

DXC Pension Plan (“the Plan”)

Chair’s Statement of DC Governance for the period from 1 July 2021 to 30 June 2022

I am pleased to present the Trustee’s statement of governance, covering the period 1 July 2021 to 30 June 2022 for the money purchase benefits in the Plan. This statement describes how the Trustee seeks to ensure that the Plan is well-managed and delivers excellent services to members. The statement examines five key areas of the Trustee’s governance, namely:

- The Plan’s various default investment arrangements;
- The processing of core financial transactions;
- Charges and transaction costs within the Plan, including pounds and pence illustrations showing the compounding effect of charges;
- Disclosure of returns on investments (net of charges and transaction costs); and
- The Trustee’s compliance with the statutory knowledge and understanding requirements.

In doing so, we provide the various statutory disclosures required by the Occupational Pension Plans (Charges and Governance) Regulations 2015.

The Plan’s name changed from the CSC Computer Sciences Ltd 2005 Pension Scheme to the DXC Pension Plan with effect from 31 August 2021, following a series of transfers into the Plan from other pension arrangements in the prior Plan year.

In operating the Plan, the Trustee is supported by WTW (the provider of administration and communications services for the Plan), ISIO (Plan Secretary) and Mercer Limited (an independent advisor, covering governance, investment advice and wider Defined Contribution (‘DC’) matters). The Trustee must monitor the quality of these service providers as part of its overall governance responsibilities.

Money purchase arrangements within the Plan covered in this statement

This statement covers the following money purchase pension arrangements that exist within the Plan:

- The CSC Defined Contribution Section of the Plan.
- The Additional Voluntary Contribution (AVCs) in the CSC Defined Benefit Section of the Plan
- The LPC Defined Contribution Section (‘the LPC DC Section’).
- The AVCs in the LPC Defined Benefit Section (‘LPC DB Section’)
- The AVCs in the Rebus Section

Unless a specific section/money purchase arrangement is referenced, content should be assumed to relate to the CSC Defined Contribution Section of the Plan (‘DC Section’).

The Plan’s Default investment strategy

The Statement of Investment Principles (SIP)

The SIP sets out the aims and objectives of the Plan’s investment strategy. In particular, it covers the Trustee’s investment policy for the DC assets, including objectives, risk and expected return and the design of the default investment strategy.

A copy of the latest agreed SIP dated September 2021 is attached as an appendix.

The performance of all the funds, including those underlying the default investment strategy, is reviewed by the Trustee each quarter.

The default investment strategy

The current default investment strategy is a lifestyle arrangement, which invests as follows:

	CSC Multi-Asset Default Fund , which invests
Asset allocation during accumulation phase	75% LGIM* Global Equity Fixed Weight 30:70 Index Fund (75% GBP currency hedging for overseas funds) 25% LGIM* Diversified Fund
Consolidation phase start date	8 years before Target Retirement Age
Asset allocation at end of consolidation phase	75% CSC Diversified Growth Fund (which invests 100% in the LGIM* Diversified Fund) and 25% CSC Targeting Cash Fund (which invests 100% in the LGIM* Sterling Liquidity Fund)

*LGIM = Legal & General Investment Management

A formal review of the investment strategy of the default arrangement was undertaken on 23 August 2022 (after the Plan year end in line with the previous review undertaken in August 2019). The review included the following elements:

- Review of the investment objectives of the default investment strategy.
- The design of the growth phase and de-risking phase of the default investment strategy.
- The at-retirement allocation in the default.
- The self-select fund range, including the alternative lifestyle strategies that are available to members.
- Review of the investment arrangements in the LPC DC Section.

Following this review, the Trustee concluded that the arrangements in place remained suitable and no changes would be made.

The next formal review of the investment strategy of the default arrangement will be undertaken by August 2025.

Other investment strategies

In addition to the default lifestyle arrangement, members have the option to select from two additional lifestyle strategies, one intended for a member wishing to target an annuity purchase at retirement and one intended for a member wishing to use their individual member account to provide one or more cash lump sums. Full details are included in the SIP.

Other funds that regulations require to be treated as default arrangements

There are four additional funds that are deemed a “default arrangement” due to previous mapping exercises carried out by the Trustee and where members have not subsequently re-affirmed their investment selection. These funds are listed below:

- CSC All Shares Adventurous Fund (Active)

- CSC Targeting Cash
- CSC AVC Multi-Asset Fund
- CSC Liquidity AVC Fund

Whilst these funds are not part of the Plan's default investment strategy, the Trustee administers each one as technically constituting a default arrangement and in line with the governance requirements that relate to such arrangements, including an annual cap on charges (excluding transaction costs) of 0.75% p.a. of assets and the duty to review the fund at least every three years.

LPC DC Section

The LPC DC Section of the Plan also operates a default lifestyle investment option for those members who do not make an active investment decision. The structure of the lifestyle is set out in the table below:

Allocation (%)	Years to target retirement age								
	Up to 8	7	6	5	4	3	2	1	0
L&G Global Equity 60:40 Index	100	96	82	67	52	38	23	8	0
L&G Cash	0	4	18	33	48	62	77	92	100

The investment arrangements in the LPC DC Section were reviewed as part of the investment review that took place in August 2022. Following that review, it was agreed that no changes were to be made to the LPC DC Section at that time.

The Trustee appreciates there are now two DC Sections in the Plan with different default investment arrangements. The Trustee continues to monitor the suitability of the two default investment arrangements used.

The next formal review of the investment strategy of the LPC DC Section default arrangement will be undertaken by August 2025.

Processing core financial transactions

The Trustee has a specific duty to ensure that core financial transactions in relation to money purchase benefits are processed promptly and accurately. The Pensions Regulator lists core financial transactions as including:

- Receipt and investment of contributions
- Transfer of member assets into and out of the Plan
- Transfers between different investments within the Plan
- Payments to and in respect of members

During the last Plan year, the Trustee ensured the core financial transactions of the Plan were processed promptly and accurately by:

- Appointing a professional third party administrator, WTW, to undertake all administration and record keeping duties. As part of that model, WTW undertakes a daily reconciliation of all bank transactions. They also have a system of authorised

signatories in force to control payments from the Trustee's bank account. No banking errors were notified to the Trustee for the year in question.

- Having an agreement with their administration service provider (WTW) committing them to Plan specific service level agreements ("SLAs") and having the service provider report on their performance quarterly against the SLAs above. SLAs relating to core financial transactions included:

Event	SLA (days)
Deaths	5
Retirement Settlements	5
Transfer Out Completion	5
Transfer In Completion	10
Pension Sharing	5
Investment Decision	5

The SLA performance over the year was 99% in Q3 2021, 98% in Q4 2021, 98% in Q1 2022 and 98% in Q2 2021. The Trustee notes SLA performance has improved since last year and understands the level of member complaints has been low. In addition, the Trustee believes there has been improvements made to the Plan website. However, there have been concerns over some processes (opening and closing member records), which are being addressed. Also, some project work has been delivered late during the year. However, WTW has taken action to remedy this.

- Ensuring that appropriate internal controls are in place with WTW by receiving and reviewing AAF01/20 / ISAE 3402 audit reports. The latest report for the year to 30 September 2021, which was shared with the Secretary to the Trustee in November 2022, confirmed that the administrator's description of their control procedures covering their technology and administration solutions was fairly presented and that controls were suitably designed. There was one instance of a control objective exception highlighted in the AAF report; however, this exception was minor and would not be considered to have a significant impact on the Plan.
 - A number of the internal controls rely on the administrator and payroll systems in place that perform tasks automatically. In addition, there are a number of manual checks carried out by the administrator; including:
 - Monthly reconciliations between the contribution remittance received, money received in the Trustee bank account and the schedule of contributions or payment schedule are performed by the treasury team for completeness and accuracy.
 - For each member payment that is not completed via ePA, a senior administrator or team leader reviews the calculations and the payments set up on the administration system for completeness and accuracy.
 - Member switch requests and requests for drawdown that are not requested online via ePA or via interface files are manually processed by a member of the pension administration team and authorised by a different member of the pension administration team.
 - Reports from the administration system detailing uncleared payments and unmatched payments are reviewed manually on a monthly basis by the treasury team. Any unreconciled items are notified to the administration team to resolve.

Monthly processes have been completed in a timely and accurate manner. In addition, no statutory deadlines relating to core financial transactions have been breached during the Plan year.

Furthermore, the following controls are in place to ensure core financial transactions are processed promptly and accurately:

- A selection of core financial transactions are audited annually by a third party, Deloitte, as part of the Plan's annual report and accounts. The audit undertaken for the Plan year reported no issues with core financial transactions.
- The Company plays a key role in ensuring core financial transactions are processed promptly and accurately. The Company agrees a monthly timetable for the contribution process with WTW each year, which sets the planned dates for contribution payments, interface delivery, reconciliation of queries and the investment with the fund managers. The Company also has internal controls around its contribution payment process and its engagement with the WTW interface team over the monthly reconciliation of queries does ensure any necessary adjustments are made for subsequent data/contribution records.

Based on the above, the Trustee is satisfied that the requirement to process core financial transactions promptly and accurately has been met during the year in relation to the DC Section of the Plan.

AVCs in the CSC Section

AVCs in the CSC Section are invested across a number of funds with LGIM and a SEI actively managed fund. However, the Plan does not receive any new member contributions into the AVC arrangements with LGIM and SEI.

Members can switch their funds using the investment tool on Mercer OneView. Mercer trades with LGIM for investments, fund sales and switches using the industry standard Via Nova straight through processing method, enabling full automation of the instruction to LGIM, the return of the trade details from LGIM, the update of the member record following completion of the trade and the reconciliation of the unit holdings between Mercer and LGIM systems. SEI are unable to trade using straight through processing, as they require instructions to be sent by fax. The confirmation of trade details is returned to Mercer by email and are updated manually. Mercer have controls within their systems to ensure that the trades are progressed and completed timely, with a monthly unit reconciliation being completed to ensure that all trades have been completed correctly.

LPC DC Section

The LPC DC Section became a section of the Plan on 26 March 2021. The LPC DC Section of the Plan is a closed arrangement, meaning no contributions are paid into the funds. The administrator of the LPC DC Section was LCP until May 2022 when Mercer became the administrator. Similarly, Mercer were appointed administrator of the LPC DB Section during the Plan year.

It is noted that the service levels provided by LCP over the period they were responsible for the administration in the Plan year are collated across the LPC section as a whole (DB and DC). LCP's service level performance was reported as 90.35% for Q3 2021, 92.07% for Q4 2021 and 95.74% for Q1 2022. No errors were reported over the period by LCP.

From 1 May to 30 June 2022, six administration tasks were carried out for the LPC DC Section by Mercer and these were all carried out within the agreed service levels.

The Trustee notes that members participating in this arrangement receive an annual benefit statement in line with statutory provisions, confirming the amounts held in their account and the movements in the year. These statements are issued by the administrators.

Following the completion of the merger activity, the Trustee now monitors the administration of this Section as part of the Administration Committee meetings.

AVCs in the LPC Section

The LPC DB Section holds AVCs with ReAssure and Prudential for a small number of members. These arrangements are also closed and do not receive new contributions. Whilst Mercer (and previously LCP) administer the DB Section, member records and investments are maintained by the relevant provider. The Trustee notes that members participating in these arrangements receive an annual benefit statement in line with statutory provisions, confirming the amounts held in their account and the movements in the year. These statements are produced by the relevant provider and issued by the administrator of the LPC DB Section.

The Trustee now monitors the administration of this Section as part of the Administration Committee meetings.

It is noted that the Trustee also received a copy of the latest Mercer administration AAF 01/20 & ISAE 3402 internal controls report.

AVCs in the Rebus Section

The Rebus Section AVCs are held with Standard Life. No new contributions are invested in this arrangement. Whilst Capita administer this section, member records and investments are maintained by Standard Life. Capita report any delay in settling benefits to the Trustee. The Trustee notes that members participating in these arrangements receive an annual benefit statement in line with statutory provisions confirming the amounts held in their account and the movements in the year. These statements are produced by the relevant provider and issued by Capita.

Charges, transaction costs and value for members

The Trustee is required to report on the charges and transaction costs experienced by members for the fund choice available and assess the extent to which the charges and costs represent good value for members.

The charge a member pays is split between investment charges and administration charges. These charges are set out below.

In relation to transaction costs, we note that when buying and selling investments, transaction costs can be incurred. Transaction costs are not explicitly deducted from a fund but are captured in its investment performance (in other words, the higher the transaction costs, the lower the returns produced by a fund). The Financial Conduct Authority ("FCA") has provided guidance (in Policy Statement 17/20) to investment managers regarding calculations and disclosures of transaction costs. Due to the way in which transaction costs are required to be calculated, they can be negative or positive in nature; a negative figure is effectively a gain (on average) from trading activity, whilst a positive figure is effectively a cost from trading activity.

The tables below show the total expense ratio (TER) and the total transaction costs for each of the funds underlying the Plan's default investment arrangements and self-select funds. The overall charge being deducted from a member's fund, if in the default investment

arrangements, will reflect the member's allocations in each of the underlying funds. In addition, the administration costs will depend on the member's fund value.

Charges information was requested from all investment managers. However, at the time of writing, transaction cost information for funds managed by SEI was unavailable. The Trustee has agreed to continue to work with SEI to gather the outstanding information required and review during the next Plan year if received.

Charges

Administration

The CSC Defined Contribution Section of the Plan is responsible for meeting its running costs, other than investment advisory and annuity purchase services, which continue to be met by the Company.

To cover these costs, an administration charge is deducted from every individual member account (IMA). The charge ranges from 0.08% to 0.14% per annum depending on the value of the IMA. 25% of the relevant annual charge is deducted each quarter from the IMA. The Company and Trustee keep the charge under review.

Investment

The constituent investment funds that make up the default investment option along with associated charges are set out in the table below. The administration charge is **not** included in the charges set out in the table:

Fund name	Total Expense Ratio (% of account value per annum)	Transaction costs for year to 30 June 2022 (p.a.)
CSC Multi Asset Default*	0.18%	0.05%
CSC Diversified Growth	0.33%	-0.02%
CSC Targeting Cash	0.09%	-0.02%

** for the CSC Multi Asset Default, a proportion of the costs of each of the underlying funds has been used to calculate overall blended costs*

Allowing for the weightings of the underlying funds in accordance with the agreed phasing matrix, the TER charge profile for the lifestyle strategy ranges from 0.18% p.a. during the accumulation phase up to circa 0.27% p.a. (i.e. blended from 75% at 0.33% and 25% at 0.09%) at retirement.

As noted earlier in this Statement, there are four funds that are deemed to be a "default arrangement" due to mapping exercises carried out by the Trustee and where members have not subsequently re-affirmed their investment selection. The charges in respect of the fund deemed a default at year end has been listed below for completeness:

Fund name	Total Expense Ratio (% of account value per annum)	Transaction costs for year to 30 June 2022 (p.a.)
CSC All Shares Adventurous Fund* (Active)	0.61%	*
CSC Targeting Cash*	0.09%	-0.02%

CSC AVC Multi-Asset Fund	0.18%	0.05%
CSC Liquidity AVC Fund	0.10%	-0.02%

* The administration charge is **not** included in the charges set out in this table

** transaction costs for funds managed by SEI were requested but were unavailable at the time of writing

The Trustee also makes available two additional lifestyle strategies (CSC Targeting Annuity Lifestyle Option and CSC Targeting Cash Lifestyle Option) and a range of risk-graded self-select funds which may be chosen by members. These strategies and funds allow members to take a more tailored approach to managing their own pension investments. The fees and transaction costs relating to these investments are set out in the table below. The administration charge is **not** included in the charges set out in the table:

Fund name	Total Expense Ratio (% of account value per annum)	Transaction costs for year to 30 June 2022 (p.a.)
CSC All Share Adventurous	0.12%	0.07%
CSC All Share Adventurous (Active)	0.61%	**
CSC Multi Asset Adventurous (Active)	0.82%	**
CSC Multi Asset Default*	0.18%	0.05%
CSC Multi Asset Moderate*	0.14%	0.02%
CSC Multi Asset Moderate (Active)	0.77%	**
CSC Diversified Growth	0.33%	-0.02%
CSC Targeting Drawdown	0.38%	0.13%
CSC Targeting Annuity	0.05%	-0.01%
CSC Targeting Cash	0.09%	-0.02%

* for the CSC Multi Asset Default and CSC Multi Asset Moderate a proportion of the costs of each of the underlying funds has been used to calculate overall blended costs

** transaction costs for funds managed by SEI were requested but were unavailable at the time of writing

- Based on the proportions held in the underlying funds, the TER charges for the two additional lifestyle investment strategies available are 0.06% p.a. for the CSC Targeting Annuity Lifestyle Option and 0.09% p.a. for the CSC Targeting Cash Lifestyle Option at retirement. The TER is 0.18% p.a. in the growth phase of both additional lifestyle strategies.
- The self-select funds have TER charges ranging from 0.05% p.a. to 0.82% p.a.

AVC arrangements

CSC Section

LGIM and SEI arrangements

Charges and costs for the AVCs within the Plan are set out below.

Fund name	Total Expense Ratio (% of account value per annum)	Transaction costs for year to 30 June 2022 (p.a.)
Aggressive	0.65%	**
Balanced*	0.10%	0.01%
Global Equity (60:40) Index	0.14%	0.02%
Fixed Interest Gilts (Over 15 Years)	0.07%	0.15%
Sterling Non-Gilts (Over 15 Years)	0.09%	-0.03%
Liquidity	0.10%	-0.02%
AVC Multi-Asset*	0.18%	0.05%
Adventurous Core	0.12%	0.02%
Balanced Core*	0.10%	0.01%
Global Equity (30:70) Index	0.12%	0.07%
Sterling Non-Gilts	0.07%	-0.02%
Index-Linked Gilts (Over 5 Years)	0.07%	0.02%
Diversified	0.33%	-0.02%

* for the AVC Multi-Asset, Balanced and Balanced Core a proportion of the costs of each of the underlying funds has been used to calculate overall blended cost

**transaction costs for funds managed by SEI were requested but were unavailable at the time of writing

LPC DC Section

The constituent investment funds that make up the default investment option along with associated charges are set out in the table below:

Fund name	Total Expense Ratio (% of account value per annum)	Transaction costs for year to 30 June 2022 (p.a.)
L&G Global Equity 60:40 Index	0.21%	0.02%
L&G Cash Fund	0.13%	0.03%

Members also have access to four self-select funds, including the two funds used in the default investment option above. Associated charges for the two additional funds are set out below:

Fund name	Total Expense Ratio (% of account value per annum)	Transaction costs for year to 30 June 2022 (p.a.)
L&G Over 15 Year Gilts Index	0.10%	0.15%
L&G UK Equity Index	0.19%	0.03%

AVCs in the LPC DB Section and Rebus Section

Charges and transaction costs have been requested from Standard Life (Rebus Section), Prudential (LPC DB Section) and ReAssure (LPC DB Section). At the time of writing, information from Prudential and ReAssure was unavailable with Standard Life providing AVCs but not TERs. However, the Trustee has agreed to continue to work with the providers to gather the outstanding information required and review during the next Plan year if received.

Impact of costs and charges on pot size

The Trustee has prepared the following illustrative examples of the cumulative effect of costs and charges on members' investments over time. In doing so we have had regard to guidance produced by the Department of Work and Pensions. Please note that these are illustrative examples which should help you understand the impact on your savings of investment management and administration charges and transaction costs. Remember that the Trustee regularly monitors the level of charges to ensure they provide value for money.

Projected Pension pot in today's money (£'s) – CSC Section

Active “Young” Member

We assume an initial pot size of £2,700, which is based on the youngest members' pot sizes in the Plan using data as at 30 June 2022.

Years	Default Lifestyle		CSC Multi Asset Adventurous (Active)		CSC Targeting Annuity	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
0	£2,700	£2,700	£2,700	£2,700	£2,700	£2,700
1	£5,653	£5,634	£5,653	£5,587	£5,520	£5,509
6	£21,485	£21,196	£21,471	£20,513	£19,206	£19,062
11	£39,248	£38,360	£39,205	£36,293	£32,225	£31,829
16	£59,180	£57,288	£59,085	£52,978	£44,611	£43,855
21	£81,545	£78,163	£81,371	£70,617	£56,393	£55,182
26	£106,639	£101,185	£106,354	£89,267	£67,601	£65,853
31	£134,797	£126,575	£134,362	£108,984	£78,263	£75,903
36	£166,391	£154,576	£165,760	£129,831	£88,407	£85,371
41	£200,872	£184,427	£200,958	£151,871	£98,056	£94,289
46	£228,225	£206,355	£240,416	£175,173	£107,235	£102,690
47	£232,663	£209,773	£248,864	£179,991	£109,017	£104,310

Years	CSC All Share Adventurous (Active)		CSC Targeting Cash	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
0	£2,700	£2,700	£2,700	£2,700
1	£5,670	£5,614	£5,490	£5,477
6	£21,787	£20,958	£18,723	£18,557
11	£40,239	£37,678	£30,838	£30,393
16	£61,364	£55,896	£41,930	£41,101
21	£60,582	£75,746	£52,084	£50,791
26	£74,882	£97,375	£61,381	£59,558
31	£89,182	£120,943	£69,892	£67,490
36	£103,482	£146,622	£77,683	£74,667
41	£117,782	£174,602	£84,817	£81,161
46	£132,082	£205,090	£91,348	£87,037
47	£134,942	£211,508	£92,586	£88,143

Years	CSC AVC Multi-Asset Fund		CSC Liquidity AVC Fund	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
0	£2 700	£2 700	£2 700	£2 700
1	£5 653	£5 641	£5 490	£5 485
6	£21 485	£21 309	£18 723	£18 656
11	£39 248	£38 706	£30 838	£30 657
16	£59 180	£58 023	£41 930	£41 593
21	£81 545	£79 472	£52 084	£51 556
26	£106 639	£103 288	£61 381	£60 635
31	£134 797	£129 733	£69 892	£68 908
36	£166 391	£159 096	£77 683	£76 445
41	£201 841	£191 700	£84 817	£83 313
46	£241 618	£227 903	£91 348	£89 571
47	£250 138	£235 609	£92 586	£90 754

Active “Median” Member

We assume an initial pot size of £63,830, which is based on the average pot size in the Plan using data as at 30 June 2022.

Years	Default Lifestyle		CSC Multi Asset Adventurous (Active)		CSC Targeting Annuity	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
0	£63,830	£63,830	£63,830	£63,830	£63,830	£63,830
1	£71,700	£71,453	£71,687	£70,852	£69,482	£69,345
6	£113,886	£111,887	£113,784	£107,162	£96,913	£95,955
11	£159,732	£154,806	£160,977	£145,551	£123,008	£121,020
16	£200,153	£191,093	£213,881	£186,138	£147,832	£144,630

Years	CSC All Share Adventurous (Active)		CSC Targeting Cash	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
0	£63,830	£63,830	£63,830	£63,830
1	£71,975	£71,266	£68,978	£68,815
6	£116,179	£110,425	£93,395	£92,300
11	£166,787	£153,093	£115,750	£113,549
16	£224,728	£199,585	£136,216	£132,775

Years	CSC AVC Multi-Asset Fund		CSC Liquidity AVC Fund	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
0	£63,830	£63,830	£63,830	£63,830
1	£71,700	£71,553	£68,978	£68,912
6	£113,886	£112,695	£93,395	£92,951
11	£161,221	£158,387	£115,750	£114,855
16	£214,334	£209,134	£136,216	£134,813

Notes

1. The projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. The assumed real terms investment returns (i.e. after allowing for future inflation) and assumed charges and costs for each of the funds illustrated are as follows:
3. The illustrations assume an administration charge of 0.14% p.a. applies to all members.

	Default Lifestyle	CSC Multi Asset Adventurous (Active)	CSC Targeting Annuity	CSC All Share Adventurous (Active)	CSC Targeting Cash	CSC AVC Multi-Asset Fund	CSC Liquidity AVC Fund
Assumed real-terms investment return*:	2.33% to 0.69%	2.31%	-0.99%	2.74%	-1.75%	2.33%	-1.75%
Assumed future charges**:	0.32% to 0.45%	0.96%	0.19%	0.75%	0.23%	0.18%	0.09%
Assumed future transaction costs***:	0.03% to 0.00%	0.21%	0.01%	0.24%	0.0%	0.03%	0.0%

* accumulation rate assumed in SMPI projections minus the inflation rate (2.5%), gross of transaction costs.

** the illustrations assumes the Administration charge for each fund is 0.14% throughout the members invested time horizon.

***based on average aggregate transaction cost information for the years from 30 June 2019 and 30 June 2022. A negative figure represents a positive transaction cost.

4. Initial salary is assumed to be £48,580 and £22,000 for the median and young member, respectively.
5. Future inflation is assumed to be 2.5% each year.
6. The illustration assumes that further contributions will continue to be paid in. The figures show an assumed contribution of 13% (representing both employee and employer's contribution, including tax relief) and increasing in line with assumed earnings inflation of 2.5% each year. 13% represents the approximate total average contribution rate paid. Contributions are assumed to be paid at the end of each month.
7. The timeframe shown reflects the approximate length of time that the youngest Plan member and median Plan member has until they reach the Plan's normal pension age.
8. This is not a personal illustration. The values shown are illustrations and are not guaranteed. Actual values could be significantly higher or lower than those shown in the illustrations.

Projected Pension pot in today's money (£'s) – LPC Section

Deferred “Young” Member

We assume an initial pot size of £17,200, which is based on the youngest members' pot sizes in the Plan using data as at 30 June 2022.

Years	Default Lifestyle		L&G Global Equity 60:40 Index		L&G Cash	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
0	£17,200	£17,200	£17,200	£17,200	£17,200	£17,200
1	£17,631	£17,592	£17,631	£17,592	£16,901	£16,878
6	£19,956	£19,692	£19,956	£19,692	£15,481	£15,355
11	£22,586	£22,041	£22,586	£22,041	£14,180	£13,970
16	£25,564	£24,672	£25,564	£24,672	£12,988	£12,710
21	£27,049	£25,853	£28,934	£27,616	£11,897	£11,563
24	£26,062	£24,801	£31,165	£29,548	£11,287	£10,926

Deferred “Median” Member

We assume an initial pot size of £30,190, which is based on the average pot size in the Plan using data as at 30 June 2022.

Years	Default Lifestyle		L&G Global Equity 60:40 Index		L&G Cash	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
0	£30,190	£30,190	£30,190	£30,190	£30,190	£30,190
1	£30,947	£30,878	£30,947	£30,878	£29,665	£29,625
6	£35,027	£34,563	£35,027	£34,563	£27,172	£26,952
11	£38,023	£37,138	£39,644	£38,688	£24,889	£24,521
15	£36,605	£35,537	£43,773	£42,339	£23,201	£22,735

Notes

1. The projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. The assumed real terms investment returns (i.e. after allowing for future inflation) and assumed charges and costs for each of the funds illustrated are as follows:

	Default Lifestyle	L&G Global Equity 60:40 Index	L&G Cash
Assumed real-terms investment return*:	2.51% to -1.74%	2.51%	-1.74%
Assumed future charges:	0.21% to 0.13%	0.21%	0.13%
Assumed future transaction costs**:	0.01%	0.01%	0.01%

* accumulation rate assumed in SMPI projections minus the inflation rate (2.5%), gross of transaction costs.

** based on average aggregate transaction cost information for the years to 30 June 2021 and 30 June 2022. A negative figure represents a positive transaction cost.

3. Future inflation is assumed to be 2.5% each year.
4. The timeframe shown reflects the approximate length of time that the youngest Plan member and median Plan member has until they reach the Plan's normal pension age.
5. This is not a personal illustration. The values shown are illustrations and are not guaranteed. Actual values could be significantly higher or lower than those shown in the illustrations.

Value for members

The Trustee is committed to ensuring that members receive value for members (i.e. that the costs and charges provide good value in relation to the benefits and services provided) and so consider this on an ongoing basis. The Trustee has concluded, following receipt of a report from their independent Defined Contribution adviser, that the Plan offers good value, relative to peers and alternative arrangements, in relation to member-borne deductions but noted some areas where performance could be improved (these are noted below).

The value for members' assessment considered the following:

- Ongoing charges i.e. total expense ratios
- Net of cost performance
- Transaction costs where available.
- Plan governance and management, administration and communications

The value for members' assessment concluded that the Plan's money purchase benefits, services and options represent good value for money for members as:

- Members have access to institutional-priced investment fund management at charges which are competitive. Generally, the charges were found to be broadly in line with and, for the most part, better than comparative rates with the exception of two SEI funds in the CSC Defined Contribution Section and two LGIM funds in the LPC Defined Contribution Section, where it was identified that value could be improved. Fund performance has been in line with the Trustee's

expectations for the Plan's assets that are managed using a passive approach. However, performance has been disappointing for the three actively managed SEI funds over the longer term. These funds continue to be monitored closely by the Trustee and it is noted that there has been improvement in performance over the one year period to 30 June 2022. The CSC Diversified Growth Fund was ahead of benchmark but behind target over the period assessed. This also impacted the performance of the CSC Multi-Asset Fund, the growth phase of the default, which has the CSC Diversified Growth Fund as an underlying element. However, it was noted that the current adverse market conditions have had an impact on the longer term performance of some funds.

- Members receive a comprehensive and high-quality administration service with online access to their accounts. Administration performance is reviewed by the Trustee on a quarterly basis. In general, whilst delivery of some project work could be improved, the Trustee believes that changes made by WTW during the year, including improvement to the Plan website, have enhanced their performance as Plan administrator.
- Members receive good communication material and a high level of governance and Trustee oversight.
- In relation to transaction costs, the Trustee notes a number of challenges to assess these costs:
 - No industry-wide benchmarks for transaction costs exist.
 - The methodology leads to some curious results, most notably “negative” transaction costs.
 - Explicit transaction costs are already taken into account when investment returns are reported, so any assessment must also be mindful of the return side of the costs.

In addition to the above comments, it is noted that members have access to a variety of well-designed investment options which the Trustee regularly monitors and updates and which should meet the membership's different returns/risks and income preferences.

AVC arrangements

The Plan has a number of Additional Voluntary Contribution (AVC) arrangements in the CSC Section with underlying funds managed by LGIM and SEI. In general, the performance of the AVC funds with LGIM have been in line with expectations and prices appear to be competitively priced and comparable to the DC Section fees. The SEI AVC fund has the same underlying fund as the CSC All Share Adventurous Fund in the DC Section and this has been assessed in the main value assessment noted above.

The LPC DB Section holds AVCs with ReAssure and Prudential for a small number of members. Information on charges and transaction costs was requested but was not available at the time of writing. The Trustee plans to review this information when received and consider if any action is required to improve value for members invested in these arrangements.

Net Investment Returns

The Occupational Pensions Plans (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 introduced new requirements for trustees of 'relevant'

occupational pension schemes to calculate and publish the investment returns for the Plan's default arrangements, any additional default arrangements and those self-select investment options in which members have invested, after taking account of transaction costs and charges.

The tables below show performance, net of all charges and transaction costs, of all funds available to members during the Plan year.

CSC Section

CSC Targeting Drawdown Lifestyle (Default)	Annualised returns to 30 June 2022	
	1 Year	5 Years
Age of member at start of period		
25	-6.4%	5.8%
45	-6.4%	5.8%
55	-6.4%	5.4%

CSC Targeting Annuity Lifestyle	Annualised returns to 30 June 2022	
	1 Year	5 Years
Age of member at start of period		
25	-6.4%	5.8%
45	-6.4%	5.8%
55	-6.4%	4.3%

CSC Targeting Cash Lifestyle	Annualised returns to 30 June 2022	
	1 Year	5 Years
Age of member at start of period		
25	-6.4%	5.8%
45	-6.4%	5.8%
55	-6.4%	3.1%

Self-Select funds	Annualised returns to 30 June 2022	
	1 Year	5 Years
CSC All Shares Adventurous	-6.8%	6.4%
CSC All Shares Adventurous (Active)*	-1.6%	5.7%
CSC Multi Asset Adventurous (Active)	-3.8%	4.1%
CSC Multi Asset Default	-6.4%	5.8%
CSC Multi Asset Moderate	-9.8%	3.5%
CSC Multi Asset Moderate (Active)	-4.8%	2.6%
CSC Diversified Growth	-5.7%	3.8%
CSC Targeting Drawdown	-6.3%	2.9%

CSC Targeting Annuity	-19.1%	-0.9%
CSC Targeting Cash*	0.2%	0.4%

Source: LGIM, SEI and Mercer estimates.

*These are technical default funds.

LPC DC Section

LPC DC Section Lifestyle (Default)	Annualised returns to 30 June 2022	
	Age of member at start of period	1 Year
25	-1.6%	5.7%
45	-1.6%	5.7%
55	-1.6%	5.5%

*Inception date taken as 31 of March 2018 for representative purposes

Self-Select funds	Annualised returns to 30 June 2022	
	1 Year	5 Years
UK Equity Index	1.7%	**
Global Equity 60:40 Index	-1.6%	**
Fixed Interest	-22.9%	**
Cash	0.2%	**

**performance not available for the period shown

Source: LGIM, SEI and Mercer estimates.

CSC Section – AVCs

Net of fees investment returns were requested from LGIM for this section. However, while LGIM provided gross of fees investment returns, at the time of writing, net investment returns were still unavailable. The Trustee reviews gross of fees investment returns on a quarterly basis, but will continue to work with LGIM to gather net of fees investment returns and review during the next Plan year if received.

Rebus Section – Standard Life AVCs, performance provided where available

Self-Select funds	Annualised returns to 30 June 2022	
	1 Year	5 Years
Standard Life Managed Pension Fund	-5.3%	3.6%
Standard Life North American Equity Pension Fund	-0.5%	11.1%
Standard Life Stock Exchange Pension Fund	-4.6%	4.9%
Standard Life Global Equity 50:50 Pension Fund	-1.3%	4.2%
Standard Life Multi Asset Managed (20-60% Shares) Pension Fund	-5.7%	1.9%
Standard Life International Equity Pension Fund	-5.2%	6.6%
Standard Life UK Equity Pension Fund	0.8%	1.9%

Standard Life At Retirement (Multi Asset Universal) Pension Fund	-6.9%	1.7%
Standard Life European Equity Pension Fund	-11.2%	3.3%
Standard Life FTSE Tracker Pension Fund	0.5%	2.6%
Standard Life Money Market Pension Fund	-0.4%	-0.1%

Source: Standard Life

Maintaining the Trustee's knowledge and understanding (TKU)

Requirements

In accordance with section 247 of the Pensions Act 2004, the Trustee Directors are required to maintain an appropriate level of knowledge and understanding which, together with professional advice that is available to them, enables them to properly exercise their functions and duties in relation to the Plan.

The Trustee Directors are also required to explain how their combined knowledge and understanding, together with the advice which is available to them, enables them to properly exercise their functions as trustees of the Plan.

The Trustee Directors must also be conversant with the Plan's own documentation, including the trust deed and rules, statement of investment principles and any other document recording current policy relating to the administration of the Plan generally. The Pensions Regulator interprets 'conversant' as having a working knowledge of those documents such that the Trustee Directors are able to use them effectively when they are required to do so in the course of carrying out their duties on behalf of the Trustee. In addition, Trustee Directors are also required to have a knowledge and understanding of the law relating to trusts and pensions.

How the Trustee Directors have met these requirements

New Trustee Directors are expected to complete the Pensions Regulator's Trustee Toolkit within three months of their appointment. One new Trustee Director was appointed during the Plan year. All current Trustee Directors have completed or are making progress in completing the Pensions Regulator's Trustee Toolkit.

The Trustee assesses its training needs annually in light of their business plan priorities and with regard to the statutory requirements. Following the introduction of a new committee structure at the beginning of 2019, each committee chair discusses training requirements with the Plan Secretary when agreeing each meeting agenda. In addition, the Trustee's advisers also suggest training sessions they feel would be beneficial to the Trustee's knowledge and understanding.

A number of training sessions were undertaken during the year to ensure the Trustee was up to date with the latest developments in pension law and industry trends. Training session items included:

- Current regulatory and legislative developments provided by the Plan's legal advisers
- A strategy session on 'mission and metrics' covering what the Trustee is seeking to achieve for members and how that can be monitored through Plan and member metrics.

- The Trustee considered current topics papers on a quarterly basis from the Plan's DC Consultant, covering such items as industry trends and important legislative requirements relating to DC plans.
- Preparation for the Plan's triennial DC investment strategy review.

In addition to the above, the Trustee undertook training in relation to the DC governance landscape, the wider DC landscape and where the Plan fits within this, a training session from the Plan's DC Section administrator and a training session from Premier's Wealth Planning. All Trustee Directors attended these sessions.

The Trustee Directors undertook a number of additional activities during the previous Plan year that involved giving detailed consideration to pensions and trust law, the Plan's governing documents and investment principles. This allowed them to exercise their knowledge and understanding and to further strengthen their capabilities. In particular, following all the merger activity in the previous Plan year, the Trustee, with the assistance of its legal advisers, has been undertaking a project to consolidate the Plan Rules. This project is ongoing and a working group of the Trustee Directors have had a number of sessions with the legal advisers on this topic during the Plan year.

The Plan's legal advisers also attend Trustee and Committee meetings when required (either in person or by conference call) and provide ongoing support to the Trustee Directors in relation to legal matters and the interpretation of the Plan's documentation.

In addition to the above, the Statement of Investment Principles for the DC Section of the Plan was produced and agreed in September 2021.

The Trustee secretariat function is outsourced to professional advisers. Consequently, the Trustee's agendas and sub-committee agendas are prepared by professional advisers who do so with a view to ensuring compliance and best practice.

There were no board effectiveness surveys undertaken during the year. However, this is informally picked up between the Chair of Trustee and Trustee Secretary when discussing each quarterly board meeting agenda. Towards the end of 2021, the Chair had individual conversations with the Trustee Directors covering a review of the year and a discussion on areas for training. In addition, the Trustee requested feedback from the Plan's key advisers on their view on how effectively the Board was functioning and whether the current decision making and governance framework was working well. The Trustee is currently considering this feedback to determine if these aspects could be improved further.

The Trustee Directors believe they have a good range of different skillsets and expertise. The Trustee Directors' combined knowledge and understanding complements this and, together with the advice available to them from a range of appointed professional advisers, gives them a broad base of knowledge and experience. This allows the Trustee Directors to identify and analyse issues and recognise where further advice may be required, so as to properly exercise their functions as a Trustee of the Plan.

Taking account of actions taken individually and as a Trustee body, together with the professional advice available to them, the Trustee Directors consider themselves able to exercise their function as Trustee appropriately.

The Chair's Statement regarding money purchase benefits governance was approved by the Trustee and signed on its behalf by:

Mark Greenhalgh

Date: 23 January 2023

Mark Greenhalgh
DXC Pension Trustee Ltd - Chair