

Chair's DC Governance Statement, covering 1 January 2024 to 31 December 2024 (the "Plan Year")

1. Introduction and members' summary

The **TRP UK Retirement Plan** (the "Plan") is an occupational pension scheme providing defined contribution ("DC") benefits (a DC pension scheme is where employee and employer contributions are paid into it, and members choose their investments - or they are invested in the default option - and bear the investment risk).

Governance requirements apply to DC pension arrangements, to help members achieve a good outcome from their pension savings. We, the Trustee of the Plan, are required to produce a yearly statement (signed by the Chair of the Trustee) covering:

- the design and oversight of the default investment option (ie where contributions are invested for members that do not wish to choose their own investments);
- processing of core financial transactions (ie administration of the Plan, such as investment of contributions);
- the charges and transaction costs borne by members for the default investment option and any other investment option members can select or have assets in;
- an illustration of the cumulative effect of these costs and charges;
- net returns of the investment options;
- how the value members obtain from the Plan is assessed; and
- Trustee knowledge and understanding.

The key points that we would like members reading this Statement to take away are as follows:

- We regularly monitor the investment arrangements, and we are satisfied that following triennial review, which concluded in September 2023, the default investment option and other investment options remain suitable for the

membership. This resulted in some changes to underlying funds and allocations used in the default lifestyle were agreed to be implemented in early 2024, during the Plan Year. In addition, the two alternative lifestyle arrangements, the TRP Annuity Lifestyle and the TRP Lump Sum Lifestyle Investment Programme, were closed.

- The administrator has processed core financial transactions promptly and accurately to an acceptable level during the Plan Year, and we remain comfortable with the administrator's performance. Administration standards over the Plan Year have been roughly in line with 2023.
- Fees can have a material impact on the value of your pension savings and the fee impact is greater the more time passes, since fees reduce the amount of money that can grow with future investment returns. Fees for the investment options are set out in this Statement, and we remain comfortable that these fees are reasonable given the circumstances of the Plan and represent value for the benefits members obtain.
- During the Plan Year, with the help of our investment advisors, we agreed to change the share classes of the T. Rowe Price managed funds in order to secure a fee reduction. This reduction was implemented following the end of the Plan Year and, as such, will be reported on in more detail in the next Statement.
- Please rest assured that we are looking after your best interests as members, and we undertake training and receive advice as appropriate so that we have sufficient knowledge and understanding to do so effectively.

2. Default arrangements

The Plan is used as a Qualifying Scheme for automatic enrolment purposes. This means that it is used as a pension savings scheme for employees who are eligible for automatic enrolment into a pension scheme. The Trustees are responsible for investment governance, which includes setting and monitoring the investment strategy for the default arrangements.

We have made available a range of investment options for members. Members who join the Plan and who do not choose an investment option are placed into the TRP Drawdown Lifestyle Investment Programme, (the "Default"). We recognise that some members do not make active investment decisions and instead invest in the Default. After taking advice, we decided to make the Default a lifestyle strategy which targets income drawdown at retirement – this was implemented in February 2018. A lifestyle strategy means that members' assets are automatically moved between different investment funds as they approach their target retirement date.

One fund is also classified as a default investment option following previous investment changes where members' contributions were redirected without members expressing a choice. This is the SW BlackRock Sterling Liquidity Fund. Following the suspension of the SW UK Property Fund in March 2020, a decision was taken to redirect contributions into the SW BlackRock Sterling Liquidity Fund until such time as the SW UK Property Fund could reopen. Prior to making this decision, we received advice from our investment adviser confirming this as the most appropriate option for members given the circumstances. As members' contributions were directed into this Fund without them making an active selection, this Fund was treated as a default investment option for the purpose of fulfilling legislative requirements over the Plan Year.

Details of the objectives and our policies regarding the default arrangements are set out in a document called the 'Statement of Investment Principles' ("SIP"). The Plan's SIP, covering the default arrangements, is attached to this Statement as an Appendix.

Strategic triennial review

The Default was not reviewed during the period covered by this Statement. The last review was carried out on 27 September 2023. We regularly monitor the performance of the Default and will formally review the strategy (aims, objectives and SIP policies) at least every three years. The next review is intended to take place by September 2026 or immediately following any significant change in investment policy or the Plan's member profile.

The review was carried out prior to the Plan Year and the following changes were implemented during the Plan Year:

- The TRP Drawdown Lifestyle Investment Programme is composed of three 'white-labelled' blended funds: TRP Growth Fund, TRP Balanced Fund, and TRP Approaching Retirement Fund. Structuring the lifestyle with three white-labelled blends allows for any future changes to be made more quickly and efficiently as well as simplifying the structure for members.
- The two alternative lifestyle arrangements, the TRP Annuity Lifestyle (which is also a default investment option) and the TRP Lump Sum Lifestyle Investment Programme, were closed with assets being transferred into the TRP Drawdown Lifestyle Investment Programme, unless members made an alternative choice. These lifestyles were removed due to low take up of these options by members.

- Removal of the TRP Lifestyle Fixed Income Blend, with assets being transferred into the TRP Drawdown Lifestyle Investment Programme, unless members made an alternative choice. This fund formed part of the lifestyle strategies that were removed during the Plan year, and this fund was removed at the same time.

These changes were implemented in February 2024.

Subsequent to the changes resulting from the strategic triennial review, the allocation to the T. Rowe Price Emerging Markets Equity Fund within the Default was replaced with the BlackRock Emerging Markets Equity Index Fund in November 2024.

As a result of these changes, we are satisfied that the two default options, the TRP Drawdown Lifestyle Programme and the BlackRock Sterling Liquidity Fund, remain appropriate on an ongoing basis.

Self-select fund range review

We recognise the importance of regularly reviewing the self-select offering given the proportion of members invested in these funds is high in comparison to the broader DC pension scheme market.

We provide members with access to a range of pooled, self-select funds across the main asset classes, reflecting the changing requirements of members as they progress towards retirement, which they believe are suitable for this purpose and enable appropriate diversification.

We also made available an alternative lifestyle strategy, which is designed to provide members with access to a different retirement outcome other than annuity purchase and income drawdown, which is lump sum withdrawal. This was removed during the Plan year. Details of the extensive self-select fund range are set out in Appendix C of the SIP.

As part of the triennial review, we reviewed the self-select fund range and, in addition to the options removed (see above), the following funds were added during the Plan year:

- LGIM Future World Annuity Aware Fund;
- T. Rowe Price Global Impact Equity Fund;
- T. Rowe Price Emerging Markets Discovery Fund; and

- BlackRock Up To 5 Year Gilt Index Fund.

These changes were implemented in January and February 2024, during the Plan Year.

Regular monitoring

In addition to triennial strategy reviews, we monitor the performance of the default arrangements and self-select fund range against their objectives on a semi-annual basis. This review includes performance analysis to check that the risk and return levels meet expectations. Our reviews over the Plan Year concluded that the default arrangements were performing broadly as expected and consistent with the aims and objectives as stated in the SIP.

We reminded members to review their investment holdings and check they are suitable for each individual's risk tolerances and retirement planning throughout the Plan Year via member presentations, the annual member newsletter and members' annual benefit statements.

Asset allocation breakdown

We are required to show the asset allocation of the default arrangements. In line with the DWP's guidance, we have also shown this asset allocation for different ages as at the Plan year end. In previous years, we have shown a breakdown for the Annuity Lifestyle and Lump Sum lifestyle strategies. However, these were removed during the Plan year and were not in place at the end of the year.

Figures may not sum due to rounding. Please note any allocations to "other" are small individual allocations to alternative asset classes within the L&G Diversified Fund including, but not limited to, alternative risk premia and commodities.

TRP Drawdown Lifestyle Investment Programme

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
Cash/money market instruments	0.0	0.0	0.1	15.1
Corporate bonds (UK and overseas)	0.0	0.0	8.5	23.7
UK government bonds	0.0	0.0	2.8	10.8

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
Overseas government bonds	0.0	0.0	0.6	1.5
Listed equities	100	100	85.8	44.1
Private equity	0.0	0.0	0.5	1.1
Property*	0.0	0.0	0.8	1.9
Private debt	0.0	0.0	0.4	0.8
Other	0.0	0.0	0.5	1.0

BlackRock Sterling Liquidity Fund

Asset class	Allocation 25 y/o %	Allocation 45 y/o %	Allocation 55 y/o %	Allocation at retirement %
Cash/money market instruments	100.0	100.0	100.0	100.0

3. Processing of core financial transactions

The processing of core financial transactions for the DC and AVC arrangements is carried out by the administrator of the Plan, Scottish Widows. Core financial transactions include (but are not limited to): the investment of contributions, processing of transfers in and out of the Plan, transfers of assets between different investments within the Plan, and payments to members/beneficiaries.

We have received assurance from Scottish Widows that there are adequate internal controls to support prompt and accurate processing of core financial transactions.

The Plan has a Service Level Agreement ("SLA") in place with the administrator which covers the accuracy and timeliness of all core financial transactions, which we monitor on a quarterly basis.

Scottish Widows' average SLA performance has stayed level this Plan Year at 95%, compared to an SLA of 95% for 2023.

The SLAs for the Plan have a specific timeframe in which to be addressed and completed and include (but are not limited to) the items in the following table:

Service Type	Service Level
Individual Transfer In	Act on instruction by the end of the following business day
Investment Switches	Act on instruction by the end of the following business day
Retirements, Transfers, Short Service Refunds and Death Claims unit sales	Act on instruction to sell units within two business days
Retirements, Transfers, Short Service Refunds and Death Claims payments	Payment to follow within a further three business days after the investment trade has cleared
Member enquiries	5 business days for simple enquiries and up to 10 business days for more complex enquiries
Fund values and illustrations received in writing	5 business days
Calculation of tax-free cash	5 business days

The key processes adopted by the administrator to help it meet the SLA are as follows:

- A task logging system is in place, which is reviewed regularly for forthcoming workloads and tasks are allocated daily.
- In respect of reconciliations, the Operational Support CASS/Accounts team checks that transactions are correct and investigates issues that may arise. Reconciliations are carried out daily, weekly, and monthly.
- Having a dedicated bereavement cases team.
- All claims payments have to have a secondary approval to proceed, with payment approval thresholds in place.

- All balancing queries are dealt with daily.

To help us monitor whether service levels are being met, we receive quarterly reports about the administrator's performance and compliance with the SLA.

- The quarterly reporting provided by the administrator provides a summary of the Plan and its members, as well as information on retirements, contributions, and assets. Furthermore, it provides a detailed breakdown of all core administrative procedures, the number of cases received over the period and the percentage of procedures that were completed within the agreed SLAs.
- Reports are initially evaluated by the HR/Payroll teams at T. Rowe Price and the Trustee's Administration and Communication sub-committee to verify that transactions are performed in line with the SLAs and to determine if there have been any administration errors or unreasonable delays.
- The Trustee's Administration and Communication sub-committee meets with Scottish Widows on a quarterly basis to discuss service levels and any current issues.

The Plan's relationship manager at Scottish Widows also attends regular Trustee meetings to discuss performance. To supplement this, we receive semi-annual updates from our advisers on Scottish Widows' wider service standards at a 'book level'. These updates from our adviser benchmark Scottish Widows' services against the wider DC trust-based provider market.

In addition, we undertake an annual site visit at Scottish Widows' offices to assess the ongoing administration quality standards, risk control measures and financial transaction procedures in place. We attended the Scottish Widows offices in person, following the Plan Year, on 4 February 2025, to carry out this annual site visit. We also review Scottish Widows' annual AAF01/06 report on internal controls and raise any issues as appropriate.

The Plan's account and internal administration processes are audited annually by the Plan's appointed auditors. This includes a review of the core payments into and out of the Plan and a reconciliation of member data provided by Scottish Widows.

Any issues identified as part of our review processes would be raised with the administrators immediately, and steps would be taken to resolve the issues.

Based on our review processes, we are satisfied that over the period covered by this Statement:

- the administrator was operating appropriate procedures, checks and controls, and operating within the agreed SLA;
- there have been no material administration issues in relation to processing core financial transactions; and
- core financial transactions have been processed promptly and accurately to an acceptable level during the Plan Year.

We reported in our last two annual Statements that there had been some anomalies in previous Plan years with regard to the late payment of contributions by the payroll team at T. Rowe Price and that these were swiftly rectified during 2022. Rigorous monitoring by the Trustee and T. Rowe Price revealed a small number of further anomalies during the 2023 Plan Year, which were also swiftly rectified by T. Rowe Price.

The Trustee has been continuing to monitor the remedial steps that T. Rowe Price have taken to avoid any further issues arising. These steps include moving to a new “Money4Life” system with Scottish Widows in early 2024, which enables upload errors to be corrected in real time (which was not the position previously) and, as the Trustee understands it, should reduce the propensity for errors in respect of late payments.

The Trustee, with the help of its investment adviser, undertook a payroll review during the Plan Year to mitigate any further payroll issues. As part of the review, it was suggested that the Company consider improving practices in four key areas:

- Process;
- Automatic enrolment;
- Additional voluntary contributions and bonus sacrifice; and
- Cash in lieu.

In addition, we were informed in March 2025, following the end of the Plan Year, that Scottish Widows had a platform-wide issue with lifestyle rebalancing, due to capacity constraints. Scottish Widows informed us that this error was corrected in 2023 by increasing capacity within the team responsible and that impacted members will be informed during the 2025 Plan Year.

4. Member-borne charges and transaction costs

We are required to set out the on-going charges incurred by members over the period covered by this Statement, which are annual fund management charges plus additional fund expenses, such as custody costs, but excluding transaction costs; this is also known as the total expense ratio (“TER”). The TER is paid by the members and is reflected in the unit price of the funds.

The stated charges are shown as a per annum (“pa”) figure and include any administration charges, since members incur these costs.

We are also required to disclose transaction cost figures. In the context of this Statement, the transaction costs shown are those incurred when the Plan’s fund managers buy and sell assets within investment funds, but are exclusive of any costs incurred when members invest in and switch between funds. The TER and transaction costs are the only costs borne by members.

The charges and transaction costs have been supplied by Scottish Widows who are the Plan’s platform provider and are applicable for both the DC and AVC arrangements. All transaction costs information was available and has been included in this section. When preparing this section of the Statement we have taken account of the relevant statutory guidance.

Under the prescribed way in which transaction costs have been calculated it is possible for figures to be negative, where market movements are favourable between the time a trade is placed and it is executed. We have shown any negative figures in the tables for the year as provided, but for the costs and charges illustrations we have used zero where a transaction cost is negative to give a more realistic projection (ie. we would not expect transaction costs to be negative over the long-term).

Default arrangements

The Default arrangement is the TRP Drawdown Lifestyle Investment Programme. The Default has been set up as a lifestyle approach, which means that members’ assets are automatically moved between different investment funds as they approach their target retirement date. This means that the level of charges and transaction costs will vary depending on how close members are to their target retirement age and in which funds they are invested.

For the period covered by this Statement, annualised charges and transaction costs are set out in the following table.

TRP Drawdown Lifestyle Investment Programme charges and transaction costs (% per annum)

Years to target retirement date	TER	Transaction costs
15 years to retirement	0.31	0.07
10 years to retirement	0.35	0.06
5 years to retirement	0.38	0.05
At retirement	0.39	0.04

The Annuity Lifestyle Investment Programme shown below was removed as an option for members in February 2024. As such, we have used TERs as at 1 March 2024 and transaction costs as at 31 December 2023 as the closest proxy dates to the closure date that Scottish Widows were able to provide.

TRP Annuity Lifestyle Investment Programme charges and transaction costs (% per annum)

Years to target retirement date	TER	Transaction costs
15 years to retirement	0.36	0.09
10 years to retirement	0.32	0.07
5 years to retirement	0.28	0.06
At retirement	0.24	0.05

SW BlackRock Sterling Liquidity Fund

Annualised charges and transaction costs over the Plan Year for the SW BlackRock Sterling Liquidity Fund, which was treated as a default investment option for the purpose of fulfilling legislative requirements, are shown in the following table.

Fund	TER (% pa)	Transaction costs (%)
SW BlackRock Sterling Liquidity Fund	0.18	0.01

The default arrangement does not have any performance-based fees associated with it.

Self-select options

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

The Lump Sum Lifestyle Investment Programme shown below was removed as an option for members in February 2024. As such, we have used TERs as at 1 March 2024 and transaction costs as at 31 December 2023 as the closest proxy dates to the closure date that Scottish Widows were able to provide.

TRP Lump Sum Lifestyle Investment Programme charges and transaction costs (% per annum)

Years to target retirement date	TER	Transaction costs
15 years to retirement	0.36	0.09
10 years to retirement	0.38	0.06
5 years to retirement	0.33	0.04
At retirement	0.27	0.01

The level of charges for each self-select fund (including those used in the Default) and the transaction costs over the period covered by this Statement are set out in the following table. The underlying funds used within the Default are shown in **bold**.

Self-select fund charges and transaction costs (% per annum)

Fund name	TER	Transaction costs
T. Rowe Price Growth Fund	0.31	0.07
T. Rowe Price Balanced Fund	0.38	0.05
T. Rowe Price Approaching Retirement Fund	0.39	0.04
T. Rowe Price Lifestyle Fixed Income*	0.22	0.05
SW Baillie Gifford International Fund	0.50	0.17
SW Ardevora Global Long-only Equity Fund**	1.06	0.66
SW T. Rowe Price Global Focused Growth Equity Fund	0.97	0.75
SW T. Rowe Price Global Growth Equity Fund	1.02	0.32
SW. T. Rowe Price Global Impact Equity Fund	1.06	0.08

Fund name	TER	Transaction costs
SW T. Rowe Price Frontier Markets Equity Fund	1.21	0.21
SW T. Rowe Price Emerging Markets Equity Fund	1.11	0.43
SW T. Rowe Price Emerging Markets Discovery Equity Fund	1.21	0.41
SW Artemis UK Special Situations Fund	1.00	0.20
SW Threadneedle UK Smaller Companies Fund	1.02	0.15
SW T. Rowe Price European Equity Fund	0.92	0.14
SW T. Rowe Price European Smaller Companies Equity Fund	1.02	0.07
SW T. Rowe Price US Large Value Cap Equity Fund	0.92	0.11
SW T. Rowe Price US Smaller Companies Equity Fund	1.11	0.49
SW Stewart Investors Asia Pacific Leaders Fund	0.91	0.09
SW T. Rowe Price Asian Ex-Japan Equity Fund	1.02	0.56
SW T. Rowe Price Global Aggregate Bond Fund	0.61	0.56
SW T. Rowe Price Global High Yield Bond Fund	0.84	0.10
SW M&G Total Return Credit Fund	0.65	0.13
SW L&G Future World Annuity Aware	0.22	0.00
SW T. Rowe Price Global Natural Resources Equity Fund	1.02	0.21
SW L&G Diversified Fund	0.38	0.00
SW HSBC Islamic Global Equity Index Fund	0.45	0.04
SW BlackRock ACS European Equity Index Fund	0.19	0.03
SW BlackRock ACS Japanese Equity Index Fund	0.19	-0.02

Fund name	TER	Transaction costs
SW BlackRock Aquila Pacific Rim Equity Index Fund	0.19	0.00
SW BlackRock ACS UK Equity Index Fund	0.18	0.05
SW BlackRock ACS US Equity Index Fund	0.18	0.00
SW BlackRock ACS World ex-UK Equity Index Fund	0.19	0.02
SW BlackRock Aquila Emerging Markets Equity Index Fund	0.39	0.00
SW BlackRock ACS Climate Transition Screened and Optimised World Equity Index Fund	0.21	0.05
SW BlackRock iShares Corporate Bond All Stocks Index Fund	0.19	0.00
SW BlackRock iShares Index-Linked Over 5 Year Gilt Index Fund	0.18	-0.06
SW BlackRock iShares Over 15 Years UK Gilt Index Fund	0.18	0.00
SW BlackRock iShares Up To 5 Years UK Gilt Index Fund	0.18	0.06
SW BlackRock Sterling Liquidity Fund	0.18	0.01

*The T. Rowe Price Lifestyle Fixed Income was previously part of the default strategy until its closure in February 2024. As such, we have include the TER as at 1 March 2024 and transaction costs as at 31 December 2023 as the closest proxy dates to the closure date that Scottish Widows were able to provide.

**The Ardevora Global Long-only Equity Fund was closed in January 2024. The TER showed here is the latest available (31 December 2023).

Illustration of charges and transaction costs

The following table sets out an illustration of the impact of charges and transaction costs on the projection of an example member's pension savings. In preparing this illustration, we had regard to the relevant statutory guidance.

- The "before costs" figures represent the savings projection assuming an investment return with no deduction of member borne charges or transaction costs. The "after costs" figures represent the savings projection using the same assumed investment return but after deducting member borne charges

and an allowance for transaction costs. There are no performance fees that apply to member accounts in the Plan.

- The transaction cost figures used in the illustration are those provided by the managers over the past five years, subject to a floor of zero (so the illustration does not assume a negative cost over the long-term). We have used the average annualised transaction costs over the past five years as this is the longest period over which figures were available, and should be more indicative of longer-term costs compared to only using figures over the Plan Year.
- The illustration is shown for the Default (the TRP Drawdown Lifestyle Investment Programme), as well as the legislative default arrangement (the SW BlackRock Sterling Liquidity Fund) and two funds from the Plan's self-select fund range. The two self-select funds shown in the illustration are:
 - the fund with highest annual member borne costs (TER plus Scheme Year transaction costs) – this is the SW T. Rowe Price Global Focused Growth Equity Fund; and
 - the fund with lowest annual member borne costs – this is the SW BlackRock iShares Index-Linked Over 5 Year Gilt Index Fund.

Projected pension pot in today's money

Years invested	TRP Drawdown Lifestyle Investment Programme		SW BlackRock Sterling Liquidity Fund		SW T. Rowe Price Global Focused Growth Equity Fund		SW BlackRock iShares Index-Linked Over 5 Year Gilt Index Fund	
	Before costs	After costs	Before costs	After costs	Before costs	After costs	Before costs	After costs
1	£22,200	£22,100	£21,900	£21,800	£22,700	£22,500	£22,700	£22,700
3	£42,900	£42,600	£41,300	£41,100	£45,400	£44,100	£45,400	£45,200
5	£64,200	£63,500	£60,500	£60,100	£70,200	£67,100	£70,200	£69,800
10	£120,300	£117,800	£107,600	£106,500	£142,600	£130,900	£142,600	£140,900
15	£180,800	£175,200	£153,600	£151,300	£232,800	£204,800	£232,800	£228,600
20	£245,900	£235,900	£198,500	£194,500	£345,300	£290,400	£345,300	£336,900
25	£316,100	£300,100	£242,300	£236,200	£485,400	£389,700	£485,400	£470,400
30	£391,700	£367,700	£284,900	£276,600	£660,000	£504,700	£660,000	£635,100
35	£473,100	£438,600	£326,500	£315,500	£877,600	£638,000	£877,600	£838,300
40	£560,800	£513,200	£367,100	£353,100	£1,148,700	£792,400	£1,148,700	£1,089,000

Notes

- Values shown are estimates and are not guaranteed. The illustration does not indicate the likely variance and volatility in the possible outcomes from each fund. The numbers shown in the illustration are rounded to the nearest £100 for simplicity.
- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation. The long-term annual inflation assumption used is 2.5%.
- Annual salary growth is assumed to be 2.5%. Salaries could be expected to increase above inflation to reflect members becoming more experienced and being promoted. However, the projections assume salaries increase in line with inflation to allow for prudence in the projected values.
- The starting pot size used is £12,100. This is the approximate average (median) pot size for active (contributing) members aged 25 years and younger (rather than using a whole membership average, we have taken this approach to give a more realistic 40-year projection).
- The projection is for 40 years, being the approximate duration that the youngest scheme member has until they reach the Plan's Normal Pension Age.
- The starting salary is assumed to be £61,600. This is the approximate median salary for active members aged 25 or younger.
- Total contributions (employee plus employer) are assumed to be 16.0% of salary per year.
- The illustration uses real-terms (adjusted for inflation) investment return, gross of costs and charges.
- The projected before costs annual returns used are as follows:
 - TRP Drawdown Lifestyle Investment Programme: 1.5% above inflation for the initial years, staying at a return of 1.5% above inflation at the ending point of the lifestyle.
 - SW BlackRock Sterling Liquidity Fund: 0.5% below inflation
 - SW T. Rowe Price Global Focused Growth Equity Fund: 4.5% above inflation
 - SW BlackRock iShares Index-Linked Over 5 Year Gilt Index Fund: 4.5% above inflation
- No allowance for active management outperformance has been made.

5. Investment returns

This section shows the annual return, after the deduction of member-borne charges and transaction costs, for all investment options in which member assets were invested during the Plan Year, over periods to 31 December 2024, however not all funds and lifestyles have been available for Plan members to invest in over this period.

The TRP Annuity and TRP Lump Sum lifestyles were closed in February 2024 and, as such, we have included the net returns over the 1-year and 5-year periods available for these strategies (ie. to 31 December 2023). These strategies will not appear in future Chair's Statements.

For the Default arrangement (the TRP Drawdown Lifestyle), returns are shown over 1 and 5 years to 31 December 2024, for a member aged 25, 45 and 55 at the start of the period the returns are shown over.

We have had regard to the statutory guidance in preparing this Section. Net returns have been provided by Scottish Widows.

TRP Drawdown Lifestyle strategy net returns (periods to 31 December 2024)

Age of member at the start of the period	1 year (2024) (%)	5 years (2020-2024) (% pa)
25	17.4	8.4
45	17.4	8.4
55	13.0	3.7

TRP Annuity Lifestyle strategy net returns (periods to 31 December 2023)

Age of member at the start of the period	1 year (2023) (%)	5 years (2019-2023) (% pa)
25	11.9	9.4
45	11.9	9.4
55	9.4	4.6

TRP Lump Sum Lifestyle strategy net returns (periods to 31 December 2023)

Age of member at the start of the period	1 year (2023) (%)	5 years (2019-2023) (% pa)
25	11.9	9.4
45	11.9	9.4
55	9.9	7.2

Self-select fund net returns over periods to Plan Year end

Fund name	1 year (2024) (%)	5 years (2020-2024) (% pa)
T. Rowe Price Growth Fund	17.4	8.4
T. Rowe Price Balanced Fund**	-	-
T. Rowe Price At-Retirement Fund**	-	-
SW Baillie Gifford International Fund	12.7	8.2
SW Ardevora Global Long-only Equity Fund*	8.2*	10.8*
SW T. Rowe Price Global Focused Growth Equity Fund	19.6	12.9
SW T. Rowe Price Global Growth Equity Fund	22.3	11.0
SW. T. Rowe Price Global Impact Equity Fund**	-	-
SW T. Rowe Price Frontier Markets Equity Fund	21.8	9.6
SW T. Rowe Price Emerging Markets Equity Fund	-2.9	-4.0
SW T. Rowe Price Emerging Markets Discovery Equity Fund**	-	-
SW Artemis UK Special Situations Fund	12.8	5.7
SW Threadneedle UK Smaller Companies Fund	8.1	0.4
SW T. Rowe Price European Equity Fund	4.2	5.1

Fund name	1 year (2024) (%)	5 years (2020-2024) (% pa)
SW T. Rowe Price European Smaller Companies Equity Fund	-3.2	1.9
SW T. Rowe Price US Large Value Cap Equity Fund	12.4	8.6
SW T. Rowe Price US Smaller Companies Equity Fund	8.8	10.6
SW Stewart Investors Asia Pacific Leaders Fund	6.6	6.9
SW T. Rowe Price Asian Ex-Japan Equity Fund	7.2	1.3
SW T. Rowe Price Global Aggregate Bond Fund	-0.8	-1.2
SW T. Rowe Price Global High Yield Bond Fund	8.5	4.2
SW M&G Total Return Credit Fund	9.2	5.0
SW L&G Future World Annuity Aware	-3.6	-5.1
SW T. Rowe Price Global Natural Resources Equity Fund	5.1	7.0
SW L&G Diversified Fund	6.6	3.5
SW HSBC Islamic Global Equity Index Fund	29.2	16.4
SW BlackRock ACS European Equity Index Fund	1.4	6.4
SW BlackRock ACS Japanese Equity Index Fund	7.8	5.5
SW BlackRock Aquila Pacific Rim Equity Index Fund	-3.5	2.9
SW BlackRock ACS UK Equity Index Fund	8.2	3.8
SW BlackRock ACS US Equity Index Fund	27.4	15.4
SW BlackRock ACS World ex-UK Equity Index Fund	20.6	12.5
SW BlackRock Aquila Emerging Markets Equity Index Fund	10.1	2.3

Fund name	1 year (2024) (%)	5 years (2020-2024) (% pa)
SW BlackRock ACS Climate Transition Screened and Optimised World Equity Index Fund***	19.9	-
SW BlackRock iShares Corporate Bond All Stocks Index Fund	1.6	-1.1
SW BlackRock iShares Index-Linked Over 5 Year Gilt Index Fund	-10.4	-8.2
SW BlackRock iShares Over 15 Years UK Gilt Index Fund	-10.7	-10.6
SW BlackRock iShares Up To 5 Years UK Gilt Index Fund**	-	-
SW BlackRock Sterling Liquidity Fund	5.2	2.2

*The Ardevora Global Long-only Equity Fund closed in January 2024. As such, we have reported performance as at Q1 2024 and over the 5 year period to 31 December 2023.

**This fund has been in place for less than 1 year and as such we are unable to report 1 year performance.

***This fund has been in place for less than 5 years as such we are unable to report 5 year performance.

6. Value for members assessment

We are required to assess every year the extent to which member borne charges and transaction costs represent good value for members and to explain that assessment. There is no legal definition of 'good value' which means that determining this is subjective. Our general policy in relation to value for member considerations is set out below.

We review all member-borne charges (including transaction costs where available) annually, with the aim of ensuring that members are obtaining value for money given the circumstances of the Plan. The date of the last review was 25 June 2025, which assessed the value delivered for members during the 2024 Plan Year. We note that value for money does not necessarily mean the lowest fee, and the overall quality of the service received has also been considered in

this assessment. Our investment advisers have confirmed that the fund charges are competitive for the types of fund available to members. In particular, the charges borne by members for the passive funds are low when compared with their peer groups. Many of the fees for the Plan's active funds are above the median when compared with their peer groups, however we believe these funds offer strong expected returns.

In carrying out the assessment, we also consider the other benefits members receive from the Plan, which include:

- our oversight and governance, including ensuring the Plan is compliant with relevant legislation, and holding regular meetings to monitor the Plan and address any material issues that may impact members;
 - the design of the default arrangements and how this reflects the interests of the membership as a whole;
 - the range of investment options and strategies;
 - the quality of communications delivered to members;
 - the quality of support services, such as the Plan website where members can access fund information online; and
 - the efficiency of administration processes and the extent to which the administrator met or exceeded its service level standards.
- This summary sets out our rating and the high-level rationale behind it:

Charges – Good – Members bear the cost of administration and investment charges, but fees are competitive compared to schemes of a similar size. The Trustee has negotiated a reduction in charges on a selection of funds and will implement these in the next Plan year (ie. 2025-2026).

Administration – Good – The administration services provided by Scottish Widows is of a reasonable standard when compared with other providers. The Trustee are working closely with the provider to ensure improvements to their service to members, where appropriate.

Governance – Good – The Trustee and pensions team are very committed to the Plan, demonstrated by the dedicated level of resources. Over the period the Trustee reviewed and updated the risk register, attended Scottish Widows offices for a due diligence visit, and undertook various training sessions. The Trustee also underwent a gap analysis during the Plan year, in accordance with the Pension's Regulator's General Code of Practice and reviewed and updated all Trustee policies following this process.

Communications – Good – The Trustee issued timely and relevant information to members including the production of an annual newsletter issue in print, web and interactive versions, and annual member presentation sessions.

Default investment option – Good – Following a review during the previous Plan year, the Trustee concluded that the default strategy target of drawdown at retirement remains appropriate, and the Trustee monitors the strategy's risk and return profile regularly to ensure it remains appropriate. The Trustee successfully implemented a phased approach during the Plan year, using three blended funds underlying the default to future proof the strategy to any future changes.

Investment range – Good – The self-select fund range provides access to all major asset classes, many specialist options and alternative lifestyle strategies. The ISC, on behalf of the Trustee, has a robust structure for monitoring these funds. Over the year, the two alternative lifestyle arrangements and the TRP Fixed Income Blend were removed and four funds were added to the self-select range as part of wider investment changes.

At-retirement services – Good - Support and guidance offered to members are reasonable given the low numbers of members within 5 years of their target retirement dates.

Plan design – Good – The Plan design and contribution structure are generous and encourage members to take advantage of the extra matching contributions.

As detailed in the earlier section covering the processing of core financial transactions, we are comfortable with the quality and efficiency of the administration processes.

We believe that the transaction costs provide value for members as the ability to transact forms an integral part of the investment approaches and expect this to lead to greater investment returns net of costs over time.

Overall, we believe that members of the Plan are receiving good value for money for the charges and cost that they incur, for the reasons set out in this section. We believe this because the fees paid by members are generally competitive for a Plan of this size, the Plan's contribution structure is generous and encourages members to take advantage of the extra matching contributions, communications have been timely and relevant, and lower fees have successfully been negotiated with Scottish Widows with agreement still to be finalised during the next Plan Year. We aim to improve value for members in future by taking the following steps:

- Continue to rigorously monitor SLAs, overall service and reporting.
- Negotiate more competitive fees for members.

- Assess the membership demographics against the new Pension & Lifetime Savings Association (“PLSA”) Retirement Living standards based on the new strategy.

7. Trustee knowledge and understanding

We are required to maintain appropriate levels of knowledge and understanding to run the Plan effectively. We have 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.

With the help of our advisers, we regularly consider training requirements to identify any knowledge gaps. Our advisers proactively raise any changes in governance requirements and other relevant matters as they become aware of them. Our advisers typically deliver training on such matters at Trustee meetings. During the period covered by this Statement, we received training on various topics including the following at training day run by our advisers:

- Mansion House update – a UK Government initiative encouraging DC pension schemes and providers to invest a portion of assets into private markets;
- General Code of Practice – this sets out TPR’s expectations of the conduct and practice Trustees should meet to comply with their duties;
- Tax changes – including the removal of the Life Time Allowance and the newly introduced lump sum allowances;
- Illiquid investments – the investment in asset classes with less liquidity and the Trustee’s policy regarding illiquid investments;
- Responsible investment – covering the FCA’s newly introduced Sustainability Disclosure Requirements; and
- The DC provider market – utilising our adviser’s research universe and benchmarking providers.

Additionally, we receive quarterly updates on topical pension issues from our advisers.

Furthermore, we attended external forums and industry conferences through the year as appropriate, in order to enhance our knowledge of the DC market. Over the Plan Year we attended and/or participated in the following events:

- PLSA Investment Conference;

- PLSA DC Summit; and
- LCP’s Investment Conference.

We are familiar with and have access to copies of the Plan’s governing documentation and documentation setting out our policies, including the Trust Deed and Rules and SIP (which sets out the policies on investment matters). In particular, we refer to the Trust Deed and Rules as part of considering and deciding to make any changes to the Plan, and the SIP is formally reviewed annually and as part of making any change to the Plan’s investments. Further, we believe that we have sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational pension schemes to fulfil our duties.

All the Trustees have completed the Pensions Regulator’s Trustee Toolkit (an online learning programme, designed to help trustees of pension schemes meet the minimum level of knowledge and understanding required by law). Regular training is provided on aspects of the Trustee Knowledge and Understanding requirements. Other training relates to topical items or specific issues under consideration during the Plan year.

A training log is maintained in line with best practice and the training programme is reviewed annually to ensure it is up to date. Additionally, the Plan has in place a structured induction process for new trustees, including a requirement to complete the Pensions’ Regulator’s Trustee Toolkit within six months of their appointment. New Trustee Directors are interviewed by the Chair and the Pensions Manager prior to appointment and their role explained to them. The new Trustee Directors are then provided with key Plan documents and meet with the Pensions Manager to answer any questions.

Considering our knowledge and experience and the specialist advice received from the appointed professional advisors (eg. investment consultants, legal advisors), we believe that we are well placed to exercise our functions as Trustee of the Plan properly and effectively.


 Date: 3/7/2025

Signed by the Chair of the Trustee of the TRP UK Retirement Plan