

Marshall Motor Holdings Defined Contribution Pension Scheme ('the Scheme')

Annual governance statement by the Chairman of Trustees for the year ending 5 April 2025

INTRODUCTION

As Chairman of the Trustees of the Scheme, I am required to provide members with a yearly statement which explains the steps the Trustees (with guidance from our professional advisers) have taken to meet the required governance standards. The information included in my statement is set out in law and regulation. This statement will be published on a publicly available website www.marshall.co.uk.

Certain governance standards apply to Defined Contribution (DC) pension arrangements. These are designed to help members achieve good outcomes from their pension savings.

The Trustees are committed to having high governance standards and met five times during the Scheme year to monitor the controls and processes in respect of the administration relating to the Scheme's funds. This statement covers the period 6 April 2024 to 5 April 2025. The law requires me to show information about the return on investments within the statement (after the deduction of any charges and transaction costs paid for by members). These are included to help members understand how their investments are performing.

As at the Scheme year end, the Scheme has the following DC elements:

- DC arrangement and Additional Voluntary Contributions (AVCs) with Standard Life – this arrangement was closed to new members and new contributions with effect from 1 April 2024. It is administered by Standard Life and offers investment funds managed by Standard Life and other external fund managers. Members who have benefits with Standard Life will also have benefits with Aviva.
- DC arrangement and AVCs with Aviva – this is a legacy arrangement and is closed to new members and new contributions with effect from 6 April 2006. Members are invested in the Aviva With-Profits fund which has a guaranteed minimum investment return of 4.0% per annum. Some Scheme members with Aviva benefits also have benefits with Standard Life and these providers liaise when settling members' benefits.
- AVCs with Utmost Life & Pensions (Utmost) – these are legacy holdings within the Equitable Life With-Profits Fund which were transitioned to Utmost on 1 January 2020. Only members who have benefits not only with Utmost but also with Aviva remain invested in this section.

In March 2024, Marshall Motor Group Limited ('the Principal Employer') decided to replace the Scheme for employees with effect from 1 April 2024 with the Marshall Motor Group Pension Scheme which is part of the Aviva Master Trust. To this end, as the Scheme with Standard Life was no longer receiving contributions for members who are current employees following the March 2024 contribution, the Trustees commenced the winding-up of the Scheme on 28 April 2024. The Trustees effected a bulk transition of assets from Standard Life and Utmost to the Aviva Master Trust in January 2025 in respect of members who have only Standard Life or Utmost funds.

The Principal Employer has agreed with the Trustees that the Scheme will run on until at least April 2027 thereby deferring the wind-up of the Scheme so that any lump sum death benefits can continue to be paid outside the inheritance tax regime. While some DC pensions can currently be passed on, following a member's death, without any inheritance tax charges, the Government has announced that from April 2027, unused pension funds and some death benefits will be included in an individual's estate for inheritance tax

purposes. After April 2027, the Company and the Trustees will then consider options with regards to the future of the Scheme.

In the meantime, the Trustees have agreed with Aviva on Aviva's New Generations Pensions (NGP) platform to set up a group of funds (which closely mirror the Aviva Master Trust) within the Scheme for members with two separate arrangements with Standard Life or Utmost and in the Aviva With-Profits fund (dual members) in order to preserve their Scheme specific protected tax-free cash. It is intended that the transfer from Standard Life and Utmost to the Aviva NGP platform will take place in September 2025. Aviva have agreed to fully pre-fund this transfer to mitigate as far as possible any out of market exposure and also cover the transaction costs incurred in the funds on the Aviva NGP platform.

In addition, the Trustees have decided to postpone transitioning those members with With-Profits funds only under the existing group policy to a direct obligation arrangement with Aviva.

We welcome this opportunity to explain the steps the Trustees have taken to ensure the Scheme is run as effectively as possible. If you have any questions about anything that is set out below, or any suggestions about what can be improved, please write to c/o HR Department, Marshall Motor Holdings, Quorum 3, Barnwell Drive, Cambridge, Cambridgeshire CB5 8RE.

DEFAULT INVESTMENT ARRANGEMENT

A default investment arrangement was set up by the Trustees and provided for members who did not actively select an investment option. Members could also choose to invest in this default investment arrangement.

The Trustees are responsible for investment governance. This includes setting and monitoring the investment strategy for the default arrangements. We take professional advice from regulated investment advisers and have appointed fund managers to manage the DC funds.

Setting an appropriate investment strategy

Details of the strategy and objectives of the default investment arrangement amongst other things are also recorded in the Statement of Investment Principles (SIP). The SIP (a copy of which is appended to this statement) was updated in March 2025.

During the applicable reporting period, the Scheme's default investment strategy was the Marshall Options Open Lifestyle with Standard Life.

When deciding on the investment strategy, the Trustees recognise that the majority of members do not make active investment decisions and instead invest in the default strategy. Therefore, the primary objective of the Trustees in deciding on an investment strategy is to ensure that the strategy is appropriate for a typical member. When choosing the default strategy, it is the policy of the Trustees to consider a range of asset classes, together with the need for diversification. The Trustees also recognise that there are various investment and operational risks and give considerations to such risks.

Members who joined the Scheme and did not make an active investment choice for their contributions are placed into the default investment strategy. The Marshall Options Open Lifestyle's pre-retirement investment mix represented a neutral option where the member has not made a specific choice to align their Member Account to either cash or annuity purchase. The Trustees therefore view it as being appropriate for the majority of members who have not made a decision on how they will want to take their benefits at retirement.

The default option has been designed having taken due regard to the membership profile of the Scheme, including consideration of:

- The size of members' retirement savings within the Scheme;
- Members' current level of income and hence their likely expectations for income levels post retirement;
- The fact that members may have other retirement savings invested outside of the Scheme; and
- The ways members may choose to use their savings to fund their retirement.

These factors have also been considered when setting the range of alternative investment options from which members can choose.

Reviewing the default investment arrangement

The Trustees are expected to review the strategy and objectives of the default investment arrangement regularly, and at least once every three years, and take into account the needs of the Scheme members when designing it. In practice, the Trustees review the investment objectives and the performance of the default investment arrangement regularly at Trustees' meetings, taking advice from the Trustees' investment consultant.

A formal review of the default investment arrangement was undertaken during the Scheme year in order to set up a group of funds (which closely mirror the Aviva Master Trust) within the Scheme for members with two separate arrangements, with Standard Life or Utmost and in the Aviva With-Profits fund, in order to

preserve their Scheme specific protected tax-free cash. As stated above, it is intended that the transfer from Standard Life and Utmost to the Aviva NGP platform will take place in September 2025.

The last formal review was carried out at 4 December 2024 and at 11 March 2025 and considered, at a high level, the profile of the Scheme in respect of members with both Standard Life or Utmost and Aviva With-Profits benefits as part of the review, along with the risk profile and number of investment funds offered to members and as a result the Trustees intend to:

- Use the same default as the Marshall Motor Group Pension Scheme with the Aviva Master Trust, namely, the Aviva My Future Lifetime investment programme. This new version of the strategy will introduce the Aviva Pension My Future Long Term Growth FP Fund in the accumulation phase which our investment advisers believe is beneficial to members as it adopts a higher risk approach targeting higher returns, particularly when they are young and can afford to take higher risk for achieving improved returns. The strategy embeds a 15 year de-risking into the Aviva Pension My Future Growth FP Fund and then the Aviva Pension My Future Consolidation FP Fund. Aviva has also confirmed that the fee paid for the Aviva My Future Lifetime investment programme will be the same as the fee of 0.29% p.a. paid on the Aviva Master Trust;
- Introduce 41 self-select funds on the Aviva NGP platform which are the same as, or closely mirror, the Aviva Master Trust governed fund range. The self-select fund range includes fund mapping of five current Scheme self-select options to equivalent and similar funds available on the Aviva NGP platform.

Asset allocation of the default investment arrangement

We are required to provide the percentage of assets allocated in the default arrangement to specified asset classes and show how the asset allocations change at different ages. This is to show members the different asset allocation phases that take place as pension savings accumulate in the default arrangement up to and at retirement.

We have prepared the below table having taken account of the statutory guidance effective from 30 January 2023 issued by the Department for Work and Pensions¹ in preparing this section of our statement.

Asset class	Percentage allocation-average 25 year old (%)	Percentage allocation-average 45 year old (%)	Percentage allocation-average 55 year old (%)	Percentage allocation-one day prior to State Pension Age (%)
Cash	0.05	0.05	0.05	0.40
Bonds	0.00	0.00	0.00	0.00
Corporate bonds	0.15	0.15	0.15	0.21
Government bonds	0.00	0.00	0.00	0.18
Other bonds	0.00	0.00	0.00	0.00
Listed equities	0.65	0.65	0.65	0.14
Private equity	0.00	0.00	0.00	0.00
Venture capital / growth equity	0.00	0.00	0.00	0.00
Buyout funds	0.00	0.00	0.00	0.00
Property	0.10	0.10	0.10	0.02
Infrastructure	0.00	0.00	0.00	0.00
Private debt	0.00	0.00	0.00	0.00
Other	0.05	0.05	0.05	0.05

Source: Standard Life

¹ <https://www.gov.uk/government/consultations/broadening-the-investment-opportunities-of-defined-contribution-pension-schemes/outcome/statutory-guidance-disclose-and-explain-asset-allocation-reporting-and-performance-based-fees-and-the-charge-cap#:~:text=Where%20a%20scheme%20has%20more,end%20of%20the%20scheme%20year>

Self-select investment choices

In addition to the default investment arrangement, the Trustees have made available three alternative lifestyle strategies under the Standard Life arrangement (Marshall Lump Sum Lifestyle, Marshall Drawdown Lifestyle and Marshall Annuity Lifestyle) and allow members to self-select from a range of funds.

At the start of the Scheme year, the self-select funds were:

Standard Life	SL Vanguard FTSE Developed World ex UK Equity Index Pension Fund SL iShares UK Equity Index Pension Fund SL Stewart Investors Global Emerging Markets Leaders Pension Fund SL HSBC Islamic Global Equity Index Pension Fund SL Vanguard ESG Developed World All Cap Equity Index Pension Fund SL BNY Mellon Real Return Pension Fund Standard Life Marshall Growth Pension Fund Standard Life MMH Diversified Growth Pension Fund Standard Life Marshall Pre-Retirement Pension Fund SL iShares UK Gilts All Stocks Index Pension Fund SL iShares Emerging Markets Equity Index Pension Fund SL Vanguard UK Inflation Linked Gilt Index Pension Fund Standard Life Long Corporate Bond Pension Fund Standard Life Deposit and Treasury Pension Fund Standard Life Property Pension Fund
Aviva	Aviva FP With Profits Fund (Main Series 1)
Utmost Life and Pensions	Utmost Multi-Asset Moderate Fund* Utmost Multi-Asset Cautious Fund*

* These funds make up the Investing by Age Strategy

Members are encouraged to take independent financial advice before choosing between these alternative lifestyle strategies and any of the funds above. Free impartial guidance is also available from Money Helper – their website can be found at www.moneyhelper.org.uk/en/pensions-and-retirement/ and they can provide guidance through live webchat or over the telephone on 0800 011 3797 (Mon-Fri, 9am to 5pm).

Further explanation of the With-Profit arrangements

For members with Aviva funds invested in the pre-demutualisation series of the With-Profits fund, any policies commencing before 9 July 2001, where With-Profits investment began before 26 November 2001, will have no explicit management charge but Aviva allows for an implicit charge when reviewing the regular bonus rates each year. Any policies which started after 8 July 2001, or older policies for which the first with-profits investment was after 25 November 2001, will be invested in a post-demutualisation series of the fund, which has a management charge of 0.75% a year.

The Trustees have taken a pragmatic approach to reviewing these investments based on the size of the funds invested. In addition, the Trustees note that Aviva has a With Profits Committee for their With-Profits funds, who consider matters affecting the interests of the policyholders within each fund respectively, including fair pay-outs.

The Trustees periodically review these arrangements to ensure they continue to be fit for purpose and will continue to write directly to members who have such investments if there is anything of significance to make members aware of.

CHARGES AND TRANSACTION COSTS PAID BY MEMBERS

The Trustees are required to explain the charges and transaction costs (i.e. the costs of buying and selling investments) in the Scheme that are paid by members rather than the employer. In the Scheme, members typically pay for investment management and investment transactions as well as services from the provider, while the employer pays all the other costs of running the Scheme such as governance. The investment management and transaction costs can be explained as follows:

- The total ongoing charges figure is the total cost of investing in any fund or strategy and includes the Annual Management Charge (direct charges) and any additional fund expenses (indirect charges).
- Transaction costs are the costs incurred as a result of the buying, selling, lending or borrowing of investments *within* each fund. They include taxes and levies (such as stamp duty), broker commissions (fees charged by the executing broker in order to buy and sell investments) and the costs of borrowing or lending securities, as well as any differences between the actual price paid and the quoted 'mid-market price' at the time an order was placed. These costs will vary between members depending on the funds invested in, the transactions that took place within each fund and the date at which the transactions took place. The reported performance of the fund is typically net of these transaction costs.
- In addition, there can be switching costs incurred as a result of the buying and selling of funds. This may relate either to member-driven trades (e.g. a self-select member switching their investment arrangements) or to automatic trades (e.g. those associated with fund switches resulting from progression along a lifestyle glidepath). These costs relate to the difference between the fund price used to place the trade and the price which would have applied to that fund on that day had the trade not been placed. These are implicit costs which are not typically visible to members.

The level of ongoing charges applicable to the Scheme's current default investment arrangement during the last Scheme year were confirmed by Standard Life as being:

	Total charges		Transaction costs for the period 1 April 2024 to 31 March 2025	
	% p.a. per the amount invested	£ p.a. per £1,000 invested	% p.a. per the amount invested	£ p.a. per £1,000 invested
Standard Life Marshall Growth Pension Fund	0.53%	£5.30	0.15%	£1.50
Standard Life MMH Diversified Growth Pension Fund	0.73%	£7.30	0.05%	£0.50
Standard Life Marshall Pre-Retirement Pension Fund	0.40%	£4.00	0.12%	£1.20
Standard Life Deposit and Treasury Pension Fund	0.39%	£3.90	0.06%	£0.60

Source: Standard Life

The level of charges and transaction costs applicable to the Scheme's self-select funds under the Standard Life arrangement, and AVCs with Utmost, during the last Scheme year were confirmed by the providers in the table below. Some members remain invested in the Aviva With-Profits fund. This is a legacy arrangement and is closed to new members. Aviva have confirmed there is no explicit scheme charge in respect of pre July 2001 policies or where with-profits investment began before November 2001 as Aviva allows for an implicit charge when reviewing the regular bonus rates each year.

	Total charges		Transaction costs for the period 1 April 2024 to 31 March 2025	
	% p.a. per the amount invested	£ p.a. per £1,000 invested	% p.a. per the amount invested ²	£ p.a. per £1,000 invested
Standard Life				
SL Vanguard FTSE Developed World ex UK Equity Index Pension Fund	0.40%	£4.00	0.00%	£0.00
SL iShares UK Equity Index Pension Fund	0.40%	£4.00	0.01%	£0.10
SL Stewart Investors Global Emerging Markets Leaders Pension Fund	1.19%	£11.90	0.10%	£1.00

	Total charges		Transaction costs for the period 1 April 2024 to 31 March 2025	
	% p.a. per the amount invested	£ p.a. per £1,000 invested	% p.a. per the amount invested ²	£ p.a. per £1,000 invested
SL HSBC Islamic Global Equity Index Pension Fund	0.65%	£6.50	0.01%	£0.10
SL Vanguard ESG Developed World All Cap Equity Index Pension Fund	0.40%	£4.00	0.10%	£1.00
SL BNY Mellon Real Return Pension Fund	1.08%	£10.80	0.04%	£0.40
Standard Life Marshall Growth Pension Fund	0.53%	£5.30	0.15%	£1.50
Standard Life MMH Diversified Growth Pension Fund	0.73%	£7.30	0.05%	£0.50
Standard Life Marshall Pre-Retirement Pension Fund	0.40%	£4.00	0.12%	£1.20
SL iShares UK Gilts All Stocks Index Pension Fund	0.39%	£3.90	0.05%	£0.50
SL Vanguard UK Inflation Linked Gilt Index Pension Fund	0.40%	£4.00	0.15%	£1.50
Standard Life Long Corporate Bond Pension Fund	0.39%	£3.90	0.06%	£0.60
Standard Life Deposit and Treasury Pension Fund	0.39%	£3.90	0.06%	£0.60
Standard Life Property Pension Fund	0.41%	£4.10	0.20%	£2.00
SL iShares Emerging Markets Equity Index Pension Fund	0.60%	£6.00	0.00%	£0.00
Aviva				
Aviva FP With Profits Fund (Main Series 1)	0.25%*	£2.50	0.09%	£0.90
Aviva FP With Profits Fund (Main Series 1) Pensions	0.75%**	£7.50	0.09%	£0.90
AVCs with Utmost				
Utmost Multi-Asset Moderate Fund	0.75%	£7.50	0.31%	£3.10
Utmost Multi-Asset Cautious Fund	0.75%	£7.50	0.39%	£3.90

Source: Standard Life, Aviva and Utmost

* There is no explicit scheme charge for pre July 2001 policies or older policies for the first with-profits investment was before 26 November 2001 but the above is an assumed administration cost. Aviva allows for an implicit charge when reviewing the regular bonus rates each year which can vary. The notional administration cost is regularly reviewed and subject to change. Policies are invested in the pre demutualisation series of the with-profits sub fund.

** Explicit scheme charge applies to post July 2001 policies only or older policies for which the first with-profits investment was after 25 November 2001 Policies are invested in the post demutualisation series of the with-profits sub fund

In terms of switching costs, the funds used by the Scheme operate on a single-swinging price basis with no explicit switching costs charged to members. However, members may experience implicit switching costs whenever assets are sold (as is the case throughout the lifestyling phase).

These costs will vary between members depending on what switches took place for each member and the date at which these occurred. The Trustees are not able to track what costs have been incurred in practice for particular members.

Completeness of transaction cost information

As the reporting of transaction costs is a statutory requirement, not obtaining full transaction cost data is a difficulty faced by many pension schemes. Where information about the member costs and charges is not available, we have to make this clear together with an explanation of what steps we are taking to obtain the missing information. It should be noted that the transaction costs are likely to vary from fund to fund and from year to year.

Examples of the impact of costs and charges

We are required to provide illustrative examples of the cumulative effect over time of the application of the charges and costs on members' savings.

Standard Life have prepared examples of the cumulative effect over time of the impact of the charges and transaction costs on the value of a member's retirement savings, having taken account of the statutory guidance effective from 21 October 2022 issued by the Department for Work and Pensions³ in preparing this section of our statement.

Each table in this section shows the projected pension savings in today's money for a representative member of the Standard Life arrangement using:

- The median starting age and pot size by type of member ('typical' deferred and 'typical' youngest deferred) as at 5 April 2025; and
- The 'Before charges' column shows the projected fund without any transaction costs and charges being applied. The 'After all charges' column shows the projected fund after transaction costs and charges have been applied.

Please note that, within each table, there may be instances where the projected fund at age 65 (normal retirement date) is lower than the starting fund value. This arises when the projected return (before or after charges are deducted) is lower than the projected levels of inflation, as all values are shown in today's terms.

'Typical' deferred member of the Standard Life arrangement

Year	Marshall Options Open Lifestyle (default)		Standard Life MMH Diversified Growth Pension Fund		Standard Life Deposit and Treasury Pension Fund	
	The default lifestyle option, with a 10 year lifestyling period		The highest charging fund		The lowest charging fund	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	£36,300	£36,100	£35,900	£35,700	£35,600	£35,500
3	£38,100	£37,400	£37,000	£36,200	£35,900	£35,500
5	£39,900	£38,700	£38,100	£36,700	£36,300	£35,500
NRD	£45,000	£42,200	£41,000	£37,900	£37,200	£35,600

Source: Standard Life

³ <https://www.gov.uk/government/publications/reporting-costs-charges-and-other-information-guidance-for-trustees-and-managers-of-occupational-pension-schemes/reporting-of-costs-charges-and-other-information-guidance-for-trustees-and-managers-of-occupational-schemes-effective-from-1-october-2021>

'Typical youngest' deferred member of the Standard Life arrangement

Year	Marshall Options Open Lifestyle (default)		Standard Life MMH Diversified Growth Pension Fund		Standard Life Deposit and Treasury Pension Fund	
	The default lifestyle option, with a 10 year lifestyling period		The highest charging fund		The lowest charging fund	
	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted	Before charges	After all charges + costs deducted
1	£34,800	£34,600	£34,300	£34,100	£34,000	£33,900
3	£36,600	£35,900	£35,400	£34,600	£34,300	£33,900
5	£38,500	£37,300	£36,500	£35,100	£34,700	£34,000
10	£43,900	£41,100	£39,200	£36,300	£35,500	£34,000
15	£49,900	£45,200	£42,100	£37,500	£36,400	£34,100
20	£56,800	£49,800	£45,300	£38,800	£37,400	£34,200
NRD	£58,300	£50,700	£46,100	£39,100	£37,600	£34,200

Source: Standard Life

The following assumptions have been made for the purposes of the above illustrations:

- Values shown are estimated and are not guaranteed, the actual fund values could be higher or lower;
- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation;
- Inflation is assumed to be 2.0% each year;
- The starting pot sizes are assumed to be £35,500 for the 'typical' deferred member and £33,950 for the 'typical youngest' deferred member;
- Starting ages are assumed to be 55 for the 'typical' deferred member and 44 for the 'typical youngest' deferred member; and
- The projected growth rate for each fund (before inflation of 2% is deducted) are as follows:
 - The Marshall Options Open Lifestyle 'growth' phase (the default investment strategy) (Standard Life Marshall Growth Pension Fund: 5.0%, Standard Life MMH Diversified Growth Pension Fund: 3.5%, Standard Life Marshall Pre-Retirement Pension Fund: 4.0%, Standard Life Deposit and Treasury Pension Fund: 2.5%)
 - Standard Life MMH Diversified Growth Pension Fund: 3.5%
 - Standard Life Deposit and Treasury Pension Fund (the lowest charging fund): 2.5%.

Aviva has prepared the following standard illustration and has confirmed this complies with the statutory guidance issued by the Department for Work and Pensions.

Aviva has confirmed the table shows how different costs and charges can impact the pension benefits over certain periods of time. The first column shows the projected pension values assuming no charges are taken. The second shows the projected pension values after costs and charges are taken. By comparing the two it can be seen how much the charges over the years could impact an individual's pension fund. For example, if an individual started their pension at age 40 and expected to retire at 65, the figures at the end of year 25 would give an idea of the effect of the charges over the 25 years invested.

For this illustration, Aviva has assumed:

- The figures illustrate the pension pot value in 'today's money' which means Aviva take inflation into account by reducing values at 2.5% a year. This shows what the figures could be worth today but actual inflation could be more or less than this. Inflation reduces the worth of all savings and investments. This effect is shown in the illustration and could mean the fund may reduce as well as grow in 'today's money'. A current pension pot value of £20,000, growth rate of 4% a year, and costs and charges of 0.335% a year.

Year	Aviva FP With-Profits Fund (Main Series 1)	
	Projected value assuming no charges taken	Projected value with charges taken
1	£20,200	£20,200
3	£20,800	£20,600
5	£21,500	£21,100
10	£23,100	£22,300
15	£24,800	£23,600
20	£26,700	£25,000
25	£28,700	£26,500
30	£30,900	£28,000
35	£33,200	£29,700
40	£35,700	£31,400

Source: Aviva

Utmost have also prepared the following examples, having taken account of the statutory guidance issued by the Department for Work and Pensions. The following table shows the impact of charges for each fund individually invested as well as default Investing by Age Strategy of which these funds form part. Each fund is projected over several years and shown before and after cost and charges have been deducted. The first column shows the total funds.

Year	Multi-Asset Moderate		Multi-Asset Cautious		Investing by Age Strategy	
	Before Charges	After Costs and Charges Deducted	Before Charges	After Costs and Charges Deducted	Before Charges	After Costs and Charges Deducted
1	£1,015	£1,004	£1,015	£1,003	£1,015	£1,004
3	£1,045	£1,013	£1,045	£1,010	£1,045	£1,013
5	£1,075	£1,021	£1,075	£1,017	£1,075	£1,021
10	£1,156	£1,042	£1,156	£1,034	£1,156	£1,041
15	£1,243	£1,064	£1,243	£1,052	£1,243	£1,060
20	£1,337	£1,086	£1,337	£1,070	£1,337	£1,078
25	£1,438	£1,109	£1,438	£1,088	£1,438	£1,096
30	£1,546	£1,132	£1,546	£1,106	£1,505	£1,094
35	£1,663	£1,156	£1,663	£1,125	£1,501	£1,057
40	£1,788	£1,180	£1,788	£1,144	£1,465	£1,005

Source: Utmost Life & Pensions

The following assumptions have been made by Utmost for the purposes of the above illustrations:

Notes:

- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
- No further contributions.
- The starting pot size in each fund is assumed to be £1,000.
- Inflation is assumed to be 2.5% p.a.
- Values shown are estimates and are not guaranteed.
- The projected growth rate for each fund are: Multi Asset Moderate 4%; and Multi-Asset Cautious 4%.

Past performance of the investment options

Standard Life and Aviva have calculated the return on investments after the deduction of any charges and transaction costs paid for by the members. Standard Life have done this for the default investment arrangement and for each self-select fund, and Aviva for the legacy investment arrangements, which members are now able, or were previously able, to select and in which Scheme members have been invested during the Scheme year.

The net returns to 31 March 2025 are shown in the tables below (excepting the Aviva With-Profits sub fund which is shown for periods to 31 December 2024) and have been included to help members understand how their investments are performing. Please note that past performance is no indicator of future performance.

Standard Life have prepared the following tables, in line with the requirements of the Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021 and having taken account of the statutory guidance issued by the Department for Work and Pensions⁴

Annualised net returns (%) for the default investment arrangement (the Marshall Options Open Lifestyle) over periods to 31 March 2025

Standard Life

Age of member at the start of the period**	1 year	5 years (annualised)	10 years (annualised)	15 years (annualised)	20 years (annualised)
Time period (start date – end date)	31/03/2024–31/03/2025 (%)	31/03/2020–31/03/2025 (%p.a.)	31/03/2015–31/03/2025 (%p.a.)	31/03/2010–31/03/2025 (%p.a.)	31/03/2005–31/03/2025 (%p.a.)
Age 25	5.46	9.44	6.69	n/a*	n/a*
Age 45	5.46	9.44	6.69	n/a*	n/a*
Age 55	5.46	9.44	6.69	n/a*	n/a*

Source: Standard Life

*Fund returns noted as "n/a" indicate where fund performance is not available for the specified performance period. This is typically as a result of the fund launching during the specified performance period.

**As the default investment arrangement is a lifestyle strategy made up of different investment funds, the returns may vary with the age of the member, so we have shown the returns at three example ages in line with regulatory guidance.

⁴https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/994897/completing-the-annual-value-for-members-assessment-and-reporting-of-net-investment-returns.pdf

Annualised net returns (%) for the self-select funds over periods to 31 March 2025

Standard Life

Duration	1 year	5 years (annualised)	10 years (annualised)	15 years (annualised)	20 years (annualised)
Time period (start date – end date)	31/03/2024– 31/03/2025 (%)	31/03/2020– 31/03/2025 (%p.a.)	31/03/2015– 31/03/2025 (%p.a.)	31/03/2010– 31/03/2025 (%p.a.)	31/03/2005– 31/03/2025 (%p.a.)
Standard Life Marshall Growth Pension Fund	5.63	10.13	7.24	n/a*	n/a*
Standard Life MMH Diversified Growth Pension Fund	3.92	3.24	1.76	n/a*	n/a*
Standard Life Marshall Pre-Retirement Pension Fund	-2.05	-4.07	-0.06	n/a*	n/a*
Standard Life Deposit & Treasury Pension Fund	4.69	2.13	1.12	0.79	n/a*
SL iShares UK Equity Index Pension Fund	9.56	11.55	5.60	6.41	n/a*
SL Vanguard FTSE Developed World ex UK Pension Fund	2.56	14.44	10.88	n/a*	n/a*
SL HSBC Islamic Global Equity Index Pension Fund	3.23	15.80	13.28	12.31	n/a*
SL Vanguard ESG Developed World All Cap Equity Index Pension Fund	2.77	13.47	9.86	n/a*	n/a*
Standard Life Property Pension Fund	5.22	2.54	2.75	4.55	3.32
SL Stewart Investors Global Emerging Markets Leaders Pension Fund	-6.69	5.28	1.65	n/a*	n/a*
SL iShares UK Gilts All Stocks Index Pension Fund	-1.02	-6.19	-0.95	n/a*	n/a*
SL Vanguard UK Inflation Linked Gilt Index Pension Fund	-8.47	-7.87	-1.44	n/a*	n/a*
Standard Life Long Corporate Bond Pension Fund	-3.40	-3.64	0.19	3.35	n/a*
SL BNY Mellon Real Return Pension Fund	3.10	4.89	2.81	n/a*	n/a*

Source: Standard Life

*Fund returns noted as "n/a" indicate where fund performance is not available for the specified performance period. This is typically as a result of the fund launching during the specified performance period.

Notes:

- For the above table, Standard Life has assumed:
- All returns are cumulative performance using an annual geometric average, with gross income reinvested unless otherwise stated. Fund returns are net of all transaction costs.
- Past performance is not a guide to future returns.

- The charging structure applicable to Standard Life's schemes mean that the above Net Investment Returns are applicable to a saving profile of a one off lump sum of £10,000 (as suggested in the guidance).

Aviva

Performance of underlying assets in the With-Profits fund					
Performance of underlying assets to 31 December 2024	1 year	5 years (annualised)	10 years (annualised)	15 years (annualised)	20 years (annualised)
Aviva FP With Profits Sub-Fund (pre 9 July 2001)	7.4%	3.7%	4.8%	6.0%	5.8
Aviva FP With Profits Sub-Fund (post 8 July 2001)	7.5%	4.1%	5.5%	6.5%	6.2

Source: Aviva

Aviva have stated that the returns above are for the assets in the With Profits sub-fund(s) and are not applicable to any individual policy or plan and they do not take into account any policy charges or administration expenses. They are calculated "before tax" and are applicable to pension policies.

Returns vary from policy to policy and pay-outs, net of charges, are calculated at the date of surrender/maturity after any allowance for guaranteed terms applicable to individual policies. The timing of changes to bonus rates do not tie up with scheme years and allowing for these within the output can produce different results for different schemes even though their members could have experienced the same returns.

For members, the variations in performance are evened out through changes to the bonuses rates that apply known as smoothing. The bonus rate a member will receive depends on when they exit the fund. Members may also have guarantees if certain events happen on particular dates (as shown in their policy documents) which can enhance the amount they receive. For example, it may be the chosen retirement date when the policy was started.

The above is the most relevant information available at scheme level for With Profits investments. This may be enhanced in the future in line with any updates to the statutory guidance. Notes for specific funds follow below.

Pre demutualisation refers to business written before 9 July 2001 and post demutualisation refers to business written on or after 9 July 2001.

For the FP pre and post demutualisation With-Profits Sub-Fund, the figures are after any deduction for investment expenses. At the time of demutualisation in lieu of free shares, a lump sum may have been invested into the FP With-Profits Sub-Fund (pre 9 July 2001). These Demutualisation Terminal Bonus investments are subject to their own bonus scales.

ASSESSING VALUE FOR MEMBERS

Trustees of schemes with under £100 million of assets under management that have been operating for at least three years ordinarily must provide an explanation of the more detailed value for members assessment that they have carried out in line with the Department for Work and Pensions' updated statutory guidance

dated October 2021 on “Completing the annual Value for Members assessment and Reporting of Net Investment Returns”⁵.

Trustees of specified schemes will not be required to carry out the value for member assessment or report its outcome, if they have notified The Pensions Regulator under section 62(4) or (5) of the Pensions Act 2004 that the winding up of the scheme in question has commenced, before the date by which they are required to prepare a chair’s statement under regulation 23(1) of the Administration Regulations. Trustees must instead publish an explanation of their assessment of the extent to which member-borne costs and charges, including any performance-based fees, and transaction costs represent good value for members along with an explanation that this is because the scheme is winding up.

The Trustees have notified The Pensions Regulator that the Scheme commenced winding up on 28 April 2024 and therefore are not required to carry out a detailed value for members assessment. Instead, as part of our assessment of the charges and transaction costs, the Trustees are required to consider the extent to which member-borne costs and charges within the Standard Life, Aviva and Utmost arrangements represent good value for members when comparing this to other options available in the market.

This section sets out the approach that the Trustees have taken, the conclusions we have reached and an explanation of how and why we have reached those conclusions.

Categorising costs/charges and how these impact on our assessment

There is no legal definition of ‘good value’ and so the process of determining good value for members is a subjective one. We note that value for members does not necessarily mean the lowest fee, and the overall quality of the service received has been taken into account in the assessment of value to members.

In line with our legal duties and guidance issued by The Pensions Regulator, our first step has been to identify the services that members directly pay for, either through costs that only members pay, or costs that are shared with the employer.

As indicated, the costs that are paid by members are not only fund management charges and transaction costs for the investment funds used within the Scheme but also the costs of the services provided to members by Standard Life, Aviva and Utmost such as:

- The costs of reviewing and updating funds available to members on their platforms.
- Administration costs for the providers (e.g. the costs of updating and maintaining member records, processing contributions and pension payments, dealing with member queries, etc.).
- Member communications (e.g. the costs of producing and issuing annual benefit statements, etc.).

For all other costs and charges, the employer bears the full cost. This covers such areas as:

- Wider investment support and governance (e.g. the costs of regularly reviewing and updating funds available to members, etc);
- Administration of the Scheme (e.g. producing annual financial statements, etc);
- Member communications (e.g. the costs of producing and issuing member booklets, newsletters etc); and
- The management and governance of the Scheme (e.g. the expenses of the Trustees, the costs of legal/actuarial advisers and annual audit, etc.).

As a result, the Trustees have undertaken two analyses:

- First, we have assessed the ‘value for members’ arising from the benefits that members receive from the charges and transaction costs that they directly pay – this assessment is required by legislation; and

⁵https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/994897/completing-the-annual-value-for-members-assessment-and-reporting-of-net-investment-returns.pdf

- We have also assessed the overall 'value for money' offered to members of the Scheme, with the aim of capturing not only the value from member-borne costs but also the broader elements of value that members receive from the employer-financed costs, as well as wider factors.

For the Aviva and the Utmost AVC arrangements, the Trustees have applied a pragmatic approach to assessing value for members given the value of their holdings.

Overall approach and conclusion

Assisted by our advisers and in line with The Pensions Regulator's guidance, we have taken the following approach:

- We have collated information on services that members receive and the total costs that members pay, including transaction costs (where available);
- We have assessed the scope and quality of the services that members receive, in line with criteria agreed by the Trustees;
- We have compared the value members receive from the services against the cost of those services; and
- We have reflected on our key findings and suggested courses of action to maintain areas of good value and improve areas where value could be better.

Overall, the above approach ensures that we are comparing the level of charges in each fund with the levels of return they have delivered to members, as well as comparing the costs of membership (i.e. the charges) against the benefits of membership (i.e. the services provided by the Scheme).

In attempting to compare these against other options available in the market, the Trustees have found that there are limited industry-wide benchmarks for each service area and so the Trustees have relied on the market knowledge of its advisers.

Preparation for the assessment

The Trustees received support from advisers around how to undertake a value for members assessment and also considered the statutory guidance.

A number of key decisions were made as part of these preparations:

- The Trustees will use different approaches for the different sections, with the assessment for the members of the Aviva arrangement and Utmost AVC funds being proportionate to the members' fund holdings;

For the Standard Life arrangement:

- The Trustees will use a scoring system for each of the 'value for members' and 'value for money' assessments;
- Individual elements of service were given scores by considering the scope and quality of the services under those areas;
- Two overall weighted scores ranging from 0% to 100% were produced, one for 'value for member' and one for 'value for money';
- The Trustees agreed that any score between 50% to 75% represented satisfactory value and a score of 75% or over represented good value; and
- Scores will be compared from year to year from now on, with a view to measuring and monitoring changes to the 'value for members' and wider 'value for money'.

Process followed for the assessment, including key factors considered

The Trustees, assisted by their advisers, then considered the services provided by the Scheme in the areas where costs are borne (whether by members or by the employer), such as investment, communications, scheme management and governance, and administration. The scores for these areas were assessed by considering the scope and quality of the services in each area.

For the Aviva arrangement and the Utmost AVC arrangement, the Trustees have performed a high-level review of these arrangements against other arrangements available in the market and similar funds available. In particular, the Trustees considered factors such as:

- The ways that members can access their savings at retirement and how this compares to other options available in the market;
- The ability for members to access their savings;
- The level of charges paid on savings; and
- Costs borne by the employer.

For members within the Standard Life arrangement, for each of the ‘value for members’ and wider ‘value for money’ assessments, different weighting factors were applied to reflect the different services being assessed.

For the ‘value for members’ analysis, we have assessed the services paid for by the members.

For the wider ‘value for money’ analysis, the assessment covers a larger set of services paid for by both members and the employer, including (but not limited to) the following:

Area	Examples
Investments / charges	The quality / governance of the default fund and alternative choices, the historic return and volatility of the default fund, charges and transaction costs versus benchmark, etc
Communications / member support	Whether bespoke / tailored or event-driven communications are used, at-retirement communications / guides / modellers / support, access to pension freedoms, etc
Scheme management and governance	Understanding of membership characteristics / attitudes / needs, compliance with The Pensions Regulator’s Codes of Practice, Trustee Knowledge and Understanding practices, use of expert advisers, etc
Administration / online services	Online fund values / switching, use of service level agreements, core administration team / helpline, etc

While all of the factors above contribute to whether the Scheme is well run, the Trustees believe that two of the biggest factors that can influence retirement outcomes are the level of contributions paid into the Scheme and the level of investment performance net of fees.

As a result, 40% of the overall ‘value for money’ score is allocated to categories including whether the communications support good savings behaviours, whether the governance and oversight identifies and prioritises member interests and whether efficient processes are in place to carry out member instructions or transactions to a suitable quality and timescale, whilst 40% was allocated to the quality and governance of the investment options and the remaining 20% to the competitiveness of fees and transaction costs.

Explanation of the results of the assessment

Standard Life

Overall, the Trustees have determined that:

- The Standard Life arrangement offered satisfactory ‘value for members’ over the year to 5 April 2025, when measured against the definition required by legislation; and
- When we take into account wider elements of value that members receive as a result of costs paid by the employer, we have concluded that the Standard Life arrangement offered satisfactory ‘value for money’ overall over the Scheme year.

Our conclusion that the Standard Life arrangement offers satisfactory ‘value for members’ over the year to 5 April 2025 is based on aspects such as:

- Members are able to receive a wide range of administration / online services including a helpline, online fund values / switching, modellers around future investment strategies as well as access to

tools and guidance at retirement which compares well to other options in the market. Having said that, members do not have access to in-scheme flexibilities at retirement, which does not compare favourably to options available in the market;

- Members receive communications that aid member decision-making (including section-specific member booklets, newsletters etc);
- Total charges for the growth phase of the default fund remain above the 0.4% average charge for default funds within trust-based DC schemes that feature in surveys that are available within the market. However, some of the investment funds used within the default fund are actively managed and these are typically more expensive than the passive funds. The expectation is that they will provide better returns in the longer term and, where appropriate, a focus on downside protection; and
- The Trustees met five times during the Scheme year, discussing DC-related matters at each meeting, with ad-hoc training received before major decisions.

Our conclusion that the Standard Life arrangement offers satisfactory 'value for members' and the wider 'value for money' over the year to 5 April 2025, taking into account employer-borne costs, is based on factors such as the default investment strategy which was designed with reference to the membership profile of the Scheme and has its performance reviewed on a regular basis.

Aviva

The Trustees concluded that although it was not straightforward to assess 'value for members' invested in the Aviva With-Profits Fund due to the lack of transparency / influence on how with-profits arrangements are run, they were able to establish that the With-Profits Fund provided reasonable 'value to members' and would not be in the members' best interests to transfer these to unit-linked funds elsewhere. This is based on the following:

- The financial stability of Aviva's With-Profits Fund gives Aviva greater flexibility in setting the Fund's investment strategy;
- It is diversified and has delivered reasonable gross investment returns over the long term (which drives long term bonus returns);
- There are guaranteed minimum regular bonuses of 4% a year to normal retirement date attaching to the Aviva arrangement plus Aviva may pay a terminal bonus;
- The platform, with the Standard Life arrangement offering access to a more modern platform, does not provide online access that enables members to view and manage their own funds;
- Members do not have the same level of flexibility around accessing or using with-profit funds as they would do in other unitised DC funds in the market (for instance, due to the potential for the funds being reduced by a Market Value Adjustment should savings be accessed other than, for example, normal retirement date, that is to say the amount may be reduced to reflect the current market value of the current underlying assets); and
- The value that members may place on the smoothing of returns and any guarantees may differ from member to member and from year to year for each member, particularly when compared against the value they may receive from unitised funds.

Utmost

The Trustees concluded that the AVC arrangements with Utmost may no longer offer 'value for members' in the long term. The Trustees' conclusion was based on other factors such as:

- The charges, particularly as some of the self-select funds have a charge of 0.75% meaning that these do not compare favourably in the main to the charges for the Standard Life funds;
- The range of unit-linked funds brings a flexibility advantage about investment choice, but most choices will lead to a more uncertain retirement outcome than under the previous Equitable Life With-Profits fund which had a 3.5% annual performance guarantee; and
- The platform with Utmost does not provide online access that enables members to view and manage their own funds and access other additional information to help them better understand their benefits and options (unlike that for Standard Life).

Steps taken to improve value for members during the Scheme year

During the Scheme year, the Trustees took the following steps to improve 'value for members':

- liaised with Standard Life and Aviva to ensure records are updated and SLAs are improved;
- ensured the member data held by the providers was reviewed;
- communicated with members about the Scheme wind-up and explain the transition clearly;
- achieved securement of members with Standard Life and Utmost funds only by successfully transitioning to the Aviva Master Trust in January 2025.

Follow-on actions and investigations

The Trustees' focus is on maintaining the 'value for members' and identifying if further improvements can be made. Over the year to 5 April 2026, the Trustees plan the following:

- to ensure the member data held by Aviva is reviewed, and where any gaps are known, for example, Scheme specific protected tax-free cash amounts, that these calculations are undertaken;
- to transition dual members' Standard Life or Utmost funds to the Aviva NGP platform to a lower charge replacement default fund in order to preserve their scheme specific protected tax-free cash and to enable conversion of their Aviva NGP and With-Profits funds to a direct obligation arrangement with Aviva should the Trustees choose to do so after April 2027 so as to complete the wind-up of the Scheme;
- to continue to communicate with members about their retirement benefits.

TRUSTEE KNOWLEDGE AND UNDERSTANDING

The Scheme is overseen by a board of individual trustees. The Trustees are drawn from a variety of backgrounds with skills and knowledge which complement each other and provide a diverse Trustee Board.

The law requires the Trustees to be conversant with the Scheme's documents and to possess, or have access to, sufficient knowledge and understanding of the law relating to pensions and trusts and the principles relevant to funding and investment to be able to run the Scheme effectively.

The Trustees meet all the knowledge and understanding requirements and understand the Scheme and its documents. The Trustees are aware that we must have a working knowledge of the trust deed and rules of the Scheme, the Statement of Investment Principles and the documents setting out the Trustees' current policies.

The Trustees are also aware that they must have sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational pension schemes. The Trustees do this by regularly reviewing the relevant Scheme documents and seeking advice from the Scheme's legal advisers.

The Trustees have assessed the Scheme against the standards set out in the code of practice for trustees of pension schemes providing money purchase benefits (the general code of practice) and related guides and have established an action plan to ensure we can demonstrate that we are offering a quality scheme.

The Trustees take their training and development responsibilities seriously and the Trustees keep a record of the training completed by each Trustee. The training log is reviewed at each Trustee meeting to identify any gaps in the knowledge and understanding across the Trustee Board as a whole.

All Trustees have completed, or made good progress in completing, the essential modules within The Pensions Regulator's on-line trustee toolkit. New Trustees are required to complete the toolkit within six months of becoming a member of the Trustee Board. Trustees must review the toolkit on an on-going basis to ensure their knowledge remains up to date.

The Trustees also receive 'on the job' training. This means that as new topics arise, our professional advisers attending the Trustee meetings will provide wider briefing notes and topical digests as well as training during the meeting, so that the Trustees may engage on such topics in an informed manner.

Relevant advisers attend Trustee meetings and are in frequent contact with the Trustees to provide information on topics under discussion, either specific to the Scheme or in respect of pension or trust law.

During the Scheme year, training and development on the following DC topics took place:

- Sustainable investing – navigating the latest requirements and trends;
- Autumn Budget and Spending review; and
- Navigating pensions in 2024 with The Pensions Regulator.

As a result of the training activities which have been completed by the Trustees, individually and collectively, and taking into account the professional advice available to the Trustees, I am confident that the combined knowledge and understanding of the Trustees enables us to properly exercise our functions as Trustees of the Scheme.

CORE FINANCIAL TRANSACTIONS

The Trustees are required to report about the processes and controls in place in relation to 'core financial transactions'. The law specifies that these include;

- Transferring assets relating to members into and out of the Scheme;
- Transferring assets between different investments within the Scheme; and
- Making payments from the Scheme to, or on behalf of, members.

We must ensure that these important financial transactions are processed promptly and accurately. In practice we delegate responsibility for this to our administrator. Our Scheme administration was delivered in the year by Standard Life, Aviva and Utmost.

There is a service level agreement in place between the Trustees and their administrators to ensure accurate and timely processing of the core financial transactions for which they are responsible. The administrators are required to carry out services in accordance with good industry practice and, more specifically, payments in respect of members must reach the recipients as agreed with the Trustees and in accordance with the Scheme's trust deed and rules. Any mistakes or delays are investigated thoroughly and action is taken to put things right as quickly as possible. This administration service includes key financial tasks such as managing the investment of contributions, paying benefits (or making transfers) and keeping track of changes in members' circumstances.

In order to monitor this service, the Trustees take a proactive approach to questioning the administrators about their service level reports and receive these on a quarterly basis from Standard Life and Aviva providing statistics on the level of service that is provided in comparison to agreed targets and timescales. The Trustees monitor transactions made via the Trustees' bank account on a regular basis. Standard Life, Aviva and Utmost have in place a service standard of 10 working days. Over the 12 months to 5 April 2025, the administrators in the main achieved the SLAs for the Scheme, however, it has been noted that in some instances performance against agreed service levels has been below expectations and will be kept under review.

The Trustees also maintain and monitor a risk register which includes risks in relation to core financial transactions, along with details of mitigation strategies adopted by the Trustees. The Scheme Auditor tests a sample of financial transactions for accuracy and timeliness as part of the annual audit process.

We are pleased that, in the last Scheme year, there have been no material administration service issues which need to be reported here by the Trustees and all core financial transactions have been processed within an agreed time.

Overall, we are confident that the processes and controls in place with the administrators are robust and will ensure that the financial transactions which are important to members are dealt with properly.

Signed:

Date:

30 September 2025

WCM Dastur
(Chairman of Trustees)