment growth after inflation reduced from 1.0% a year to 0.7%.	
	No charges	After all charges	No charges	After all charges
1	63,615	63,430	21,865	21,804
3	64,862	64,300	25,528	25,328
5	66,134	65,182	29,108	28,744
10	69,423	67,439	37,726	36,856
20	76,502	72,190	53,827	51,520
30	84,301	77,277	68,888	64,576

Important note:
The charges mean that the value of your pension pot could be less than has been paid in, particularly if contributions stop during the early years of your pension plan.

Example Illustrations

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- We've assumed inflation remains constant at 2.50% per year. In reality this will vary over time. Inflation reduces the worth of all savings and investments.

Please remember that these are just examples and may not reflect your individual circumstances. The exact amount you'll get will depend on a number of things including:

- The actual amount paid into your plan;
- How the fund or investments that you hold perform;
- When you choose to access your pension savings.

Costs and charges

We've assumed a number of charges in these illustrations and assume that they will not change over time. These charges reflect the costs incurred in keeping your pension plan running smoothly and managing the funds you're invested in.

Annual management charge (AMC): 0.12%

This covers the cost of running your pension plan, as agreed with your employer and is deducted from your plan monthly.

Costs and charges

Investment choices

The investment strategy used in these illustrations is L&G PMC Multi-Asset 3. This is the default investment option for your scheme. We've used the following fund management charge (FMC) and growth rate(s) in these illustrations. These growth rates take into account the effect of inflation. If you are invested in a Pathway fund the growth rates assume that you are invested in the fund from the 1st January each year.

Fund name	FMC	Growth rate	Transaction costs
L&G PMC Multi-Asset 3	0.13%	1.0%	0.04%

Fund management charge (FMC)

This covers the cost of managing the fund or funds you're invested in and is included in the funds unit price.

Transaction costs

Transaction costs reflect the trading costs incurred by a fund in day-to-day management and when you make a request to buy, sell or switch your investments. Where transaction costs data is available we've included them in the calculation of these illustrations and they are based on the average yearly costs incurred, measured over a period of up to the last five years. This may be different to the charges shown on the scheme's annual chairman's statement. If the value in the table above is N/A we've not been able to include them, but you may still incur these costs.

If a cost does apply, it will not have been included in the calculation of your pension benefit statement so the outcomes may be different. It will be reflected in the unit prices used to calculate the value of your pension pot. You can find out more about transaction costs at landg.com/transactioncosts.

Retirement age

We have assumed that you will take your pension benefits when you reach 65 and that you are currently aged 53. These illustrations assume your money will remain invested for the periods shown in the table.

How will the charges affect what my pension is worth?

Pot value at end of year	Current fund value: £63,000.00 Contribution: £0.00 per month		Current fund value: £20,000.00 Contribution: £140.00 per month	
	Investment growth after inflation reduced from 1.0% a year to 0.7%.		Investment growth after inflation reduced from 1.0% a year to 0.7%.	
	No charges	After all charges	No charges	After all charges
1	63,615	63,430	21,865	21,804
3	64,862	64,300	25,528	25,328
5	66,134	65,182	29,108	28,744
10	69,423	67,439	37,726	36,856
12	70,785	68,363	41,056	39,943

Important note:
The charges mean that the value of your pension pot could be less than has been paid in, particularly if contributions stop during the early years of your pension plan.