

J.P. Morgan UK Pension Plan

Chair Statement
for the year ended
December 2023



J.P. Morgan UK Pension Plan
Your future. Your choice.

J.P. Morgan UK Pension Plan

Chair's Statement for year ended 31 December 2023

The year in review

Dear member

Welcome to the Trustee's latest Chair's Statement, covering the year up to December 31, 2023. In this Statement, we provide details of our governance of the Plan in 2023, focusing not only on regulatory compliance but also on developments aimed at improving value for members.

During the year, we welcomed three new Trustee Directors to the Board: Kate Finlayson, Fiona Neville, and Gino Tzannatos. These Directors were appointed by the Bank in line with the Board's composition (see Appendix 1 for more details). All vacant Board positions have now been filled, and the next scheduled round of appointments will be the election of Member Nominated Trustee Directors in late 2024.

Among the significant activities within the Plan during the year, the Member Communications Committee continued its efforts to engage different segments of the membership through roadshows. Additionally, a successful exercise was undertaken to encourage members to update the nomination form, which helps the Trustees determine how benefits on death should be paid to beneficiaries. Following this exercise, 75% of active members of the Plan had a completed nomination form. Further work is to be undertaken in 2024 to improve the completion rate amongst deferred members of the Plan. Having up to date nomination forms is important to help the Trustees to determine how to allocate any benefits arising on death.

Compared to last year's Statement, there are fewer investment developments to report due to the changes that were implemented following the review of the investment strategy in 2022. However, we have seen success from the funds introduced in 2022, notably the Berenberg Managed Volatility Equity Fund (26.6% for the year) and the Berenberg Limited Volatility Equity Fund (12.0% over the year). The Investment Committee has continued to seek new investment opportunities, with significant work done to explore further investments in Private Markets. The Investment Committee has also been working with Partners Group to enhance the level of illiquid assets within the Generations Fund so that it has a higher expected return. These developments will be incorporated into the Initial and Mid-Growth Portfolios.

The Trustees also continued their work in relation to their approach to Responsible Investment. This had a particular focus on the carbon emissions that are associated with the funds that the Plan invests in. This resulted in the Trustees adopting a metric using a science based target to assessing the level of, and progress against reduction in the level of carbon emissions that are associated with the Plan's investments

Investment markets

During the year, investment markets still faced significant uncertainty due to the ongoing war in Ukraine and geopolitical risks in the Middle East. Central banks continued to raise interest rates throughout the year. However, by the end of the year, concerns about inflation were generally easing, although inflation rates typically remained above target levels. Despite this generally challenging backdrop, most asset classes demonstrated positive returns over the year with equity markets, particularly in the United States leading the way.

The tables below show market returns over the year in equity and bond markets.

Equity Market Index	% return over the year to 31st December 2023 (£ terms)
FTSE All-Share (UK Equities)	7.9
FTSE World (Global Equities)	15.7
FTSE North America	19.9
FTSE Developed Europe ex UK	15.7
FTSE Japan	13.3
FTSE Emerging Markets	2.9

Bond Market Index	% return over the year to 31st December 2023 (£ terms)
FTSE Gilts All Stocks	1.6
FTSE Over 5 Year Index-Linked Gilt Index	0.2
Merrill Lynch Sterling Non-Gilts (corporate bonds)	8.6

The Plan's Investment Committee regularly meets with fund managers to review both performance and the manager's demonstration that they are meeting the board's expectations on their integration of ESG matters within the investment process as well as their progress toward meeting the Plan's targets for SBTi.

The Plan's Initial Growth Portfolio, in which members in the default strategy hold all their investments until reaching age 40, returned 14.0% over the year reflecting the diversified range of asset classes, including public and private markets, that the Initial Growth Portfolio invests in to deliver long-term returns to members. Members in the default strategy then have their investments gradually transferred from the Initial Growth Portfolio to the Mid Growth Portfolio between ages 40 and 50 where the strategy aims to deliver returns whilst taking steps to manage the level of volatility experienced by members investing in this strategy. The Mid Growth Portfolio had a performance of 8.1% over the calendar year. The final stage of the Plan's current default strategy involves a transfer over the 5 years and 9 months leading up to the target withdrawal date to the Flexible Portfolio, which returned 8.4%. For members still in the strategy that targets annuity purchase at retirement, the returns on the Blended Annuity Portfolio were 7.4% over the year.

Returns for the Plan's investment options were generally positive in 2023, after a challenging year in 2022.

2023 was a challenging period for most Sustainable Equity Funds, including those offered by the Plan. Funds managed by Baillie Gifford, Nordea, and Jupiter experienced poor performance relative to their benchmarks (which are broad market indices), with the JPMAM Global Sustainable Equity Fund being the only fund within the Plan that delivered outperformance against its benchmark. There are a number of reasons for this underperformance of sustainable investment funds, relative to the overall equity market, which include:

- Sustainable funds tend to have very low or zero exposure to commodities, oil and gas, and defence stocks. These sectors performed well in the aftermath of Russia's invasion of Ukraine and other geopolitical tensions globally.
- Share prices for the "growth" category of stocks in which sustainable funds tend to invest came under pressure from higher inflation and interest rates.
- Finally, in some instances there have been stock specific challenges, for example renewable energy companies where short term revenues have disappointed, but the long term outlook remains strong.

Regulatory environment

The Chancellor's budget statement in 2023 outlined several changes to pension tax allowances. The main change was the abolition of the Lifetime Allowance. This would occur in two phases: first, reducing the charge on savings exceeding the Lifetime Allowance during the 2023/24 tax year to 0%, and secondly, completely removing the Lifetime Allowance through legislation.

Although the Lifetime Allowance on total pension savings will be removed, a cap on the total value of tax-free cash of £268,275 was introduced (which is a quarter of the Lifetime Allowance in 2023/24) thus removing the universal entitlement to a tax-free cash sum of a quarter of the value of total pension savings. There is no assurance that this amount will increase in future years.

The Chancellor also announced changes to the Annual Allowance, which is the amount individuals can save into a pension arrangement each year, including their employer's pension contributions. The Annual Allowance increased to £60,000 from £40,000 starting from 6 April 2023. The annual allowance will progressively decrease for individuals with adjusted income exceeding £260,000 to a minimum of £10,000 for individuals with adjusted income over £360,000. This potentially presents a retirement planning challenge for individuals with higher earning potential in future as they become restricted in the value of tax efficient pension savings that they can make each year.

The Money Purchase Annual Allowance (MPAA) is a separate allowance that limits savings into a money purchase arrangement for individuals who have already flexibly accessed any pension savings. The MPAA was increased to £10,000 from £4,000 starting from 6 April 2023.

The Chancellor's Mansion House speech and Autumn Statement in 2023 focused on pension reforms and proposals. The Mansion House speech announced plans to reform the pensions sector to improve outcomes for pension fund holders, boost returns, and increase funding liquidity for high-growth companies. One announcement related to The Mansion House Compact is an agreement from a number of commercial pension scheme providers, such as those run by insurance company pension providers, to work toward increasing their investment in unlisted equities. The aim being to allocate at least 5% of assets in their default funds to unlisted equities by 2030. At 31 March 2024 the Plan held almost 6% of its assets in unlisted equities.

Regulators also continue to ramp up their expectations of governance standards related to trust based pension arrangements such as the Plan. Following the year end, the Pension Regulator published its General Code of Practice, which consolidates a number of codes of practice, but also introduces a number of new requirements upon the Trustees. The Trustees are currently working with their advisers to confirm that they will satisfy the new requirements outlined in the General Code.

And finally

The table below shows how the Plan's membership and asset value has developed over time.

	31 st Dec 2012	31 st Dec 2015	31 st Dec 2019	31 st Dec 2021	31 st Dec 2022	31 st Dec 2023
No of members¹	33,258	38,160	47,426	51,592	56,334	59,317
Value of assets	£1.753bn	£2.655bn	£4.338bn	£5.475bn	£4.937bn	£5.635bn
Average savings per member	£52,703	£69,563	£91,478	£106,120	£87,638	£94,998

Source: WTW

¹ Excludes life assurance only benefit members (505 members as at 31 December 2023)

An additional 3,000 members joined the Plan during 2023. Following the Plan year-end, the general increase in markets at the start of 2024 saw the value of the Plan's assets rise to around £5.95bn at 31 March 2024 in respect of 59,610 members and an average pot size of £99,886.

It is a regulatory requirement to publish certain parts of this statement online and for members' attention to be drawn to it in annual benefit statements. The entire Chair Statement can be found on <https://epa.towerswatson.com/doc/JMC/pdf/jpmuk-pension-plan-chairs-statement--.pdf>.

I hope you find this Statement interesting and informative.

Rene Poisson
Chair of Trustees

Section 1: Important developments during 2023

Developments in the Plan's Responsible Investment approach

The Trustees continued to develop their approach to Responsible Investment. During the year the Trustees considered the potential merits of a net zero commitment for carbon emissions. The Trustees felt that it would be inappropriate to make such a commitment without a clearly achievable strategy to meet the target. Due to the lack of technical solutions to fully deliver net zero, and as the Plan uses pooled funds this was not deemed to be practical.

Instead, the Trustees decided to use a science-based target (SBT) as established by the SBT initiative (SBTi). The Science Based Targets initiative (SBTi) is a climate action organisation that aims to define and promote best practices in emissions reductions and net-zero targets in line with climate science. It provides companies and financial institutions with standards, tools, and guidance to set science-based targets that align with the latest climate science.

The SBTi develops standards, tools and guidance to support organisations to set targets and make plans for reducing their greenhouse gas emissions. This is with the aim of satisfying the requirements of the Paris Agreement on climate change.

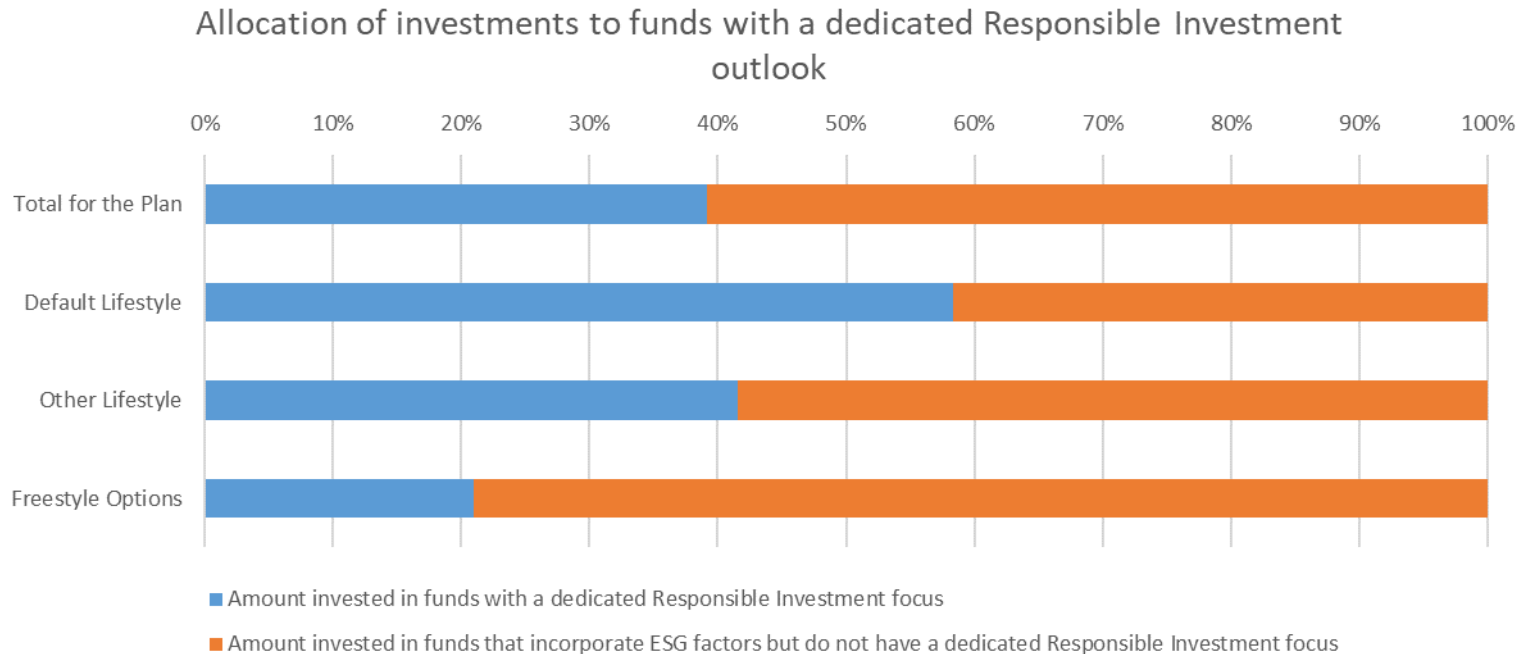
The SBTi metric is forward looking so deemed to be more helpful in assessing portfolio risks, whereas an emissions target can be made to “look good” overnight by selling portfolio companies with high emissions even if they are key to the energy transition or have credible plans for carbon reduction. The SBTi metric better captures this dynamic.

The Trustees have set a target for 65% of entities that the Plan assets are invested in through the Plan's fund range to have set net zero targets that have been validated by SBTi by 2030. The Trustee believes that a 65% target balances both realism and ambition, taking into account the specific nature of the funds in which the Plan invests. It represents a clear majority of companies whilst recognising that there can be practical challenges for certain companies and sectors. In particular, whilst a 100% SBTi alignment figure would clearly be desirable, there are sectors where SBTi has not yet developed its methodologies (notably oil and gas) meaning that 100% coverage is not yet possible. The Trustees will review its targets as the methodologies continue to develop.

The Trustees will continue to monitor and require the Plan's investment managers to make progress toward meeting that target.

More details on the Plan's targets and metrics to measure progress against the achievement of these are set out in the Plan's annual Climate Change Report this can be found here: <https://epa.towerswatson.com/doc/JMC/pdf/jpmuk-pension-plan-tcf-d-report---.pdf>.

The following chart summarises the Plan's holdings in funds offered as part of the Trustee's dedication to offering funds that follow a Responsible Investment approach across its default strategy and freestyle investment options at 31 December 2023.



Services to members and member engagement

The Trustee continued to launch new initiatives aimed at helping members engage with their savings and access meaningful information to assist in their retirement planning. These initiatives recognized that different generations of members often have different information requirements regarding retirement savings.

The Member Communications Committee conducted face-to-face roadshows with active members and explored ways to better engage with members who find it difficult to attend such sessions due to the nature of their work, particularly members of the Bank's retail banking operation, Chase. Alternatives such as Zoom conferences, podcasts and 15 minute "5 things you need to know" sessions are being investigated.

The Trustee also continued to develop "how-to" guides and videos that explain to members how they can implement important decisions, such as nominating beneficiaries for death benefits and making changes to contribution levels.

A targeted campaign for active members to complete or update their nomination forms resulted in a 75% completion rate for nomination forms. Approximately 1,000 members completed a new form, while around 2,500 members completed an update. A reminder for deferred members to review their nomination forms is planned for 2024.

The Trustees are also currently in the process of working with the Plan's administrator to develop and launch a new member portal that will offer additional functionality for members as well as supporting the Trustees with their engagement activities, for example by issuing push notifications to members.

The above represents only a few areas of the work undertaken by the Trustee aimed at improving member value in the short term and member outcomes in the long term.

Alongside this, members are eligible for an expanded guidance service to provide them with additional support at retirement. This is funded by the Bank at no cost to the member, regardless of whether they are active or deferred members. The Plan also enables members to access drawdown either through a Self-Invested Personal Pension (SIPP) which incorporates the ability to receive Financial Advice, or through a Master Trust arrangement bespoke to the Plan, as well as any other arrangement available through the market. The Plan has negotiated special terms with the providers of its bespoke arrangements in relation to charges and investment options so that members are able to transfer to those arrangements without incurring transaction costs and can access the same range of investment options and fees as in the Plan.

Section 2: Default Investment Strategy

Introduction

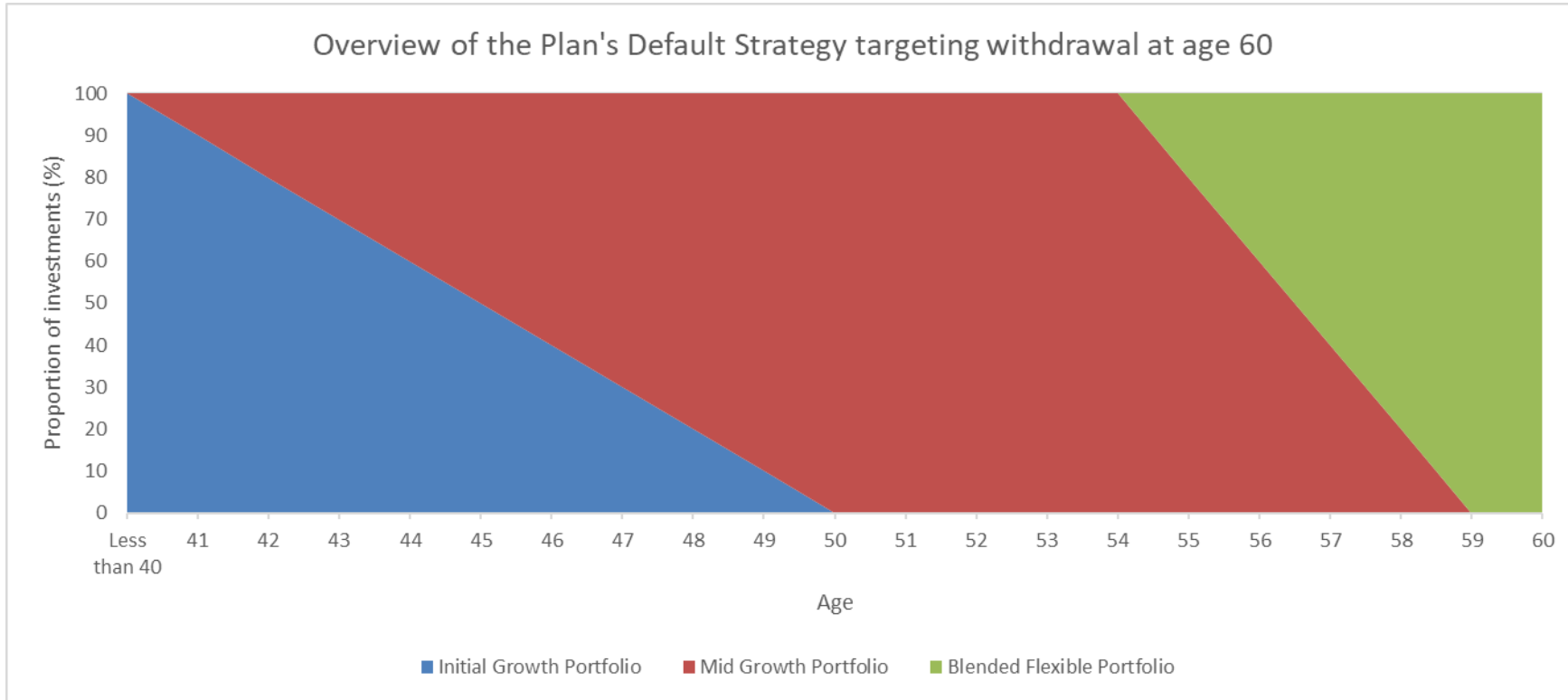
The Plan's Default Strategy follows an investment approach comprised of three phases, referred to as *Initial Growth Phase*, *Mid Growth Phase* and *Withdrawal Phase*. Each of these phases uses a blended fund that invests across a number of underlying component funds. However, each blend is displayed to members as a single fund with a single unit price.

During the first phase, members' savings are invested in the Initial Growth Portfolio. This phase primarily adopts a passive management approach to capture growth at a relatively low charge for members. It seeks to maximise long-term capital growth for younger members, taking higher levels of investment risk while diversifying the exposures of the fund to help manage risk. The Portfolio is structured as a blend of listed global equities, including allocations to small cap and minimum volatility equities, alongside private market investments.

Between the ages of 40 and 50, members' savings begin to move along a glidepath and are gradually transitioned from the Initial Growth Portfolio to a Mid Growth Portfolio. This seeks to provide a more moderate level of capital growth with lower volatility using a more actively managed approach that incorporates diversified growth funds and volatility managed equity funds.

Then, from 5 years and 9 months prior to the member's specified retirement age (which will be 60 if the member does not provide an alternative instruction) savings move into the final glidepath phase and are transitioned into the Blended Flexible Portfolio, which further reduces investment risk in anticipation of members starting to cease or reduce their work commitments and in anticipation of starting to withdraw from their savings. The Blended Flexible Portfolio uses a number of funds that are aligned to using your savings to provide a 25% tax-free cash sum, with the remainder adopting an approach to balance the risks that a member faces whether they go on to use their savings to purchase an annuity or commence drawdown. Alternative lifestyle approaches are available to members that wish to use their savings to either purchase an annuity or commence drawdown. There are separate drawdown options for members who wish to use part of their savings to provide a tax-free cash sum and one for those that do not.

In November 2022, the final glidepath switched from using the Blended Annuity Portfolio to the Blended Flexible Portfolio. The transition from the Blended Annuity Portfolio to the Blended Flexible Portfolio was not applied automatically to members whose savings had already commenced switching out of the Mid Growth Phase and into the Withdrawal Phase. As such, a number of members still have investments in a strategy targeting annuity purchase.



Review of the Default Strategy

The Trustee is required to review the Default Strategy at least every three years. The Default Strategy was last reviewed in 2022, therefore no formal review took place over the course of the year. There was ongoing monitoring of investment performance and managers that took place over the year and the Trustees agreed that these objectives had been met.

Structure of the portfolios used in the default investment strategy

In the following tables we summarise the composition of the portfolios that form the default investment strategy.

Portfolio	Fund	Target Weighting in Blend
Initial Growth	LGIM Carbon Transition Global Equity 30:70 Index (GBP Hedged)	55%
	LGIM MSCI World Minimum Volatility Equity Index	15%
	LGIM FTSE Global Developed Small Cap Equity Index	15%
	Partners Group Generations	15%

At the start of 2023 the Mid Growth portfolio contained a residual small allocation to the Abrdn Global Absolute Return Strategies Fund. This was removed during the Plan year. The underlying funds for the Mid Growth Portfolio at 31 December 2023 are shown in the following table.

Portfolio	Fund	Target Weighting at 1 January 2023	Target weighting at 31 December 2023
Mid Growth	LGIM Diversified	25%	25%
	Abrdn Global Absolute Return Strategies	5%	0%
	Baillie Gifford Sustainable Multi Asset	20%	20%
	Nordea Diversified Returns Strategy	20%	25%
	Partners Group Generations	10%	10%
	Berenberg Managed Volatility Equity	20%	20%

The table below shows the composition of the Blended Flexible Portfolio.

Portfolio	Fund	Target Weighting
Blended Flexible	LGIM Pre-Retirement Annuity	10%

Portfolio	Fund	Target Weighting
	JPM UK Liquidity	25%
	LGIM Diversified	7.5%
	Nordea Diversified Returns Strategy	7.5%
	Berenberg Managed Volatility Equity	50%

Asset allocation of the Default Lifestyle strategy transferring to the Blended Flexible Portfolio

In line with new legislative requirements introduced this year, the table below shows the asset allocation of the default strategy at different ages.

Asset Class	% allocation at 25 years old	% allocation at 45 years old	% allocation at 55 years old	% allocation at 60 years old	% allocation at 1 day prior to State Pension Age
Cash	1.0	1.4	3.5	10.3	10.3
Bonds	0.0	12.6	26.0	29.0	29.0
Listed Equities	87.1	72.8	58.8	60.4*	60.4*
Private Equity	5.3	4.4	2.8	0.0	0.0
Infrastructure	1.1	2.6	3.4	0.3	0.3
Property/Real Estate	0.0	0.0	0.0	0.0	0.0
Private Debt/Credit	0.0	0.0	0.0	0.0	0.0
Other	5.5	6.2	5.5	0.0	0.0
Total	100	100	100	100	100

Source: Managers, 31 December 2023 and Mercer

Notes:

* Whilst there is an increase in the allocation to listed equities after age 55, this is in part due to the way in which fund managers categorise their holdings and is not indicative of overall higher risk levels being targeted.

Normal Retirement Age for the Plan is age 60, members have the opportunity of selecting their own retirement date.

State Pension Age has been assumed to be age 68 years, if a member remains in the scheme past their 60th birthday, but does not change their target retirement date in the Plan their investments will remain at the same asset allocation as at age 60.

Descriptions of the asset classes can be found in Appendix 2.

Other lifestyle strategies

To compliment this, the Plan offers alternative glidepaths that members can select where they plan to target a specific method of withdrawal at retirement. There is the 'Annuity Glidepath' for members who plan to purchase an annuity and take their tax-free cash on a fixed date.

There is also a separate investment strategy where the glidepath transitions members' savings from the Initial Growth Portfolio to the Mid Growth Portfolio between ages 40 and 50, but with the option to elect to retain their savings in the Mid Growth Portfolio. This approach is designed for a member that plans to withdraw their savings using flexible drawdown (with separate options with and without an allowance for a cash lump sum), possibly using one of the Plan's partners (Wealth at Work and Lifesight) for accessing flexible drawdown.

In 2023, the Blended Annuity Portfolio continued to protect the purchasing power of the member's pension plan where they intend to buy an annuity. The Blended Annuity Portfolio returned 7.4% over the year.

Asset allocation of the Default Lifestyle strategy transferring to the Blended Annuity Portfolio

In line with new legislative requirements introduced this year, the table below shows the asset allocation of the strategy that targets annuity purchase at different ages.

Asset Class	% allocation at 25 years old	% allocation at 45 years old	% allocation at 55 years old	% allocation at 60 years old	% allocation at 1 day prior to State Pension Age
Cash	1.0	1.4	3.4	9.6	9.6
Bonds	0.0	12.6	38.3	90.4	90.4
Listed Equities	87.1	72.8	46.6	0.0	0.0
Private Equity	5.3	4.4	2.8	0.0	0.0
Infrastructure	1.1	2.6	3.4	0.0	0.0
Property/Real Estate	0.0	0.0	0.0	0.0	0.0
Private Debt/Credit	0.0	0.0	0.0	0.0	0.0
Other	5.5	6.2	5.5	0.0	0.0
Total	100	100	100	100	100

Source: Managers, 31 December 2023 and Mercer

Notes:

Normal Retirement Date for the Plan is age 60, members have the opportunity of selecting their own retirement date.

State Pension Age has been assumed to be age 68 years, if a member remains in the scheme past their 60th birthday, but does not change their retirement date their investments will remain at the same asset allocation as at age 60.

Descriptions of the asset classes can be found in Appendix 2.

Other funds that regulations require to be treated as default investment arrangements

There have been a number of occasions in previous years where the Trustee has removed funds from the Plan's freestyle range, usually on grounds of improved risk/return opportunities, better fund governance or better value for members being available elsewhere. The Trustee's process in these circumstances is to invite members affected by the change to choose an alternative from the Plan's range of funds and, as a fallback position, to switch or 'map' the savings of members who do not make a choice to an alternative fund selected by the Trustee. This alternative might be a new fund that the Trustee has selected to replace the fund being removed or might instead be an existing Plan fund with similar risk, return and liquidity characteristics. Whilst such funds are not part of the Default Strategy, the Trustee governs each of such funds as technically constituting a default investment arrangement which in line with appropriate governance requirements is subject to an annual cap on charges (excluding transaction costs) of 0.75% of assets and a requirement to review each fund at least every three years.

Details of these default arrangements and the supporting statutory disclosures relating to their asset allocation are set out in Appendix 2.

Each of these default arrangements were monitored quarterly during 2023. This monitoring considered criteria that included performance, charges, risk/volatility, liquidity and the likelihood of the fund attaining its objectives in future. Additionally, there is an annual in-depth review when the respective investment managers present to the Investment Committee.

Appendix 3 forms part of this Statement and shows the Trustee's Statement of Investment Principles and accompanying Investment Policy Implementation document. This shows the aims and objectives of the Default Strategy. This document was updated in March 2023 and sets out the objectives of all Plan funds, including the other default arrangements.

Investment performance monitoring

The Investment Committee reviews the performance of each of the Plan's funds, including the Default Strategy and funds that are required by regulations to be treated as default investment arrangements at each of its manager monitoring meetings. These meetings occur at least quarterly and are attended by the Trustee's Investment Consultant who reports on performance against benchmark over the prior quarter as well as over one, three and five year periods, and since inception as well as any material changes at the underlying managers. In relation to the Default Strategy, each of the blends in the Initial Growth and Mid Growth phases has performance objectives based on those of their underlying component funds. The Investment Consultant reports on the performance of these underlying funds and of the blends overall. Additionally, the Investment Consultant reports on key risk metrics in relation to the default investment strategy as well as on significant developments at the firms that manage the Plan's assets.

The Investment Committee meets each of the Plan's fund management firms at least annually and discusses factors that influence performance including portfolio construction, implementation and the fund manager's integration of responsible investment principles into its investment processes. The Investment Committee Chairperson reports to the Main Board on investment performance and any areas of concern at each of its quarterly meetings.

Section 3: Core Financial Transactions

A prompt and accurate administration service is essential to the Trustee's obligation to pay the right benefits to the right members at the right time. The Trustee believes that providing members with a positive ongoing experience of the Plan's services will increase their confidence in pensions and their propensity to save more to achieve good outcomes for life after work. Considerable time and resource is allocated to ensure the Plan's data is up to date and accurate, core financial transactions are reconciled, and member queries addressed promptly. The term 'core financial transactions' includes investment of contributions, transfer of members' savings to, from and within the Plan as well as benefit payments to members/beneficiaries.

The Trustee outsources the Plan's record keeping and benefit processing functions to a professional third party pension administrator, WTW. It has an allocated team of administrators dedicated to the Plan that processes member events such as benefit quotations and benefit settlements, as well as responding to member queries. Other administration functions such as monthly contribution allocations and monthly lifestyle investment switching are carried out by specialist shared service teams at WTW. All of these services are overseen by a senior client manager who works closely with the Bank's Pensions Team and the Administration Committee to check that the Trustee's expectations are met. Appendix 4 provides more details on the controls in place to ensure the promptness and accuracy of the Plan's core financial transactions.

The Administration Committee is responsible for the effective management of the Plan's operational risks and working to ensure that members have a favourable experience of the Plan's services. It considers administration performance at each of its quarterly meetings against targets set by the Trustee. These targets cover all of the main events that relate to member activity such as benefit quotations, benefit payments, investment switches etc. Those tasks that are considered to be more urgent, given their importance to members generally, have a shorter target timescale than tasks that are likely to be less urgent.

At its meetings, the Committee considers member activity, completion timescales for administrative functions and the reliability of the Plan's administration controls. Where service levels are not achieved, cases are examined and additional disclosures obtained regarding both causes and lessons learned. Measures are agreed to bring such cases back into compliance. The Committee also monitors the accuracy of the Plan's common data every quarter and other metrics that can impact on the speed of core financial transactions such as the number of members for whom death benefit nominations are held. The senior client manager at WTW attends each of the Administration Committee's meetings and annually the Committee visits the Administrator's site to assess its operations. The Board receives a report from the Administration Committee at each of its meetings, as well as receiving a summary report from the Plan Administrator. Each of these processes operated as described during 2023.

The Trustee has worked with WTW to establish a Service Level Agreement (SLA) for each task. These are established on the basis that WTW must complete the next appropriate step in each task within the number of days stipulated in the SLA. This does not mean that the entire process will be complete within the SLA, as some tasks require third party involvement.

During 2023 the administration team received 41,706 tasks, with 94.4% of all tasks completed within the Plan's Service Level Agreement (SLA). Further details of the items relating to '**Key Activities**' are outlined in the following table.

Key Activities	SLA (working days)	% achieved
Deaths	2	20.9
Retirement quotes	5	89.0
Retirement settlement	5	73.0
Transfer out quotes	10	97.7
Transfer out completion	10	73.5
Transfer in quotes	10	92.7
Transfer in completion	10	45.9
Investment decisions	5	75.0
Leavers	5	98.4
Divorce	5	75.5
Total key activities achieved within SLA over 2023		90.3

Contributions are promptly paid across to the administrator with any queries dealt with and resolved quickly with contributions typically sent to the investment manager within 2 working days of receipt from the Company.

The Administration Committee has worked closely with WTW and the Member Communication Committee to understand the challenges faced with efficient delivery of administration and to improve the member experience when undertaking transactions.

Performance for core financial transactions such as settlements for deaths, retirements and transfers fell under pressure during 2023. This in part was as a result of the loss of key personnel within the administration team and a period of intense training focussing on upskilling teams members on transactional activity. During this time, the Administration Committee worked closely with WTW to ensure that incremental resource was made available to the team and to closely monitor ongoing performance in this area. Further measures were also taken to explore efficiencies relating to the death cases process.

Deaths SLA

Due to the sensitivity associated with the death case process, the Trustee previously attached a two day service level to this case type. The steps involved in the settlement process can be lengthy and complex in nature due to the requirement of gathering documentation and additional information from various parties including the informant of death, relatives and solicitors at what is a difficult time for many of those parties. After discussion with WTW, and consideration of further measures that could be taken to increase efficiency relating to the deaths process, the Trustee recognised that the previous SLA was not reflective of the work involved in dealing with these sensitive case types.

While the two day SLA reflected the Trustee's wish that these cases were acknowledged and systems updated in a timely manner, it became clear that it represented an unrealistic measure to assess administration performance.

Therefore, at the end of 2023 a new two-stage SLA was introduced that ensures that informants and / or families of deceased members will continue to be engaged with in a timely and sensitive manner, and that the administration team have adequate time to carry out this often complex work. The Trustee has made it clear to WTW that it expects to see a significant improvement against the revised SLA's for new cases commencing in 2024 and beyond.

Other Matters

In particular with regard to transfers, the administration team has faced challenges with delays arising from the regulatory requirement for more detailed scam prevention procedures. This is a particularly pertinent issue for the Plan due to the variety of receiving schemes to which members transfer. While WTW uses the ViaNova transfer system to process transfers in an efficient and timely manner, delays are often caused due to the providers that are being transferred to not being participants in the ViaNova system; furthermore, the number of members electing to transfer benefits overseas is higher than the typical average for a UK pension plan due to the demographic of the Plan membership, which adds complexity to the transfer process. Consideration is being given to a revised SLA for the transfer settlement process to ensure that timescales align with the complexity of each category of case.

The Trustee is particularly alert to the prevention of scams. The need for vigilance in this area being highlighted by WTW and the Administration Committee working together to prevent a couple of attempted fraudulent claims of death benefits during the year via identity theft.

The Administration and Member Communication Committees have also worked to help support members through the transfer process in the production of 'how to' guides to support members.

In last year's Statement we explained that the Trustees had been informed of some pricing errors on the Plan's investment platform. In light of these errors, the Investment Committee raised its concerns with the platform provider and requested a root cause analysis of these errors and engaged a third party to review the platform operations. The errors were attributed to manual errors which occurred when new funds were added to the Plan's range of investments. The Investment Committee has also undertaken a further detailed review of the controls that the platform provider has in place and the steps being taken to reduce the risks of these errors occurring again in future with the engagement of senior stakeholders at the provider. Compensation arrangements have been finalised. Members will be compensated for any adverse effect on their savings resulting from these errors. At the time of writing compensation has been applied to 22,904 records with the remaining 24,007 records scheduled to be completed by the end of 2024.

Section 4: Member borne charges and value for members

Members, whether active or deferred, pay only costs and charges associated with investment management services. The costs of all other Plan services including benefits administration, modelling tools, the investment platform and pension communications are paid by the Bank. So too are the costs of the professional services obtained by the Trustee including pensions advice, legal advice, director and audit services.

Investment management costs and charges are reflected in the pricing of each fund's investment units and in this way, are paid for by members. These charges comprise;

Total Expense Ratio: This is a charge that combines the investment manager's fees for managing the fund (sometimes called the Annual Management Charge or AMC) and any additional expenses necessary for running the fund such as audit fees and custodial costs.

Transaction costs: These are costs incurred by fund managers as a result of buying, selling, lending or borrowing investments within the fund. These costs are taken into account by fund managers when calculating the unit price for each of the funds. The calculation of transaction costs includes a component that is required under regulations using a methodology known as 'slippage cost'. This compares the price of the investments being traded when a transaction was executed with the price at which the transaction was requested. Market movements during any delay in transacting may be positive or negative and may outweigh other explicit transaction costs. For this reason, overall transaction costs can be negative as well as positive.

The actively managed funds offered by the Plan would typically have a higher Total Expense Ratio and transaction costs than an equivalent passively managed fund, though owing to the impact of negative slippage costs (as described above) this may not always be the case, depending on the time period of assessment and the prevailing market conditions.

While fund charges and costs are one factor to take into consideration in deciding how to invest, consideration should also be given to expected future performance and levels of risk. For actively managed funds, if the target outperformance is attained, they will deliver significant value relative to the additional charges paid.

Investment charges

The Plan complied with regulations on charge controls during 2023. These require that a default investment arrangement in a pension arrangement used for automatic enrolment has charges capped at 0.75%, excluding transaction costs. The table below shows that the Plan's Default Strategy had a combined Total Expense Ratio well below the charge cap of 0.75% p.a. of savings.

Portfolio	Fund	% weighting at 31 December 2023	Cost information
Initial Growth	LGIM Carbon Transition Global Equity 30:70 Index (GBP Hedged)	55%	TER: 0.34% Transaction costs over 2023: 0.07%
	LGIM MSCI World Minimum Volatility Equity Index	15%	
	LGIM World Small Cap Equity Index (Sustainable)	15%	
	Partners Group Generations	15%	

Portfolio	Fund	% weighting at 31 December 2023	Cost information
Mid Growth¹	LGIM Diversified	25%	TER: 0.46% Transaction costs over 2023: 0.06%
	Baillie Gifford Sustainable Multi Asset	20%	
	Nordea Diversified Returns Strategy	25%	
	Berenberg Managed Volatility Equity	20%	
	Partners Group Generations	10%	

¹The Plan's remaining investments in the Mid Growth Portfolio that invested in the Abrdn Global Absolute Return Strategies Fund were redeemed in July 2023 with funds redistributed to the Nordea Diversified Returns Strategy.

Portfolio	Fund	% weighting at 31 December 2023	Cost information
Blended Flexible	LGIM Pre-Retirement Annuity	10%	TER 0.16% Transaction costs over 2023: 0.02%
	JPM UK Liquidity	25%	
	LGIM Diversified	7.5%	
	Nordea Diversified Returns Strategy	7.5%	
	Berenberg Managed Volatility Equity	50%	
Portfolio	Fund	% weighting at 31 December 2023	Cost information
Blended Annuity	LGIM Pre-Retirement Annuity	75%	TER: 0.08%
	JPM UK Liquidity	25%	Transaction costs over 2023: -0.04%

We also show the charges and transaction costs applicable to those funds that regulations require to be treated as default investment arrangements.

Fund	Total Expense Ratio (% p.a.)	Transaction costs over 2023 (%)
JPM UK Dynamic	0.36	0.66
LGIM World Emerging Markets Equity Index	0.19	0.12
Abrdn Global Absolute Return (until July 2023)	0.23	0.00
Abrdn Pooled Property Pension	0.45	0.14
Baillie Gifford Paris-Aligned Global Alpha	0.39	0.03
LGIM Diversified	0.22	0.00
Baillie Gifford Sustainable Multi-Asset	0.34	0.00
Fidelity Aggregate Bonds (Sustainable)	0.30	-0.02
Baillie Gifford Emerging Markets	0.69	0.16
JPM Flexible Credit	0.36	0.36
Insight Bonds Plus 300	0.61	0.44
Baillie Gifford UK Equity Alpha	0.34	0.05
Baillie Gifford Positive Change	0.47	0.07
JPM UK Liquidity	0.09	0.02
Baillie Gifford Managed	0.25	0.18
JPMUKPP Global Sustainable Equity	0.33	0.10

Source: Managers as at 31 December 2023

The Plan's fund range during 2023 comprised funds with Total Expense Ratios ranging from 0.04% p.a. to 1.75% p.a. of member savings. Appendix 5 which forms part of this Statement details the charges for each of the Plan's investment funds. The charges and transaction costs shown in this Statement were provided by Legal & General Investment Management as the Plan's investment platform provider.

As one of the largest defined contribution arrangements in the UK, the Plan is well placed to negotiate very competitive charges from its Investment Managers. The Trustee reviews charges on all funds at least annually, both as part of its statutory annual Value for Members assessment and its meetings with Investment Managers. The Trustee is also mindful of the impact that transaction costs can have on member funds, in particular for those undertaking frequent trades between funds. Each year the Trustee issues a reminder letter to members undertaking frequent trades (defined as those who have undertaken 10 or more manual trades, and/or trades with an aggregate value of 150% of the member's balance at the prior year end).

Illustrations showing the impact of investment charges

The illustrations below have been prepared to show the cumulative impact of costs and charges on members' fund values over different investment periods. They consider members at five different ages, namely 18, 25, 35 and 50 with different salaries and existing fund values and calculate projected fund values at age 60 both assuming no costs and charges apply and then allowing for costs and charges. Note that the member's age is only a relevant consideration in relation to the default investment arrangement as the asset mixes adopted by it depend on age (see Section 2).

All of the projected fund values shown are purely illustrative and are based on assumptions regarding future rates of return and inflation that may not be borne out in practice. They are expressed **in today's terms**. For example, a projected fund value after 35 years of say £300,000 means that the fund value at the end of that period would be an amount that has equivalent purchasing power to that of £300,000 today. In calculating future amounts in today's terms, inflation over the period to retirement age is assumed to be 2.5% p.a. This reflects the statutory requirement to use 2.5% p.a. as the assumed inflation rate when preparing illustrations in members' annual benefit statements. The Trustee recognises that recently the rate of inflation has been significantly higher than 2.5% p.a. However, the Trustee will continue to use 2.5% p.a. within these projections to maintain consistency with the approach adopted for annual benefit statements. Furthermore, most of the projections are long-term so a rate of 2.5% is reasonably well aligned to the Bank of England's target rate of inflation.

The illustrations show separately the impact of costs and charges on *accumulated funds* and *future contributions*. The illustrations for future contributions are relevant only for active members. However, the costs and charges paid on accumulated funds apply equally to active and deferred members. Thus considering the impact of costs and charges on accumulated funds alone, provides illustrative examples in relation to deferred members. The Trustee believes it is important to split the illustrations in this way as deferred members constitute the majority of the Plan's membership. **Note that the annual percentage charges and costs deducted from accumulated funds are identical to those deducted from funds arising from future contributions.**

Under the Plan, the annual percentage rates of investment return, Total Expenses Ratio and transaction costs do not depend on the amount of money that an individual member's Retirement Account has invested in any fund. These percentage rates are the same for all members, regardless of the value of their savings.

The illustrations consider the Plan's default arrangements as well as the investment options with the highest and lowest charge. These are Partners Group Generations Fund and the LGIM North America Equity Index Fund respectively. Illustrations are shown for different sample members, as shown in the following table and are based on a normal retirement age of 60 years.

Illustration number	Member age	Accumulated Fund at illustration date (£)	Pensionable Salary at illustration date (£ pa)	Total Contribution rate (%)
1	18	0	23,000	18
2	25	30,000	40,000	18
3	35	90,000	60,000	18
4	35	120,000	120,000	18
5	50	350,000	85,000	18
6	50	500,000	140,000	18

It should be noted that in line with statutory requirements, these illustrations are designed only to show the cumulative impact that investment charges and transaction costs can have on accumulated fund values at retirement age. **They are not intended to provide information or guidance to members on whether a particular fund is best suited to their requirements.** In selecting funds, members should have regard not only to charges and potential transaction costs but also to factors such as expected future returns and their capacity for and tolerance of risk. The Plan's My Fund Range guide which can be downloaded on https://epa.towerswatson.com/doc/JMC/pdf/fund_range.pdf, provides further information on the risk and return characteristics of the funds in the Plan's fund range.

Finally, in preparing the illustrations, the Trustee has given careful consideration to the statutory guidance prepared by the Department for Work & Pensions.

Observations that can be drawn from these illustrations include the following;

1. While the cumulative percentage charge on accumulated funds is higher than on future contributions, this is because accumulated funds are invested for longer than future contributions. For example, for a member aged 25 now, the final month's contribution at age 59 will be invested for one month only and would therefore bear only one month of charges whereas the accumulated fund at age 25 will bear 35 years of charges to age 60. **The annual percentage charges and costs deducted from accumulated funds are identical to those deducted from funds arising from future contributions.**
2. Some of the Plan's funds clearly have higher ongoing charges and have experienced higher transaction costs than others. While fund charges and costs are an important factor to take into consideration in deciding how to invest, there are other factors that should be considered such as expected future performance and levels of risk. To demonstrate this point, the illustrations show the percentage taken in charges and costs under the LGIM North America Equity Index Fund over a 35 year investing term as 1.73% whereas the comparable figure under the Baillie Gifford Paris-Aligned Global Alpha Fund is 9.52%. However, the former fund is passively managed and aims to simply track the performance of global equity indices while the latter is actively managed and targets outperforming over the long term by 2% per year. **For actively managed funds, if the target outperformance is attained, they will deliver significant value relative to the additional charges paid.**
3. The Trustee rigorously benchmarks all funds' charges against the marketplace and conducts robust negotiations with fund managers. It believes that each fund is priced very competitively and includes further information on this under the value for members section of this Chair's Statement.

The following table shows the illustrations for the Plan's default lifestyle strategy. Illustrations for the Plan's other default investment arrangements are shown in Appendix 6.

		Default Lifestyle Strategy											
		18 year old, Pensionable Salary £23,000 and no initial fund value		25 year old, Pensionable Salary £40,000 and initial fund value £30,000		35 year old, Pensionable Salary £60,000 and initial fund value £90,000		35 year old, Pensionable Salary £120,000 and initial fund value £120,000		50 year old, Pensionable Salary £85,000 and initial fund value £350,000		50 year old, Pensionable Salary £140,000 and initial fund value £500,000	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
with future contributions	42	£0	£0	-	-	-	-	-	-	-	-	-	-
	40	£8,484	£8,434	-	-	-	-	-	-	-	-	-	-
	35	£31,673	£31,162	£30,000	£30,000	-	-	-	-	-	-	-	-
	30	£57,989	£56,449	£72,384	£71,254	-	-	-	-	-	-	-	-
	25	£87,857	£84,584	£120,487	£117,153	£90,000	£90,000	£120,000	£120,000	-	-	-	-
	20	£121,753	£115,887	£175,079	£168,220	£159,648	£156,948	£251,200	£247,139	-	-	-	-
	15	£155,968	£146,307	£230,799	£218,516	£232,601	£224,921	£390,081	£377,858	-	-	-	-
	10	£185,210	£170,482	£279,554	£259,726	£299,835	£284,353	£520,648	£495,054	£350,000	£350,000	£500,000	£500,000
	5	£212,400	£191,821	£325,430	£296,697	£364,685	£339,410	£647,725	£604,887	£439,389	£427,796	£644,692	£627,844
	0	£245,353	£220,731	£380,325	£345,481	£440,250	£408,310	£794,375	£739,695	£542,200	£523,258	£809,691	£781,968
	% Charge	10.04%		9.16%		7.26%		6.88%		3.49%		3.42%	
without future contributions	0	N/A		£55,467	£47,612	£129,189	£115,388	£172,252	£153,850	£381,463	£365,553	£544,947	£522,218
	% Charge	N/A		14.16%		10.68%		10.68%		4.17%		4.17%	

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 1.21% p.a. above inflation in the Flexible Portfolio, with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.16% p.a. (Flexible Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.01% p.a. (Flexible Portfolio).

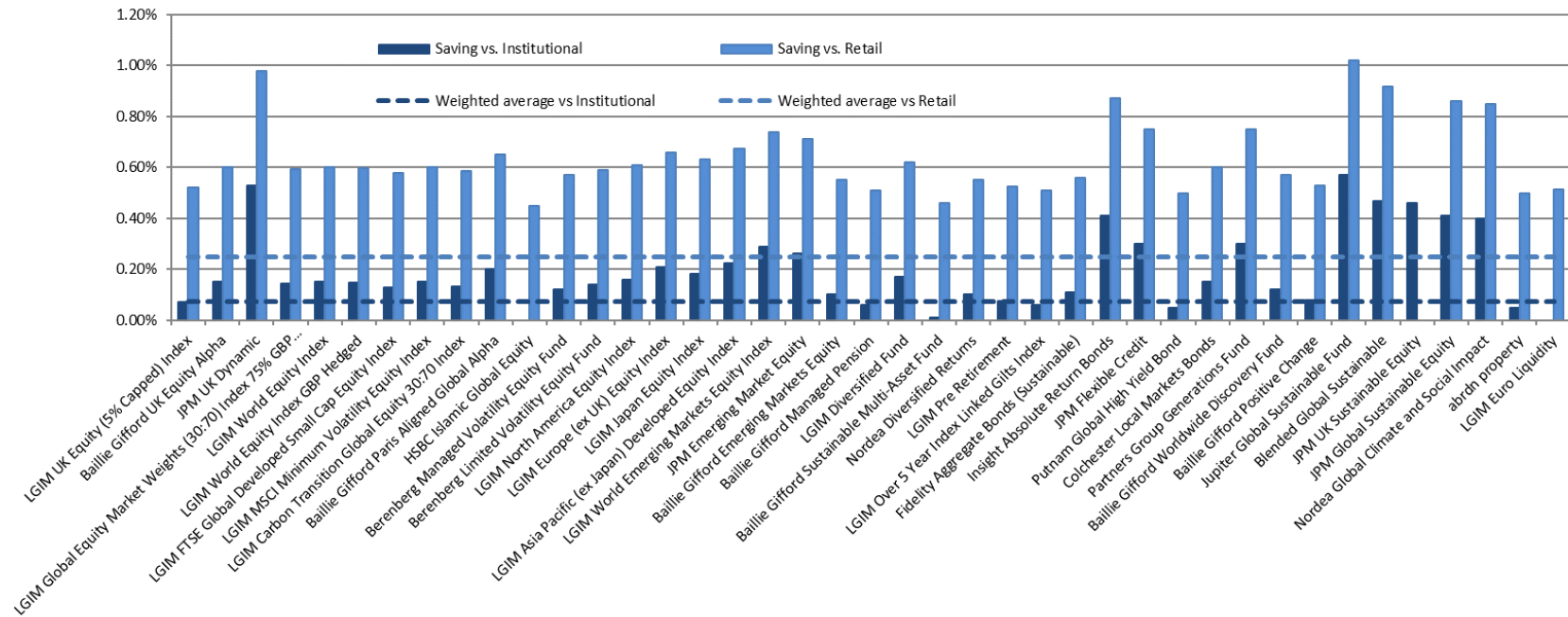
Value for members

The Board and its Committees regularly examine ways of providing better value for members. Underpinning the Board's assessments of value is the belief that value is about using the resources at its disposal effectively to help members achieve a good outcome for life after work. In addition, while some measures of value should be scrutinised carefully over the short-term (for example, the performance of the Plan administrator), the Trustee believes that others, such as the suitability and performance of investment funds, span several years. Additionally, some components of member value can be assessed quantitatively but those that impact on members' experience of the Plan and its services often require a more qualitative assessment. Finally, the Trustee examines not only whether the Plan has delivered good value in prior years, but whether it is positioned to deliver good value in future. For example, the Trustee's assessment of investment funds considers not only past performance, but factors that might indicate prospects of attaining or exceeding benchmark performance in future such as idea generation portfolio construction and investment governance.

The Trustee conducted a formal assessment of value in relation to the year ending 31st December 2023 of the extent to which member borne charges provided good value. It concluded as follows:

1. The price deducted from members' funds in respect of investment management has been assessed by external advisors as highly competitive relative to comparable institutional funds, reflecting the advantages of scale as well as the Trustee's energetic programme of periodic review and re-negotiation. On average, the Plan charges are about 20 basis points below average for other institutional investors.
2. Appendix 7 shows the performance net of charges over various periods in the five years ending 31st December 2023.

The following chart has been prepared by the Trustee's investment advisors. The dotted lines show the savings in annual management charges at 31 December 2022 which Plan members benefit from, relative to those expected to be incurred other institutional investors as well as retail investors. The funds shown are those that were held in the Plan at 31st December 2023.



In addition to the low charges on investments that have been negotiated by the Plan, members receive additional value through the work undertaken by the Trustees and supported by the Bank in relation to the delivery of services to members. Some examples of this are explained in more detail below.

The Trustees undertake close monitoring of their investment managers, not only through assessment of their performance, and continued expectation to deliver returns but also through regular face to face meetings with managers. The Trustees also continue to identify and pursue innovative investment opportunities for DC arrangements as reflected by the Plan's existing investments in private markets. The Investment Committee has undertaken further work in relation to introducing further private market investment opportunities into 2024.

Members of the Plan have ease of access to a wide range of information to support them in their retirement planning. This is hosted on the Plan's extensive website and holds a wide range of member reference information. This is supplemented by the member website where members are able to view their account values, instruct fund switches, update their investment instructions, change their target retirement age... and so on. This is further supplemented by face to face education opportunities and engagement campaigns. For example, during the year, the Member Communications Committee conducted face-to-face roadshows with active members and explored ways to better engage with members who find it difficult to attend such sessions due to the nature of their work, particularly members of the Bank's retail banking operation, Chase. Alternatives such as Zoom conferences or podcasts are being investigated.

The Trustee also continued to develop "how-to" guides and videos that explain to members how they can implement important decisions, such as nominating beneficiaries for death benefits and making changes to contribution levels.

A targeted campaign for active members to complete or update their nomination forms resulted in a 75% completion rate for nomination forms. Approximately 1,000 members completed a new form, while around 2,500 members completed an update. A reminder for deferred members to review their nomination forms is planned for 2024.

The Trustee is also exploring new opportunities to enable members to self-serve and increase the efficiency of the administration process.

Members also enjoy a range of options to provide them with additional support at retirement. This is funded by the Bank at no cost to the member, regardless of whether they are active or deferred members. This allows members access to one-to-one advice through a third party financial adviser, or guidance to support people to transfer to a Master Trust arrangement where the Plan has negotiated special terms with the provider in relation to charges and investment options so that members are able to transfer to this arrangement without incurring transaction costs and can access the same range of investment options as in the Plan.

The Trustee is satisfied on the basis of its assessment that whilst the Plan's administration levels have not met its expectations, the quality of investment choices, the Plan's member borne deductions and the wider service features provide members with good value and promote the attainment of good outcomes in the longer term.

Section 5: Knowledge, understanding and resources

Boards must have the necessary skills, both individually and collectively, if they are to perform at a high level. Apart from covering knowledge of pensions and regulatory requirements, the Trustee Directors' skills must also equip them to identify opportunities, manage risks, challenge professional advice and understand the evolving needs of members. The Trustee believes that the best way to embed these skills is to have a Board that brings together individuals with different perspectives, experiences and beliefs. A more diverse Board also enhances dialogue and reduces the risk of 'groupthink', which in turn leads to higher quality decision-making and monitoring.

Board composition

The Bank appointed 3 new Trustee Directors this year. The new Trustee Directors undertook a day long induction process outlining the history of the development of the Plan, its governance structure and the current issues relating to the Plan's management. The Trustee Directors have also completed the Pension Regulator's Trustee Toolkit.

The Board during 2023 comprised individuals with diverse and complementary professional skills including legal, sales, technology, administrative, investment, risk management and internal audit. The age group of the Board during 2023 spanned over three decades with its youngest members aged under forty and its oldest aged over seventy. The Trustee Chair is a retired J.P. Morgan employee with legal and risk experience and has received accreditation as an independent professional trustee from the Pensions Management Institute. He is a member of the Plan and has experience of other large pension governing boards through his work as a professional trustee. Of the current twelve Trustee Directors three are female and nine were male.

The Bank's extensive pool of employees with significant financial, legal, pensions, technological, investment and general business expertise provides the Trustee with a pool of talent to select from when it seeks new Trustee Directors. Additionally, the Bank's in-house Pensions Team provides the Board with considerable operational support, with at least one of its senior members attending each Committee and Board meeting. One or more representatives of the Trustee's external pensions consultant attends all quarterly Board meetings, its investment advisor attends each Investment Committee meeting and its external legal adviser provides annual training and advice on developments in Pension law and regulation.

The Trustee believes that this diversity of skills on its Main Board, combined with the expert resources available to it, enables it to exercise its functions and keep abreast of emerging risks, opportunities and best practices.

Training and education

All the Trustee Directors are familiar with and have online access to copies of the current Plan governing documentation, including the Trust Deed & Rules (together with any amendments), the Articles of Association, the Statement of Investment Principles and key Trustee policies and procedures.

The Trustee maintains a formal Training and Education Policy and training programme to ensure that Trustee Directors individually and the Board collectively keep abreast of technologies, best practices and innovations. Directors are also encouraged to attend seminars and events that are organised by third parties, such as the Pension and Lifetime Savings Association, as further way of broadening and deepening their skills and experience. Trustee Directors are required to self-certify annually their adherence to this and other codes.

A comprehensive induction training programme is provided to new Trustee Directors. This provides an overview of important regulatory requirements as well as the Trustee's strategy, priorities, policies, challenges and current activities. The induction programme includes tests designed to ascertain any knowledge gaps that might exist. It is led by the Trustee's professional advisors using materials approved by the Chair and by the Pensions Team. Its principal aim is to help new Trustee Directors participate quickly in informed and compliant decision-making. Induction training took place in January 2022 for the three most recently appointed Trustee Directors.

The Trustee Directors continued to invest heavily in building their knowledge and skills, with highlights as follows:

- Trustee Directors discussed various ideas for training in late-2022, having regard to factors such as the Trustee's 2023 business plans and knowledge gaps generally. This led to the development of an all-Board training plan for 2023. As with previous years, the training plan was modified during the year to reflect new regulatory requirements that emerged.
- The Board participated in a number of training sessions delivered by professional advisors, held immediately prior to quarterly meetings. These sessions covered a variety of value creation and value protection themes, including:
 - Value for members training where a summary of the consultation on the proposal to amend the approach for assessing Value for Members was presented as well as what it may mean for the plan going forward.
 - Summary of recent Pension Ombudsman cases where recent findings and judgements were outlined on cases referred to the Pensions Ombudsman and learning points as they may be applicable to the Plan.

- The DC Deluge – Mansion House speech, where a summary of the new consultations, consultation responses and calls for evidence issued alongside the Chancellor's Mansion House speech in July 2023. Overview of what was included and what this may mean for the future management of the Plan.
- Use of Protected Equity Strategies within DC investment where a summary of protected equity strategies and a comparison to alternative approaches to manage volatility within DC investment strategies.

In addition, following the Plan year end, the Board attended a 'Blue Sky' meeting that was organised by the Plan's advisers where the following sessions were delivered

- Reflections on the Chancellor's Autumn Statement – the DC market in 2030 and how the Plan fits within this.
- Developing approaches for supporting members into the decumulation phase.
- Outcome of the Trustee's Investment Beliefs Survey and actions.
- Investment themes and opportunities – structural trends, emerging risks and their impact in the next 5 years and beyond.

Additionally, at each of their meetings during 2023, the Trustee Directors considered a report from the Trustee's professional advisers that summarises forthcoming changes to regulations, their potential impact on the Plan and the actions required to ensure compliance. In doing so, the Trustee Directors remained informed about changes to pension laws and their duties in relation to those changes.

Appendix 1: The Trustee's strategy and structure

The over-arching mission of the Trustee's stewardship is to help all members achieve a good outcome for life after work. Underpinning this mission is a seven-point strategy aimed at creating and protecting value as well as providing first class services to members:

1. Operate arrangements for the safe custody of assets.
2. Provide members with a prompt and accurate administration service.
3. Provide a default investment arrangement and fund range that help meet the varying financial needs of members.
4. Use our buying power to negotiate improved value on Plan funds.
5. Provide members with clear and engaging communications to help them take well-informed decisions.
6. Provide members with a suite of self-help tools to support their decision-making.
7. Engage with members to ensure our services address their requirements.

An annual business plan is maintained which sets out the Trustee's priorities in relation to each of these strategy items, as well as scheduling compliance-based items such as preparing the Plan's financial statements and submitting its annual return.

The Trustee Board comprises 12 Trustee Directors, eight of whom were nominated by the Bank. The remaining four Trustee Directors (known as Member Nominated Directors or 'MNDs') were nominated by active and pensioner members, two from each of two constituencies, namely 'London' and 'Other Locations'. The most recent MND selection exercise took place in December 2021. Changes to the Trustee Board are shown on page 2. The induction process for new Trustee Directors is described in Section 5. There will be a new MND process in late 2024.

To execute its strategy and oversee the Plan's management, the Trustee operates three Committees, namely an **Investment Committee** (to oversee the Plan's investment arrangements, including the Default Strategy), an **Administration Committee** (to monitor the Trustee's administrative compliance as well as the performance of the Plan administrator and auditor) and a **Member Communications Committee** (to provide communication resources that help members make informed decisions about saving, investing and withdrawing benefits).

The Committees Terms of Reference are reviewed annually to ensure that they reflect best practices in governance and enable the Committees to respond to the changing market environment in which the Trustee operates. Each Trustee Director serves on at least one Committee, which helps promote the Board's understanding of the Plan's dynamics. The Bank's in-house Pensions Team provides both operational and technical support to each Committee and the Main Board.

The Plan is one of the largest single employer DC plans in the UK. Size and scale are important in enabling the Trustee to access investments and other services at highly competitive prices. They also make it feasible for value enhancing services to be provided to members that might not otherwise be available. Practical examples of the benefits of size and scale include;

- The low investment charges on each fund when compared against standard institutional investment rates (see Section 4).
- The availability of a private markets fund both in the Default Strategy and in the self-select investment range.
- The ability to create bespoke blended investment funds.
- The availability of two post-retirement drawdown vehicles for members who wish to withdraw benefits flexibly during retirement. These arrangements enable members to choose between a Self-Invested Personal Pension and a Master Trust arrangement. Each vehicle offers members competitive terms negotiated by the Bank. Additionally, each replicates the Plan's fund range to help provide a frictionless and cost-free transfer of member funds. While the Master Trust arrangement is designed to help retirees self-manage drawdown with the support of online tools, the SIPP offers both a self-managed drawdown option and a discretionary managed service through which retirement income needs can be agreed and implemented, with the offer of regulated financial advice.
- An extensive programme of both generic and targeted member communications that aim to inform members and motivate them to take action to improve their longer-term outcomes.

Appendix 2: Asset breakdown for statutory defaults as at 31st December 2023

The following table lists the default investment arrangements that have arisen because of fund mapping exercises in previous years.

Fund(s)	Reason for identification as a 'default arrangement'	Date action taken that triggered classification as a default arrangement
JPM UK Dynamic	<p>In order to effect an exit from the New Star UK Equity Higher Income Fund, it was necessary to transfer the assets to another fund within the Plan's existing fund range on behalf of members (i.e. without their consent). After taking advice from its investment consultant, Mercer, the Trustee decided that the most suitable fund for this purpose was the JPMAM Life UK Dynamic Fund.</p> <p>In 2019, the JPMAM UK Life Specialist Equity Fund was removed from the freestyle fund range. Members who did not elect an alternative fund had their savings transferred to the JPMAM UK Dynamic Equity Fund.</p> <p>In 2021, the life structure was removed from the underlying fund and the fund became an OEIC structure.</p>	April 2009
LGIM World Emerging Markets Equity Index	The LGIM Global Emerging Markets Equity Fund was replaced by the LGIM World Emerging Markets Fund.	November 2009
Abrdn (formerly Standard Life) Global Absolute Return	<p>In January 2012, member allocations in the JPMAM Life Diversified Growth Fund were redirected in part to the LGIM Diversified Fund and the Abrdn Global Absolute Return Strategies Fund on behalf of members (i.e. without their consent).</p> <p>In 2023 all investments held in the Abrdn Global Absolute Return Fund were redeemed. As such, this fund is no longer a default arrangement, although as required by legislation we report data in respect of this fund during the Plan year as it was being used by the Plan during this period.</p>	November 2010

Fund(s)	Reason for identification as a 'default arrangement'	Date action taken that triggered classification as a default arrangement
Abrdn Property	The Abrdn Property Fund replaced the M&G Prudential Property Fund. The M&G Prudential Property Fund was removed from the fund range. Future contributions for members were invested in the JPMAM UK Liquidity Fund.	November 2010
LGIM Diversified	<p>Member allocations in the JPMAM Life Diversified Growth Fund were redirected in part to the LGIM Diversified Fund and the Abrdn Global Absolute Return Strategies Fund on behalf of members (i.e. without their consent).</p> <p>In April 2021, the LGIM Diversified (ex-Consensus) Fund was "merged" into the LGIM Diversified Fund, as the underlying investments were the same.</p>	January 2012
Fidelity Sustainable Aggregate Bond	The JPMAM Fidelity UK Aggregate Bond was replaced by the Fidelity Aggregate Bond Fund. This was an underlying change through an in-specie transfer.	April 2018
Baillie Gifford Emerging Markets Equity	As part of the move to the new investment platform in September 2017, the Trustee became aware that the Dimensional Emerging Market Equity Fund was incompatible with the new structure due to contractual issues. As such, members' existing savings and future contribution choices were moved to the Baillie Gifford Emerging Markets Equity Fund on behalf of members (i.e. without their consent).	May 2018
JPM Flexible Credit	As part of the move to the new investment platform in September 2017, the Trustee became aware that the JPMAM Strategic Bond Fund was incompatible with the new structure due to the type of assets in which the Fund invests. As such, members' existing savings and future contribution choices were moved to the JPMAM Flexible Credit Fund on behalf of members (i.e. without their consent).	May 2018 (and prior change in November 2013)
Insight Bond Plus 300	Due to a prolonged period of poor performance and the Trustee's lack of confidence in the manager's ability to turn this around, the Trustee moved members savings and future contributions from the Abrdn Global Bond Strategies Fund into the Insight Bond Plus 300 Fund on behalf of members (i.e. without their consent).	May 2018 (and prior change in November 2013)
Baillie Gifford UK Equity Alpha (formerly Focus prior to the	In order to effect an exit from the JPMAM UK Specialist Equity Fund, it was necessary to transfer the assets to another fund within the Plan's existing fund range on behalf of members (i.e. without their consent) who did not elect an alternative fund from the Plan's	May 2019

Fund(s)	Reason for identification as a 'default arrangement'	Date action taken that triggered classification as a default arrangement
manager combining these two funds)	fund range. After taking advice from its investment consultant, Mercer, the Trustee decided that the most suitable fund for this purpose was the Baillie Gifford UK Equity Focus Fund, which subsequently was merged by Baillie Gifford into the UK Equity Alpha Fund and renamed the Baillie Gifford UK Equity Alpha Fund.	
Baillie Gifford Positive Change	In order to effect an exit from the L&G UK Equity Ethical Index Fund, it was necessary to transfer the assets to another fund within the Plan's existing fund range on behalf of members (i.e. without their consent) who did not elect an alternative fund from the Plan's fund range. After taking advice from its investment consultant, Mercer, the Trustee decided that the most suitable fund for this purpose was the Baillie Gifford Positive Change Fund.	May 2019
JPM UK Liquidity	<p>This Fund was used on a number of occasions for receipt of contributions where members made no election for where to switch their contributions given one or more funds were being removed from the Plan.</p> <p>In 2021, the life structure was removed from the underlying fund and the fund became an OEIC structure.</p>	Multiple
Baillie Gifford Paris-Aligned Global Alpha	In April 2021, members with holdings in the Baillie Gifford Global Alpha Fund had their holdings transitioned to this new version of that fund.	April 2021
Baillie Gifford Managed	In April 2021, members with holdings in the JPMAM Life Balanced Fund their holdings transitioned to this fund.	April 2021
JPM UK PP Sustainable Global Equity Portfolio	In October 2021, members with holdings in the JPMAM Diversified Equity Fund had their holdings transitioned to this fund.	October 2021
Baillie Gifford Sustainable Multi-Asset	In May 2022, the Trustee decided to switch members' holdings in Baillie Gifford Diversified Growth Fund into an 'RI focussed version of that fund called Baillie Gifford Sustainable Multi-Asset Fund.	May 2022

The following tables show the composition of the additional default arrangements.

Asset Class	JPM UK Dynamic	LGIM World Emerging Markets Equity Index	Abrdn Property	LGIM Diversified	Fidelity Sustainable Aggregate Bond	Baillie Gifford Emerging Markets Equity
Cash	3.8	0.0	0.0	2.0	6.2	0.0
Bonds	0.0	0.0	0.0	44.0	93.1	0.0
Listed Equities	96.2	100.0	0.0	50.0	0.0	100.4
Private Equity	0.0	0.0	0.0	0.0	0.0	0.0
Infrastructure	0.0	0.0	0.0	0.0	0.0	0.0
Property/Real Estate	0.0	0.0	100.0	4.0	0.0	0.0
Private Debt/Credit	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.7	-0.4
Total	100	100	100	100	100	100

Source: Managers

Percentage allocation as at 31 December 2023							
Asset Class	JPM Flexible Credit	Insight Bond Plus 300	Baillie Gifford UK Equity Alpha	Baillie Gifford Positive Change	JPM UK Liquidity	Baillie Gifford Paris-Aligned Global Alpha	Baillie Gifford Managed
Cash	3.6	70.5	0.0	0.0	38.5	0.0	0.5
Bonds	96.4	47.5	0.0	0.0	61.5	0.0	19.8
Listed Equities	0.0	0.0	100.3	100.2	0.0	100.0	78.9
Private Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Infrastructure	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property/Real Estate	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private Debt/Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	-17.97	-0.3	-0.2	0.0	0.0	0.8
Total	100	100	100	100	100	100	100

Source: Managers

Percentage allocation as at 31 December 2023		
Asset Class	JPMUKPP Sustainable Global Equity Portfolio	Baillie Gifford Sustainable Multi-Asset
Cash	0.9	0.0
Bonds	0.0	54.0
Listed Equities	99.1	24.0
Private Equity	0.0	0.0
Infrastructure	0.0	0.0
Property/Real Estate	0.0	10.0
Private Debt/Credit	0.0	0.0
Other	0.0	13.0
Total	100	100

Source: Managers

For more information on the investment options offered by the Plan, please see the Plan website.

Notes:

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

Cash – Cash and assets that behave similarly to cash e.g. treasury bills. It only includes invested cash and not the cash balance held by the Plan.

Bonds – Loans made to the bond issuer, usually a government or a company, to be repaid at a later date.

Listed Equity – Shares in companies that are listed on global stock exchanges. Owning shares makes the Plan a part owner of the company, entitled to a share of the profits (if any) payable as dividends.

Private Equity – Unlisted equities that are not publicly traded on stock exchanges.

Infrastructure - physical structures, facilities, systems, or networks that provide or support public services including water, gas and electricity networks, roads, telecommunications facilities, schools, hospitals, and prisons

Property – Real estate, potentially including offices, retail buildings which are rented out to businesses.

Private Debt – Other forms of loan that do not fall within the definition of a 'Bond'.

Other – Any assets that do not fall within the above categories. This may include assets that are synthetic and do not have a physical allocation, for example derivatives.

Underlying Exposure to UK Assets at 31 December 2023

Given the focus of the Government on encouraging UK based investment, the Trustee has set out below the underlying UK Exposure in the funds available for members to invest in.

Asset Class / Fund	Underlying Exposure to UK Assets at 31 December 2023	
	% of Respective Asset Class / Fund	£m
Portfolios used in default lifestyle strategies:	19.1%	466.2
Default Initial Growth Portfolio	20.4%	272.9
Default Mid Growth Portfolio	8.9%	88.3
Default Annuity Portfolio	100.0%	98.7
Blended Flexible Portfolio	61.9%	6.3
UK Equities, made up of:	100.0%	357.3
LGIM UK Equity (5% Capped) Index	100.0%	141.9
Baillie Gifford UK Equity Alpha	100.0%	76.9
JPM UK Dynamic	100.0%	138.4
Global Equities, made up of:	21.0%	184.4
LGIM Global Equity Market Weights (30:70) Index 75% GBP Hedged	30.0%	174.5
LGIM World Equity Index	4.0%	1.1
LGIM World Equity Index GBP Hedged	4.0%	0.7
LGIM FTSE Global Developed Small Cap Equity Index	5.4%	0.7
LGIM MSCI Minimum Volatility Equity Index	9.0%	1.2
LGIM Carbon Transition Global Equity 30:70 Index	30.0%	0.9
Baillie Gifford Paris Aligned Global Alpha	2.0%	4.1
HSBC Islamic Global Equity	2.6%	0.3
Berenberg Managed Volatility Equity Fund	5.0%	0.2
Berenberg Limited Volatility Equity Fund	52.5%	0.6

Asset Class / Fund	Underlying Exposure to UK Assets at 31 December 2023	
	% of Respective Asset Class / Fund	£m
Regional Equities, made up of:	0.0%	0.0
LGIM North America Equity Index	0.0%	0.0
LGIM Europe (ex UK) Equity Index	0.0%	0.0
LGIM Japan Equity Index	0.0%	0.0
LGIM Asia Pacific (ex Japan) Developed Equity Index	0.0%	0.0
LGIM World Emerging Markets Equity Index	0.0%	0.0
JPM Emerging Market Equity	0.0%	0.0
Baillie Gifford Emerging Markets Equity	0.0%	0.0
Balanced, made up of:	20.0%	34.2
Baillie Gifford Managed Pension	20.0%	34.2
Alternative Balanced	7.0%	11.4
LGIM Diversified Fund	6.1%	6.9
Baillie Gifford Sustainable Multi-Asset Fund	23.6%	4.0
Nordea Diversified Returns	1.6%	0.5
Bonds, made up of:	88.1%	219.1
LGIM Pre Retirement	100.0%	148.7
LGIM Over 5 Year Index Linked Gilts Index	100.0%	38.7
Fidelity Aggregate Bonds (Sustainable)	100.0%	30.5
Insight Absolute Return Bonds	12.4%	0.9
JPM Flexible Credit	1.0%	0.1
Putnam Global High Yield Bond	0.9%	0.0
Colchester Local Markets Bonds	0.0%	0.0
Other:	29.5%	168.9
Partners Group Generations Fund	12.3%	2.7
Baillie Gifford Worldwide Discovery Fund	12.1%	1.3

Asset Class / Fund	Underlying Exposure to UK Assets at 31 December 2023	
	% of Respective Asset Class / Fund	£m
Baillie Gifford Positive Change	0.0%	0.0
Jupiter Global Sustainable Fund	0.0%	0.0
Blended Global Sustainable	0.9%	2.8
JPM UK Sustainable Equity	100.0%	1.4
JPM Global Sustainable Equity	0.0%	0.0
Nordea Global Climate and Social Impact	3.0%	0.0
Abrdn Property	100.0%	7.6
LGIM Euro Liquidity	0.0%	0.0
JPM UK Liquidity	100.0%	153.1
All Assets	25.6%	1,441.4

Appendix 3: Default strategy

The Default Strategy follows a pre-set investment route that transitions members savings from global equities to a blend of three diversified growth funds between ages 40 and 50. From 5 years and 9 months prior to the member's specified retirement age (which is age 60 if no age is specified) the member's savings are transitioned gradually into the Blended Flexible Portfolio.

The Plan also operates a legacy default strategy for members that had started to transfer savings to the Blended Annuity Portfolio when the current Default Strategy was introduced in 2022. The Blended Annuity Portfolio consists of a specialist Pre-Retirement Fund (75% at retirement) and the Liquidity Fund (25% at retirement).

Statement of Investment Principles and Investment Policy Implementation Document

APPENDIX 4: CORE FINANCIAL TRANSACTIONS

The Trustee, in conjunction with the Bank, operates robust control systems to ensure that core financial transactions, including contribution payments, investment of Plan monies and benefit withdrawals are both prompt and accurate.

Key measures here include:

Promptness

- The Payment Schedule sets out the statutory timescales for the Company to remit monthly contributions to the Plan. However, agreed practice provides for payment of monthly contributions to the Plan within 2 working days following deduction from members and this was adhered to during 2023. This timescale is considerably shorter than the statutory 22 days permitted by legislation. Compliance is reviewed by the Company's internal audit function and its findings shared with the Administration Committee on an exceptions basis.
- Contributions are processed via an automated straight through process to provide both speed and accuracy.
- Members' investment switches are processed online via a portal that links directly with the Plan's administration systems.
- The Trustee agrees maximum timescales with its administrators for all services, including core financial functions. Its administration reports are reviewed quarterly by the Administration Committee.
- The Trustee requires its Administrator to provide additional disclosures in respect of any transactions and benefit processing activity that have not been completed within the agreed timescales including the cause of the delay, the extent to which agreed timescales were breached and the proposed remedial measures. None of the breaches of agreed timescale during the period covered by this statement are regarded as a matter for concern.

Accuracy

- Monthly contribution remittances by the Bank's payroll agents are checked by the Bank's Pensions Team and again by the Plan administrator. These twin checks provide the Trustee with a high degree of confidence that any anomalies or delays will be identified quickly and corrected. Additionally, the Plan auditor spot checks that Plan contributions are paid in accordance with Plan rules.
- Member records are reconciled monthly with transaction statements showing fund managers' unit holdings.
- Members have access to an online portal that enables them to conduct their own checks of accuracy in relation to financial transactions such as contribution payments and investment switches.
- Ongoing appraisal of Common Data by the Administration Committee helps to maintain the accuracy of member records and reduce the likelihood of error or delay in financial transactions. The term Common Data refers to those data fields that are common to all pension arrangements, for example, members' names, addresses, dates of birth and expected retirement dates.

These controls are monitored quarterly by the Trustee's Administration Committee.

Appendix 5: Charges and transaction costs

The Plan's status as one of the largest defined contribution arrangements in the UK makes it well placed to negotiate competitive charges from investment managers.

Default Strategy

The Plan complies with regulations on charge controls introduced from April 2015. Specifically, all of the funds in the Plan's current Default Strategies have a combined total expense ratio that is well below the charge cap of 0.75% p.a. of savings. This also applies to the Plan's deemed default arrangements highlighted earlier in the Statement.

The charges incurred by members at different ages within the default arrangements are shown in the table below.

Years to Plan Normal Retirement Age	Current Default strategy		Legacy Default targeting annuity	
	TER (% p.a.)	Transaction costs (% p.a.)	TER (% p.a.)	Transaction costs (% p.a.)
20 or more	0.33	0.07	0.33	0.07
15	0.40	0.06	0.40	0.06
10	0.46	0.06	0.46	0.06
5	0.40	0.05	0.39	0.04
At Normal Retirement Age	0.16	0.02	0.08	-0.04

As outlined in Section 2 of the Statement, the Plan also has a number of technical default arrangements. These defaults invest in a single fund regardless of the member's age. As such, the charges for these default arrangements are outlined in the table below within the freestyle fund range.

Freestyle fund range

The table summarises the charges and transaction costs applicable to the freestyle fund range during 2023.

Fund	Total Expense Ratio (% p.a.)	Transaction Costs over 2023 (% to 2 d.p.)
Blended Portfolios		
Initial Growth Portfolio	0.33	0.07
Mid Growth Portfolio	0.46	0.06
Flexible Portfolio	0.16	0.02
UK Equity		
LGIM UK Equity (5% Capped)	0.14	0.03
Baillie Gifford UK Equity Alpha	0.34	0.05
JPM UK Dynamic	0.36	0.66
JPM UK Sustainable Equity	0.36	0.21
Global Equity		
LGIM Global Equity Fixed Weight (30:70) Index	0.10	0.05
LGIM World Equity Index Fund (Unhedged)	0.07	0.02
LGIM World Equity Index Fund (Hedged)	0.11	0.07
LGIM World Small Cap Index (Sustainable)	0.15	0.10
LGIM MSCI World Minimum Volatility Equity Index	0.14	0.09
LGIM Carbon Transition Global Equity 30:70 Index (GBP Hedged)	0.09	0.07
Baillie Gifford Worldwide Discovery	0.73	0.14
HSBC Islamic Global Equity	0.30	-0.06
Sustainable Global Equity		
Baillie Gifford Paris Aligned Global Alpha	0.39	0.03

Fund	Total Expense Ratio (% p.a.)	Transaction Costs over 2023 (% to 2 d.p.)
Baillie Gifford Positive Change	0.47	0.07
Jupiter Global Sustainable	0.40	0.02
Nordea Global Climate and Social Impact	0.35	0.00
JPMUKPP Global Sustainable Equity	0.33	0.10
Global Sustainable Equity Blend	0.36	0.05
Berenberg Managed Volatility Equity	0.17	0.00
Berenberg Limited Volatility Equity	0.13	0.01
Regional Equities		
LGIM North America Equity Index	0.04	0.00
LGIM Europe (ex UK) Equity Index	0.05	0.12
LGIM Japan Equity Index	0.06	0.01
LGIM Asia Pacific (ex-Japan) Equity Index	0.07	0.00
LGIM World Emerging Markets Equity Index	0.19	0.12
JPM All-Emerging Market Equity	0.70	0.35
Baillie Gifford Emerging Markets	0.69	0.16
Balanced		
Baillie Gifford Managed	0.25	0.18
Diversified Growth and Private Markets		
LGIM Diversified	0.22	-0.01
Baillie Gifford Sustainable Multi Asset	0.34	0.00
Abrdn GARS Fund (until July 2023)	0.23	0.00
Nordea Diversified Returns Strategy	0.61	0.26
Partners Group Generations	1.56	0.03

Fund	Total Expense Ratio (% p.a.)	Transaction Costs over 2023 (% to 2 d.p.)
Bonds and Cash		
LGIM Pre-Retirement Annuity	0.08	-0.06
LGIM Over 5 Year Index-Linked Gilts Index	0.04	0.04
Fidelity Aggregate Bond (Sustainable)	0.30	-0.02
Insight Bonds Plus 300	0.61	0.44
JPM Flexible Credit	0.36	0.36
Putnam Global High Yield	0.45	0.01
Colchester Emerging Markets Bond (Local Currency)	0.60	0.35
LGIM Euro Liquidity	0.08	0.02
JPM UK Liquidity	0.09	0.02
Property		
Abrdn Property Fund [#]	0.45	0.14

Source: Managers

Legacy Investments

In addition to the main investment options available to members, there are also a number of legacy with Profits investments, which are no longer available for future contributions:

Provider	Fund	Total Expense Ratio (% p.a.)	Transaction Costs over 2023 (%)
Prudential	Prudential With-Profits*	N/A	0.19
Aviva	With-Profits Fund#	-	-
Phoenix	LL Pension Traditional With Profits-V1	1%	0.13

Source: Providers

*Prudential have provided the average transaction costs over the last 5 years and state that “there are charges and further costs associated with investing in the With-Profits Fund. However, unlike other kinds of funds, the charges are not taken through the deduction of an explicit Annual Management Charge, but are instead already taken into account when we calculate the bonus rates for our With-Profits Fund.”

#Data was requested but not provided at the time of writing.

Total Expense Ratio is a charge which combines the investment manager’s fees for managing the fund (sometimes called the Annual Management Charge or AMC) and any additional expenses necessary for running the fund such as audit fees and custodial costs.

Total Transaction costs are costs incurred by fund managers as a result of buying, selling, lending or borrowing investments within the fund. These costs are taken into account by the fund managers when calculating the unit price for each of the funds. The calculation of transaction costs includes a component that is required under regulations using a methodology known as ‘slippage cost’. This compares the price of the stocks being traded when a transaction was executed with the price at which the transaction was requested. Market movements during any delay in transacting may be positive or negative and may also outweigh other explicit transaction costs. For this reason, overall transaction costs can be negative as well as positive.

Appendix 6 – Additional cost and charge illustrations

A range of illustrations are included in the following pages which are intended to show the high level impact of cost and charges on a fund at and through to retirement, it is not intended to be representative of expected future fund performance. Members should refer to their own benefit statements for personalised projections of pot size at retirement.

Illustration number	Member age	Accumulated Fund at illustration date (£)	Pensionable Salary at illustration date (£ pa)	Total Contribution rate (%)
1	18	0	23,000	18
2	25	30,000	40,000	18
3	35	90,000	60,000	18
4	35	120,000	120,000	18
5	50	350,000	85,000	18
6	50	500,000	140,000	18

Illustration 1: 18 year old, Pensionable Salary £23,000 and no initial fund value (represents the Plan's youngest member)

		Lifestyle Strategies and Self Select Funds									
		Most expensive fund: Partners Group Generations		Least expensive fund: LGIM North America Equity Index		Lifestyle strategy: Drawdown Pathway		Lifestyle strategy: Drawdown and Cash Pathway		Lifestyle strategy: Annuity Pathway	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
with future contributions	42	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	40	£8,322	£8,125	£8,642	£8,633	£8,484	£8,434	£8,484	£8,434	£8,484	£8,434
	35	£29,512	£27,695	£33,911	£33,811	£31,673	£31,162	£31,673	£31,162	£31,673	£31,162
	30	£51,265	£46,247	£65,441	£65,118	£57,989	£56,449	£57,989	£56,449	£57,989	£56,449
	25	£73,597	£63,833	£104,785	£104,046	£87,857	£84,584	£87,857	£84,584	£87,857	£84,584
	20	£96,521	£80,505	£153,878	£152,449	£121,753	£115,887	£121,753	£115,887	£121,753	£115,887
	15	£120,055	£96,310	£215,136	£212,634	£155,968	£146,307	£155,968	£146,307	£155,968	£146,307
	10	£144,214	£111,292	£291,574	£287,469	£185,210	£170,482	£185,210	£170,482	£185,210	£170,482
	5	£169,015	£125,495	£386,953	£380,519	£212,157	£191,441	£212,157	£191,441	£212,106	£191,588
	0	£194,475	£138,959	£505,967	£496,219	£239,966	£212,437	£238,102	£211,178	£238,842	£215,615
% Charge		28.55%		1.93%		11.47%		11.31%		9.72%	

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Partners Group Generations: 0.53% p.a. above inflation before charges of 1.56% p.a. and transaction costs of 0.03% p.a.
 - LGIM North America Equity Index: 4.53% p.a. above inflation before charges of 0.04% p.a. and transaction costs of 0.03% p.a.
 - Drawdown Pathway: 2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 0.63% p.a. above inflation in the Flexible Portfolio, with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.33% p.a. (Initial Growth Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.06% p.a. (Initial Growth Portfolio).
 - Drawdown and Cash Pathway: 2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 0.10% p.a. above inflation at retirement (25:75 allocation to the Mid Growth Portfolio and JPM UK Liquidity Fund), with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.33% p.a. (Initial Growth Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.06% p.a. (Initial Growth Portfolio).
 - Annuity Pathway: 2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 0.51% p.a. above inflation in the Annuity Portfolio at retirement, with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.08% p.a. Annuity Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.01% p.a. (Annuity Portfolio).
- Illustrations for lifestyle strategies assume a target retirement age of 60.

Self Select Funds											
		Baillie Gifford Emerging Markets		JPM Flexible Credit		Insight Bond Plus 300		LGIM Diversified		Abrdn Pooled Property	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	42	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	40	£8,652	£8,542	£8,338	£8,264	£8,181	£8,076	£8,320	£8,293	£8,169	£8,102
	35	£34,069	£32,886	£29,718	£29,025	£27,749	£26,827	£29,486	£29,230	£27,605	£27,019
	30	£65,986	£62,188	£51,888	£49,927	£46,120	£43,689	£51,186	£50,465	£45,712	£44,168
	25	£106,067	£97,456	£74,874	£70,972	£63,365	£58,851	£73,435	£72,002	£62,579	£59,713
	10	£156,400	£139,908	£98,709	£92,161	£79,554	£72,487	£96,245	£93,845	£78,293	£73,805
	15	£219,608	£191,004	£123,423	£113,496	£94,751	£84,748	£119,631	£115,998	£92,931	£86,579
	10	£298,983	£252,506	£149,048	£134,976	£109,018	£95,774	£143,608	£138,465	£106,568	£98,160
	5	£398,662	£326,534	£175,619	£156,603	£122,410	£105,689	£168,190	£161,252	£119,272	£108,658
	0	£523,837	£415,636	£203,169	£178,378	£134,983	£114,605	£193,393	£184,363	£131,107	£118,174
% Charge		20.66%		12.20%		15.10%		4.67%		9.86%	

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Baillie Gifford Emerging Markets: 4.66% p.a. above inflation before charges of 0.69% p.a. and transaction costs of 0.15% p.a.
 - JPM Flexible Credit: 0.73% p.a. above inflation before charges of 0.36% p.a. and transaction costs of 0.23% p.a.
 - Insight Bond Plus 300: 1.26% p.a. below inflation before charges of 0.61% p.a. and transaction costs of 0.25% p.a.
 - LGIM Diversified: 0.50% p.a. above inflation before charges of 0.22% p.a. and transaction costs of 0.00% p.a.
 - Abrdn Pooled Property: 1.41% p.a. below inflation before charges of 0.45% p.a. and transaction costs of 0.09% p.a.

		Baillie Gifford UK Equity Alpha		JPM UK Dynamic Fund		JPM UK Liquidity		Baillie Gifford Positive Change		Baillie Gifford Paris Aligned Global Alpha	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	42	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	40	£8,641	£8,594	£8,683	£8,569	£8,162	£8,150	£8,645	£8,575	£8,641	£8,588
	35	£33,900	£33,395	£34,525	£33,286	£27,528	£27,419	£33,960	£33,205	£33,897	£33,325
	30	£65,404	£63,776	£67,573	£63,543	£45,495	£45,205	£65,612	£63,182	£65,394	£63,553
	25	£104,697	£100,993	£109,837	£100,583	£62,163	£61,623	£105,187	£99,664	£104,674	£100,489
	10	£153,705	£146,583	£163,887	£145,926	£77,628	£76,779	£154,668	£144,064	£153,661	£145,623
	15	£214,830	£202,432	£233,011	£201,433	£91,975	£90,769	£216,535	£198,102	£214,752	£200,772
	10	£291,069	£270,848	£321,411	£269,383	£105,286	£103,682	£293,888	£263,868	£290,940	£268,161
	5	£386,157	£354,657	£434,464	£352,564	£117,635	£115,603	£390,604	£343,907	£385,954	£350,506
	0	£504,756	£457,324	£579,044	£454,392	£129,092	£126,606	£511,528	£441,319	£504,447	£451,125
% Charge		9.40%		21.53%		1.93%		13.73%		10.57%	

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Baillie Gifford UK Equity Alpha: 4.52% p.a. above inflation before charges of 0.34% p.a. and transaction costs of 0.02% p.a.
 - JPM UK Dynamic Fund: 5.04% p.a. above inflation before charges of 0.36% p.a. and transaction costs of 0.52% p.a.
 - JPM UK Liquidity: 1.49% p.a. below inflation before charges of 0.09% p.a. and transaction costs of 0.01% p.a.
 - Baillie Gifford Positive Change: 4.57% p.a. above inflation before charges of 0.47% p.a. and transaction costs of 0.07% p.a.
 - Baillie Gifford Paris Aligned Global Alpha: 4.52% p.a. above inflation before charges of 0.39% p.a. and transaction costs of 0.01% p.a.

Self Select Funds				
Baillie Gifford Managed	JPMUKPP Global Sustainable Equity	LGIM World Emerging Markets Equity Index	Baillie Gifford Sustainable Multi-Asset	Fidelity Aggregate Bonds (Sustainable)

Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	42	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	40	£8,494	£8,439	£8,645	£8,590	£8,484	£8,452	£8,338	£8,266	£8,320	£8,282
	35	£31,805	£31,248	£33,962	£33,364	£31,674	£31,343	£29,728	£29,046	£29,486	£29,128
	30	£58,416	£56,730	£65,617	£63,689	£57,994	£56,992	£51,916	£49,987	£51,186	£50,179
	25	£88,794	£85,198	£105,197	£100,809	£87,866	£85,733	£74,934	£71,093	£73,435	£71,436
	10	£123,472	£117,004	£154,688	£146,245	£121,771	£117,937	£98,811	£92,363	£96,245	£92,901
	15	£163,060	£152,537	£216,571	£201,862	£160,252	£154,022	£123,581	£113,800	£119,631	£114,577
	10	£208,252	£192,235	£293,947	£269,940	£203,928	£194,456	£149,275	£135,404	£143,608	£136,465
	5	£259,841	£236,586	£390,697	£353,270	£253,499	£239,762	£175,930	£157,178	£168,190	£158,567
	0	£318,734	£286,136	£511,670	£455,271	£309,762	£290,528	£203,580	£179,121	£193,393	£180,886
% Charge		10.23%		11.02%		6.21%		12.01%		6.47%	

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Baillie Gifford Managed: 2.68% p.a. above inflation before charges of 0.25% p.a. and transaction costs of 0.18% p.a.
 - JPMUKPP Global Sustainable Equity: 4.57% p.a. above inflation before charges of 0.36% p.a. and transaction costs of 0.07% p.a.
 - LGIM World Emerging Markets Equity Index: 2.56% p.a. above inflation before charges of 0.19% p.a. and transaction costs of 0.06% p.a.
 - Baillie Gifford Sustainable Multi-Asset: 0.74% p.a. above inflation before charges of 0.34% p.a. and transaction costs of 0.23% p.a.
 - Fidelity Aggregate Bonds (Sustainable): 0.50% p.a. above inflation before charges of 0.30% p.a. and transaction costs of 0.00% p.a.

Illustration 2: 25 year old, Pensionable Salary £40,000 and initial fund value £30,000

Lifestyle Strategies and Self Select Funds				
Most expensive fund: Partners Group Generations	Least expensive fund: LGIM North America Equity Index	Lifestyle Strategy: Drawdown Pathway	Lifestyle Strategy: Drawdown and Cash Pathway	Lifestyle Strategy: Annuity Pathway

Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	35	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000
	30	£67,265	£63,209	£77,656	£77,437	£72,384	£71,254	£72,384	£71,254	£72,384	£71,254
	25	£105,521	£94,690	£137,120	£136,420	£120,487	£117,153	£120,487	£117,153	£120,487	£117,153
	10	£144,792	£124,534	£211,320	£209,760	£175,079	£168,220	£175,079	£168,220	£175,079	£168,220
	15	£185,108	£152,825	£303,907	£300,953	£230,799	£218,516	£230,799	£218,516	£230,799	£218,516
	10	£226,494	£179,644	£419,436	£414,342	£279,554	£259,726	£279,554	£259,726	£279,554	£259,726
	5	£268,980	£205,068	£563,594	£555,332	£325,058	£296,110	£325,058	£296,110	£324,979	£296,338
	0	£312,595	£229,170	£743,473	£730,641	£372,017	£332,559	£369,133	£330,592	£370,283	£337,516
% Charge		26.69%		1.73%		10.61%		10.44%		8.85%	
Without future contributions	0	£36,044	£20,640	£141,297	£137,856	£54,199	£45,751	£53,772	£45,474	£53,935	£46,457
	% Charge		42.74%		2.44%		15.40%		15.43%		13.86%

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Partners Group Generations: 0.53% p.a. above inflation before charges of 1.56% p.a. and transaction costs of 0.03% p.a.
 - LGIM North America Equity Index: 4.53% p.a. above inflation before charges of 0.04% p.a. and transaction costs of 0.03% p.a.
 - Drawdown Pathway: 2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 0.63% p.a. above inflation in the Flexible Portfolio, with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.33% p.a. (Initial Growth Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.06% p.a. (Initial Growth Portfolio).
 - Drawdown and Cash Pathway: 2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 0.10% p.a. above inflation at retirement (25:75 allocation to the Mid Growth Portfolio and JPM UK Liquidity Fund), with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.33% p.a. (Initial Growth Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.06% p.a. (Initial Growth Portfolio).
 - Annuity Pathway: 2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 0.51% p.a. above inflation in the Annuity Portfolio at retirement, with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.08% p.a. Annuity Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.01% p.a. (Annuity Portfolio).
- Illustrations for lifestyle strategies assume a target retirement age of 60.

Self Select Funds					
	Baillie Gifford Emerging Markets Equity	JPM Flexible Credit	Insight Bond Plus 300	LGIM Diversified	Abrdn Pooled Property

Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	35	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000
	30	£78,026	£75,421	£67,755	£66,211	£63,067	£61,003	£67,203	£66,635	£62,722	£61,412
	25	£138,337	£130,092	£106,903	£102,671	£94,108	£88,882	£105,345	£103,789	£93,205	£89,887
	10	£214,075	£195,897	£147,495	£139,380	£123,248	£113,952	£144,450	£141,472	£121,602	£115,700
	15	£309,185	£275,104	£189,584	£176,340	£150,604	£136,497	£184,542	£179,690	£148,057	£139,100
	10	£428,623	£370,440	£233,225	£213,553	£176,284	£156,770	£225,647	£218,451	£172,701	£160,312
	5	£578,612	£485,192	£278,476	£251,020	£200,391	£175,000	£267,790	£257,763	£195,659	£179,541
	0	£766,965	£623,313	£325,396	£288,744	£223,021	£191,394	£310,997	£297,633	£217,047	£196,973
	% Charge	18.73%		11.26%		14.18%		4.30%		9.25%	
Without future contributions	0	£147,751	£109,806	£38,657	£31,467	£19,274	£14,265	£35,722	£33,113	£18,267	£15,092
	% Charge	25.68%		18.60%		25.99%		7.30%		17.38%	

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Baillie Gifford Emerging Markets Equity: 4.66% p.a. above inflation before charges of 0.69% p.a. and transaction costs of 0.15% p.a.
 - JPM Flexible Credit: 0.73% p.a. above inflation before charges of 0.36% p.a. and transaction costs of 0.23% p.a.
 - Insight Bond Plus 300: 1.26% p.a. below inflation before charges of 0.61% p.a. and transaction costs of 0.25% p.a.
 - LGIM Diversified: 0.50% p.a. above inflation before charges of 0.22% p.a. and transaction costs of 0.00% p.a.
 - Abrdn Pooled Property: 1.41% p.a. below inflation before charges of 0.45% p.a. and transaction costs of 0.09% p.a.

		Self Select Funds									
		Baillie Gifford UK Equity Alpha		JPM UK Dynamic Fund		JPM UK Liquidity		Baillie Gifford Positive Change		Baillie Gifford Paris Aligned Global Alpha	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	35	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000
	30	£77,630	£76,519	£79,097	£76,370	£62,538	£62,293	£77,772	£76,110	£77,623	£76,365
	25	£137,036	£133,505	£141,885	£133,134	£92,725	£92,103	£137,503	£132,228	£137,015	£133,021
	10	£211,131	£203,312	£222,183	£202,623	£120,731	£119,619	£212,185	£200,526	£211,083	£202,249
	15	£303,545	£288,827	£324,874	£287,688	£146,714	£145,019	£305,561	£283,647	£303,453	£286,842
	10	£418,809	£393,584	£456,203	£391,822	£170,820	£168,465	£422,310	£384,809	£418,649	£390,208
	5	£562,571	£521,911	£624,156	£519,299	£193,184	£190,108	£568,283	£507,928	£562,310	£516,514
	0	£741,877	£679,112	£838,946	£675,352	£213,932	£210,086	£750,795	£657,768	£741,471	£670,851
	% Charge	8.46%		19.50%		1.80%		12.39%		9.52%	
Without future contributions	0	£140,861	£124,190	£167,846	£123,594	£17,748	£17,131	£143,303	£118,648	£140,750	£122,023
	% Charge	11.83%		26.36%		3.48%		17.20%		13.30%	

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Baillie Gifford UK Equity Alpha: 4.52% p.a. above inflation before charges of 0.34% p.a. and transaction costs of 0.02% p.a.
 - JPM UK Dynamic: 5.04% p.a. above inflation before charges of 0.36% p.a. and transaction costs of 0.52% p.a.
 - JPM UK Liquidity: 1.49% p.a. below inflation before charges of 0.09% p.a. and transaction costs of 0.01% p.a.
 - Baillie Gifford Positive Change: 4.57% p.a. above inflation before charges of 0.47% p.a. and transaction costs of 0.07% p.a.
 - Baillie Gifford Paris Aligned Global Alpha: 4.52% p.a. above inflation before charges of 0.39% p.a. and transaction costs of 0.01% p.a.

Self Select Funds											
		Baillie Gifford Managed		JPMUKPP Global Sustainable Equity		LGIM World Emerging Markets Equity Index		Baillie Gifford Sustainable Multi-Asset		Fidelity Aggregate Bonds (Sustainable)	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	35	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000
	30	£72,696	£71,463	£77,775	£76,460	£72,387	£71,654	£67,778	£66,260	£67,203	£66,408
	25	£121,437	£117,787	£137,513	£133,330	£120,497	£118,329	£106,967	£102,803	£105,345	£103,172
	10	£177,078	£169,539	£212,207	£202,942	£175,100	£170,628	£147,621	£139,632	£144,450	£140,296
	15	£240,595	£227,358	£305,603	£288,151	£237,073	£229,229	£189,793	£176,750	£184,542	£177,785
	10	£313,104	£291,953	£422,383	£392,451	£307,412	£294,893	£233,540	£214,157	£225,647	£215,640
	5	£395,878	£364,119	£568,402	£520,120	£387,245	£368,469	£278,923	£251,857	£267,790	£253,867
	0	£490,370	£444,744	£750,982	£676,393	£477,855	£450,913	£326,000	£289,851	£310,997	£292,467
	% Charge	9.30%		9.93%		5.64%		11.09%		5.96%	
Without future contributions	0	£75,792	£65,171	£143,354	£123,516	£72,786	£66,532	£38,782	£31,681	£35,722	£32,119
% Charge	14.01%		13.84%		8.59%		18.31%		10.09%		

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Baillie Gifford Managed: 2.68% p.a. above inflation before charges of 0.25% p.a. and transaction costs of 0.18% p.a.
 - JPMUKPP Sustainable Global Equity: 4.57% p.a. above inflation before charges of 0.36% p.a. and transaction costs of 0.07% p.a.
 - LGIM World Emerging Markets Equity Index: 2.56% p.a. above inflation before charges of 0.19% p.a. and transaction costs of 0.06% p.a.
 - Baillie Gifford Sustainable Multi-Asset: 0.74% p.a. above inflation before charges of 0.34% p.a. and transaction costs of 0.23% p.a.
 - Fidelity Aggregate Bonds (Sustainable): 0.50% p.a. above inflation before charges of 0.30% p.a. and transaction costs of 0.00% p.a.

Illustration 3: 35 year old, Pensionable Salary £60,000 and initial fund value £90,000

Lifestyle Strategies and Self Select Funds											
		Most expensive fund: Partners Group Generations		Least expensive fund: LGIM North America Equity Index		Lifestyle Strategy: Drawdown Pathway		Lifestyle Strategy: Drawdown and Cash Pathway		Lifestyle Strategy: Annuity Pathway	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	25	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000
	10	£147,094	£137,472	£172,634	£172,108	£159,648	£156,948	£159,648	£156,948	£159,648	£156,948
	15	£205,704	£182,475	£275,745	£274,203	£232,601	£224,921	£232,601	£224,921	£232,601	£224,921
	10	£265,872	£225,137	£404,407	£401,149	£299,835	£284,353	£299,835	£284,353	£299,835	£284,353
	5	£327,638	£265,579	£564,952	£558,994	£364,270	£338,739	£364,270	£338,739	£364,182	£339,001
	0	£391,045	£303,917	£765,278	£755,261	£430,765	£393,224	£427,442	£390,912	£428,784	£399,030
	% Charge	22.28%		1.31%		8.71%		8.55%		6.94%	
Without future contributions	0	£102,609	£68,903	£272,249	£267,496	£126,237	£110,877	£125,242	£110,206	£125,621	£112,588
% Charge	32.85%		1.75%		12.17%		12.01%		10.38%		

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Partners Group Generations: 0.53% p.a. above inflation before charges of 1.56% p.a. and transaction costs of 0.03% p.a.
 - LGIM North America Equity Index: 4.53% p.a. above inflation before charges of 0.04% p.a. and transaction costs of 0.03% p.a.
 - Drawdown Pathway: 2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 0.63% p.a. above inflation in the Flexible Portfolio, with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.33% p.a. (Initial Growth Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.06% p.a. (Initial Growth Portfolio).
 - Drawdown and Cash Pathway: 2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 0.10% p.a. above inflation at retirement (25:75 allocation to the Mid Growth Portfolio and JPM UK Liquidity Fund), with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.33% p.a. (Initial Growth Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.06% p.a. (Initial Growth Portfolio).
 - Annuity Pathway: 2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 0.51% p.a. above inflation in the Annuity Portfolio at retirement, with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.08% p.a. Annuity Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.01% p.a. (Annuity Portfolio).
- Illustrations for lifestyle strategies assume a target retirement age of 60.

		Self Select Funds									
		Baillie Gifford Emerging Markets Equity		JPM Flexible Credit		Insight Bond Plus 300		LGIM Diversified		Abrdn Pooled Property	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	25	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000
	10	£173,550	£167,296	£148,293	£144,625	£136,844	£131,970	£146,940	£145,591	£136,004	£132,911
	15	£278,471	£260,333	£208,735	£199,624	£180,819	£169,712	£205,318	£201,972	£178,860	£171,810
	10	£410,229	£372,318	£271,408	£255,000	£222,100	£203,651	£265,170	£259,154	£218,784	£207,072
	5	£575,689	£507,108	£336,391	£310,754	£260,853	£234,171	£326,534	£317,148	£255,977	£239,038
	0	£783,472	£669,348	£403,771	£366,890	£297,232	£261,616	£389,447	£375,966	£290,625	£268,016
	% Charge	14.57%		9.13%		11.98%		3.46%		7.78%	
Without future contributions	0	£281,074	£227,376	£107,868	£93,122	£65,614	£52,922	£101,952	£96,577	£63,146	£55,095
	% Charge	19.10%		13.67%		19.34%		5.27%		12.75%	

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Baillie Gifford Emerging Markets Equity: 4.66% p.a. above inflation before charges of 0.69% p.a. and transaction costs of 0.15% p.a.
 - JPM Flexible Credit: 0.73% p.a. above inflation before charges of 0.36% p.a. and transaction costs of 0.23% p.a.
 - Insight Bond Plus 300: 1.26% p.a. below inflation before charges of 0.61% p.a. and transaction costs of 0.25% p.a.
 - LGIM Diversified: 0.50% p.a. above inflation before charges of 0.22% p.a. and transaction costs of 0.00% p.a.
 - Abrdn Pooled Property: 1.41% p.a. below inflation before charges of 0.45% p.a. and transaction costs of 0.09% p.a.

		Self Select Funds									
		Baillie Gifford UK Equity Alpha		JPM UK Dynamic		JPM UK Liquidity		Baillie Gifford Positive Change		Baillie Gifford Paris Aligned Global Alpha	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	25	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000
	10	£172,571	£169,903	£176,194	£169,642	£135,556	£134,979	£172,923	£168,932	£172,555	£169,535
	15	£275,558	£267,786	£286,426	£267,137	£177,820	£176,498	£276,602	£264,995	£275,510	£266,721
	10	£404,008	£387,692	£427,397	£386,487	£217,031	£214,823	£406,234	£381,909	£403,906	£385,476
	5	£564,217	£534,577	£607,682	£532,590	£253,409	£250,200	£568,315	£524,197	£564,029	£530,585
	0	£764,037	£714,513	£838,243	£711,444	£287,159	£282,856	£770,966	£697,368	£763,721	£707,899
	% Charge	6.48%		15.13%		1.50%		9.55%		7.31%	
Without future contributions	0	£271,648	£248,275	£307,877	£247,423	£61,860	£60,317	£275,003	£240,309	£271,495	£245,173
% Charge	8.60%		19.64%		2.49%		12.62%		9.70%		

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Baillie Gifford UK Equity Alpha: 4.52% p.a. above inflation before charges of 0.34% p.a. and transaction costs of 0.02% p.a.
 - JPM UK Dynamic: 5.04% p.a. above inflation before charges of 0.36% p.a. and transaction costs of 0.52% p.a.
 - JPM UK Liquidity: 1.49% p.a. below inflation before charges of 0.09% p.a. and transaction costs of 0.01% p.a.
 - Baillie Gifford Positive Change: 4.57% p.a. above inflation before charges of 0.47% p.a. and transaction costs of 0.07% p.a.
 - Baillie Gifford Paris Aligned Global Alpha: 4.52% p.a. above inflation before charges of 0.39% p.a. and transaction costs of 0.01% p.a.

		Self Select Funds									
		Baillie Gifford Managed		JPMUKPP Global Sustainable Equity Blend		LGIM World Emerging Markets Equity Index		Baillie Gifford Sustainable Multi-Asset		Fidelity Aggregate Bonds (Sustainable)	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	25	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000
	10	£160,415	£157,469	£172,930	£169,773	£159,655	£157,905	£148,348	£144,742	£146,940	£145,052
	15	£240,798	£232,847	£276,624	£267,419	£238,713	£233,992	£208,876	£199,911	£205,318	£200,644
	10	£332,561	£317,059	£406,281	£386,944	£328,443	£319,250	£271,665	£255,513	£265,170	£256,780
	5	£437,314	£411,141	£568,400	£533,248	£430,284	£414,781	£336,800	£311,548	£326,534	£313,467
	0	£556,896	£516,251	£771,111	£712,332	£545,872	£521,825	£404,369	£368,022	£389,447	£370,708
	% Charge	7.30%		7.62%		4.41%		8.99%		4.81%	
Without future contributions	0	£174,480	£156,643	£275,074	£247,311	£169,508	£158,972	£108,116	£93,574	£101,952	£94,496
	% Charge	10.22%		10.09%		6.22%		13.45%		7.31%	

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Baillie Gifford Managed: 2.68% p.a. above inflation before charges of 0.25% p.a. and transaction costs of 0.18% p.a.
 - JPMUKPP Sustainable Global Equity: 4.57% p.a. above inflation before charges of 0.36% p.a. and transaction costs of 0.07% p.a.
 - LGIM World Emerging Markets Equity Index: 2.56% p.a. above inflation before charges of 0.19% p.a. and transaction costs of 0.06% p.a.
 - Baillie Gifford Sustainable Multi-Asset: 0.74% p.a. above inflation before charges of 0.34% p.a. and transaction costs of 0.23% p.a.
 - Fidelity Aggregate Bonds (Sustainable): 0.50% p.a. above inflation before charges of 0.30% p.a. and transaction costs of 0.00% p.a.

Illustration 4: 35 year old, Pensionable Salary £120,000 and initial fund value £120,000

		Lifestyle Strategies and Self Select Funds									
		Most expensive fund: Partners Group Generations		Least expensive fund: LGIM North America Equity Index		Lifestyle Strategy: Drawdown Pathway		Lifestyle Strategy: Drawdown and Cash Pathway		Lifestyle Strategy: Annuity Pathway	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	25	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000
	10	£232,593	£218,066	£270,401	£269,612	£251,200	£247,139	£251,200	£247,139	£251,200	£247,139
	15	£348,177	£311,030	£458,071	£455,642	£390,081	£377,858	£390,081	£377,858	£390,081	£377,858
	10	£466,833	£399,158	£692,245	£686,953	£520,648	£495,054	£520,648	£495,054	£520,648	£495,054
	5	£588,640	£482,702	£984,448	£974,568	£646,989	£603,694	£646,989	£603,694	£646,834	£604,160
	0	£713,685	£561,900	£1,349,058	£1,332,192	£777,371	£712,530	£771,389	£708,354	£773,821	£723,001
	% Charge	21.27%		1.25%		8.34%		8.17%		6.57%	
Without future contributions	0	£136,811	£91,870	£362,998	£356,661	£168,316	£147,835	£166,989	£146,941	£167,495	£150,117
% Charge	32.85%		1.75%		12.17%		12.01%		10.38%		

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Partners Group Generations: 0.53% p.a. above inflation before charges of 1.56% p.a. and transaction costs of 0.03% p.a.
 - LGIM North America Equity Index: 4.53% p.a. above inflation before charges of 0.04% p.a. and transaction costs of 0.03% p.a.
 - Drawdown Pathway: 2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 0.63% p.a. above inflation in the Flexible Portfolio, with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.33% p.a. (Initial Growth Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.06% p.a. (Initial Growth Portfolio).
 - Drawdown and Cash Pathway: 2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 0.10% p.a. above inflation at retirement (25:75 allocation to the Mid Growth Portfolio and JPM UK Liquidity Fund), with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.33% p.a. (Initial Growth Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.06% p.a. (Initial Growth Portfolio).
 - Annuity Pathway: 2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 0.51% p.a. above inflation in the Annuity Portfolio at retirement, with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.08% p.a. Annuity Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.01% p.a. (Annuity Portfolio).
- Illustrations for lifestyle strategies assume a target retirement age of 60.

		Self Select Funds									
		Baillie Gifford Emerging Markets Equity		JPM Flexible Credit		Insight Bond Plus 300		LGIM Diversified		Abrdn Pooled Property	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	25	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000
	10	£271,753	£262,373	£234,372	£228,840	£217,363	£209,986	£232,365	£230,330	£216,113	£211,430
	15	£462,322	£433,740	£352,963	£338,424	£308,762	£290,905	£347,568	£342,227	£305,650	£294,313
	10	£701,636	£640,006	£475,928	£448,759	£394,564	£363,672	£465,680	£455,714	£389,061	£369,448
	5	£1,002,163	£888,279	£603,428	£559,848	£475,110	£429,107	£586,774	£570,813	£466,765	£437,558
	0	£1,379,561	£1,187,112	£735,631	£671,698	£550,722	£487,950	£710,926	£687,547	£539,152	£499,301
	% Charge	13.95%		8.69%		11.40%		3.29%		7.39%	
Without future contributions	0	£374,765	£303,168	£143,824	£124,163	£87,485	£70,563	£135,935	£128,769	£84,194	£73,460
% Charge	19.10%		13.67%		19.34%		5.27%		12.75%		

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Baillie Gifford Emerging Markets Equity: 4.66% p.a. above inflation before charges of 0.69% p.a. and transaction costs of 0.15% p.a.
 - JPM Flexible Credit: 0.73% p.a. above inflation before charges of 0.36% p.a. and transaction costs of 0.23% p.a.
 - Insight Bond Plus 300: 1.26% p.a. below inflation before charges of 0.61% p.a. and transaction costs of 0.25% p.a.
 - LGIM Diversified: 0.50% p.a. above inflation before charges of 0.22% p.a. and transaction costs of 0.00% p.a.
 - Abrdn Pooled Property: 1.41% p.a. below inflation before charges of 0.45% p.a. and transaction costs of 0.09% p.a.

Self Select Funds											
		Baillie Gifford UK Equity Alpha		JPM UK Dynamic		JPM UK Liquidity		Baillie Gifford Positive Change		Baillie Gifford Paris Aligned Global Alpha	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	25	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000
	10	£270,307	£266,307	£275,656	£265,834	£215,446	£214,573	£270,827	£264,841	£270,284	£265,754
	15	£457,778	£445,533	£474,720	£444,359	£303,996	£301,871	£459,407	£441,119	£457,704	£443,855
	10	£691,600	£665,086	£729,298	£662,903	£386,149	£382,454	£695,192	£655,657	£691,436	£661,483
	5	£983,235	£934,040	£1,054,870	£930,436	£462,367	£456,838	£989,998	£916,759	£982,926	£927,408
	0	£1,346,975	£1,263,509	£1,471,235	£1,257,941	£533,079	£525,501	£1,358,597	£1,234,530	£1,346,445	£1,252,349
	% Charge	6.20%		14.50%		1.42%		9.13%		6.99%	
Without future contributions	0	£362,197	£331,033	£410,503	£329,897	£82,480	£80,422	£366,671	£320,413	£361,993	£326,897
% Charge	8.60%		19.64%		2.49%		12.62%		9.70%		

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Baillie Gifford UK Equity Alpha: 4.52% p.a. above inflation before charges of 0.34% p.a. and transaction costs of 0.02% p.a.
 - JPM UK Dynamic: 5.04% p.a. above inflation before charges of 0.36% p.a. and transaction costs of 0.52% p.a.
 - JPM UK Liquidity: 1.49% p.a. below inflation before charges of 0.09% p.a. and transaction costs of 0.01% p.a.
 - Baillie Gifford Positive Change: 4.57% p.a. above inflation before charges of 0.47% p.a. and transaction costs of 0.07% p.a.
 - Baillie Gifford Paris Aligned Global Alpha: 4.52% p.a. above inflation before charges of 0.39% p.a. and transaction costs of 0.01% p.a.

Self Select Funds											
		Baillie Gifford Managed		JPMUKPP Sustainable Global Equity		LGIM World Emerging Markets Equity Index		Baillie Gifford Sustainable Multi-Asset		Fidelity Aggregate Bonds (Sustainable)	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	25	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000	£120,000
	10	£252,336	£247,906	£270,837	£266,103	£251,212	£248,579	£234,455	£229,014	£232,365	£229,517
	15	£403,406	£390,804	£459,441	£444,941	£400,135	£392,652	£353,185	£338,881	£347,568	£340,106
	10	£575,863	£550,451	£695,267	£663,847	£569,161	£554,088	£476,351	£449,607	£465,680	£451,780
	5	£772,733	£728,810	£990,139	£931,801	£761,002	£734,979	£604,119	£561,198	£586,774	£564,547
	0	£997,473	£928,073	£1,358,840	£1,259,790	£978,738	£937,669	£736,660	£673,662	£710,926	£678,419
	% Charge	6.96%		7.29%		4.20%		8.55%		4.57%	
Without future contributions	0	£232,639	£208,858	£366,765	£329,748	£226,011	£211,963	£144,154	£124,765	£135,935	£125,995
% Charge	10.22%		10.09%		6.22%		13.45%		7.31%		

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Baillie Gifford Managed: 2.68% p.a. above inflation before charges of 0.25% p.a. and transaction costs of 0.18% p.a.
 - JPMUKPP Sustainable Global Equity: 4.57% p.a. above inflation before charges of 0.36% p.a. and transaction costs of 0.07% p.a.
 - LGIM World Emerging Markets Equity Index: 2.56% p.a. above inflation before charges of 0.19% p.a. and transaction costs of 0.06% p.a.
 - Baillie Gifford Sustainable Multi-Asset: 0.74% p.a. above inflation before charges of 0.34% p.a. and transaction costs of 0.23% p.a.
 - Fidelity Aggregate Bonds (Sustainable): 0.50% p.a. above inflation before charges of 0.30% p.a. and transaction costs of 0.00% p.a.

Illustration 5: 50 year old, Pensionable Salary £85,000 and initial fund value £350,000

		Lifestyle Strategies and Self Select Funds									
		Most expensive fund: Partners Group Generations		Least expensive fund: LGIM North America Equity Index		Lifestyle Strategy: Drawdown Pathway		Lifestyle Strategy: Drawdown and Cash Pathway		Lifestyle Strategy: Annuity Pathway	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	10	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000
	5	£436,794	£405,678	£522,201	£520,479	£438,891	£426,952	£438,891	£426,952	£438,785	£427,282
	0	£525,894	£458,459	£737,072	£732,455	£530,624	£504,043	£526,545	£501,089	£528,207	£511,450
	% Charge	12.82%		0.63%		5.01%		4.83%		3.17%	
Without future contributions	0	£368,845	£314,532	£544,951	£541,125	£372,746	£351,262	£369,806	£349,137	£370,927	£356,683
	% Charge	14.73%		0.70%		5.76%		5.59%		3.84%	

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Partners Group Generations: 0.53% p.a. above inflation before charges of 1.56% p.a. and transaction costs of 0.03% p.a.
 - LGIM North America Equity Index: 4.53% p.a. above inflation before charges of 0.04% p.a. and transaction costs of 0.03% p.a.
 - Drawdown Pathway: 2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 0.63% p.a. above inflation in the Flexible Portfolio, with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.33% p.a. (Initial Growth Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.06% p.a. (Initial Growth Portfolio).
 - Drawdown and Cash Pathway: 2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 0.10% p.a. above inflation at retirement (25:75 allocation to the Mid Growth Portfolio and JPM UK Liquidity Fund), with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.33% p.a. (Initial Growth Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.06% p.a. (Initial Growth Portfolio).
 - Annuity Pathway: 2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 0.51% p.a. above inflation in the Annuity Portfolio at retirement, with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.08% p.a. Annuity Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.01% p.a. (Annuity Portfolio).
- Illustrations for lifestyle strategies assume a target retirement age of 60.

Self Select Funds											
		Baillie Gifford Emerging Markets Equity		JPM Flexible Credit		Insight Bond Plus 300		LGIM Diversified Fund		Abrdn Pooled Property	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	10	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000
	5	£525,275	£504,815	£440,788	£428,908	£402,734	£387,041	£436,284	£431,915	£399,949	£389,989
	0	£745,383	£691,158	£534,924	£508,357	£452,238	£420,349	£524,746	£514,993	£446,480	£426,240
	% Charge	7.27%		4.97%		7.05%		1.86%		4.53%	
Without future contributions	0	£551,949	£507,071	£376,294	£354,807	£308,438	£283,026	£367,899	£360,015	£303,745	£287,619
	% Charge	8.13%		5.71%		8.24%		2.14%		5.31%	

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Baillie Gifford Emerging Markets Equity: 4.66% p.a. above inflation before charges of 0.69% p.a. and transaction costs of 0.15% p.a.
 - JPM Flexible Credit: 0.73% p.a. above inflation before charges of 0.36% p.a. and transaction costs of 0.23% p.a.
 - Insight Bond Plus 300: 1.26% p.a. below inflation before charges of 0.61% p.a. and transaction costs of 0.25% p.a.
 - LGIM Diversified: 0.50% p.a. above inflation before charges of 0.22% p.a. and transaction costs of 0.00% p.a.
 - Abrdn Pooled Property: 1.41% p.a. below inflation before charges of 0.45% p.a. and transaction costs of 0.09% p.a.

Self Select Funds											
		Baillie Gifford UK Equity Alpha		JPM UK Dynamic		JPM UK Liquidity		Baillie Gifford Positive Change		Baillie Gifford Paris Aligned Global Alpha	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	10	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000
	5	£521,988	£513,260	£534,157	£512,703	£398,463	£396,605	£523,169	£510,112	£521,934	£512,054
	0	£736,501	£713,255	£769,671	£711,877	£443,424	£439,625	£739,684	£704,975	£736,355	£710,072
	% Charge	3.16%		7.51%		0.86%		4.69%		3.57%	
Without future contributions	0	£544,469	£525,223	£572,430	£524,502	£301,256	£298,226	£547,150	£518,417	£544,347	£522,589
	% Charge	3.53%		8.37%		1.01%		5.25%		4.00%	

1. Values shown are illustrations and are not guaranteed.

2. The projected growth rates (before all costs and charges) are as follows:

- Baillie Gifford UK Equity Alpha: 4.52% p.a. above inflation before charges of 0.34% p.a. and transaction costs of 0.02% p.a.
- JPM UK Dynamic: 5.04% p.a. above inflation before charges of 0.36% p.a. and transaction costs of 0.52% p.a.
- JPM UK Liquidity: 1.49% p.a. below inflation before charges of 0.09% p.a. and transaction costs of 0.01% p.a.
- Baillie Gifford Positive Change: 4.57% p.a. above inflation before charges of 0.47% p.a. and transaction costs of 0.07% p.a.
- Baillie Gifford Paris Aligned Global Alpha: 4.52% p.a. above inflation before charges of 0.39% p.a. and transaction costs of 0.01% p.a.

Self Select Funds											
		Baillie Gifford Managed		JPMUKPP Sustainable Global Equity		LGIM World Emerging Markets Equity Index		Baillie Gifford Sustainable Multi-Asset		Fidelity Aggregate Bonds (Sustainable)	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	10	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000	£350,000
	5	£481,253	£471,660	£523,193	£512,864	£478,712	£473,012	£440,972	£429,290	£436,284	£430,171
	0	£631,086	£607,580	£739,750	£712,217	£624,799	£610,847	£535,343	£509,201	£524,746	£511,127
	% Charge	3.72%		3.72%		2.23%		4.88%		2.60%	
Without future contributions	0	£456,109	£436,853	£547,206	£524,407	£450,866	£439,440	£376,640	£355,495	£367,899	£356,892
	% Charge	4.22%		4.17%		2.53%		5.61%		2.99%	

1. Values shown are illustrations and are not guaranteed.

2. The projected growth rates (before all costs and charges) are as follows:

- Baillie Gifford Managed: 2.68% p.a. above inflation before charges of 0.25% p.a. and transaction costs of 0.18% p.a.
- JPMUKPP Sustainable Global Equity: 4.57% p.a. above inflation before charges of 0.36% p.a. and transaction costs of 0.07% p.a.
- LGIM World Emerging Markets Equity Index: 2.56% p.a. above inflation before charges of 0.19% p.a. and transaction costs of 0.06% p.a.
- Baillie Gifford Sustainable Multi-Asset: 0.74% p.a. above inflation before charges of 0.34% p.a. and transaction costs of 0.23% p.a.
- Fidelity Aggregate Bonds (Sustainable): 0.50% p.a. above inflation before charges of 0.30% p.a. and transaction costs of 0.00% p.a.

Illustration 6: 50 year old, Pensionable Salary £140,000 and initial fund value £500,000

		Lifestyle Strategies and Self Select Funds									
		Most expensive fund: Partners Group Generations		Least expensive fund: LGIM North America Equity Index		Lifestyle Strategy: Drawdown Pathway		Lifestyle Strategy: Drawdown and Cash Pathway		Lifestyle Strategy: Annuity Pathway	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	10	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000
	5	£640,923	£595,683	£764,675	£762,176	£643,962	£626,607	£643,962	£626,607	£643,808	£627,091
	0	£785,591	£686,388	£1,094,937	£1,088,168	£792,529	£753,443	£786,453	£749,042	£788,945	£764,457
	% Charge	12.63%		0.62%		4.93%		4.76%		3.10%	
without future contributions	0	£526,922	£449,332	£778,501	£773,036	£532,495	£501,802	£528,295	£498,766	£529,896	£509,548
	% Charge	14.73%		0.70%		5.76%		5.59%		3.84%	

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Partners Group Generations: 0.53% p.a. above inflation before charges of 1.56% p.a. and transaction costs of 0.03% p.a.
 - LGIM North America Equity Index: 4.53% p.a. above inflation before charges of 0.04% p.a. and transaction costs of 0.03% p.a.
 - Drawdown Pathway: 2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 0.63% p.a. above inflation in the Flexible Portfolio, with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.33% p.a. (Initial Growth Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.06% p.a. (Initial Growth Portfolio).
 - Drawdown and Cash Pathway: 2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 0.10% p.a. above inflation at retirement (25:75 allocation to the Mid Growth Portfolio and JPM UK Liquidity Fund), with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.33% p.a. (Initial Growth Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.06% p.a. (Initial Growth Portfolio).
 - Annuity Pathway: 2.56% p.a. above inflation in the Initial Growth Portfolio reducing to 0.51% p.a. above inflation in the Annuity Portfolio at retirement, with charges between 0.46% p.a. (Mid Growth Portfolio) and 0.08% p.a. Annuity Portfolio) and transaction costs between 0.13% p.a. (Mid Growth Portfolio) and 0.01% p.a. (Annuity Portfolio).
- Illustrations for lifestyle strategies assume a target retirement age of 60.

Self Select Funds											
		Baillie Gifford Emerging Markets Equity		JPM Flexible Credit		Insight Bond Plus 300		LGIM Diversified Fund		Abrdn Pooled Property	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	10	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000
	5	£769,128	£739,416	£646,712	£629,443	£591,540	£568,713	£640,183	£633,832	£587,501	£573,014
	0	£1,107,095	£1,027,589	£798,836	£759,772	£677,474	£630,502	£783,906	£769,566	£669,015	£639,202
	% Charge	7.18%		4.89%		6.93%		1.83%		4.46%	
Without future contributions	0	£788,499	£724,387	£537,563	£506,867	£440,626	£404,323	£525,570	£514,307	£433,921	£410,884
	% Charge	8.13%		5.71%		8.24%		2.14%		5.31%	

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Baillie Gifford Emerging Markets Equity: 4.66% p.a. above inflation before charges of 0.69% p.a. and transaction costs of 0.15% p.a.
 - JPM Flexible Credit: 0.73% p.a. above inflation before charges of 0.36% p.a. and transaction costs of 0.23% p.a.
 - Insight Bond Plus 300: 1.26% p.a. below inflation before charges of 0.61% p.a. and transaction costs of 0.25% p.a.
 - LGIM Diversified Fund: 0.50% p.a. above inflation before charges of 0.22% p.a. and transaction costs of 0.00% p.a.
 - Abrdn Pooled Property: 1.41% p.a. below inflation before charges of 0.45% p.a. and transaction costs of 0.09% p.a.

Self Select Funds											
		Baillie Gifford UK Equity Alpha		JPM UK Dynamic		JPM UK Liquidity		Baillie Gifford Positive Change		Baillie Gifford Global Alpha Paris Aligned	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	10	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000
	5	£764,368	£751,693	£781,993	£750,839	£585,345	£582,643	£766,077	£747,117	£764,290	£749,941
	0	£1,094,100	£1,060,018	£1,142,625	£1,057,906	£664,525	£658,930	£1,098,758	£1,047,868	£1,093,887	£1,055,351
	% Charge	3.12%		7.41%		0.84%		4.63%		3.52%	
Without future contributions	0	£777,813	£750,319	£817,756	£749,288	£430,365	£426,038	£781,643	£740,596	£777,638	£746,555
	% Charge	3.53%		8.37%		1.01%		5.25%		4.00%	

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Baillie Gifford UK Equity Alpha: 4.52% p.a. above inflation before charges of 0.34% p.a. and transaction costs of 0.02% p.a.
 - JPM UK Dynamic: 5.04% p.a. above inflation before charges of 0.36% p.a. and transaction costs of 0.52% p.a.
 - JPM UK Liquidity: 1.49% p.a. below inflation before charges of 0.09% p.a. and transaction costs of 0.01% p.a.
 - Baillie Gifford Positive Change: 4.57% p.a. above inflation before charges of 0.47% p.a. and transaction costs of 0.07% p.a.
 - Baillie Gifford Paris Aligned Global Alpha: 4.52% p.a. above inflation before charges of 0.39% p.a. and transaction costs of 0.01% p.a.

Self Select Funds											
		Baillie Gifford Managed		JPMUKPP Global Sustainable Equity		LGIM World Emerging Markets Equity Index		Baillie Gifford Sustainable Multi-Asset		Fidelity Aggregate Bonds (Sustainable)	
Years to retirement		Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
With future contributions	10	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000	£500,000
	5	£705,355	£691,419	£766,113	£751,112	£701,675	£693,392	£646,980	£629,998	£640,183	£631,297
	0	£939,782	£905,273	£1,098,855	£1,058,487	£930,572	£910,090	£799,451	£761,013	£783,906	£763,880
	% Charge	3.67%		3.67%		2.20%		4.81%		2.55%	
Without future contributions	0	£651,585	£624,076	£781,722	£749,153	£644,094	£627,771	£538,057	£507,849	£525,570	£509,845
	% Charge	4.22%		4.17%		2.53%		5.61%		2.99%	

- Values shown are illustrations and are not guaranteed.
- The projected growth rates (before all costs and charges) are as follows:
 - Baillie Gifford Managed: 2.68% p.a. above inflation before charges of 0.25% p.a. and transaction costs of 0.18% p.a.
 - JPMUKPP Sustainable Global Equity: 4.57% p.a. above inflation before charges of 0.36% p.a. and transaction costs of 0.07% p.a.
 - LGIM World Emerging Markets Equity Index: 2.56% p.a. above inflation before charges of 0.19% p.a. and transaction costs of 0.06% p.a.
 - Baillie Gifford Sustainable Multi-Asset: 0.74% p.a. above inflation before charges of 0.34% p.a. and transaction costs of 0.23% p.a.
 - Fidelity Aggregate Bonds (Sustainable): 0.50% p.a. above inflation before charges of 0.30% p.a. and transaction costs of 0.00% p.a.

Appendix 7 – Net performance of funds to 31st December 2023

The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 ('the 2021 Regulations') introduce new requirements for trustees of 'relevant' occupational pension schemes.

From 1 October 2021, trustees of all relevant pension schemes are required to calculate and state the return on investments from their default and self-select funds, net of transaction costs and charges. This information must be recorded in the annual chair's statement and published on a publicly accessible website.

The tables below show performance to 31st December 2023, net of all charges and transaction costs, of funds available to members during the Plan year. Returns covering longer-term periods are also shown where this information has been provided by the fund manager. Please note:

- That for funds where 5 year performance data is not available due to more recent introduction into the Plan's range, since inception data to 31 December 2023 has been provided instead.
- The Aberdeen Global Absolute Return Strategies fund was removed from the fund range in July 2023 and as a result performance to 31 December 2023 is not available.

Fund	Annualised Returns to 30 June 2023 (%p.a.)		
	1 year	5 years	Since Inception (March 2007)
Abrdn Global Absolute Return Strategies	-9.6	-1.5	2.7

Source: Managers.

Net returns for lifestyle strategies

Drawdown Target Strategy Age of member (at start of period)	Annualised returns to 31 December 2023 (%p.a.)	
	1 year	5 years
25	14.0	9.7
45	13.8	8.4
55	8.1	4.1

Annuity Target Strategy Age of member (at start of period)	Annualised returns to 31 December 2023 (%p.a.)	
	1 year	5 years
25	14.0	9.7
45	13.8	8.4
55	8.1	4.2

Cash Target Strategy Age of member (at start of period)	Annualised returns to 31 December 2023 (%)	
	1 year	5 years
25	14.0	9.7
45	13.8	8.4
55	8.1	4.1

Source: Managers. Mercer calculations

Performance shown net of all charges and transaction costs. Performance has been calculated based on a fixed weighted average of underlying fund performance in the lifestyle, with the weightings as at the ages shown. Retirement age for this exercise was 60 as per the Illustrations provided on the Chair Statement as at 31 December 2023.

Net returns for freestyle investment options

Freestyle Funds	Annualised returns to 31 December 2023 (% p.a.)				
	1 year	5 years	10 years	15 years	20 years
Blended¹ Portfolios					
Initial Growth Portfolio	14.0	9.7	-	-	-
Mid Growth Portfolio	8.1	4.1	-	-	-
Flexible Portfolio	8.4	7.6*	-	-	-
UK Equity					
LGIM UK Equity (5% Capped)	7.9	7.0	5.5	8.6	-
Baillie Gifford UK Equity Alpha	8.3	3.9	3.9	8.7	-
JPM UK Dynamic	10.7	6.2	5.7	9.8	-
JPM UK Sustainable Equity	12.6	-0.3*	-	-	-
Global Equity					
LGIM Global Equity Fixed Weight (30:70) Index	16.2	10.5	8.5	-	-
LGIM World Equity Index Fund (Unhedged)	17	11.5*	-	-	-
LGIM World Equity Index Fund (Hedged)	22.6	11.1*	-	-	-
LGIM World Small Cap Index (Sustainable)	10.6	10.6	-	-	-
LGIM MSCI World Minimum Volatility Equity Index	1.9	7.5	-	-	-
LGIM Carbon Transition Global Equity 30:70 Index (GBP Hedged)	18.3	4.5*	-	-	-
Baillie Gifford Worldwide Discovery	-0.3	-1.3*	-	-	-
HSBC Islamic Global Equity	24.4	13.3*	-	-	-

Freestyle Funds	Annualised returns to 31 December 2023 (% p.a.)				
	1 year	5 years	10 years	15 years	20 years
Sustainable Global Equity					
Baillie Gifford Paris Aligned Global Alpha ²	12.4	9.7	10.8	-	-
Baillie Gifford Positive Change	9.3	16.2*	-	-	-
Jupiter Global Sustainable	5.8	5.5*	-	-	-
Nordea Global Climate and Social Impact	5.6	-2.1*	-	-	-
JPMUKPP Global Sustainable Equity	18.5	9.4*	-	-	-
Global Sustainable Equity Blend	10.9	2.2*	-	-	-
Berenberg Managed Volatility Equity					
Berenberg Limited Volatility Equity	12	8.4*	-	-	-
Regional Equity					
LGIM North America Equity Index	19.6	15.8	14.6	14.5	11.5
LGIM Europe (ex UK) Equity Index	14.9	10.4	8.1	8.7	8.5
LGIM Japan Equity Index	12.7	7.1	8.1	7	6.6
LGIM Asia Pacific (ex-Japan) Equity Index	4.0	6.4	6.9	9.5	10
LGIM World Emerging Markets Equity Index	2.6	4.4	6.0	-	-
JPM All-Emerging Market Equity	1.0	5.3	6.9	-	-
Baillie Gifford Emerging Markets	8.3	4.9	7.4	-	-
Balanced					
Baillie Gifford Managed Pension	10.7	7.3	7.8	9.9	-
Diversified Growth and Private Markets					
LGIM Diversified					
Baillie Gifford Sustainable Multi-Asset	8.3	2.5	2.8	-	-
Nordea Diversified Returns Strategy	4.3	4.0	-	-	-
Partners Group Generations	19.9	8.6	-	-	-

Bonds and Cash					
LGIM Pre-Retirement Annuity	8.1	-2.0	2.3	4.1	
LGIM Over 5 Year Index-Linked Gilts Index	1.7	-5.1	2.0	3.8	4.5
Fidelity Aggregate Bond (Sustainable)	7.1	-0.6	2.4	4.1	-
Insight Bonds Plus 300	8.7	2.9	1.6	-	-
JPM Flexible Credit	8.9	3.8	-	-	-
Putnam Global High Yield	11.9	2.7*	-	-	-
Colchester Emerging Markets Bond (Local Currency)	12.2	2.6*	-	-	-
LGIM Euro Liquidity	1.1	-0.4	-	-	-
JPM UK Liquidity	4.8	1.4	0.9	0.8	1.8
Property					
Abrdn Pooled Property Pension ²	3.6	0.8*	-	-	-

Source: LGIM, as at 31 December 2023

Funds in bold are part of either the current default lifestyle strategy.

¹ The blended Annuity Portfolio is not available as a freestyle option.

² The Paris-Aligned version of the Global Alpha Fund was launched in April 2021. The returns shown include those earned by the previous version of the fund.

* These funds were launched during in the last 5 years of the Plan year and as such have no longer term past performance data to 31 December 2023, since inception performance is shown instead.

Net Returns for Legacy Investments

Provider	Fund	Annualised returns to 31 December 2023 (% p.a.)				
		1 year	5 years	10 years	15 years	20 years
Prudential	Prudential With-Profits	1.9	1.7		Not provided	
Aviva	With-Profits Fund			Not provided		
Phoenix	LL Pension Traditional With Profits-V1 ¹	5.82	-6.63		Not provided	

Source: Legacy Investment Providers

¹ Where age at entry, and hence the prospective investment term, affects returns it is assumed will run to the scheme's normal retirement age of 60.

In With Profits funds members typically receive annual bonuses, which do not reflect the underlying fund's investment performance due to smoothing (keeping some of the return back in good years to support bonus rates in years where the investment return has been lower). The timing of the annual bonus varies by Provider. The amount a member will receive will depend on when they take their benefit and any terminal bonus payable at the time. The level of terminal bonus is dependent on a number of factors and typically is only guaranteed at the normal retirement age under the policy, or death. The Trustee will consider how best to improve reporting for net performance for With Profits Funds in the future in light of any updated statutory guidance.

Appendix 8: Directors' Knowledge and Understanding

The Trustee board is committed to a culture of learning and assessment to ensure it has the skills and resources necessary to function effectively.

Key features of the Trustee's Training and Education Policy include:

- Each Trustee Director maintains a register of the training that they have undertaken.
- Any new Board member undergoes an induction programme. This includes coverage of the Trustee's governance manual which familiarises new Trustee Directors with the Trustee's policies, processes and controls.
- The Trustee Directors are surveyed annually on their training requirements, resulting in a preparation of an annual training programme for the Board.
- The Board has at least four formal training sessions each year, delivered by external advisors. The themes covered by these training sessions will mostly relate to challenges that the Trustee needs to address or decisions that need to be taken in the short to medium term.
- The Bank pays all reasonable expenses of Trustee Directors attending conferences relevant to their role. Trustee Directors attend industry forums.
- Each Trustee Director must certify annually that they have completed at least eight hours of training/knowledge development in addition to their attendance at the Board's quarterly training sessions.
- New Trustee Directors are expected to complete the Pensions Regulator's online training modules for DC within six months of their appointment. Each Trustee Director is expected to complete any relevant new online learning module provided by the Pensions Regulator within three months of that module becoming available.

The Trustee Directors conduct a self- effectiveness assessment, typically biennially. Among other things, this assessment seeks Trustee Directors' views on the quality of training, the coherence of the Main Board as a team and the adequacy of the resources available to the Trustee to govern the Plan.