Affinity Water Pension Plan DC Section - Statement of Investment Principles

1 Introduction

1.1 Background

This Statement of Investment Principles sets out the principles governing investment decisions for the DC Section of the Affinity Water Pension Plan (the "Plan").

The DC Section of the Plan is a defined contribution (DC) pension arrangement. It is a qualifying scheme for auto-enrolment purposes.

The investment options consist of five Investment Programmes:

- **My Future Focus Drawdown Lifetime Investment Programme** - which is the Default Option;

Alternative investment programmes:

- My Future Focus Target Annuity Lifetime Investment Programme
- My Future Focus Target Cash Lump Sum Lifetime Investment Programme
- My Future Focus Lifetime Investment Programme Lifetime Investment Programme
- Shariah Target Drawdown Lifetime Investment Programme

and a range of 19 self-select funds and alternative investment programmes.

The asset allocations of the Investment Programmes change automatically depending on time until the member's retirement date.

1.2 Statutory Information

This Statement has been prepared in accordance with the requirements of sections 35, 36 and 56 of the Pensions Acts 1995 and 2004. The Trustee of the Plan has considered written advice from the Trustee's investment consultants and have consulted with the Principal Employer in producing this Statement.

The Trustee will review this Statement, in consultation with the investment consultants and the Principal Employer, at least every three years and without delay after any significant change in investment policy or demographic profile of the Plan's membership.

2 Investment Considerations

2.1 Investment Risks

Principal risks

The principal investment risks which most members face are:

Inflation risk – The risk that the investment returns over members' working lives will not at least keep pace with inflation and do not produce adequate retirement benefits.

For members further from retirement, the Investment Programmes invest in return-seeking assets during the accumulation phase, which are expected to produce returns in excess of inflation over the longer term. These assets are also included in the self-select fund range.

Benefit conversion risk – The risk that market movements in the period just prior to retirement lead to an increase in the cost of turning members' fund values into retirement benefits.

For members planning to use income drawdown during their retirement, the My Future Focus Drawdown Lifetime Investment Programme switches into a mixed allocation consisting of equities, UK government, and corporate bonds as well as cash during the pre-retirement phase. The self-select range also offers funds investing in a cautiously managed/lower volatility portfolio of assets.

For members planning to take cash at retirement, the My Future Focus Target Cash Lump Sum Investment Programme switches into a cash fund during the pre-retirement phase. The self-select range also offers a cash fund, which invests in cash deposits and other short-term interest-bearing securities. These options provide a high degree of (but not complete) capital security.

For members planning to buy an annuity at retirement, the My Future Focus Target Annuity Lifetime Investment Programme switches into bonds during the pre-retirement phase, and the self-select fund range offers funds investing in bonds. These options may be expected to broadly follow movements in annuity rates caused by interest rate changes as retirement approaches.

Volatility/Market risk – The risk that adverse movements in investment market values in the period prior to retirement lead to a reduction in the anticipated level of benefits.

As members approach retirement, all Investment Programmes increasingly invest in funds which are expected to be subject to lower volatility.

Other investment risks

Other potentially material investment risks which members may face include:

Counterparty risk – The risk that counterparties holding derivative-based assets may default leading to a reduction in a fund's value.

The Trustee delegates the management of counterparty risk to their Investment Managers who select and monitor the counterparties used in the funds.

Active management risk – The risk that an Investment Manager will not deliver investment returns in line with its objectives.

The Trustee recognises that an actively managed fund may not deliver performance in line with the fund's objectives / agreed benchmarks. The Trustee regularly monitors fund performance in order to monitor this risk.

Liquidity risk – The risk that funds which invest in more illiquid assets will not be able to accept investments or disinvestments requested by the Trustee and/or members.

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

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

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

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

The Trustee is satisfied that the funds available for members to invest have sufficient liquidity and may be realised quickly if required, under most circumstances. Member communications will warn members where funds, such as those investing in property, may occasionally impose constraints on liquidity.

Managing investment risks

The Trustee believes that taking investment risk is usually rewarded in the long term, while asset allocation (i.e. the choice between asset classes, such as equities and bonds) is the key tool for managing the balance between risk and return.

To help mitigate the principal investment risks, the Trustee offers the Investment Programmes, which automatically move members from higher risk investments to lower risk investments as they approach retirement.

The Trustee believes that the investment options available are appropriate for managing these risks.

2.2 Expected returns on investments:

The expected returns on the principal asset classes and fund types within the Plan are:

Equities – should achieve a strong positive return relative to inflation over the longer-term, but tend to be the most volatile asset class over the shorter-term;

Property – should achieve a positive return relative to inflation over the longer-term which is lower than that for equities, but with less volatility than equities;

Corporate Bonds – should achieve a positive return relative to inflation over the longer-term which is lower than that for equities and property, but with less volatility than equities or property;

Cash – should deliver a positive return which may not always keep pace with inflation, while normally providing a minimal level of volatility and high degree of capital security;

Long-dated Government Bonds (gilts) and long-dated Corporate Bonds – values should move broadly in line with the financial factors influencing annuity rates;

Diversified Growth/Multi-Asset Funds – invest in a varying mix of asset classes with an objective of delivering a target level of positive returns over the longer-term, with less volatility than equities.

2.3 Investments held

The Plan invests through insured investment vehicles considered appropriate for tax-exempt approved occupational pension schemes.

These funds may invest in: quoted and unquoted securities of UK and overseas markets including equities, fixed interest and index-linked bonds, cash, commercial and residential property; infrastructure and commodities through collective investment vehicles; and Exchange Traded Funds and derivatives to facilitate changes in the fund's portfolio of assets or to help mitigate investment risks or to enhance investment returns.

The funds used are accessed through an insurance company-based investment platform and so must comply with regulations on what they are permitted to invest in how much they can borrow.

The Investment Programmes use funds across asset classes with different expected risks and return profiles. The self-select fund range also offers members a choice of funds across asset classes with different expected risks and rewards.

The Trustee believes that both active and passive management have a place in defined contribution arrangements. Some asset classes or investment approaches (such as property, cash and diversified growth strategies) are only available as actively managed funds.

The Trustee considers that all of the stated asset classes are suitable investments for the Plan, while the use of pooled funds facilitates diversification within each asset class.

2.4 Realisation of investments

Funds need to be sold to make payments of benefits and to undertake fund switches either in accordance with the Investment Programmes or as requested by individual members. The Trustee normally expects the Investment Managers to be able to realise the Plan's funds within a reasonable timescale. The Trustee recognises that the Investment Managers may at times need to impose restrictions on the timing of purchases and sales of funds (most notably investing in property) in some market conditions to protect the interests of all investors in a fund.

2.5 Diversification

Given the size and nature of the Plan, the Trustee invests on a pooled fund basis undertaken through a platform provider. The underlying Investment Managers of the funds and the Pension and Platform Provider are expected to maintain diversified portfolios. Subject to regulations and the funds' benchmarks and guidelines, the Investment Managers have discretion over the choice of securities and, for multi-asset funds, over the allocation to permitted asset classes.

The Trustee is satisfied that the range of funds used by the Plan provides adequate diversification within and across asset classes.

2.6 Member attitude to risk

The Trustee recognises that:

- Members have differing investment needs and that these needs are likely to change during the course of their working lives; and
- Attitudes to investment risks and the need for investment returns will vary from member to member and will also vary for each member over time, in particular as they approach retirement.

As a result, the Trustee believes that a range of investment options should be offered to members.

The Trustee believes it is in the best interests of members to offer a Default Option which manages the principal investment risks members face during their membership of the Plan. The Trustee therefore believes a lifestyle strategy is the most appropriate choice for the Default Option.

2.7 Member benefit choices at retirement

Members have a range of options at retirement, including:

- Taking cash at retirement;
- Buying an annuity at retirement or several years into their retirement;
- Using Flexible Access Income Drawdown (“FAD”) during their retirement; or
- Taking Uncrystallised Funds Pension Lump Sums (“UFPLS”) for several years into retirement

Like many occupational pension schemes, the Plan does not offer these retirement options directly and members will typically need to transfer their accumulated investment contributions (their “DC pot”) to another pension arrangement in order to access these options. Members wishing to use FAD, UFPLS and/or buy an annuity need to transfer their DC pot to an arrangement outside the Plan.

The Trustee has agreed an arrangement with the Aviva Master Trust, which provides members with an additional option for accessing their benefits. This includes a simplified transfer process and access to Aviva’s retirement guidance and advice services as well as the ability to use FAD through the Aviva Master Trust. The Aviva Master Trust is not the only option available, and members can choose alternative arrangements if they are more suitable for their needs.

3 Investment Objectives

3.1 Overall objectives

The Trustee’s overall objective is to facilitate good retirement outcomes for members and help members achieve "benefit adequacy" i.e. an appropriate replacement income.

The Trustee believes that understanding the demographics and likely attitudes to risk/reward of the members are essential to developing and maintaining an appropriate investment strategy. The Trustee also believes that members typically seek to optimise the value of their retirement benefits from a given level of contributions, while aiming to protect the value of those benefits in the years approaching retirement against market falls and fluctuations in the costs of turning fund values into retirement benefits/income streams.

3.2 Default Option

Reasons for Default Option

The Plan has a Default Option because:

- The Trustee believes that a significant proportion of the membership look to the Trustee to decide where their DC pot should be invested;
- A significant proportion of the membership are expected to have broadly similar investment needs;
- The Plan is a qualifying scheme for auto-enrolment purposes and is required by Regulations to have a Default Option;
- The Trustee believes that the presence of an effective Default Option will help deliver good outcomes for members at and into retirement.

In choosing the Default Option, the Trustee has taken into account a number of factors including: members’ projected pot sizes at retirement, contribution levels, the level of replacement income that members are likely to require, and the likely return on investment after the deduction of charges payable on the funds used by the Default Option.

The Trustee broadly believes most members are likely to utilise some form of benefit flexibility at retirement, by taking a significant proportion of their benefits as cash at retirement and then drawing an income in retirement.

The Trustee will monitor members' benefit choices at retirement to build empirical evidence of trends within the Plan membership. The Default Option may be amended to encompass any meaningful evidence and results of analysis to ensure it remains appropriate.

Objectives of the Default Option

The main objective of the Default Option is to facilitate good member outcomes at retirement, subject to a level of investment risk which is appropriate to the majority of members who do not make an alternative investment choice.

The Trustee believes that a lifestyle strategy is an appropriate default option. The principal objectives of the Default Option are:

- To manage the principal investment risks faced by an average member during their membership of the Plan;
- In the absence of member segregation and in the absence of evidence or information about how the members will take their benefits at retirement, to provide an appropriate investment strategy, in terms of diversification and volatility, for people with modest retirement pots who have not made a clear decision about how they will take their benefits.

Full details of the Trustee's Investment Beliefs in relation to the default investment strategy are provided in Appendix 3. Full details of the Default Option are provided in Appendix 4.

3.3 Investment options

In addition to the Default Option, the Trustee believes that the following investment options are appropriate to achieve the overall objectives of the Plan:

Alternative Investment Programmes

Alternative Investment Programmes are offered for those members who believe that the investment profile or target retirement benefits of the Default Option are not appropriate to their needs but otherwise do not want to take an active part in selecting where contributions are invested.

The alternative Investment Programmes manage the principal risks faced by members during their membership. These programmes offer members a choice of targeting different retirement outcomes, including taking their retirement benefits as cash (including UFPLS) in the early years of retirement, purchasing an annuity at retirement, or targeting a universal approach towards retirement.

The Shariah Investment Programme is available for members who are unable to invest in the Default Option due to their religious beliefs. It is designed to support members targeting a flexible income drawdown approach in retirement.

Self-select funds

The self-select fund range is provided for members who want to take an active part in choosing where their DC pot is invested and complements the Investment Programmes. The self-select funds provide a range of asset classes and investment approaches with different levels of expected risk and reward, so that members can tailor the investment of their DC pot more closely to their personal needs and attitude to risk – although it cannot be expected to cover all the investment needs of all members.

Full details of the Trustee's Investment Beliefs in relation to the self-select range are provided in Appendix 3. Full details of the self-select range are provided in Appendix 4.

4 Governance

4.1 Trustee's Powers

The Trustee will always act in the best interests of the members and will assess the suitability of different types of investments to meet the needs of members.

4.2 Responsibilities

The parties principally responsible for the investment governance and operation of the Plan are:

Employers – who pay over the contributions, provide membership data. The Principal Employer is consulted on the preparation of this document.

Trustee – who runs the Plan in accordance with its Rules and chooses the providers and funds.

Pension and Platform Provider – provides access to a range of funds including those used within the Default Option. The platform provider is responsible for the day-to-day operation of the platform and, where applicable, governance of the funds and Investment Managers made available through it. The Trustee retains overall responsibility for selecting the investment arrangements and monitoring their ongoing suitability for members.

Investment Managers – undertakes the day-to-day investment management of the underlying funds' assets.

Pension Administrator – administers and maintains records of members' DC pots and calculates benefits.

Custodians – are appointed by the investment managers and look after the underlying assets of the funds.

Investment Consultant – advises the Trustee on the Plan's investments and preparation of this statement.

Members – should choose the investment option(s) in which contributions are invested.

The Trustee does not give advice to individual members on their fund selections. Members are encouraged to take independent financial advice when making their individual investment choices.

In preparing this Statement, the Trustee has taken into account current guidance from the Pensions Regulator.

Having taken advice from the Plan's Investment Consultant, the Trustee is satisfied that the selected Investment Managers have sufficient experience and expertise to carry out their role. The Trustee has delegated all day-to-day investment management decisions to the Investment Managers, who are authorised under the Financial Services & Markets Act 2000.

The responsibilities are described in greater detail in Appendix 1.

4.3 Conflicts of interest

The Trustee maintains a register of interests of each of the trustee directors and their advisers. This register is reviewed at each Trustee meeting to ensure that any potential conflicts between stakeholders are identified in a timely manner and dealt with appropriately.

4.4 Communication

The Trustee communicates regularly with all stakeholders. This includes the following:

- Consulting the Principal Employer on the content of this Statement;
- Producing the Annual Report and Accounts which includes the Chair's Statement;
- Completing an annual return to the Pensions Regulator;
- Meeting periodically with the Pension and Platform Provider and Pension Administrator, Investment Consultant, and Investment Managers;
- Providing a range of literature and other forms of communications, including but not limited to the website Affinity Water Pension Plan - Aviva pension, to inform members and assist them in making their investment decisions. In addition, members have access to factsheets for each fund.

4.5 Service Providers

Details of the current service providers to the Plan are set out in Appendix 2 to this Statement.

4.6 Fees

Details of the current fees for the Plan's service providers and funds are set out in Appendix 5 to this Statement.

5 Monitoring

5.1 Investment Performance

The Trustee regularly reviews the performance of each fund in which the Plan invests against its stated performance objective. The Trustee receives an investment performance monitoring report on a quarterly basis.

5.2 Investment Programmes

The Trustee monitors the suitability of the objectives for each Investment Programme and the performance (after the deduction of charges) of the Investment Programmes against these objectives at least every three years and without delay after any significant change in: (i) investment policy; or (ii) the demographic profile of the membership.

5.3 Charges

The charges borne by members for each of the investment options are monitored by the Trustee annually to ensure that they represent "value for money" relative to the needs of the membership.

The Plan is a qualifying scheme for auto-enrolment purposes. The Trustee monitors the compliance of the Default Option with the charge cap introduced by the Pensions Act 2014.

Details of the current charges are set out in Appendix 4 to this Statement.

5.4 Transaction costs

The Trustee monitors the funds' transaction costs to ensure that they are reasonable and represent "value for money" to members.

5.5 Investment process

The Trustee monitors the processes whereby contributions in respect of members are invested and money is disinvested to pay benefits.

5.6 Chair's statement

The Chair's statement included in the Annual Report and Accounts confirms the results of the monitoring during the preceding year.

6 Responsible Investment

6.1 Consideration of financially material factors in investment arrangements

The Trustee expects the Pension and Platform Provider and underlying Investment Managers to have the financial interests of the members as the first priority when making investment-related decisions.

The Trustee recognises that the consideration of financially material factors, including ESG factors, is relevant at different stages of the investment process and should be actively reflected in decision making by the Pension and Platform Provider and underlying Investment Managers, where relevant.

6.2 Strategic considerations

The strategic objectives and benchmarks for the Plan's investment arrangements, including the Default Option, are reflected in the funds and investment strategy made available through the Pension and Platform Provider. In selecting and reviewing these arrangements, the Trustee has regard to appropriate long-term economic and financial assumptions from which expected risk/return profiles for different asset classes have been derived. These assumptions apply at a broad market level and are considered to implicitly reflect all financially material factors including ESG factors and risks of climate change.

Given the inherent uncertainty, the Trustee has not made explicit allowance for the risks of climate change in selecting the Plan's investment arrangements. However, the Trustee expects the Pension and Platform Provider and underlying Investment Managers to take financially material factors, including climate-related risks and opportunities, into account in the management of the funds used by the Plan.

6.3 Structural considerations

Given the discretion afforded to the active underlying Investment Managers within the funds made available through the platform, the Trustee expects that the Pension and Platform Provider and underlying Investment Managers will take account of all financially material factors including the potential impact of ESG factors in the management of the funds used by the Plan.

6.4 Selecting Investment Managers

Within active mandates, the Trustee expects the Pension and Platform Provider and underlying Investment Managers to ensure that responsibility for the consideration of stock specific issues is reflected appropriately within the management of the relevant funds.

In passive mandates, the Trustee recognises that the choice of benchmark dictates the assets held by the Investment Manager and that the manager has minimal freedom to take account of factors that may be deemed to be financially material. The Trustee accepts that the role of the passive manager is to deliver returns in line with the benchmark.

Where an Investment Manager incorporates ESG factors into the running of a fund, the Trustee would expect this to improve levels of risk control and would not expect any detrimental impact on financial outcomes.

The Trustee expects active managers to consider ESG risks when making decisions to buy, retain or sell investments. Active and passive managers are expected to actively engage with stakeholders to manage ESG risks.

At this time, the Trustee believes that ESG risk controls can be effectively achieved through active engagement by the Investment Manager rather than through the divestment or exclusion of particular investments. This view will be kept under review.

At this time, the Trustee, alongside the Pension and Platform Provider, will keep under review the possible ways specialist ESG funds or investment options can be implemented within the Plan's Default Option or self-select funds, noting that the Trustee has delegated the selection of funds within the Default Option to the Provider.

6.5 Consideration of non-financially material factors in investment arrangements

The Trustee has not imposed any restrictions or exclusions to the investment arrangements based on non-financially material factors.

The Trustee believes members will have a wide variety of views on non-financial factors relating to the Plan's investments and hence it will not be feasible to cater specifically for all these views through the Plan's investment arrangements.

The Trustee will keep additional pooled self-select funds which are managed to a set of predetermined ethical guidelines under consideration, acknowledging that this a pragmatic way of offering an ethical option but that it is unlikely to account of all individual member's views.

6.6 Stewardship

The Trustee recognises that stewardship encompasses the exercise of voting rights, engagement by and with Investment Managers and the monitoring of compliance with agreed policies.

Members' financial interests

The Trustee expects that the Pension and Platform Provider and underlying Investment Managers will have the members' financial interests as their first priority when choosing investments.

Conflicts of interest – Platform Provider

When appointing Pension and Platform Providers and choosing funds made available through the Provider's platform, the Trustee will seek to establish that the Provider and the underlying Investment Managers, where relevant, have appropriate conflicts of interest policies in place.

When given notice the Trustee will consider the impact of any conflicts of interest arising in the management of the funds used by the Plan. The Trustee will seek appropriate reporting or confirmation from the Provider on how conflicts of interest are managed in relation to the funds and underlying Investment Managers made available through the platform.

6.7 Voting and engagement

The Trustee has adopted a policy of delegating the exercise of voting rights attached to stocks held within the funds used by the Plan to the underlying Investment Managers, on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. The Investment Managers are expected to exercise the voting rights attached to individual investments in accordance with their own house policy.

Where relevant, the Trustee will review the voting policies of the underlying Investment Managers, or information provided by the Pension and Platform Provider in relation to those policies and determine if these policies remain appropriate.

The Trustee does not engage directly but expects the Pension and Platform Provider and underlying Investment Managers, where relevant, to engage with key stakeholders which may include corporate management, regulators, and governance bodies, relating to their investments in order to improve corporate behaviours, improve performance and mitigate financial risks.

The Trustee believes that passive managers can have significant influence on investee companies where the manager has meaningful scale of investment in equity markets. The Trustee acknowledges that passive managers lack the ability to divest stocks from index tracking funds as an ultimate deterrent, but that other actions such as voting against the board or supporting shareholder resolutions at general meetings can be powerful tools.

6.8 Monitoring

The Trustee will monitor the underlying Investment Managers' ESG related decisions and voting activity and may periodically review managers' voting patterns. To facilitate this, the Trustee will request that the Provider and/or underlying Investment Managers provide reports containing evidence of the implementation of their policies on ESG risk management and voting.

The Trustee aims to engage with the Provider, and where appropriate the underlying Investment Managers on a periodic basis. The Trustee provides the Pension and Platform Provider and/or the underlying Investment Managers with an agenda for discussion, including, where appropriate, ESG issues.

7 Policy on investment manager and fund arrangements

7.1 Structure of the investment arrangements

The Plan invests contributions for members through the Provider's investment platform. Contributions buy units in the Provider's funds. The Provider in turn backs the value of its funds by buying units in funds from a selection of fund managers where investments are pooled with other investors. This enables the Plan to invest in a range of funds giving a good spread of investments in a cost-effective manner.

The Plan's asset, and the Trustee's contract with the Provider, is the policy of insurance issued by the Provider. As a result, the Trustee does not have any contractual arrangement with the Investment Managers or title to the underlying funds' assets.

7.2 Delegation of investment decisions

The investment of contributions through the Provider's investment platform means that the Trustee has delegated day to day investment decisions including the management of financially material considerations to the Provider, who has in turn delegated these investment decisions to the Investment Managers.

7.3 Selection of funds

The Trustee will invest in funds on the Provider's platform which in turn invest in the Investment Managers' pooled funds. The objectives of the funds and the policies of the Investment Managers will be evaluated by the Trustee to ensure that they are appropriate for the needs of the Plan. The Trustee considers written advice from a suitably qualified person when determining the appropriateness of each Investment Manager and fund for the Plan, particularly in relation to diversification, risk, expected return and liquidity.

The Trustee's choice of funds, and hence choice of approaches to aspects such as responsible investment and shareholder engagement, are constrained by the choice of funds available on the Provider's platform. While the Trustees will endeavour as far as possible to select a Pension and Platform Provider and funds on that Provider's platform which are consistent with the Plan's investment objectives and the Trustee's investment beliefs, this needs to be balanced against the wider benefits of access to the other funds on the platform and the other services from the Provider as well as taking into consideration the costs of change to the Plan and its members.

The Trustee's will engage with the Pension and Platform Provider to obtain funds which meet the Trustee's investment beliefs and are expected to improve outcomes for members, but this is subject to being commercially viable for the Provider and consistent with the charge cap for the default arrangement. The Trustee expects the Provider to encourage the Investment Managers to adopt appropriate practices for responsible investment and shareholder engagement.

The Trustee will periodically review the choice of Pension and Platform Provider, at which time the suitability of the Provider's fund range and effectiveness of its governance of the Investment Managers on its platform will be key criteria.

7.4 Manager incentives

Remuneration for each fund is determined prior to initial investment. It is based on commercial considerations and typically set on an ad valorem basis.

The complete basis of remuneration of the Investment Managers by the Pension and Platform Provider may be subject to commercial confidentiality, however, the Trustee will seek transparency of all costs and charges borne by members.

When selecting the Pension and Platform Provider, the Default Option and the self-select fund range made available to members, the Trustees will ask their investment advisor to consider the overall appropriateness of the investment arrangements, including level of charges, the investment objectives of the funds, and the Provider's governance processes. Ongoing assessment is carried out in the following ways:

- In accordance with the 2015 Regulations, the Trustee conducts an annual Value for Members assessment and will include peer comparison.
- In accordance with guidance from the Pensions Regulator, the Trustee will periodically review the Plan's choice of Provider to ensure the Provider's charges and services remain competitive.
- On a quarterly basis, the Trustee monitors the performance of the Default Option and self-select funds available to members against appropriate benchmarks or targets using information provided by the Pension and Platform Provider and/or its investment advisor. Return of their funds' respective benchmarks or performance targets.
- The Provider is expected to monitor the funds made available through its platform, including the funds used within the Default Option, and provide explanations for any significant divergence from a fund's objectives.
- The Trustee also undertakes a review at least every three years of the overall appropriateness of the investment options for the members.

If fund fees are not deemed to be providing good value, or if there is a material deviation from performance and risk targets or approach to portfolio management, the relevant fund or investment arrangement will be subject to review. This will involve engaging with the Provider and may ultimately lead to changes to the self-select range, changes to the wider investment arrangements where practicable, or a review of the continued suitability of the Provider.

The Trustee believes that these steps are the most effective way of incentivising the Provider to deliver Value for Members, of which investment management charges, investment performance, governance of the funds made available through the platform and member outcomes are key considerations.

7.5 Portfolio turnover

The Trustee does not expect Investment Managers to take excessive short-term risk and will monitor the Investment Managers' performance against the benchmarks and objectives on a short, medium and long terms basis.

When selecting funds, the Trustee will consider, with the help of their investment adviser, the expected level of turnover commensurate with a fund's investment objectives, the Investment Manager's investment processes and the nature of the fund's assets.

Whilst the Trustee expects performance to be delivered net of costs, including the costs of trading within the portfolio, the Trustee will ask the investment Pension and Platform Provider or Investment Managers on the platform to report on at least an annual basis on the underlying assets held within fund with details of turnover over the Plan's reporting year. The Trustee will challenge the Provider or managers if the level of turnover seems out of line with expectations.

7.6 Portfolio duration

The Trustee recognises the long-term nature of defined contribution pension investments and selects investment arrangements, including the Default Option and self-select fund range, which are expected to deliver sustainable returns over the Plan members' investment horizon. The Trustee will carry out necessary due diligence on the Pension and Platform Provider's investment governance processes, to ensure the investment arrangements are managed and monitored over an appropriate time horizon aligned with the objectives for the related investment option.

The Trustee expects that the investment arrangements will remain appropriate for use over the long-term, although the Default Option, self-select range and wider Pension and Platform Provider arrangements are subject to ongoing review against various financial and non-financial metrics in addition to their continued appropriateness within the investment strategy.

7.7 Security of assets

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

The underlying funds used by the Provider's platform are accessed through unit purchase agreements. In the event of a fund manager getting into financial difficulties, the values in these underlying funds will depend upon the nature of the contract with the Provider and the fund vehicles used by the fund managers' funds.

7.8 Private Markets

The Trustee acknowledges the continued development of the investment landscape for DC pension schemes, including the increasing availability of investment strategies which provide exposure to market assets. The Trustee recognises that, where appropriately structured and governed, such assets provide potential for diversification and enhanced returns, with the potential to improve long-term member outcomes.

Following the transfer to the bundled arrangement with Aviva, the Plan's Pension and Platform Provider, the Plan's Default Option is now the Aviva My Future Focus Drawdown Lifetime Investment Programme. The Trustee understands that this strategy includes exposure to a range of growth and diversifying assets, including a 10% allocation to private market assets (namely real estate, private debt, and infrastructure), as part of its overall investment approach.

The Trustee is mindful of the inherent challenges and risks associated with private market investments, emphasising the need for a thorough evaluation. Based on historical performance, the Trustee believes private market assets (such as real assets, private equity, infrastructure, and private debt) can provide excess returns compared to listed assets (i.e. they have an illiquidity premium).

The Trustee is comfortable that the Default Option invests in private market assets where this is expected to improve long-term member outcomes, subject to appropriate governance, diversification, liquidity and cost considerations. Any exposure is obtained indirectly through pooled/ collective funds. The types of private market assets may include, but are not limited to, real assets, infrastructure, private debt, private equity and property. The Trustee has considered the age profile and expected investment horizon of members invested in the Default Option when assessing the appropriateness of this exposure. Members are exposed to c.10% allocation to private market assets in the growth phase of the strategy, which begins to reduce as they are de-risked from 15 years before a member's retirement date.

The Trustee will continue to monitor developments in Aviva's investment strategy, including any further integration of private markets within the My Future Focus range and the wider Aviva platform fund range. The Trustee will keep the level and nature of private market asset exposure under review, including whether any future increase would be in members' best interests and consistent with the charge cap and liquidity requirements. The Trustee will also take account of broader market and regulatory developments, including the continued focus across the DC market on improving access to private markets where this can support better member outcomes.

The Trustee maintains a steadfast commitment to prioritising the best interests of the Plan's members. The decision-making framework is centred on prudence, diligence, and a fiduciary responsibility to ensure that any investment into private market assets aligns with the Plan's overarching goals and obligations.

This Statement of Investment Principles was completed on 10 July 2026. It will be next reviewed no later than 2029.

Signed on behalf of the Trustee of the Plan:

Name	Signature	Date
Hetal Kotecha		10 July 2026
Michael Calabrese		10 July 2026

For the record

* In accordance with sections 35 and 36 of the Pensions Act 1995; Regulation 2 and 2A (1) of the Occupational Pension Schemes (Investment) Regulations 2005; and the Occupational Pension Schemes (Charges and Governance) Regulations 2015.

The Trustee has taken proper written advice and consulted the Employer in the preparation of these Statements of investment Principles.

These Statements will be reviewed at least every three years or more frequently as required by the Regulations.

Appendix 1 – Responsibilities

The responsibilities outlined in section 4 are as follows.

Trustee

The Trustee's primary investment responsibilities include:

- Operating the Plan in accordance with its Trust Deed and Rules.
- Ensuring that the investment options are suitable for the Plan's membership profile.
- Preparation of the Statement of Investment Principles and reviewing the content of the Statement and modifying it if deemed appropriate, in consultation with the Principal Employer and the investment consultants.
- Appointing investment consultants and other advisors as necessary for the good stewardship of the Plan.
- Appointing the Pension and Platform Provider and governing the suitability of the Investment Managers chosen by the Provider to invest the Plan's assets.
- Assessing the performance, charges and processes of the Provider and Investment Managers by means of regular, but not less than annual, reviews of investment performance and other information, with the Investment Consultant.
- Monitoring compliance of the investment arrangements with this Statement on a regular basis.
- Preparing an annual Chair's Statement for inclusion in the Annual Report and Accounts.

Employers

The Employer is responsible for determining the level of contributions and paying the employer and employee contributions to the administrator, for providing membership data and for providing support to the Trustee to help govern the Plan.

Investment Consultant

The role of the Investment Consultant is to give advice to the Trustee on the development of a clear investment strategy for the Plan including the default option, lifestyle strategies and self-select fund range.

The Investment Consultant's main responsibilities include:

- Assisting the Trustee in the preparation and annual review of this Statement in consultation with the Principal Employer.
- Providing the Trustee with quarterly reports including commentary on any changes to the Pension and Platform Provider, underlying Investment Managers' investment approach and a review of the investment performance of each fund.
- Undertaking project work including reviews of investment strategy, investment performance and manager structure as required by the Trustee.
- Advising the Trustee on the selection and review of performance of the Plan's default investment strategy and self-select Investment Managers.

- Providing training or education on any investment related matter as and when the Trustee sees fit.

Platform Provider

The funds are accessed through an investment Pension and Platform Provider. The Provider is responsible for providing access to the investment platform and the funds available through it, including those used within the Default Option. The Provider is also responsible for the day-to-day operation and governance of the platform, including oversight of the funds made available, fund pricing, liquidity and compliance with applicable regulatory requirements.

The Provider's main responsibilities include:

- Ensuring that the operation of the platform and the funds made available through it is in compliance with prevailing legislation and within the constraints detailed in this Statement.
- Attending meetings with the Trustee as and when required.
- Informing the Trustee of any material changes to the funds made available through the platform, including changes to the objectives, guidelines or governance of any fund used by the Plan, as and when they occur.

Investment Manager

The Investment Manager is responsible for the day-to-day investment management of the underlying funds' assets including:

- Exercising voting rights on shareholdings in accordance with their general policy.
- Following its general policy on socially responsible investment.

Custodians

Custodians are appointed by the Investment Manager. The custodians are responsible for ensuring the security of the funds' underlying assets and recording sales and purchases of the funds' underlying assets.

Administration

The Pension Administrator is responsible for passing contributions to the Pension and Platform Provider and ensuring that members are allocated the correct number of units in the funds. It is also responsible for operating the Investment Programmes and general administration, including record-keeping, providing members with annual benefit statements and paying benefits when they become due.

The Pensions Administrator's main investment-related responsibilities include:

- The prompt investment and reconciliation of contributions.
- Administering switches between funds as required.
- Operating the Investment Programmes.
- Maintaining records of the members' investments.
- Realising investments to pay benefits.

Members

Members are expected to be responsible for choosing the level of contributions they make and the investment options in which contributions are invested, consistent with their tolerance of risk, likely benefit choice at retirement and their level of understanding and ability to take investment decisions.

Appendix 2 – Service providers

The Trustee has appointed the following service providers:

Investment Consultant

The Investment Consultant is Hymans Robertson LLP.

Pension and Platform Provider

The investment platform through which the investment options are operated and made available to members is provided by Aviva Life & Pensions UK Limited.

Investment Manager

The investment options are provided via the Aviva My Money platform. Aviva is responsible for the oversight of the underlying funds and Investment Managers, which may include both Aviva Investors and third-party managers.

Custodians

Custody arrangements are provided within the structure of the underlying funds, with custodians appointed by the relevant Investment Managers.

Administration

The administration of the Plan is carried out by Aviva Life & Pensions UK Limited.

Appendix 3 – Investment Beliefs

High Level Investment Beliefs

- Managing investment risks and considering the long-term return potential of asset classes are the most important drivers of good long-term member outcomes.
- Investment risks can be reduced by spreading investments both within and across asset classes.
- Based on historical performance, equities are expected to outperform the other main asset classes (e.g. property, diversified growth funds, bonds and cash) over the longer term.
- Based on historical performance, illiquid assets (such as private equity, infrastructure, and private debt) are expected to provide excess returns compared to listed assets (i.e. they have an illiquidity premium).
- Investment markets may not always behave in line with long-term expectations in the short term.
- Investment costs reduce the value of DC pots, but lower cost does not necessarily mean better outcomes will be achieved.
- Manager performance should be assessed net of (i.e. after) fees.

Investment Beliefs in relation to the Default Investment Strategy

- Taking investment risk (for example by investing in equities/investing in asset classes with higher volatility in the short term) is expected to be rewarded in the long term.
- DC members far from retirement are able to accept a higher level of investment risk in order to generate strong returns against inflation.
- In the consolidation phase there remains a need to generate meaningful returns (i.e. above the rate of inflation).
- In the pre-retirement phase, there remains a need to generate returns above the rate of inflation, however the asset mix should also begin to reflect what members are expected to do at the point of retirement.
- Both active and passive management have a place within a default fund. It is possible to identify successful active fund managers in selected asset classes.
- Active management has a place within a default investment strategy in areas where markets are not seen to be “efficient”. Active management can be in relation to the management of allocation across a range of asset classes, or within an asset class.

Investment Beliefs in relation to the self-select range

- The Trustee should support members who wish to select other options by providing a self-select fund range.
- The self-select range should contain both actively and passively managed funds.
- Having too many options may result in members not making a decision.

- Ethical and religious views should be considered when providing a range of funds for members to invest in
- Members should be given the option to select investments which deliver a positive social and/or environmental outcome, where maximising return may not be the key objective.

Appendix 4 – Investment options

The Trustee offers five Investment Programmes that are designed to cater for the investment needs of most members and take into account the retirement benefit options available since the 2014 Budget. The investment strategies under these Investment Programmes are designed to target the form of retirement benefits that members may choose: income drawdown, cash, annuity purchase or a universal approach. The Shariah Target Drawdown Lifetime Investment Programme targets income drawdown for members who are unable to invest in the Default Option due to religious reasons. Members are automatically placed in the My Future Focus Drawdown Lifetime Investment Programme (the Default Option) if they do not elect to make a decision on how their contributions should be invested.

The Investment Programmes have been made available specifically for members who do not wish to take an active role in how their contributions are invested. The asset allocation of the Investment Programmes changes systematically over time in a way that is deemed to be consistent with an appropriate amount of risk for that stage in a member's working career.

Members can select their own target retirement age for the Investment Programmes. If members do not select their own target retirement age the option defaults to age 67.

The investment strategy for the Investment Programmes can be split into three phases:

- Growth phase – more than 15 years to target retirement date.
- Consolidation phase – 15 to 10 years from target retirement date.
- Pre-retirement phase – less than 10 years to target retirement date.

Growth phase

The aim during the growth phase is to maximise the value of the member's investment in real terms and is identical for all the Investment Programmes. During the early part of this phase, up to 15 years before the member's retirement, the Investment Programmes are fully allocated to the Aviva My Future Focus Long Term Growth Fund, which invests 100% in growth assets. Volatility of return is likely to be high during this part of the pre-retirement phase.

Consolidation phase

From 15 years before target retirement, members' DC pots are expected to have grown to a size such that the value at risk is material and therefore to control the level of volatility of the DC pot value, assets will be gradually switched into the My Future Focus Growth Fund such that, at 10 years before retirement, the member will be fully invested in this fund.

Pre-retirement phase

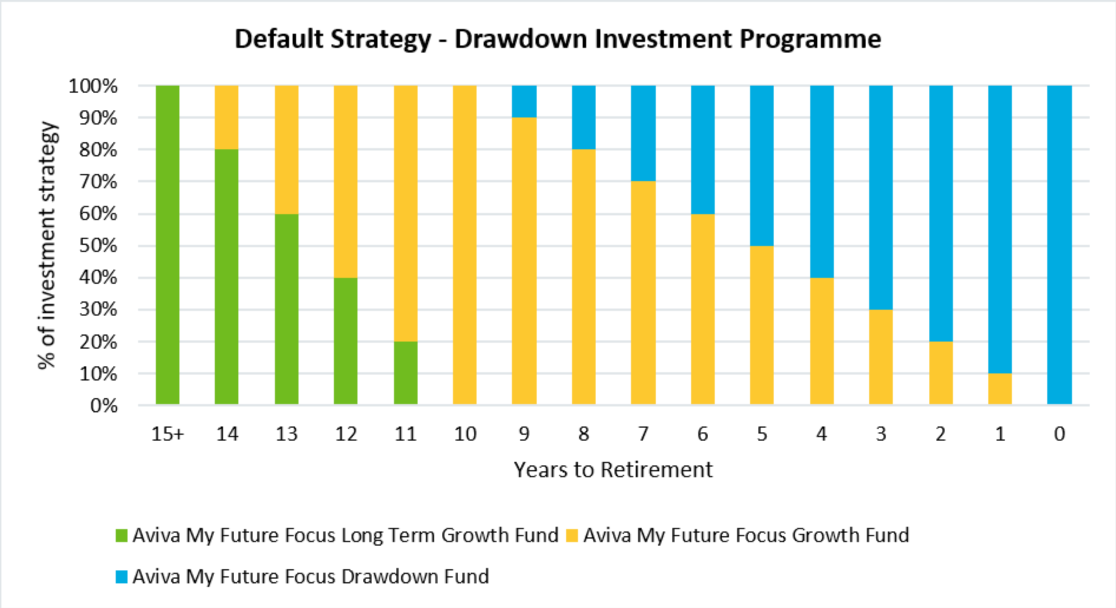
The pre-retirement phase prepares the member's investment for retirement. The primary objective of this phase is to manage risks and help mitigate fluctuations in the size of the member's DC pot value relative to the benefit the member is likely to take at retirement. From 10 years before retirement, the investments are gradually switched from the Aviva My Future Focus Growth Fund to the lower risk fund, My Future Focus Drawdown Fund, which helps to manage the risks associated with converting a member's accumulated savings into the target retirement benefit.

The investment strategy for all of the Investment Programmes except the Shariah strategy, diverge during the pre-retirement phase when the member's DC pot is gradually transferred into funds that broadly match their target retirement benefit.

Drawdown Investment Programme (Default)

The Drawdown Investment Programme targets an asset allocation of 100% Aviva My Future Focus Drawdown Fund at the target retirement date.

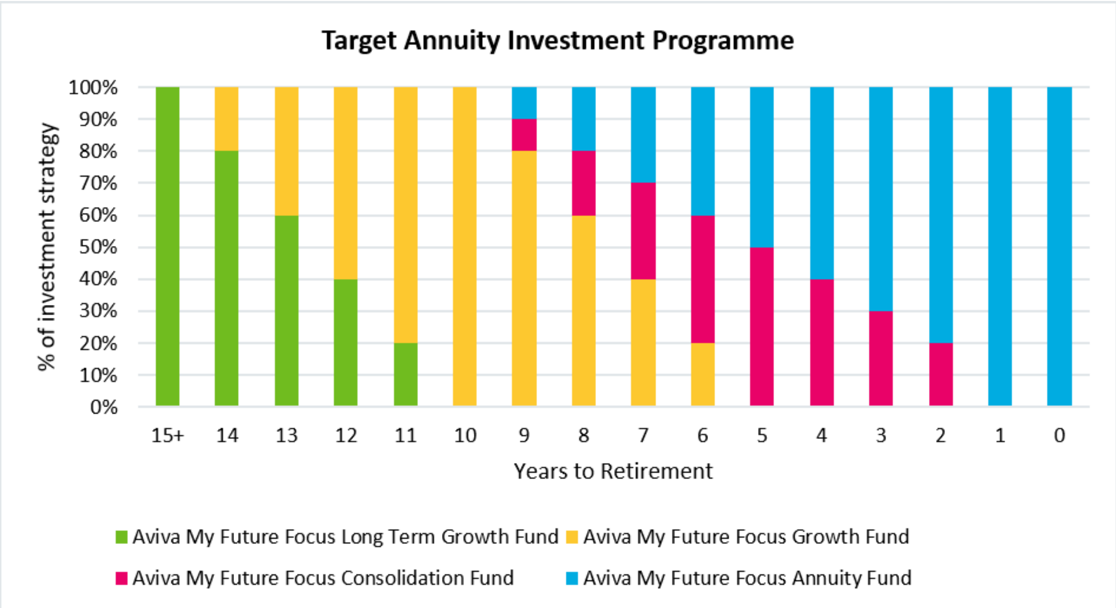
Chart: Portfolio allocation by years to retirement for a member in the Drawdown Investment Programme



Target Annuity Investment Programme

The Target Annuity Investment Programme targets an asset allocation of 100% to the My Future Focus Annuity Fund at the target retirement date.

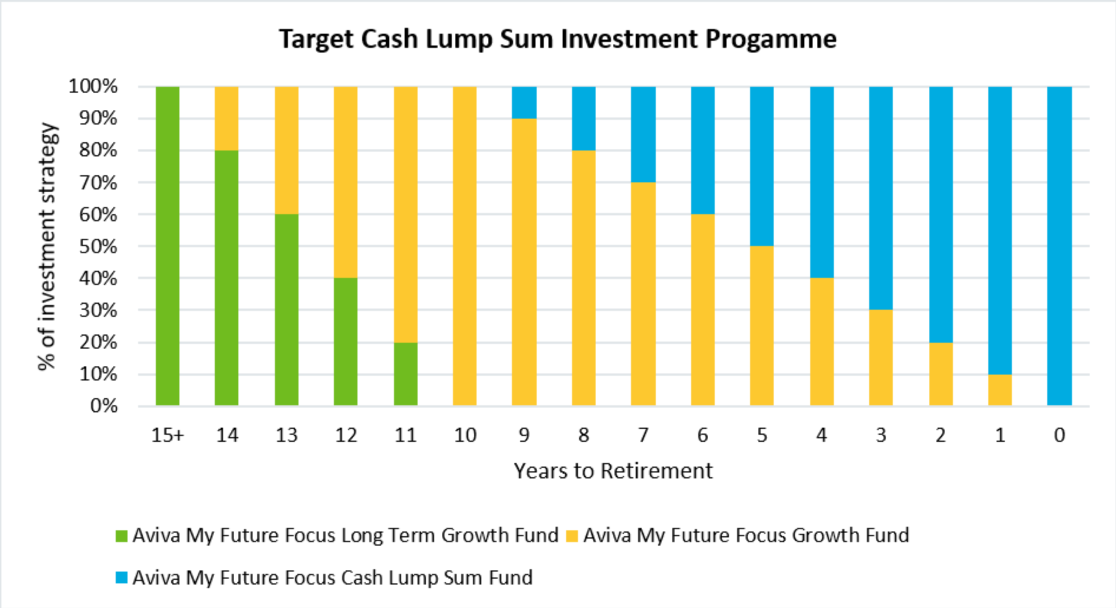
Chart: Portfolio allocation by years to retirement for a member in the Target Annuity Investment Programme.



Target Cash Lump Sum Investment Programme

The Target Cash Lump Sum Investment Programme targets an asset allocation of 100% to the My Future Focus Cash Lump Sum Fund at the target retirement date.

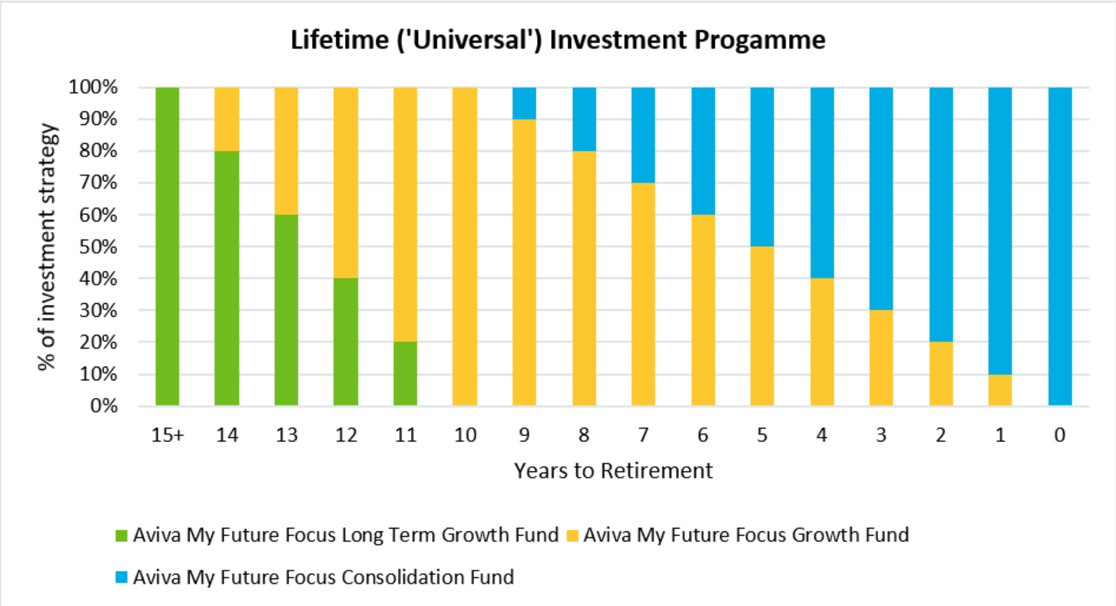
Chart: Portfolio allocation by years to retirement for a member in the Target Cash Lump Sum Investment Programme



Lifetime (‘Universal’) Investment Programme

The Lifetime Investment Programme targets an asset allocation of 100% to the My Future Focus Consolidation Fund at the target retirement date.

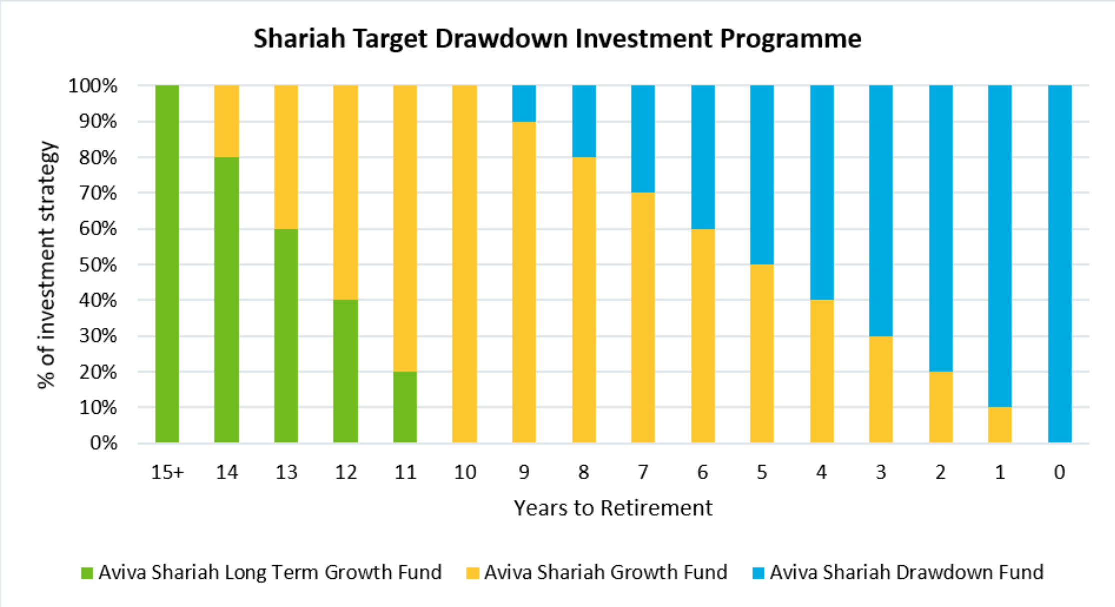
Chart: Portfolio allocation by years to retirement for a member in the Lifetime (‘Universal’) Investment Programme



Shariah Target Drawdown Investment Programme

The Shariah Target Drawdown Investment Programme targets a 100% allocation to the Shariah Drawdown Fund at retirement. The Investment Programme invests in Shariah-compliant funds.

Chart: Portfolio allocation by years to retirement for a member in the Shariah Target Drawdown Investment Programme



Funds used in the Investment Programmes

Asset Class	Fund name	Objective	Performance Benchmark or Target
Growth (My Future Focus Long Term Growth invests in equities and private markets)	Aviva My Future Focus Long Term Growth Fund	The investment objective of the fund is to grow the value of customers' pension savings over the long term (5 years or more) and is intended for customers who are more than 15 years from retirement. It aims to outperform its benchmark while tracking the benchmark's volatility, measured over a 3-year rolling basis.	Composite benchmark (90% MSCI ACWI, 10% SONIA + 2.75%)
	Aviva Shariah Long Term Growth Fund	The investment objective of the fund is to provide long term growth through investment in a diversified portfolio of securities that are compliant with Shariah investment principles. It aims to track as closely as possible the performance of the S&P Global 1200 Shariah Select Index which is Shariah compliant. The fund invests fully in the HSBC Islamic Global Equity Index fund. The HSBC Islamic Global Equity Index Fund is based overseas and therefore is not subject to UK Sustainable Disclosure Requirements (SDR) and Investment Labelling regime.	S&P Global 1200 Shariah Select
Multi-Asset	Aviva My Future Focus Growth Fund	The investment objective of the fund is to grow the value of customers' pension savings over the long term (5 years or more). It aims to outperform its benchmark while tracking the benchmark's volatility, measured over a 3-year rolling basis.	Composite benchmark (75% MSCI ACWI, 15% Bloomberg Global Agg Bond GBP hedged, 10% SONIA + 2.75%)
	Aviva My Future Focus Consolidation Fund	The investment objective of the fund is to reduce the risk to which customers' pension savings are exposed as they approach retirement. It aims to outperform its benchmark while tracking the benchmark's volatility, measured over a 3-year rolling basis.	Composite benchmark (35% MSCI ACWI, 33% Bloomberg Global Agg Bond GBP Hedged, 28% FTSE Actuaries UK Gilts Up to 5 years, 4% SONIA + 2.75%)

Asset Class	Fund name	Objective	Performance Benchmark or Target
	Aviva My Future Focus Drawdown Fund	The investment objective of the fund is to provide an appropriate balance between growth and risk reduction and is intended for customers who intend to move into a drawdown arrangement at retirement. It aims to outperform its benchmark while tracking the benchmark's volatility, measured over a 3-year rolling basis.	Composite benchmark (50% MSCI ACWI, 43% Bloomberg Global Agg Bond GBP hedged, 7% SONIA +2.75%)
	Aviva Shariah Growth Fund	The investment objective of the fund is to provide long term growth through investment in a diversified portfolio of securities that are compliant with Shariah investment principles. The fund's assets may include, but are not limited to, equities, bonds issued by the Islamic Liquidity Management Corporation (ILMC), Sukuk, funds and other transferable securities.	N/A
	Aviva Shariah Drawdown Fund	This fund aims to provide an appropriate balance between growth and risk reduction through exposure to a diversified portfolio of securities that are compliant with Shariah investment principles. The fund's assets may include, but are not limited to, equities, bonds issued by the Islamic Liquidity Management Corporation (ILMC), Sukuk, funds and other transferable securities.	N/A
Fixed Income	Aviva My Future Focus Annuity Fund	This fund is designed for members approaching retirement and considering buying a fixed (or level) annuity.	N/A
	Aviva My Future Focus Cash Lump Sum Fund	The investment objective of the fund is to provide a positive return and is intended for customers who are approaching retirement and intend to take their pension savings as cash. It aims to outperform its benchmark while tracking the benchmark's volatility, measured over a 3-year rolling basis.	Composite (80% FTSE Actuaries UK Gilts Up to 5 years, 20% SONIA)

Self-Select Fund Range

Members are offered a choice of self-select investment funds across a range of asset classes and investment styles.

Asset Class	Fund Name	Investment Objective	Benchmark
Equities	Aviva Pension MyM BlackRock Emerging Markets Equity (Aquila C)	The investment objective of the fund is to achieve a return in line with the MSCI Emerging Markets Index.	MSCI Emerging Markets
	Aviva Pension MyM Shariah Long Term Growth	The investment objective of the fund is to provide long term growth through investment in a diversified portfolio of securities that are compliant with Shariah investment principles.	S&P Global 1200 Shariah Select
	Aviva Pension MyM BlackRock MSCI World Index	The investment objective of the fund is to achieve index returns in line with MSCI World Index in GBP.	MSCI World
	Aviva Pension MyM BlackRock Developed World Fossil Fuel Screened Index	The investment objective of the fund is to achieve returns in line with the MSCI World Select Fossil Fuel Screened Index.	MSCI World Select Fossil Fuel Screened Index
	Aviva Pension MyM Vanguard FTSE UK All Share Index	The investment objective of the fund is to track the performance of the FTSE All-Share Index.	FTSE All-Share
	Aviva Pension MyM My Future Focus Long Term Growth S6	The investment objective of the fund is to outperform its composite benchmark while tracking the benchmark's volatility, measured over a 3-year rolling basis.	Composite benchmark (90% MSCI ACWI, 10% SONIA + 2.75%)
Multi-Asset	Aviva Pension MyM Shariah Growth	The investment objective of the fund is to provide long term growth through investment in a diversified portfolio of securities that are compliant with Shariah investment principles.	N/A

Asset Class	Fund Name	Investment Objective	Benchmark
	Aviva Pension MyM LGIM Diversified	The investment objective of the fund is to provide long-term investment growth through exposure to a diversified range of asset classes.	FTSE Developed 50% GBP Hedged
	Aviva Pension MyM My Future Focus Growth S6	The investment objective of the fund is to outperform its composite benchmark while tracking the benchmark's volatility, measured over a 3-year rolling basis.	Composite benchmark (75% MSCI ACWI, 15% Bloomberg Global Agg Bond GBP hedged, 10% SONIA + 2.75%)
	Aviva Pension MyM Shariah Drawdown	The investment objective of the fund is to provide an appropriate balance between growth and risk reduction through exposure to a diversified portfolio of securities that are compliant with Shariah investment principles.	N/A
	Aviva Pension MyM My Future Focus Drawdown S6	The investment objective of the fund is to outperform its composite benchmark while tracking the benchmark's volatility, measured over a 3-year rolling basis.	Composite benchmark (50% MSCI ACWI, 43% Bloomberg Global Agg Bond GBP hedged, 7% SONIA +2.75%)
	Aviva Pension MyM My Future Focus Consolidation S6	The investment objective of the fund is to outperform its composite benchmark while tracking the benchmark's volatility, measured over a 3-year rolling basis.	Composite benchmark (35% MSCI ACWI, 33% Bloomberg Global Agg Bond GBP Hedged, 28% FTSE Actuaries UK Gilts Up to 5 years, 4% SONIA + 2.75%)
Fixed Income	Aviva Pension MyM BlackRock Over 5 Year Index-Linked Gilt Index Tracker	The investment objective of the fund is to achieve a return consistent with the FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index.	FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index
	Aviva Pension MyM My Future Focus Annuity S6	This fund is designed for members approaching retirement and considering buying a fixed (or level) annuity.	N/A

Asset Class	Fund Name	Investment Objective	Benchmark
	Aviva Pension MyM BlackRock All Stocks UK Gilt Index Tracker	The investment objective of the fund is to provide capital growth and income for investors by tracking closely the performance of the FTSE Actuaries UK Conventional Gilts All Stocks.	FTSE Actuaries UK Conventional Gilts All Stocks
	Aviva Pension MyM BlackRock Corporate Bond All Stocks Index Tracker	The investment objective of the fund is to provide capital growth and income for investors by tracking the performance of the Markit iBoxx Sterling Non-Gilts Overall Index.	Markit iBoxx GBP Non-Gilts
	Aviva Pension MyM My Future Focus Cash Lump Sum S6	The investment objective of the fund is to outperform its composite benchmark while tracking the benchmark's volatility, measured over a 3-year rolling basis.	Composite (80% FTSE Actuaries UK Gilts Up to 5 years, 20% SONIA)
Cash	Aviva Pension MyM BlackRock Sterling Liquidity	The investment objective of the fund is to maximise the income generated on investment consistent with maintaining capital and ensuring its underlying assets can easily be bought or sold in the market in normal market conditions.	SONIA
Property	Aviva Pension MyM CT Pensions Property	The investment objective of the fund is to invest directly in commercial property. It aims to generate total returns (from income and capital appreciation) that are above its benchmark, over rolling 3-year periods	MSCI/AREF UK All Balanced Quarterly Property

All the funds used by the lifestyle strategies and self-select funds are provided through an investment platform operated by Aviva Life & Pensions UK Limited. Members cannot invest concurrently in self-select funds and a lifestyle strategy or more than one lifestyle strategy.

If a member, who is invested in one of the Investment Programmes, decides to change their target retirement age, their investment strategy will be amended in line with the new retirement date.

Appendix 5 – Fees and Charges

Investment Consultant

The Plan's Investment Consultant is paid on a mixed fixed fee and time cost basis. The Trustee believes that this approach ensures that all advice is impartial and independent. These costs are met by the Principal Employer.

Investment Management

The Investment Manager applies the following charges for investing in the funds selected by the Trustee:

Default option and alternative investment programmes

Underlying Funds	Charges* %
Aviva MyM My Future Focus Long Term Growth S6	0.21
Aviva MyM My Future Focus Growth S6	0.21
Aviva MyM My Future Focus Drawdown S6	0.21
Aviva MyM My Future Focus Consolidation S6	0.21
Aviva MyM My Future Focus Annuity S6	0.21
Aviva MyM My Future Focus Cash Lump Sum S6	0.21
Aviva MyM Shariah Long Term Growth	0.42
Aviva MyM Shariah Growth	0.48
Aviva MyM Shariah Drawdown	0.50

Source: Aviva

The Trustee monitors the total charges of the funds used in the default option at quarterly reference points. The total charges borne by members in the default option over a rolling 12-month period comply with the charge cap.

Self-select fund range outside the default and alternative investment programmes

Fund	Charges*%
Aviva Pension MyM BlackRock Emerging Markets Equity (Aquila C)	0.34
Aviva Pension MyM BlackRock MSCI World Index	0.16
Aviva Pension MyM BlackRock Developed World Fossil Fuel Screened Index	0.22
Aviva Pension MyM Vanguard FTSE UK All Share Index	0.20
Aviva Pension MyM LGIM Diversified	0.33
Aviva Pension MyM BlackRock Corporate Bond All Stocks Index Tracker	0.15
Aviva Pension MyM BlackRock All Stocks UK Gilt Index Tracker	0.15
Aviva Pension MyM BlackRock Over 5 Year Index-Linked Gilt Index Tracker	0.15
Aviva Pension MyM BlackRock Sterling Liquidity	0.15
Aviva Pension MyM CT Pensions Property	0.82

Source: Aviva

* The Charge is also known as a fund's "Total Expense Ratio" (TER) and is the sum of a fund's Annual Management Charge ("AMC") and Operating Costs and Expenses ("OCE"). It excludes transaction costs on the fund's underlying assets.

The charges for investment management are borne by the members.

The custodian costs for holding the funds' assets are included in the funds' OCE, while the custodians' costs for buying and selling the funds' underlying assets are included in the funds' transaction costs.

The funds' total charges and transaction costs are monitored by the Trustee. The results of this monitoring are set out in the annual Chair's statement which is included in the Trustee's annual report and accounts (the fund list above will be reflected in the Chair Statement from 31 December 2026).

Administration

The administration of the Plan is carried out by Aviva Life & Pensions UK Limited as part of the bundled arrangement with Aviva.

Pension and Platform Provider

The investment platform through which the investment options are operated and made available to members is provided by Aviva Life & Pensions UK Limited.

The Platform provider applies a platform Annual Management Charge of 0.15% p.a. under the Plan's Workplace Retirement Account Own Rules Trust arrangement.