

# London and Quadrant Housing Trust Staff Benefits Plan – DC Section

## Annual statement by the Chair of the Trustees for the year to 31 March 2025

### Introduction

Governance requirements apply to defined contribution (“DC”) pension arrangements, to help members achieve a good outcome from their pension savings. The Trustees (“the Trustees”) of the London and Quadrant Housing Trust Staff Benefits Plan (“the Plan”) are required to produce a yearly statement describing how these governance requirements have been met.

This Statement covers the period from 1 April 2024 to 31 March 2025 (“the Plan year”).

**For the record**

This annual statement regarding governance has been prepared in accordance with:

Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (SI 1996/1715) as amended by subsequent Regulations.



Date: 28-Oct-2025 | 10:57 GMT

Signed by the Chair of Trustees of the London and Quadrant Housing Trust Staff Benefits Plan

# 1 Investment options

## 1.1 Default arrangement

The Plan's default arrangement, the Moderate Lifestyle Strategy, is designed for members who join the Plan and do not choose an investment option.

The Trustees are responsible for the governance of the default arrangement which includes setting and monitoring its investment strategy.

The Trustees decided that the default arrangement should be a lifestyle strategy, which means that members' contributions are automatically moved between different funds as they approach their selected retirement date.

The main objective for the default arrangement is to provide good member outcomes at retirement. The Trustees believe that it is in the best interest of the majority of members to offer a default which:

- Manages the principal investment risks members face during the membership of the Plan;
- Maximises investment returns relative to inflation while taking an appropriate level of risk during membership of the Plan for the majority of members who do not make investment choices; and
- Reflects members' likely benefit choices at retirement.

The Trustees regularly monitor the investment strategy against these objectives.

The Statement of Investment Principles (SIP) covering the default arrangement is appended to this Statement. Please note that the SIP covers all the Plan's investments – the principles guiding the design of the default are set out below.

The Trustees believe that the default arrangement is appropriate for the majority of the Plan's members because:

- The investment strategy structure and design are based on the membership profile of the Plan;
- Members' needs and likely benefit choices are unlikely to have changed materially since the last review;
- The investment strategy is communicated easily to members such that members can then make informed decisions about their investments;
- Investments are well diversified;
- The investment structure and design satisfy members' risk appetite and targeted return requirements; and
- The investment strategy is compliant with relevant legislation, regulation and the Trust Deed.

The Trustees monitor the investment performance of the default arrangement on a quarterly basis and formally review both the investment performance against the default arrangement's objectives and the suitability of the investment strategy at least every three years.

The investment performance of these funds during the last year is shown in section 2 and in Appendix 4.

No full review of the performance and suitability of the default arrangement was due to be undertaken during the Plan year. The last full review was completed on 5 December 2022. It is intended that the next full review will take place by 5 December 2025 or immediately following any significant change in investment policy or the Plan's member profile.

### 1.1.1 Asset allocation disclosure

The following table shows the asset allocation for the Plan's default arrangement for members of different ages, as at 31 March 2025. The asset allocation disclosure meets the DWP's statutory guidance "Disclose and Explain asset allocation reporting and performance-based fees and the charge cap" as at January 2023.

#### Default arrangement

| Asset class            | Percentage allocation – average 25 y/o | Percentage allocation – average 45 y/o | Percentage allocation – average 55 y/o | Percentage allocation – average 1 day prior to 65 y/o |
|------------------------|----------------------------------------|----------------------------------------|----------------------------------------|-------------------------------------------------------|
| Cash                   | 11.2%                                  | 11.2%                                  | 11.2%                                  | 6.0%                                                  |
| Bonds                  | 31.9%                                  | 31.9%                                  | 31.9%                                  | 67.0%                                                 |
| Listed equities        | 53.0%                                  | 53.0%                                  | 53.0%                                  | 24.9%                                                 |
| Private equity         | 0.0%                                   | 0.0%                                   | 0.0%                                   | 0.0%                                                  |
| Infrastructure         | 0.0%                                   | 0.0%                                   | 0.0%                                   | 0.0%                                                  |
| Property / real estate | 3.9%                                   | 3.9%                                   | 3.9%                                   | 2.1%                                                  |
| Private debt / credit  | 0.0%                                   | 0.0%                                   | 0.0%                                   | 0.0%                                                  |
| Other assets           | 0.0%                                   | 0.0%                                   | 0.0%                                   | 0.0%                                                  |
| <b>Total</b>           | <b>100.0%</b>                          | <b>100.0%</b>                          | <b>100.0%</b>                          | <b>100.0%</b>                                         |

Source: Mobius

Note: The asset allocation figures presented have been calculated from the fund allocations detailed in the respective fund factsheets as of 31 March 2025. For members whose asset allocation at the selected age on the default glidepath involves multiple funds, we have determined the overall asset allocation based on the proportion of assets held in each fund.

### 1.2 Other investment options

The Trustees recognise that the default arrangement will not be suitable for the needs of every member and so the Plan also offers members a choice of other investment options.

The Plan offers four alternative lifestyle strategies outside the default arrangement:

- The Moderate Lifestyle Strategy – Annuity Target
- The Moderate Lifestyle Strategy – Lump Sum Target
- The Higher Risk Lifestyle Strategy – Flexible Target
- The Lower Risk Lifestyle Strategy – Flexible Target

The Plan also offers members the choice of 18 self-select funds to choose from covering a wide range of assets.

The main objectives of these investment options are:

- To cater for the likely needs of a wider range of members;
- To cater for members looking to take different benefits at retirement than those targeted by the default arrangement;

- To offer a wider range of asset classes, levels of risk and return and different investment approaches including ethical investment; and
- To support members who want to take a more active part in how their savings are invested.

The Trustees carry out an in-depth review of the performance and suitability of these other investment options at least every 3 years. The last full review was completed on 5 December 2022, alongside the review of the default arrangement.

## 2 Investment performance

The presentation of the investment performance takes into account the statutory guidance (i.e. The Occupational Pension Schemes (Administration, Investment, Charges and Governance) (Amendment) Regulations 2021) issued by the Department for Work and Pensions. The Trustee has followed the statutory guidance in all areas.

This section reports on the investment returns over different periods, after the deduction of member borne charges and transaction costs.

### 2.1 Investment conditions

Global markets over the year to 31 March 2025 experienced volatility as a result of geopolitical tensions and economic uncertainty. The US economy showed strong growth in the final quarter of 2024 but saw a slowdown in Q1 2025 influenced by tariff uncertainties and waning post-election optimism. European growth remained weak at the end of 2024 although there were signs of modest improvement driven by increased defence and infrastructure spending.

Headline inflation cooled in March 2025 to 2.8% in the US and UK, and 2.5% in the Eurozone. Despite inflationary pressures, central banks including the European Central Bank (ECB) and the Bank of England (BoE), cut rates in Q1 2025 to support growth.

Equity markets faced a challenging environment in Q1 2025, with global equities falling 1.9% due to concerns over US growth, inflation and trade policy. Bond markets also experienced volatility and credit spreads generally rose but have remained low relative to historic levels.

Overall, the investment conditions have required a strategic approach with a focus on diversification and long-term growth to navigate the market's complexities.

### 2.2 Default arrangement

Over the year to 31 March 2025, the funds used in the Plan's default arrangement saw investment returns rise between a value of 6.0% or, put another way, a rise of £60 for every £1,000 invested to a fall in value of -9.3%, or a fall of £93 for every £1,000 invested.

| Fund name                                                          | 1 year |        | 3 years (p.a.) |        | 5 years (p.a.) |        |
|--------------------------------------------------------------------|--------|--------|----------------|--------|----------------|--------|
|                                                                    | Fund   | B/mark | Fund           | B/mark | Fund           | B/mark |
| L&Q Global Equity Blended Fund                                     | 6.0%   | 6.9%   | 6.4%           | 7.1%   | 12.3%          | 12.4%  |
| L&Q Diversified Growth Blended Fund                                | 5.9%   | 8.5%   | 2.9%           | 7.5%   | 6.0%           | 6.9%   |
| L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund | -9.3%  | -10.4% | -16.1%         | -16.6% | -9.6%          | -9.0%  |
| L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund  | 3.4%   | 2.4%   | -0.1%          | -0.8%  | 1.0%           | -0.2%  |

Source: Mobius

As the default arrangement uses a lifestyle strategy, the investment return varies depending on your age and how far you are from your Selected Retirement Age (SRA) (which is assumed to be 65 in the table below) and in which fund you are invested in at the time. The table below shows how returns vary by age for the default arrangement, the Moderate Lifestyle Strategy – Flexible Target:

| Member Age | 1 year |        | 3 years (p.a.) |        | 5 years (p.a.) |        |
|------------|--------|--------|----------------|--------|----------------|--------|
|            | Fund   | B/mark | Fund           | B/mark | Fund           | B/mark |
| 25         | 6.0%   | 7.7%   | 4.7%           | 7.3%   | 9.1%           | 9.7%   |
| 45         | 6.0%   | 7.7%   | 4.7%           | 7.3%   | 9.1%           | 9.7%   |
| 55         | 6.0%   | 7.8%   | 4.7%           | 7.3%   | 9.2%           | 9.7%   |
| 65         | 1.5%   | 1.9%   | -1.9%          | -0.7%  | 2.1%           | 2.3%   |

Source: Mobius

The Trustees are satisfied that most funds used by the default arrangement have performed in line with their objectives. The Trustees note the negative performance of the L&G Over 5 Year Index-Linked Gilts Index Fund which has returned -9.3% over the 1-year period to 31 March 2025. This fund is passively managed and aims to closely track the performance of its benchmark index. The Trustees are comfortable that the Fund has performed closely in line with its objective over the period.

The Trustees also note that the L&Q Diversified Growth Blended Fund has underperformed its benchmark by 2.6% over the year to 31 March 2025 and by 4.6% per annum over the three years to 31 March 2025. The Trustee will review the Fund at the next investment strategy review and will be monitoring the performance of the Fund closely until then.

The Trustees will continue to monitor the performance of these and all the Plan's funds on a quarterly basis.

### 2.3 Other investment options

In addition to the default lifestyle, members also have the option to invest in four other lifestyles:

- Moderate Lifestyle Strategy – Annuity Target
- Moderate Lifestyle Strategy – Lump Sum Target
- Higher Risk Lifestyle Strategy – Flexible Target
- Lower Risk Lifestyle Strategy – Flexible Target

#### *Moderate Lifestyle Strategy – Annuity Target*

The investment returns for the Moderate Lifestyle Strategy – Annuity Target by fund are provided below:

| Fund name                                     | 1 year |        | 3 years (p.a.) |        | 5 years (p.a.) |        |
|-----------------------------------------------|--------|--------|----------------|--------|----------------|--------|
|                                               | Fund   | B/mark | Fund           | B/mark | Fund           | B/mark |
| L&Q Global Equity Blended Fund                | 6.0%   | 6.9%   | 6.4%           | 7.1%   | 12.3%          | 12.4%  |
| L&Q Diversified Growth Blended Fund           | 5.9%   | 8.5%   | 2.9%           | 7.5%   | 6.0%           | 6.9%   |
| L&Q Annuity Matching Blended Fund (Lifecycle) | -2.5%  | -3.6%  | -6.7%          | -7.9%  | -4.8%          | -5.5%  |
| L&Q Housing Trust DC L&G Cash Fund            | 5.1%   | 5.0%   | 4.1%           | 4.1%   | 2.5%           | 2.5%   |

Source: Mobius

The funds used in the Moderate Lifestyle Strategy – Annuity Target option saw investment returns between a rise in value of 6.0% to a fall in value of 2.5% over the 1-year period to 31 March 2025.

As the Moderate Lifestyle Strategy – Annuity Target arrangement uses a lifestyle strategy, the investment return varies depending on your age and how far you are from your selected retirement age.

The investment returns for the Moderate Lifestyle Strategy – Annuity Target by age are provided below:

| Member Age | 1 year |        | 3 years (p.a.) |        | 5 years (p.a.) |        |
|------------|--------|--------|----------------|--------|----------------|--------|
|            | Fund   | B/mark | Fund           | B/mark | Fund           | B/mark |
| 25         | 6.0%   | 7.7%   | 4.7%           | 7.3%   | 9.1%           | 9.7%   |
| 45         | 6.0%   | 7.7%   | 4.7%           | 7.3%   | 9.1%           | 9.7%   |
| 55         | 6.0%   | 7.7%   | 4.7%           | 7.3%   | 9.1%           | 9.7%   |
| 65         | -0.6%  | -1.5%  | -4.0%          | -4.9%  | -3.0%          | -3.5%  |

Source: Mobius

### *Moderate Lifestyle Strategy – Lump Sum Target*

The investment returns for the Moderate Lifestyle Strategy – Lump Sum Target by fund are provided below:

| Fund name                                                          | 1 year |        | 3 years (p.a.) |        | 5 years (p.a.) |        |
|--------------------------------------------------------------------|--------|--------|----------------|--------|----------------|--------|
|                                                                    | Fund   | B/mark | Fund           | B/mark | Fund           | B/mark |
| L&Q Global Equity Blended Fund                                     | 6.0%   | 6.9%   | 6.4%           | 7.1%   | 12.3%          | 12.4%  |
| L&Q Diversified Growth Blended Fund                                | 5.9%   | 8.5%   | 2.9%           | 7.5%   | 6.0%           | 6.9%   |
| L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund | -9.3%  | -10.4% | -16.1%         | -16.6% | -9.6%          | -9.0%  |
| L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund  | 3.4%   | 2.4%   | -0.1%          | -0.8%  | 1.0%           | -0.2%  |
| L&Q Housing Trust DC L&G Cash Fund                                 | 5.1%   | 5.0%   | 4.1%           | 4.1%   | 2.5%           | 2.5%   |

Source: Mobius

The funds used in the Moderate Lifestyle Strategy – Lump Sum option saw investment returns between a rise in value of 6.0% to a fall in value of 9.3% over a 1-year period to 31 March 2025.

As the Moderate Lifestyle Strategy – Lump Sum arrangement uses a lifestyle strategy, the investment return varies depending on your age and how far you are from your selected retirement age.

The investment returns for the Moderate Lifestyle Strategy – Lump Sum Target by age are provided below:

| Age of member in 2025 (years) | 1 year |        | 3 years (p.a.) |        | 5 years (p.a.) |        |
|-------------------------------|--------|--------|----------------|--------|----------------|--------|
|                               | Fund   | B/mark | Fund           | B/mark | Fund           | B/mark |
| 25                            | 6.0%   | 7.7%   | 4.7%           | 7.3%   | 9.1%           | 9.7%   |
| 45                            | 6.0%   | 7.7%   | 4.7%           | 7.3%   | 9.1%           | 9.7%   |
| 55                            | 6.0%   | 7.7%   | 4.7%           | 7.3%   | 9.1%           | 9.7%   |
| 65                            | 5.1%   | 5.0%   | 4.1%           | 4.1%   | 2.5%           | 2.5%   |

Source: Mobius

### *Higher Risk Lifestyle Strategy – Flexible Target*

The investment returns for the Higher Risk Lifestyle Strategy – Flexible Target by fund are provided below:

| Fund name                                                          | 1 year |        | 3 years (p.a.) |        | 5 years (p.a.) |        |
|--------------------------------------------------------------------|--------|--------|----------------|--------|----------------|--------|
|                                                                    | Fund   | B/mark | Fund           | B/mark | Fund           | B/mark |
| L&Q Global Equity Blended Fund                                     | 6.0%   | 6.9%   | 6.4%           | 7.1%   | 12.3%          | 12.4%  |
| L&Q Diversified Growth Blended Fund                                | 5.9%   | 8.5%   | 2.9%           | 7.5%   | 6.0%           | 6.9%   |
| L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund | -9.3%  | -10.4% | -16.1%         | -16.6% | -9.6%          | -9.0%  |
| L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund  | 3.4%   | 2.4%   | -0.1%          | -0.8%  | 1.0%           | -0.2%  |

Source: Mobius

The funds used in the Higher Risk Lifestyle Strategy – Flexible Target option saw investment returns between a rise in value of 6.0% to a fall in value of 9.3% over the 1-year period to 31 March 2025.

As the Higher Risk Lifestyle Strategy – Flexible Target arrangement uses a lifestyle strategy, the investment return varies depending on your age and how far you are from your selected retirement age.

The investment returns for the Higher Risk Lifestyle Strategy – Flexible Target by age are provided below:

| Member Age | 1 year |        | 3 years (p.a.) |        | 5 years (p.a.) |        |
|------------|--------|--------|----------------|--------|----------------|--------|
|            | Fund   | B/mark | Fund           | B/mark | Fund           | B/mark |
| 25         | 6.0%   | 6.9%   | 6.4%           | 7.1%   | 12.3%          | 12.4%  |
| 45         | 6.0%   | 6.9%   | 6.4%           | 7.1%   | 12.3%          | 12.4%  |
| 55         | 6.0%   | 6.9%   | 6.4%           | 7.1%   | 12.3%          | 12.4%  |
| 65         | 1.5%   | 1.9%   | -1.9%          | -0.7%  | 2.1%           | 2.3%   |

Source: Mobius

#### *Lower Risk Lifestyle Strategy – Flexible Target*

The investment returns for the Lower Risk Lifestyle Strategy – Flexible Target by fund are provided below:

| Fund name                                                          | 1 year |        | 3 years (p.a.) |        | 5 years (p.a.) |        |
|--------------------------------------------------------------------|--------|--------|----------------|--------|----------------|--------|
|                                                                    | Fund   | B/mark | Fund           | B/mark | Fund           | B/mark |
| L&Q Global Equity Blended Fund                                     | 6.0%   | 6.9%   | 6.4%           | 7.1%   | 12.3%          | 12.4%  |
| L&Q Diversified Growth Blended Fund                                | 5.9%   | 8.5%   | 2.9%           | 7.5%   | 6.0%           | 6.9%   |
| L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund | -9.3%  | -10.4% | -16.1%         | -16.6% | -9.6%          | -9.0%  |
| L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund  | 3.4%   | 2.4%   | -0.1%          | -0.8%  | 1.0%           | -0.2%  |

Source: Mobius

The funds used in the Lower Risk Lifestyle Strategy – Flexible Target option saw investment returns between a rise in value of 6.0% to a fall in value of 9.3% over the 1-year period to 31 March 2025.

As the Lower Risk Lifestyle Strategy – Flexible Target arrangement uses a lifestyle strategy, the investment return varies depending on your age and how far you are from your selected retirement age.

The investment returns for the Lower Risk Lifestyle Strategy – Flexible Target by age are provided below:

| Member Age | 1 year |        | 3 years (p.a.) |        | 5 years (p.a.) |        |
|------------|--------|--------|----------------|--------|----------------|--------|
|            | Fund   | B/mark | Fund           | B/mark | Fund           | B/mark |
| 25         | 5.9%   | 8.5%   | 2.9%           | 7.5%   | 6.0%           | 6.9%   |
| 45         | 5.9%   | 8.5%   | 2.9%           | 7.5%   | 6.0%           | 6.9%   |
| 55         | 5.9%   | 8.5%   | 2.9%           | 7.5%   | 6.0%           | 6.9%   |
| 65         | 1.5%   | 1.9%   | -1.9%          | -0.7%  | 2.1%           | 2.3%   |

Source: Mobius

The Trustees are satisfied that the majority of the underlying funds within the other investment options have performed broadly in line with their objectives.

#### **2.3.1 Self-select funds**

The Plan also offers members a range of 18 self-select funds across a wide range of investment options. Over the year to 31 March 2025, the most popular funds used in the Plan's self-select range saw investment returns fall between a value of -9.3%, or a fall of £93.00 for every £1,000 invested to a rise in value of 11.5% or, put another way, a rise of £115.00 for every £1,000 invested. The self-select funds' performance is shown within the Appendix.

### **2.3.2 AVC funds**

The majority of AVC assets are invested in line with the DC investments noted above. However, a legacy AVC policy remains in place with Utmost Life and Pensions, following the transfer from Equitable Life in January 2020.

The AVC funds invested with Utmost Life and Pensions rose in value by 3.7% to 4.9% during the year to 31 March 2025. For detailed information on the AVC funds' performance see Appendix 4.

### 3 Charges and transaction costs

The charges and costs borne by members and London and Quadrant for the Plan's services are:

| Service                 | By members | By the employer |
|-------------------------|------------|-----------------|
| Investment management   | -          | Yes             |
| Investment transactions | Yes        | -               |
| Administration          | -          | Yes             |
| Governance              | -          | Yes             |
| Communications          | -          | Yes             |

#### 3.1 Charges

The charges quoted in this Statement are the funds' Total Expense Ratios ("TERs"). The TER consists of a fund's Annual Management Charge ("AMC") and Operating Costs and Expenses ("OCE"). OCEs include, for example, the fund's custodian costs, but exclude transaction costs. While the AMC is usually fixed, the OCE, and hence the TER, can vary slightly from day to day.

We have disclosed all of the investment costs and charges, however, members only pay for investment transaction costs. London and Quadrant meet the TERs for the funds in full.

The Plan is a qualifying scheme for auto-enrolment purposes and the member borne charges for the default arrangement complied with the charge cap during the year covered by this Statement.

#### 3.2 Transaction costs

The funds' transaction costs are in addition to the funds' TERs and can arise when:

- The fund manager buys or sells part of a fund's portfolio of assets; or
- The platform provider or fund manager buys or sells units in an underlying fund.

Transaction costs vary from day to day depending on where each fund is invested and stock market conditions at the time. Transaction costs can include: custodian fees on trades, stockbroker commissions and stamp duty (or other withholding taxes).

Transaction costs are deducted before the funds' unit prices are calculated. This means that transaction costs are not readily visible, but these costs will be reflected in a fund's investment performance.

The Financial Conduct Authority ("FCA") requires fund managers and providers to calculate transaction costs using the "slippage method", which compares the value of assets immediately before and after a transaction has taken place. This can give rise to negative transaction costs where favourable stock market movements during a transaction offset the rest of the trading costs (such as stockbroker commission).

The transaction costs shown in this statement are those taken from funds while members are invested in them. The transaction costs shown here do not include any costs members may incur from time to time when buying or selling units in the funds caused by the fund manager's unit price for a fund moving from a "bid" to "offer" basis (or vice versa) or any other "dilution levy" when units in that fund are bought or sold to protect the value of the fund for other investors.

The charges and transaction costs have been supplied by the Plan's platform provider, Mobius.

All transaction costs have been obtained and none are outstanding. The presentation of the charges and costs, together with the projections of the impact of charges and costs, takes into account the statutory guidance issued by the Department for Work and Pensions.

Full details of the annualised charges and transaction costs, for all funds for the Plan year, can be found in Appendix 2.

### 3.3 Performance-based fees

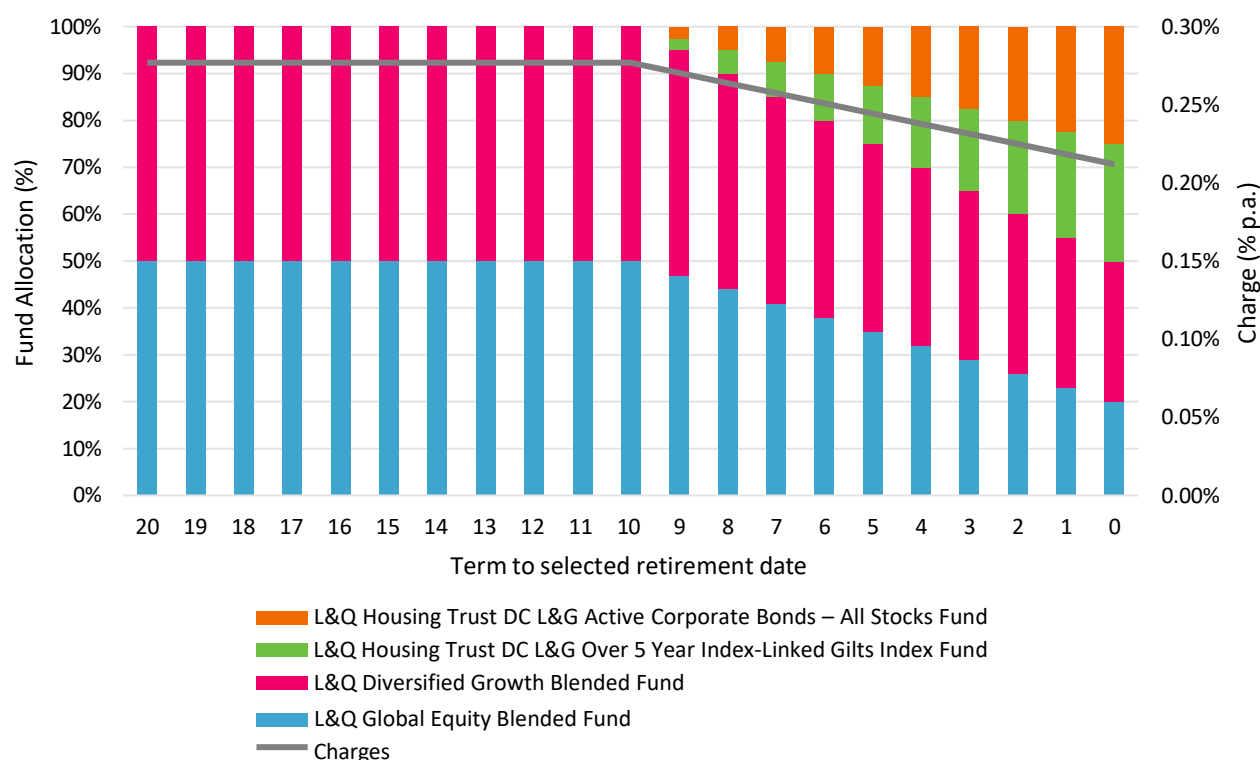
There were no performance-based fees which were deducted from the default arrangement during the Plan Year.

### 3.4 Default arrangement

The default arrangement has been set up as a “lifestyle strategy”, which means that members’ assets are automatically moved between different funds as they approach their target retirement date. This means that the level of charges and transaction costs borne by members will vary depending on how close members are to their selected retirement age and in which fund they are invested.

#### Default arrangement charges and transaction costs

The glidepath for the default arrangement is depicted below:



Annualised charges and transaction costs for the Plan year are set out in the table below.

| Period to selected retirement date | Charge<br>% p.a. | £ per £1,000 | Transaction costs<br>% p.a. | £ per £1,000 |
|------------------------------------|------------------|--------------|-----------------------------|--------------|
| 15 years or greater                | 0.28             | 2.77         | 0.11                        | 1.07         |
| 14 years                           | 0.28             | 2.77         | 0.11                        | 1.07         |
| 13 years                           | 0.28             | 2.77         | 0.11                        | 1.07         |
| 12 years                           | 0.28             | 2.77         | 0.11                        | 1.07         |
| 11 years                           | 0.28             | 2.77         | 0.11                        | 1.07         |
| 10 years                           | 0.28             | 2.77         | 0.11                        | 1.07         |
| 9 years                            | 0.27             | 2.70         | 0.11                        | 1.10         |
| 8 years                            | 0.26             | 2.64         | 0.11                        | 1.13         |
| 7 years                            | 0.26             | 2.57         | 0.12                        | 1.17         |
| 6 years                            | 0.25             | 2.51         | 0.12                        | 1.20         |
| 5 years                            | 0.24             | 2.44         | 0.12                        | 1.23         |
| 4 years                            | 0.24             | 2.38         | 0.13                        | 1.26         |

|         |      |      |      |      |
|---------|------|------|------|------|
| 3 years | 0.23 | 2.31 | 0.13 | 1.29 |
|---------|------|------|------|------|

|               |      |      |      |      |
|---------------|------|------|------|------|
| 2 years       | 0.22 | 2.25 | 0.13 | 1.32 |
| 1 year        | 0.22 | 2.18 | 0.14 | 1.36 |
| At retirement | 0.21 | 2.12 | 0.14 | 1.39 |

The average charge over a 40-year period was 0.27% p.a.  
The member borne charges were in the range from 0.21% p.a. to 0.28% p.a. Range: £2.12 to £2.77 per £1,000 invested. These charges are paid for by the employer.  
The transaction costs were in the range from 0.11% p.a. to 0.14% p.a. Range: £1.07 to £1.39 per £1,000 invested.

Source: Mobius

The table in Appendix 2a gives the charges and transaction costs for each fund used by the default arrangement.

### 3.5 Other investment options

#### 3.5.1 Self-select lifestyle options

The lifestyle options outside the default arrangement also invest contributions in different funds according to how far each member is from retirement. The charges borne by each member can also vary from one year to the next.

In addition to the default arrangement, members have the option to invest in four other lifestyles, targeting annuity purchase and cash withdrawal. These are:

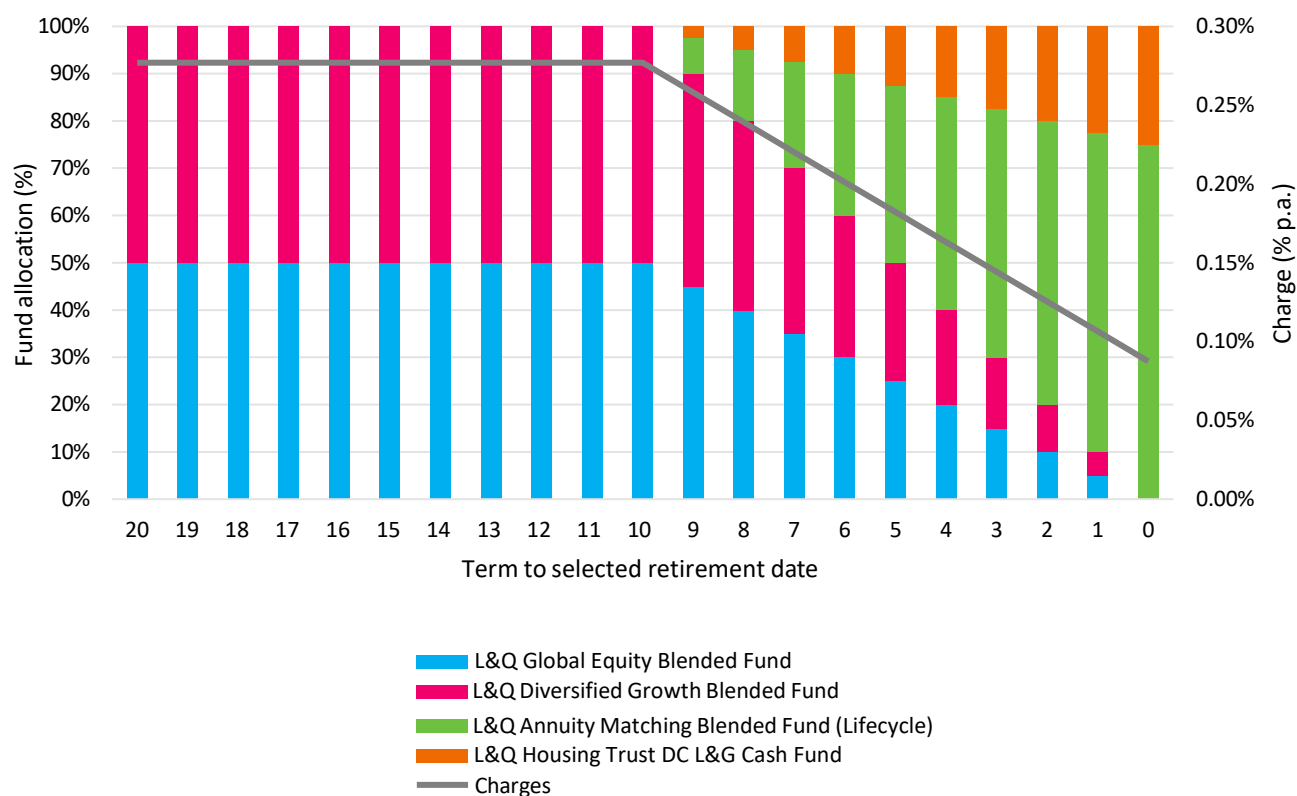
- The Moderate Lifestyle Strategy – Annuity Target
- The Moderate Lifestyle Strategy – Lump Sum Target
- The Higher Risk Lifestyle Strategy – Flexible Target
- The Lower Risk Lifestyle Strategy – Flexible Target

The plan also offers members a choice of 18 self-select funds to choose from covering a wide range of assets.

The tables in Appendix 2b give the charges for each fund used by each lifestyle option outside of the default and as noted above, these are paid by the employer.

#### Moderate Lifestyle Strategy – Annuity Target

The glidepath for the Moderate Lifestyle Strategy – Annuity Target is depicted below.



Annualised charges and transaction costs for the Plan Year are set out in the table below.

| Period to selected retirement date | Charge |              | Transaction costs |              |
|------------------------------------|--------|--------------|-------------------|--------------|
|                                    | % p.a. | £ per £1,000 | % p.a.            | £ per £1,000 |
| 15 years or greater                | 0.28   | 2.77         | 0.11              | 1.07         |
| 14 years                           | 0.28   | 2.77         | 0.11              | 1.07         |
| 13 years                           | 0.28   | 2.77         | 0.11              | 1.07         |
| 12 years                           | 0.28   | 2.77         | 0.11              | 1.07         |
| 11 years                           | 0.28   | 2.77         | 0.11              | 1.07         |
| 10 years                           | 0.28   | 2.77         | 0.11              | 1.07         |
| 9 years                            | 0.26   | 2.58         | 0.10              | 0.96         |
| 8 years                            | 0.24   | 2.39         | 0.09              | 0.86         |
| 7 years                            | 0.22   | 2.20         | 0.07              | 0.75         |
| 6 years                            | 0.20   | 2.01         | 0.06              | 0.64         |
| 5 years                            | 0.18   | 1.82         | 0.05              | 0.54         |
| 4 years                            | 0.16   | 1.63         | 0.04              | 0.43         |
| 3 years                            | 0.14   | 1.44         | 0.03              | 0.32         |
| 2 years                            | 0.13   | 1.25         | 0.02              | 0.22         |
| 1 year                             | 0.11   | 1.06         | 0.01              | 0.11         |
| At retirement                      | 0.09   | 0.88         | 0.00              | 0.00         |

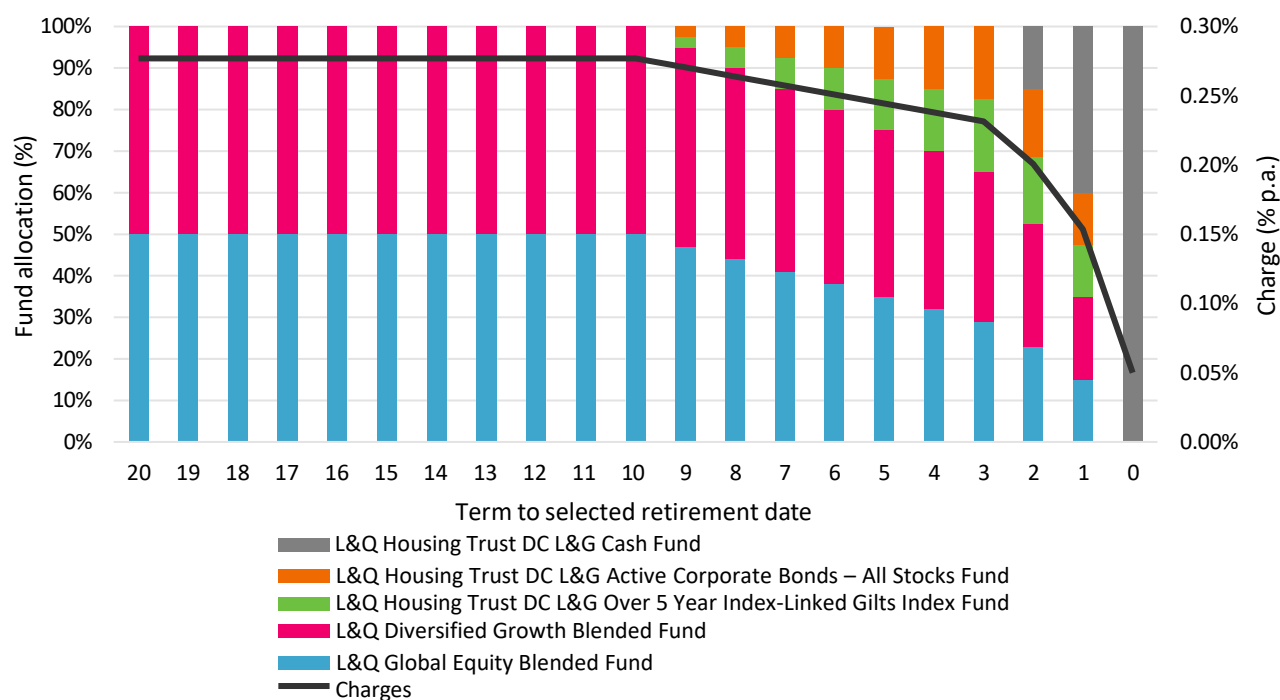
The average charge over a 40-year period was 0.25% p.a.  
The member borne charges were in the range from 0.09% p.a. to 0.28% p.a. Range: £0.88 to £2.77 per £1,000 invested.  
The transaction costs were in the range from 0.00% p.a. to 0.11% p.a. Range: £0.00 to £1.07 per £1,000 invested. These charges are paid for by the employer.

Source: Mobius

The tables in Appendix 2b give the charges and transaction costs for each fund used in the Moderate Lifestyle Strategy – Annuity Target option.

## Moderate Lifestyle Strategy – Lump Sum Target

The glidepath for the Moderate Lifestyle Strategy – Lump Sum Target is depicted below.



Annualised charges and transaction costs for the Plan Year are set out in the table below.

| Period to selected retirement date | Charge |              | Transaction costs |              |
|------------------------------------|--------|--------------|-------------------|--------------|
|                                    | % p.a. | £ per £1,000 | % p.a.            | £ per £1,000 |
| 15 years or greater                | 0.28   | 2.77         | 0.11              | 1.07         |
| 14 years                           | 0.28   | 2.77         | 0.11              | 1.07         |
| 13 years                           | 0.28   | 2.77         | 0.11              | 1.07         |
| 12 years                           | 0.28   | 2.77         | 0.11              | 1.07         |
| 11 years                           | 0.28   | 2.77         | 0.11              | 1.07         |
| 10 years                           | 0.28   | 2.77         | 0.11              | 1.07         |
| 9 years                            | 0.27   | 2.70         | 0.11              | 1.10         |
| 8 years                            | 0.26   | 2.64         | 0.11              | 1.13         |
| 7 years                            | 0.26   | 2.57         | 0.12              | 1.17         |
| 6 years                            | 0.25   | 2.51         | 0.12              | 1.20         |
| 5 years                            | 0.24   | 2.44         | 0.12              | 1.23         |
| 4 years                            | 0.24   | 2.38         | 0.13              | 1.26         |
| 3 years                            | 0.23   | 2.31         | 0.13              | 1.29         |
| 2 years                            | 0.20   | 2.01         | 0.13              | 1.31         |
| 1 year                             | 0.15   | 1.54         | 0.13              | 1.31         |
| At retirement                      | 0.05   | 0.50         | 0.13              | 1.27         |

The average charge over a 40-year period was 0.26% p.a.

The member borne charges were in the range from 0.05% p.a. to 0.28% p.a. Range: £0.50 to £2.77 per £1,000 invested.

The transaction costs were in the range from 0.11% p.a. to 0.13% p.a. Range: £1.07 to £1.31 per £1,000 invested. These charges are paid for by the employer.

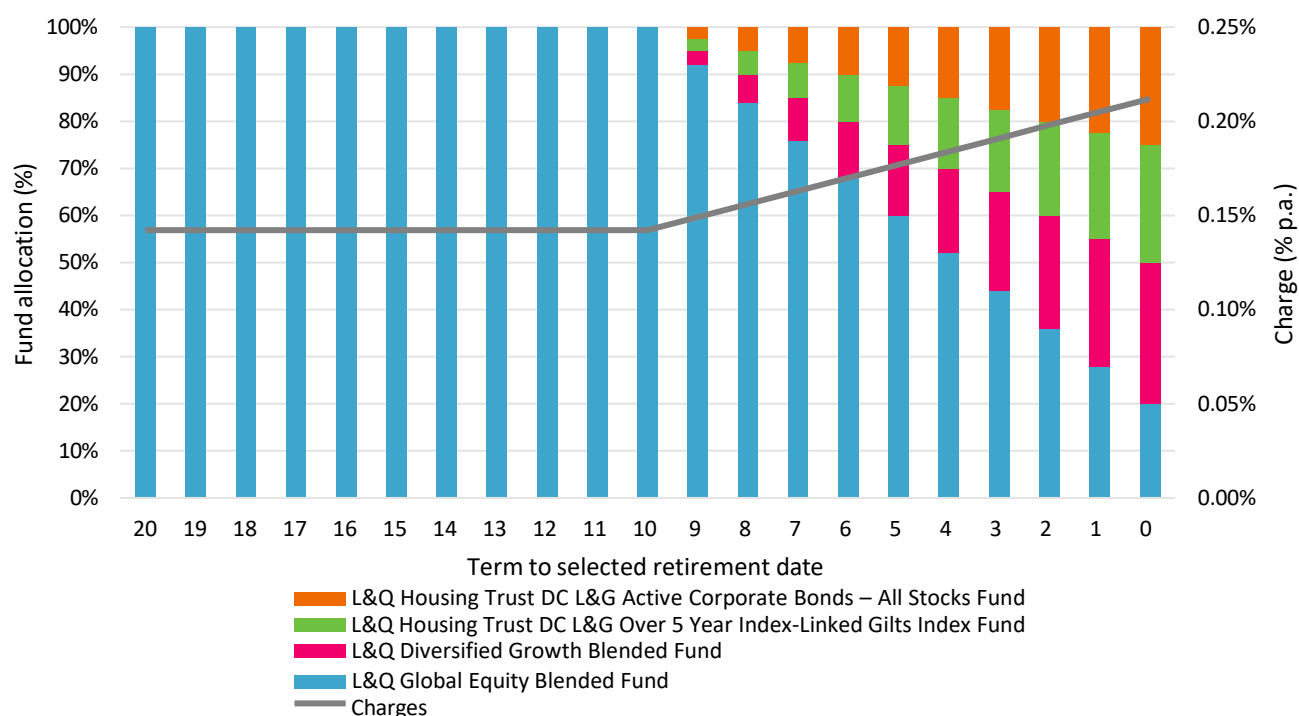
Source: Mobius

The tables in Appendix 2b give the charges and transaction costs for each fund used in the Moderate Lifestyle

Strategy – Lump Sum Target option.

## Higher Risk Lifestyle – Flexible Target

The glidepath for the Higher Risk Lifestyle – Flexible Target is depicted below.



Annualised charges and transaction costs for the Plan Year are set out in the table below.

| Period to selected retirement date | Charge |              | Transaction costs |              |
|------------------------------------|--------|--------------|-------------------|--------------|
|                                    | % p.a. | £ per £1,000 | % p.a.            | £ per £1,000 |
| 15 years or greater                | 0.14   | 1.42         | 0.05              | 0.50         |
| 14 years                           | 0.14   | 1.42         | 0.05              | 0.50         |
| 13 years                           | 0.14   | 1.42         | 0.05              | 0.50         |
| 12 years                           | 0.14   | 1.42         | 0.05              | 0.50         |
| 11 years                           | 0.14   | 1.42         | 0.05              | 0.50         |
| 10 years                           | 0.14   | 1.42         | 0.05              | 0.50         |
| 9 years                            | 0.15   | 1.49         | 0.06              | 0.58         |
| 8 years                            | 0.16   | 1.56         | 0.07              | 0.67         |
| 7 years                            | 0.16   | 1.63         | 0.08              | 0.76         |
| 6 years                            | 0.17   | 1.70         | 0.09              | 0.85         |
| 5 years                            | 0.18   | 1.77         | 0.09              | 0.94         |
| 4 years                            | 0.18   | 1.84         | 0.10              | 1.03         |
| 3 years                            | 0.19   | 1.91         | 0.11              | 1.12         |
| 2 years                            | 0.20   | 1.98         | 0.12              | 1.21         |
| 1 year                             | 0.20   | 2.05         | 0.13              | 1.30         |
| At retirement                      | 0.21   | 2.12         | 0.14              | 1.39         |

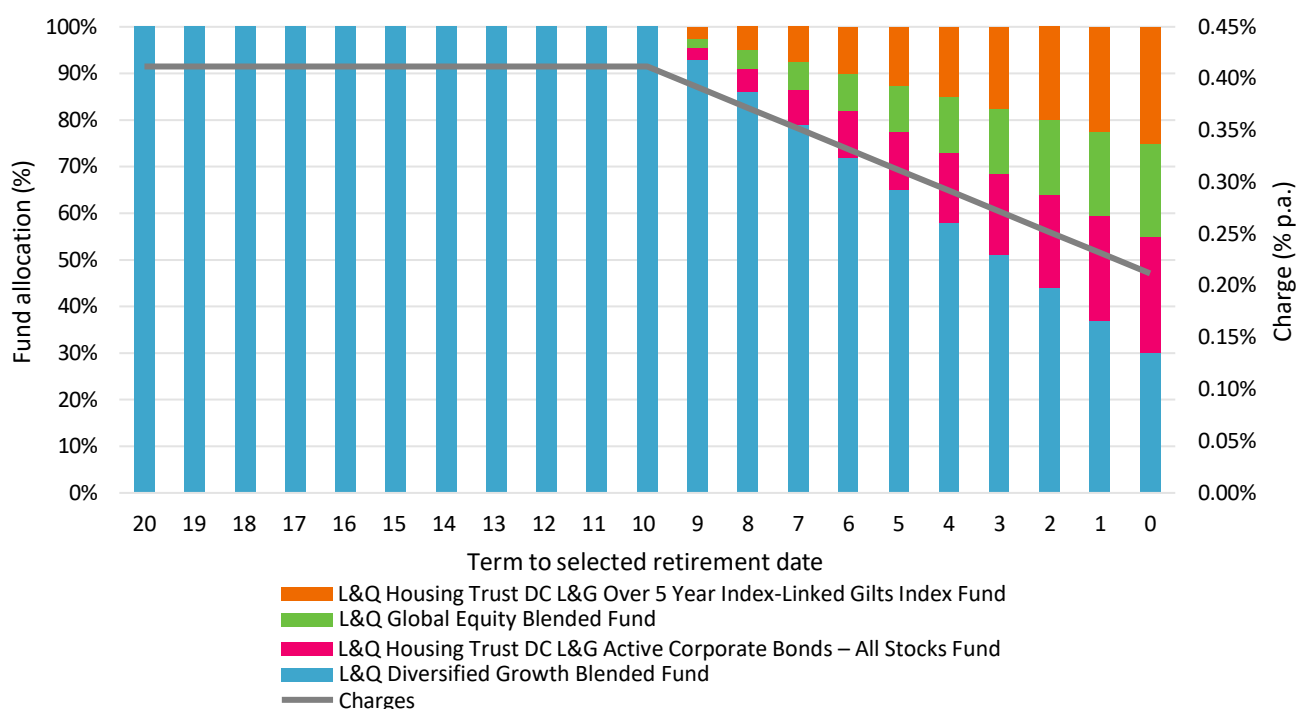
The average charge over a 40-year period was 0.15% p.a.  
The member borne charges were in the range from 0.14% p.a. to 0.21% p.a. Range: £1.42 to £2.12 per £1,000 invested.  
The transaction costs were in the range from 0.05% p.a. to 0.14% p.a. Range: £0.50 to £1.39 per £1,000 invested. These charges are paid for by the employer.

Source: Mobius

The tables in Appendix 2b give the charges and transaction costs for each fund used in the Higher Risk Lifestyle – Flexible Target option.

## Lower Risk Lifestyle – Flexible Target

The glidepath for the Lower Risk Lifestyle – Flexible Target is depicted below.



Annualised charges and transaction costs for the Plan Year are set out in the table below.

| Period to selected retirement date | Charge |              | Transaction costs |              |
|------------------------------------|--------|--------------|-------------------|--------------|
|                                    | % p.a. | £ per £1,000 | % p.a.            | £ per £1,000 |
| 15 years or greater                | 0.41   | 4.12         | 0.16              | 1.65         |
| 14 years                           | 0.41   | 4.12         | 0.16              | 1.65         |
| 13 years                           | 0.41   | 4.12         | 0.16              | 1.65         |
| 12 years                           | 0.41   | 4.12         | 0.16              | 1.65         |
| 11 years                           | 0.41   | 4.12         | 0.16              | 1.65         |
| 10 years                           | 0.41   | 4.12         | 0.16              | 1.65         |
| 9 years                            | 0.39   | 3.92         | 0.16              | 1.62         |
| 8 years                            | 0.37   | 3.72         | 0.16              | 1.59         |
| 7 years                            | 0.35   | 3.52         | 0.16              | 1.57         |
| 6 years                            | 0.33   | 3.32         | 0.15              | 1.54         |
| 5 years                            | 0.31   | 3.12         | 0.15              | 1.52         |
| 4 years                            | 0.29   | 2.92         | 0.15              | 1.49         |
| 3 years                            | 0.27   | 2.72         | 0.15              | 1.46         |
| 2 years                            | 0.25   | 2.52         | 0.14              | 1.44         |
| 1 year                             | 0.23   | 2.32         | 0.14              | 1.41         |
| At retirement                      | 0.21   | 2.12         | 0.14              | 1.39         |

The average charge over a 40-year period was 0.38% p.a.

The member borne charges were in the range from 0.21% p.a. to 0.41% p.a. Range: £2.12 to £4.21 per £1,000 invested.

The transaction costs were in the range from 0.14% p.a. to 0.16% p.a. Range: £1.39 to £1.65 per £1,000 invested. These charges are paid for by the employer.

Source: Mobius

The tables in Appendix 2b give the charges and transaction costs for each fund used in the Higher Risk Lifestyle – Flexible Target option.

### 3.5.2 Self-select funds

The table in Appendix 2c gives the charges and transaction costs for each self-select fund. As noted above, only the transaction costs are paid by members.

The Plan offers a choice of 18 self-select funds to choose from covering a wide range of assets.

During the year, the charges for the self-select funds were in a range from 0.03% to 0.63% of the amount invested or, put another way, in a range from £0.30 to £6.34 per £1,000 invested.

The transaction costs borne by members in the self-select funds during the year were in a range from a saving of 0.04% to a cost of 0.25% of the amount invested or, put another way, in a range from a saving of £0.42 to a cost of £2.50 per £1,000 invested.

Full details on the level of charges for each self-select fund and the transaction costs over the period covered by this Statement are shown in Appendix 2c.

### 3.6 Additional Voluntary Contributions (AVCs)

Members of the Plan are also able to invest in AVCs. Members can invest AVCs into the same investment option that their ordinary contributions are invested in. Therefore, the range for both charges and transaction costs for AVC funds will be consistent with the information provided above.

Over the year, the Plan also held legacy AVC's with Utmost Life and Pensions in the following funds:

- Multi Asset Cautious Fund
- Multi Asset Moderate Fund
- Money Market Fund

No new contributions can be made.

During the year the charges for the AVC funds were in a range from 0.50% to 0.75% of the amount invested or, put another way, in a range from £5.00 to £7.50 per £1,000 invested.

The transaction costs borne by members in the AVC funds during the year were in a range from 0.01% to 0.39% of the amount invested or, put another way, in a range from £0.07 to £3.91 per £1,000 invested.

The table in Appendix 2b give the charges and transaction costs for each AVC fund held with Utmost Life and Pensions.

### 3.7 Illustration of charges and transaction costs

Over time, the charges and transaction costs that are taken out of a member's pension savings can reduce the amount available to the member at retirement. These illustrations show projected fund values in today's money before and after costs and charges for a typical member at stages from joining the Plan up to retirement.

The "before costs" figures show the projected value of a member's savings assuming an investment return with no deduction of member borne fees or transaction costs. The "after costs" figures show the projected value of a member's savings using the same assumed investment return but after deducting member borne fees and an allowance for transaction costs.

As an example, for a member in the default arrangement, paying the lowest level of contributions (3% employee and 6% employer) who is aged 47 with a pot size of £51,000, a salary of £56,000 and a normal retirement age of 65, if the level of transaction costs that applied over the period covered by this Statement continued until retirement, it would reduce their projected pot value at retirement in today's money from £201,080 to £194,959.

As another example, for a member in the default arrangement, paying the highest level of matched contributions (6% employee and 12% employer) who is aged 47 with a pot size of £51,000, a salary of £56,000 and a normal retirement age of 65, if the level of transaction costs that applied over the period covered by this statement continued until retirement, it would reduce their projected pot value at retirement in today's money from £322,958 to £314,157.

These illustrated values are not guaranteed and may not prove to be a realistic indication of how your own savings might grow.

Please see the notes to the tables in Appendix 3 for the assumptions used in calculating these illustrations.

The illustrations have been prepared in accordance with the DWP's statutory guidance on "Reporting costs, charges and other information: guidance for trustees and managers of occupational pension schemes" on the projection of an example member's pension savings.

## 4 Value for Members

Each year, with the help of their advisers, the Trustees carry out an assessment of whether the charges and transaction costs for the default arrangement and other investment options, which are borne in full or in part by members, represent good Value for Members (VFM). Value is not simply about low cost – the Trustees also consider the quality and scope of provision compared against similar schemes and available external benchmarks.

### Approach

The Trustees adopted the following approach to assessing VFM for the last year:

- Services – considered the services where members bear or share the costs;
- Outcomes – weighted each service according to its likely impact on outcomes for members at retirement;
- Comparison – compared the cost and quality of each service against similar schemes and available external comparisons;
- Rating – rated each service from poor to excellent.

The VFM assessment only considers the services where members bear or share the costs. The costs of each service are borne by:

| Category                | Paid for by members | Paid for by the employer |
|-------------------------|---------------------|--------------------------|
| Investment management   | N                   | Y                        |
| Investment transactions | Y                   | N                        |
| Administration          | N                   | Y                        |
| Communications          | N                   | Y                        |
| Governance              | N                   | Y                        |

All charges (in respect of investment management, administration, communications, and Plan management and governance) are paid for by the Company. Transaction costs (which include the costs associated with buying and selling investments) are the only fees that are paid for by members. These are paid out of a member's fund before the performance is calculated.

A key consideration in our assessment is the fact that members only pay for the transaction costs on funds and all other fees are paid for by the Company. A more holistic overall value for money assessment considers the areas that members do not pay for (e.g. administration, communication, governance, retirement), but which have an important bearing on whether the Plan delivers good member outcomes. We recommend the Trustees carry out this holistic assessment to identify areas where overall value for money, and member outcomes, might be improved.

### Results for the year ending 31 March 2025

The Plan provided **AVERAGE** Value for Members in the year ending 31 March 2025.

## Value for Members

The rationale for the rating of each service was in outline:

| Category   | Weighting | VFM rating | Rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------|-----------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment | 100%      | 3          | <p><b>Defined Contribution (DC)</b></p> <p>Charges were line with those of comparable schemes and, in any case, are met by the employer. The only “costs” incurred by members in relation to their investments are transaction costs, which are reflected in fund performance. For the default investment strategy, these costs are approximately 0.11% p.a. on average, calculated over a 40-year period to retirement.</p> <p>Transaction costs for the self-select funds range between a saving (i.e. a negative charge) of 0.04% p.a. to a cost of 0.25% p.a. Some of the self-select funds have reported negative transaction costs during the Plan year. Negative transaction costs arise where favourable stock market movements during a transaction offset the rest of the trading costs (such as stockbroker commission), resulting in a net gain for members.</p> <p>The transaction costs are higher than those for similar funds used by other schemes.</p> <p>No review of the investment strategy was due to be carried out over the Plan year. The Trustees have been monitoring whether fund performance was in line with objectives every quarter, via the investment monitoring reports prepared by their investment advisers. The Diversified Growth Blended Fund has underperformed in relation to its benchmark and the Trustees will be reviewing whether this fund remains appropriate over the next Plan year.</p> <p>The Statement of Investment Principles was last reviewed on 19 September 2024 to reflect new regulatory requirements, including the requirement to state the Plan’s policy on investing in illiquid assets.</p> <p><b>Additional Voluntary Contributions (AVCs)</b></p> <p>The majority of AVC assets are invested in line with the DC investments noted above. However, a legacy AVC policy remains in place with Utmost Life and Pensions, following the transfer from Equitable Life in January 2020. Charges for this policy range from 0.50% p.a. to 0.75% p.a. depending on members' term to retirement. These are higher than charges for similar funds but in line with charges incurred by legacy AVC providers such as Utmost Life and Pensions.</p> <p>On balance, the rating has been assessed as average. Transaction costs and AVC charges were found to be higher than those of peer schemes and the investment strategy</p> |

|                       |    |                                                          |                                                                                                   |
|-----------------------|----|----------------------------------------------------------|---------------------------------------------------------------------------------------------------|
|                       |    |                                                          | needs to be reviewed as some of the performance objectives for the default strategy were not met. |
| <b>Administration</b> | 0% | Not rated as members do not bear or share in these costs |                                                                                                   |
| <b>Communications</b> | 0% | Not rated as members do not bear or share in these costs |                                                                                                   |
| <b>Governance</b>     | 0% | Not rated as members do not bear or share in these costs |                                                                                                   |

The Trustees have agreed an action plan for the following year to improve value where necessary. There is no missing information. This action plan, along with details of the value assessment limitations, are detailed in other sections of this Chair's Statement. Full details of the approach used to assess value can be found in the VFM assessment.

## 5 Administration

The Trustees have appointed Hymans Robertson to administer the Plan on their behalf.

### 5.1 Core financial transactions

The Trustees monitored core financial transactions during the year including:

- The receipt and investment of contributions (including inward transfers of funds);
- Switches between investment options; and
- Payments of benefits (including retirements and outward transfers of funds).

### 5.2 Service levels

The Plan has a service level agreement (SLA) in place with Hymans Robertson which covers the accuracy and timeliness of all core financial transactions. Hymans Robertson aims to complete 95% of its core financial transactions within this service level.

The service level agreement in place with Hymans Robertson covers the accuracy and timeliness of all core financial transactions such as:

- The investment of contributions;
- Switching investment options
- Providing quotations of benefits to members who are retiring or leaving the Plan; and
- Payments of benefits.

The main service standards are:

- Provision of retirement pack and quotation of benefits within 7 working days;
- Payments of benefits are made within 7 working days;
- Provision of transfer value quotation within 7 working days;
- Payment of transfer value within 7 working days;
- Response to members' enquiries within 5 working days;
- Provision of statements upon request within 5 working days; and
- Processing of investment switches to go to the Investment Manager within 48 hours

We understand that the administrator monitors its performance against these service levels by:

- Maintaining compliance with ISO 27001 (a specification for an information security management system);
- Maintaining accreditation with the Pensions Administration Standards Association ("PASA");
- Monitoring daily transactions of DC and regular member activities;
- Monitoring daily workflow items of DC and regular member activities;
- Regular internal audits of administration procedures – there is an annual AAF audit; and
- Reviewing the level, causes and resolution of complaints.

The administrator also conducts reviews of common and conditional data.

The Trustees monitored core financial transactions and administration service levels during the year by:

- Checking that contributions deducted from members' earnings have been paid promptly to the Plan by the employer;
- Receiving quarterly reports from the administrator on the processing of financial transactions and other administration processes against the agreed service levels;
- Considering the reasons for and resolution of any breaches of service standards;
- Mortality screening for all pensions in payment;
- Receiving reports from the Plan's Auditor, who independently tests sample transactions for accuracy and timeliness; and
- Considering member feedback including any complaints.

The Plan's administrators, Hymans Robertson, have confirmed to the Trustees that there are adequate internal controls to ensure that core financial transactions relating to the Plan are processed promptly and accurately.

The performance against service levels over the reporting year was 97.8% in Q2 2024, 95.1% in Q3 2024, 95.0% in Q4 2024 and 95.2% in Q1 2025.

Considering all of the above, the Trustees believe that the majority of core financial transactions were carried out promptly and accurately.

The Trustees are working with Hymans Robertson to improve the performance of administration processes against SLAs.

The Trustees are satisfied that the service standards are competitive because they regularly consider the effectiveness of their providers including the Plan administrator.

### **5.3 Data quality**

Each year the Trustees arrange reviews and receive reports from the Plan's administrator, Hymans Robertson, to confirm that they have undertaken an audit of the Plan's common data (which is the key data needed by the Plan to calculate members' benefits such as dates of birth), to ensure that the records for all members are accurate and up to date.

The last data quality audit was undertaken in June 2025. This showed that common data was present for 95% of membership data as at 23 June 2025 – compared to 95% last year, so is broadly unchanged.

Over the next year the Trustees will continue to monitor the quality of the Plan's common data.

### **5.4 Cyber security**

The Trustees are conscious of the growing threat of cyber-attacks on pension scheme information.

Each year the Trustees ask the Plan's administrator to confirm that their cyber security arrangements are effective and up to date. The Trustees expect that the Plan's administrator will report any security breach immediately and ensure that members are notified as soon as possible.

### **5.5 Own Risk Assessment (ORA)**

Each year the Trustees carry out an assessment of the effectiveness of the controls which are in place to manage the risks faced by the Plan. The Trustees are currently preparing their first ORA.

## **5.6 Overall**

The Trustees receive quarterly reports about the administrator's performance and compliance with the SLA. Using information provided by the administrator, the Trustees are satisfied that over the period covered by this statement:

- The administrator was operating appropriate procedures, checks and controls and operating within the agreed SLA;
- The majority of financial transactions were processed promptly and accurately;
- There have been no material administration errors in relation to processing core financial transactions;
- The wider administration of the Plan achieved the agreed service standards;
- The Plan's common data is accurate and up to date;
- The Plan's cyber security arrangements are effective.

## **5.7 Security of assets**

The situation regarding the security of where pension contributions are invested is complex. It can vary from scheme to scheme and from fund to fund within each scheme. To-date there have only been a few instances where members of schemes such as ours have seen their benefits reduced because of a financial failure of a provider or fund manager.

The Trustees have reviewed the structure of the funds used within the default arrangement and other investment options. The Trustees believe that the current structures are appropriate for members when compared to other possible structures.

## 6 Trustee knowledge and understanding

The Plan's Trustees are required to maintain appropriate levels of knowledge and understanding to run the Plan effectively. Section 247 and 248 of the Pensions Act 2004 requires that each Trustee must:

- Be conversant with the Trust Deed and Rules of the Plan, the Plan's Statement of Investment Principles and any other document recording policy for the time being adopted by the Trustees relating to the administration of the Plan generally,
- Have, to the degree that is appropriate for the purposes of enabling the individual to properly to exercise his or her functions as trustee, knowledge and understanding of the law relating to pensions and trusts and the principles relating to investment the assets of occupational pension schemes.

The Trustees have measures in place to comply with the legal and regulatory requirements regarding knowledge and understanding of relevant matters, including investment, pension and trust law.

### 6.1 Current practices

The Trustees' current practices to maintain and develop their level of knowledge and understanding of matters relating to the Plan are:

- There is an induction process for newly appointed Trustees, who are asked to complete the Pensions Regulator's "Trustee Toolkit" within 6 months of becoming a Trustee. The Trustee Toolkit is an online modular training toolkit provided by the Pensions Regulator for trustees, covering areas such as pensions and Trust law, investment principles and conversance with scheme specific documents. The actual scheme documents are covered as a further part of the induction process. It is designed to get Trustees to meet the level of knowledge and understanding required by law;
- Trustees are expected to and have a working knowledge of the Plan's Trust Deed and Rules;
- Trustees are expected to have a working knowledge of the Plan's Statement of Investment Principles as well as the funding investment concepts relevant to the Plan;
- Trustees are expected to have a working knowledge of the law and legislation relating to pension Plans;
- Trustees are encouraged to undertake further study and qualifications which support their work as Trustees;
- The Trustees have a plan in place for ongoing training appropriate to their duties. The plan focuses on knowledge and skill gaps and new topics and helps the Trustees ensure the training set for the Plan year is relevant and focused on the Trustees' training needs;
- The effectiveness of these practices and the training received are reviewed annually; and
- The Trustees are expected to have a working knowledge of the Trustees' current policies, which are reviewed at Trustee meetings as per the cycle of reviews set out in each year's Business Plan.

### 6.2 Trustee training

The Trustees, with the help of their advisers, regularly consider training requirements to identify any knowledge gaps and this awareness is used in the setting of the Trustees' training priorities throughout the year. The Trustees' advisers proactively raise any changes in governance requirements and other relevant matters as they become aware of them. The Trustees' advisers typically deliver training on such matters at Trustee meetings if they are material.

Individual training records are maintained in the Trustees' training logs and are available upon request.

All the Trustees have completed the Pensions Regulator's Trustee Toolkit. Additionally, the Plan has a structured induction process for new Trustees.

The Trustees undertake assessments using a questionnaire to identify any gaps in the Trustees' knowledge and skills to ensure that the training programme set for the Plan year ahead is relevant and focussed. The results were analysed by our advisers and incorporated into future training plans.

During the period covered by this Statement, the Trustees received training on the following topics:

| Date                | Topic                         | Aim/benefit                              | Trainer          |
|---------------------|-------------------------------|------------------------------------------|------------------|
| 13 June 2024        | Ruffer Absolute Return Fund   | Training on investment topic             | Hymans Robertson |
| 19th September 2024 | TPR's new Funding Code        | Training on the new funding code         | Hymans Robertson |
| 10th December 2024  | Stewardship training          | To ensure understanding of stewardship   | Hymans Robertson |
| 11th March 2025     | Master Trust Training, part 1 | To ensure understanding of master trusts | Hymans Robertson |
| 12th June 2025      | Master Trust Training, part 2 | To ensure understanding of master trusts | Hymans Robertson |

The Trustees also receive quarterly "hot topics" from their adviser covering technical and legislative/regulatory changes affecting defined contribution (and additional voluntary contribution) plans in general. The Trustees also participate in non-formal training by attending webinars and keeping up with pensions news.

### 6.3 Governing documentation

All Trustees have access to copies of and are familiar with the current governing documentation for the Plan, including the Trust Deed & Rules (together with any amendments) and the SIP. The Trustees refer to the Trust Deed and Rules as part of deciding to make any changes to the Plan, and, where relevant, deciding individual member cases, and the SIP is formally reviewed at least every three years and as part of making any change to the Plan's investments.

The Trustees test their familiarity with the Plan's documentation, pensions Law/Regulations and the Pensions Regulator's General Code of and supporting Guides as and when required.

### 6.4 Skills, experience and diversity

The Trustees have considered the diversity of the board in relation to core characteristics such as gender, age and ethnicity and to the mix of skills, experience and cognitive diversity, as part of the annual effectiveness review. Where vacancies on the Board arise, the Trustees will seek to recruit new Trustees who enhance the diversity of the Board and its overall effectiveness.

The Board is chaired by an independent, professional Trustee who brings additional skills and experience to the Board. The professional Trustee has Plan-specific understanding and conversance with documents in addition to providing a wealth of experience from his work as a trustee on other schemes.

### 6.5 Trustee advisers

The Trustees have appointed suitably qualified and experienced actuaries, legal advisers, investment consultants and benefit consultants to provide advice on the operation of the Plan in accordance with its Trust Deed and Rules, legislation and regulatory guidance.

The Trustees review the effectiveness of its advisers annually and periodically reviews the appointment of its advisers.

## **6.6 Reviews**

The Trustees undertook the following reviews during the last year:

- The current practices to maintain and develop Trustees' knowledge and understanding;
- Assessments to identify any gaps in the Trustees' knowledge and skills.

## **6.7 Overall**

Taking into account the knowledge and experience of the Trustees with the specialist advice (both in writing and whilst attending meetings) received from the appointed professional advisers (e.g. investment consultants, legal advisers), the Trustees believe they are well placed to exercise their functions as Trustees of the Plan properly and effectively.

## 7 Our key actions last year and plans for the next year

During the last year the Trustees undertook the following:

- Monitored the impact of global market volatility on the Plan's investments and issued a communication to members on the Plan's website;
- Monitored the Plan investments' performance against objectives on a quarterly basis;
- Updated the Statement of Investment Principles to include the Trustee's policy on illiquid investments;
- Continued to review governance arrangements to ensure compliance with the Pensions Regulator's General Code of Practice; and
- Arranged for the publication of this Statement, together with the Statement of Investment Principles in a publicly searchable location on the internet with a note of this location in the annual benefit statements.

In the coming year (which will be covered by the next Statement), the Trustees intend to carry out the following:

- Undertake the triennial review of the investment strategy;
- Review the legacy AVC policy held with Utmost Life and Pensions;
- Put in place an investment governance policy (this was put in place in June 2025, after the end of the Scheme year);
- Consider forming a policy on Responsible Investment, as well as setting stewardship priorities to challenge their underlying managers and voting practices;
- Undertake training on security of assets;
- Continue to monitor the quality of the Plan's common data; and
- Continue to regularly review funds and monitor performance.

The Trustees believe that this work will help you get the best out of our Plan.

## Appendix 1 - Statement of Investment Principles

### London & Quadrant Housing Trustee Staff Benefits Plan - Money Purchase Section

#### Statement of Investment Principles – May 2025

##### Introduction

The Trustees of the London & Quadrant Housing Trustee Benefits Plan (“the Plan”) have drawn up this Statement of Investment Principles (“the Statement”) to comply with the requirements of the Pensions Act 1995, the Pensions Act 2004, and the Occupational Pensions Funds (Investment) Regulations 2005.

The Statement is intended to affirm the investment principles that govern decisions about the Plan’s investments. In preparing this Statement the Trustees have consulted the London & Quadrant Housing Trust (“the Employer”) on the Trustees’ investment principles.

##### Governance

The Trustees of the Plan make all major strategic decisions including, but not limited to, the Plan’s asset allocation and the appointment and termination of investment managers. The process for making investment decisions is as follows:

- Identify appropriate investment objectives.
- Agree the level of risk consistent with meeting the objectives; and
- Implement the investment strategy and investment manager structure in line with the level of risk and objectives agreed.

When making such decisions, and when appropriate, the Trustees take proper written advice. The Trustees’ investment consultants, Hymans Robertson, are qualified by their ability in and practical experience of financial matters and have the appropriate knowledge and experience to provide such advice.

##### Investment Objectives

The Trustees recognise that their ultimate objective is to best ensure that members of the Plan are able to retire on a reasonable level of pension taking into account the contributions paid into their individual accounts and the timescale over which those contributions were paid.

The Trustees also recognise that individual members have different investment needs and that these may change during the course of their working lives. They also recognise that members have different attitudes to risk. Hence, the Trustees have in place investment options that they believe will achieve returns consistent with the level of security chosen by the member.

The Trustees’ key objectives for the Plan’s investment strategy are therefore to:

- Ensure the investment strategy is consistent with relevant legislation/regulations/Trustee Deed and Rules, and best practice, and there is sufficient flexibility to react to legislative/regulatory changes.
- Ensure the investment strategy structure and design is based on the membership profile, where practical to do so.

- Offer members a reasonable range of investment options to satisfy their risk and targeted return requirements, and to reflect the range of retirement options members now have following the introduction of freedom and choice in pensions.

## LONDON &amp; QUADRANT HOUSING TRUST STAFF BENEFITS PLAN

- Be mindful of the costs borne by members as a result of investing in different asset classes and using different investment management styles.
- Use diversification between different types of assets to reduce investment risk, where practical and cost effective to do so within the investment strategy.
- Ensure the investment strategy is capable of being communicated relatively easily to members such that members can take informed decisions in the context of their personal financial circumstances.
- Ensure the expected level of ongoing governance does not exceed the Trustees' agreed overall governance budget.

The Trustees will regularly monitor the investment strategy against these objectives.

### **Investment Strategy**

The Trustees will offer a sufficient fund range to satisfy the risk and targeted return requirements reasonable for most members.

The Trustees have in place a range of investment options that they believe will allow members to strike appropriate balances between long-term needs for capital growth and shorter-term volatility of returns, especially in the period approaching retirement.

The Trustees have designed five Lifestyle investment options. The Lifestyle investment options are automated switching facilities allowing members to pre-select an investment strategy, which will move their accrued funds into lower risk investments as retirement approaches. The five Lifestyle investment options are:

1. Moderate Lifestyle Strategy - Flexible Target (Default Option).
2. Moderate Lifestyle Strategy – Annuity Target.
3. Moderate Lifestyle Strategy – Lump Sum Target.
4. Higher Risk Lifestyle Strategy – Flexible Target.
5. Lower Risk Lifestyle Strategy - Flexible Target.

The Moderate Lifestyle Strategy (Flexible Target) is the default investment strategy that will match the risk profile of passive savers more closely. A flexible pre-retirement blend is used as the pre-retirement phase of the default investment strategy to provide greater flexibility for members at retirement.

The main objective of the default arrangement is to provide good member outcomes at retirement. The Trustees believe that it is in the best interests of the majority of members to offer a default which:

- Manages the principal investment risks members face during their membership of the Plan.
- Maximises investment returns relative to inflation while taking an appropriate level of risk during membership of the Plan for the majority of members who do not make investment choices.
- Reflects members' likely benefit choices at retirement.

There are also two variations to the default investment strategy, the Moderate Lifestyle Strategy (Annuity Target) and the Moderate Lifestyle Strategy (Lump Sum Target), to provide members with options which target annuity purchase or full encashment. This is to cater for members in the Plan who may wish to draw their benefits in different ways.

## LONDON &amp; QUADRANT HOUSING TRUST STAFF BENEFITS PLAN

The Trustees believe that it is in the best interests of members in the alternative lifestyle options to:

- Manage the principal investment risks members face during their membership of the Plan.
- Give further choice for members who feel that the Plan's default arrangement is not appropriate to their needs, but do not otherwise want to be involved in deciding where their contributions are invested.

The Higher Risk Lifestyle Strategy and the Lower Risk Lifestyle Strategy should remain as alternatives to the default option in order to provide members with the opportunity to make limited investment choices in line with the estimated proportion of limited personalisers.

The objectives of the self-select fund range are to:

- Provide a choice of individual funds for members who want to be more closely involved in choosing where their pension pot is invested.
- Complement the objectives of the default arrangement and the alternative lifestyle options.
- Provide a broader choice of levels of investment risk and return.
- Provide a broader choice of investment approaches including, ethical and faith-based funds.
- Help members more closely tailor how their pension pot is invested to their personal needs and attitude to risk.
- Help members more closely tailor how their pension pot is invested to reflect the benefits they intend to take at retirement.

Nevertheless, the self-select fund range cannot be expected to cover all the investment needs of all members.

The lifestyle strategies and the self-select fund range offered will be reviewed from time to time by the Trustees to take into account changes in various considerations such as: the membership profile and experience, the likely sizes of pension pots at retirement, the level of income in retirement that members are likely to need, legislation and regulations, ESG factors and developments in investment products.

### **Investment Mandates**

The Trustees have appointed Legal & General Investment Management ("LGIM"), BlackRock Investment Management (UK) Limited ("BlackRock"), Schroder Investment Management Limited ("Schroder") and HSBC Global Asset Management UK Ltd ("HSBC") (the "Investment Managers") to manage the Defined Contribution assets of the Plan's Money Purchase Section. The Investment Managers are regulated under the Financial Services and Markets Act 2000. All decisions about the day-to-day management of the assets have been delegated to the Investment Manager via a written agreement, including the realisation of investments.

The details of the Money Purchase Section investment arrangements are set out in Appendix II.

### **Platform Provider**

The Trustees have appointed Mobius Life Limited ('the Platform Provider'), as provider of an investment platform through which the Trustees are able to access third party funds in order to invest the assets of the Plan. The Platform Provider is regulated under the Financial Services and Markets Act 2000. All decisions about the day-to-day management of the assets have been delegated to the Platform Provider via a written agreement, including the realisation of investments.

### **Risk Management and Measurement**

The Trustees are aware of and pay close attention to a range of risk inherent in investing the assets of the Plan. The Trustees believe that the investment strategy provides for adequate diversification both within and across different asset classes. The Trustees further believe that the current investment strategy is appropriate given the Plan's liability profile. The Trustees' policy on risk management is as follows:

- The Trustees recognise the risk that investment returns over members' working lives may not keep pace with inflation and, as a result, do not produce adequate retirement benefits. Further from retirement, this risk should be countered by funds investing in equities and other growth orientated assets which are expected to produce returns well in excess of inflation over the longer term. Approaching retirement, the impact of this risk needs to be balanced against the other main risks members face.
- The Trustees recognise that investment conditions just prior to retirement may increase the cost of turning members' fund values into retirement benefits. For members taking cash at retirement, funds investing in cash deposits and other short-term interest-bearing investments provide a high degree of (but not complete) capital security. Funds investing in a mix of different assets are expected to be broadly suitable for members planning income drawdown during retirement. For members buying an annuity at retirement, the value of funds investing in longer-dated bonds may be expected to broadly follow changes in annuity rates caused by long-term interest rates.
- The Trustees recognise that falls in fund values prior to retirement lead to a reduction in retirement benefits. Funds investing in bonds or a mix of assets or investment techniques intended to manage short-term risks may be expected to be subject to lower levels of short-term fluctuations in values - although there may be occasions when this does not hold good.
- The Trustees recognise the risks that may arise from lack of diversification of investments. Due to the size of the Plan's assets and recognising the need to diversify, investment exposure is obtained via pooled vehicles.
- The documents governing the Platform Provider's appointment and pooled funds' selection include a number of guidelines which, among other things, are designed to ensure that only suitable investments are held by the Plan.
- The Trustees recognise the extent to which Environmental, Social and Governance (ESG) issues are not reflected in asset prices and/or not considered in investment decision making leading to underperformance relative to expectations.
- The Trustees are aware of 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.
- The Trustees recognise that the use of active management involves a risk that the assets do not achieve the expected return and potentially increases the governance requirements. For these reasons, and to reduce cost for members, investments are predominantly index-tracking funds. However, for some asset classes (e.g. corporate bonds and multi-asset funds) the Trustees believe this risk may be outweighed by the potential gains from successful active management which may be adjusted from time to time.
- The safe custody of the Plan's assets is delegated to professional custodians via the use of an investment platform and pooled vehicles.

Should there be a material change in the Plan's circumstances the Trustees will review whether the current investment options remain appropriate.

**Private Markets**

The Trustees acknowledge the evolution of the investment landscape for DC schemes, which has more recently improved the feasibility of incorporating illiquid assets into the Plan's default investment strategy.

These developments present the potential for diversification and enhanced returns within the Plan's investment strategy. However, the Trustees recognise that the decision to invest in illiquid assets requires careful consideration. The Trustees are mindful of the inherent challenges and risks associated with illiquid investments, emphasising the need for a thorough evaluation before committing assets to such strategies.

The Trustees' inclination is to exercise patience and prudence by awaiting further evidence of the market's development. The Trustees aim to observe the maturation of the market for illiquid assets and closely monitor the performance of associated products. This cautious stance ensures that any potential investment aligns with the Plan's risk tolerance, objectives, and the fiduciary duty to safeguard the interests of members.

The Trustees set clear criteria for prospective entry into the illiquid asset market. The decision to invest will be contingent upon the products within this market reaching a level of maturity. This encompasses the establishment of a proven history of success, demonstrating the resilience and reliability of the investment options under consideration.

The Trustees maintain 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 illiquid assets aligns with the Plan's overarching goals and obligations.

**Additional Voluntary Contributions ('AVCS')**

Members can elect to pay additional voluntary contributions into any of the funds available for ordinary contributions to the Plan. The AVC arrangements are reviewed from time to time to ensure that the investment performance achieved is acceptable and that the investment profile of the Plans remains consistent with the objectives of the Trustees and needs of members.

**Monitoring Investment Managers**

The Trustees will monitor the performance of the Investment Managers against agreed performance objectives and will consider regularly whether they are satisfied that the Investment Managers have the appropriate knowledge and experience and are carrying out the work competently and complying with the given benchmarks and targets.

In the event that the Trustees are not satisfied with the Investment Managers they will require the Investment Managers to take requisite steps to correct this position or will remove their Investment Managers and appoint other Investment Managers.

As part of this ongoing review the Trustees will have to regard to whether the Investment Managers are:

- Carrying out their functions competently.
- Having regard for the need for diversity in relation to investments.
- Having regard to the suitability of investments.
- Exercising their investment powers in line with the SIP.

The Trustees will monitor the advice provided by their investment consultant on a regular basis.

The Trustees obtain quarterly investment reports from their Investment Managers.

The Trustees have delegated the on-going assessment of their Investment Managers to their investment consultant. The Trustees currently receive quarterly performance monitoring reports from the investment consultant.

### **Manager incentives**

When selecting funds, the Trustees will ask their investment advisor to consider the Investment Managers' remuneration strategies and appropriateness of each fund's investment guidelines to ensure that there is no inducement or scope to take an undue level of risk and that the Investment Managers will act in line with the interests of the Plan's members.

In accordance with guidance from the Pensions Regulator, the Trustees will periodically review the Plan's choice of provider to ensure their charges and services remain competitive.

At least every three years, the Trustees will undertake a review of the appropriateness of the investment options and the ongoing suitability of the arrangements with the Plan's Investment Managers.

The Trustees monitor the Investment Managers against a series of metrics over a long-term time horizon of three years including:

- Performance of their funds' respective benchmarks or performance targets on a quarterly basis.
- Relative tracking error where appropriate on a quarterly basis.
- The exercise of stewardship responsibilities (including engagement with companies) on an annual basis.

The Investment Managers are expected to provide explanations for any significant divergence from a fund's objectives. A material deviation from performance and risk targets or approach to portfolio management is likely to result in the fund being formally reviewed.

### **Portfolio turnover**

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

For passively managed funds the turnover of holdings is driven by changes in the index a fund seeks to track, and hence is largely outside the control of the Investment Manager. When selecting actively managed funds, the Trustees will consider, with the help of their investment advisor, the expected level of turnover given the fund's investment objectives, the Investment Managers' investment processes and the nature of the fund's assets.

Whilst the Trustees expect performance to be delivered net of costs, including the costs of trading within the portfolio, the Trustees expect managers to report on at least an annual basis on the level and cost of turnover within the portfolio over the period. The Trustees will challenge the Plan's managers if there is a sudden change in portfolio turnover or if the level of turnover seems excessive. This will typically be assessed relative to the previous years' levels.

Where a fund has significantly under or outperformed its benchmark, the Trustees will seek to ascertain where necessary whether a higher or lower than normal turnover has been a contributory factor.

### **Portfolio duration**

The Trustees recognise the long-term nature of defined contribution pension investments and choose funds which are expected to deliver sustainable returns over the Plan members' (and pensioners') investment horizon. The appropriate time horizon is dependent on a member's position on their savings journey: younger members will

have a very long (multiple decade) time horizon whereas older members close to retirement may have a short time horizon depending on how they intend to use their benefits.

The Trustees will carry out necessary due diligence on the underlying investment decision making process, to ensure the manager makes investment decisions over an appropriate time horizon aligned with the objectives for the related investment option.

The Trustees expect that each fund will be used for at least three years, this being the period over which performance of the fund can be appropriately evaluated and the costs of change amortised. The Trustees review the performance of each of its Investment Managers and mandates on a quarterly basis against the benchmark and objectives of the mandate.

### **Security of assets**

The funds are provided through a policy of insurance issued to the Trustees by the 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 Platform Provider and the fund vehicles used by the fund managers' funds.

### **Corporate Governance**

The Trustees wish to encourage best practice in terms of activism. The Trustees accept that by using pooled investment vehicles the day-to-day application of voting rights will be carried out by the Investment Managers. Consequently, the Trustees expect the Investment Managers to adopt voting policies that are in accordance with industry best practice, including the UK Stewardship Code.

### **Consideration of financially material factors in investment arrangements**

The Trustees believe their main duty is to protect the financial interests of the Plan's members. The Trustees recognise that financially material factors which may include ESG factors such as climate change, should be considered when choosing, holding or realising investments. The Trustees take account of financially material factors over the period for which the Trustees expect investments to be required to fund future benefits. As part of this, the Trustees acknowledge that ESG factors may be relevant at different stages of the investment process.

At this time, the Trustees have not made explicit allowance for climate change within the development or implementation of the investment strategy. The Trustee will discuss the potential impact of climate risks with its advisor when reviewing the investment strategy, and with managers on a periodic basis and will monitor developments in this area including the availability of solutions to mitigate climate-related risks.

Within active mandates, the Trustees have delegated responsibility for the consideration of stock specific issues to their individual Investment Managers. In passive mandates, the Trustees recognise 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 Trustees accept that the role of the passive manager is to deliver returns in line with the benchmark. The Trustees have elected to invest via pooled fund arrangements and therefore have no direct influence over the policies the managers have in place to govern to pooled funds.

In selecting new Investment Managers for the Plan, where relevant to the investment mandate, the Trustees will explicitly consider potential managers' approach to responsible investment and the extent to which managers integrate ESG issues in the investment process as a factor in their decision making. Minimum manager standards for responsible investment are expected (e.g. being signatory to the Principles for Responsible Investment) unless there is good justification for the manager adopting a different approach. Trustees receive advice from

their investment consultants when making manager selections, which includes a view on the managers' approach to ESG.

### **Consideration of non-financially material factors in investment arrangements**

The Trustees recognise that some members will have strong personal views or religious convictions that influence where they believe their savings should, or should not, be invested.

The Trustees will encourage members to express their views on non-financial factors relating to the Plan's investments via the annual newsletter. Nevertheless, while the Trustees will bear members' views in mind when reviewing the suitability of the Plan's investment options and choice of funds used, the Trustees will not be bound by the members' views (for instance where it is uneconomic or impracticable to do so).

DC members are provided with investment options which are managed to ethical and faith-based criteria:

- the L&G Ethical UK Equity Index Fund.
- the HSBC Amanah Global Equity Index Fund.

The Trustees note that non-financial factors can affect various investment risks which are borne by members and may under-perform other funds with broader-based investment approaches.

### **Voting and engagement**

The Trustees believe that engagement with the companies in which the Plan invests through pooled investment funds, including the proactive use of shareholder voting rights, can improve the longer-term returns on the Plan's investments.

The Plan invests via an investment Platform Provider, who in turn invest in funds which are pooled with other investors to keep costs down and ensure adequate diversification. As a result, the Trustees have adopted a policy of delegating voting decisions on stocks 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.

The Trustees will periodically review the voting and engagement policies of the Investment Managers as well as the approach to governance of the investment Platform Provider to determine that these policies are appropriate. On an ongoing basis, the Trustees will request that the investment Platform Provider and Investment Managers provide details of any change in their house policy.

Where appropriate, the Trustees will engage with and may seek further information from the investment Platform Provider and Investment Managers on how portfolios may be affected by a particular issue.

While the Trustees are not in a position to engage directly, the Trustees believe it is appropriate for their Investment Managers to engage in stewardship activity with key stakeholders which may including corporate management, regulators and governance bodies, relating to their investments in order to improve corporate behaviours, improve performance and mitigate financial risks. As the Trustees invests via an investment platform, there is no direct relationship between the Trustees and the Investment Managers. The Trustees accept that Investment Managers will not notify the Trustees about any particular stewardship activities.

The Trustees expect the investment Platform Provider to adopt similar practices with regards to the inclusion and ongoing oversight of Investment Managers on their platform. The Trustees also expect the Platform Provider to be able to evidence their own governance practices on request. The Trustees will consider the Platform

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Provider’s practices on the oversight of and engagement with the Investment Managers on its platform when reviewing the appointment of the Platform Provider.

The Trustees understand that conflicts of interest may arise in the management of the Plan and its investments. When appointing a new Platform Provider or choosing Investment Managers’ funds, the Trustees will seek to establish that the provider/manager has an appropriate conflicts of interest policy in place. When notified, the Trustees will consider the impact of any conflicts of interest arising in the management of the funds used by the Plan.

**Monitoring**

The Trustees may request reports from the investment Platform Provider on the Investment Managers’ voting activity on a periodic basis. The Trustees expect their Investment Managers to act in line with their own policies on voting activities.

The Trustees may consider the Investment Managers’ voting activity on an annual basis in conjunction with their investment consultant. Where the Trustees deem it appropriate, any issues of concern will be raised with the manager for further explanation.

The Trustees will consider meeting with all major Investment Managers on a periodic basis if this is appropriate. The Trustees will provide the Investment Managers with an agenda for discussion, including where appropriate, ESG issues.

**Employer – Related Investments**

The Trustees’ policy is not to hold any employer-related investments as defined in the Pensions Act 1995, the Pensions Act 2004 and the Occupational Pension Plans (Investment) Regulations 2005.

**Fee Structures**

The investment Platform Provider and the Investment Managers are paid a management charge on the basis of assets under management. No additional fees are payable. The investment consultant is paid on a project basis, which may be a fixed fee or based on time cost, as agreed by the Trustees in the interests of obtaining best value for the Plan.

**Review of this Statement**

The Trustees will review this Statement at least once every three years and without delay after any significant change in investment policy. Any change to this Statement will only be made after having obtained and considered the written advice of someone who the Trustees reasonably believe to be qualified by their ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of pension plan investments.

*Joanne Fairbairn*

Trustee  
13-May-2025 | 18:48 BST

Date

**On behalf of The Trustees of the London & Quadrant Housing Trustee Staff Benefits Plan – Money Purchase Section**

## Appendix I – Third Party Agreements

### **Advisors**

The following advisors assist the Trustees:

#### **Pensions Consultants**

Hymans Robertson  
One London Wall  
London EC2Y 5EA

#### **Investment Consultants**

Hymans Robertson  
One London Wall  
London EC2Y 5EA

#### **Scheme Actuary**

Laura Andrikopoulos  
Hymans Robertson  
One London Wall  
London EC2Y 5EA

#### **Auditors**

BDO LLP  
2 City Place  
Beehive Ring Road  
London Gatwick Airport  
Gatwick  
RH6 0PA

## Investment Managers – Money Purchase Section

The Trustees have appointed the following Investment Managers for the assets of the Plan's Money Purchase Section:

**Legal & General Investment Management Ltd.**

One Coleman Street  
London  
EC25 5AA

**BlackRock Investment Management (UK) Ltd.**

12 Throgmorton Avenue  
London  
EC2N 2DL

**Schroder Investment Management Limited**

1 London Wall Place  
London  
EC2Y 5AU

**HSBC Global Asset Management (UK) Ltd**

8 Canada Square  
London  
E14 5HQ

# Appendix II – Money Purchase Section Investment Arrangements

## Moderate Lifestyle Strategy – Flexible Target – Default Option

A summary of the Moderate Lifestyle Strategy – Flexible Target option is as follows:

|                     | Growth Phase                                                                                                                                    | Pre-Retirement Phase                                                                                                                                                                 |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Objective           | To generate returns while taking acceptable level of risk. To reduce the negative impact of severe economic shocks.                             | To transition from a portfolio of equities and diversified growth funds to a blended allocation of safer investments while targeting greater flexibility for members are retirement. |
| Growth Phase        | Fund                                                                                                                                            | Allocation                                                                                                                                                                           |
|                     | Global Equity                                                                                                                                   | 50%                                                                                                                                                                                  |
|                     | Diversified Growth                                                                                                                              | 50%                                                                                                                                                                                  |
|                     | Total Charge*                                                                                                                                   | 0.28%                                                                                                                                                                                |
| Lifestyling         | The default Lifestyle arrangement has been designed to automatically and progressively de-risk members’ portfolios as they approach retirement. |                                                                                                                                                                                      |
| Switching Period    | 10 Years                                                                                                                                        |                                                                                                                                                                                      |
| Consolidation Phase | Switch to:<br><br>Global Equity 20%<br><br>Diversified Growth 30%<br><br>Index-Linked Gilts 25%<br><br>Corporate Bonds 25%                      |                                                                                                                                                                                      |

\*Total Charge includes Annual Management Charge, Additional Fund Manager Expenses, and Mobius Platform Fee. Source: Mobius as at 31 March 2024.

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| <b>Fund</b>                                                                                                                      | <b>Investment Approach</b> | <b>Benchmark</b>                                                                                         | <b>Fund Manager</b> |
|----------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------------|---------------------|
| Mobius Life Global Equity blend: 90% LGIM Global Equity 50:50 Index<br>10% LGIM World Emerging Market Equity Index               | Passive                    | Composite index (45% FTSE All-Share Index, 45% FTSE World Index overseas, 10% FTSE Emerging Index)       | LGIM                |
| Mobius Life Diversified Growth Blend:<br>40% BlackRock Dynamic Diversified Growth<br>60% Schroder Sustainable Future Multi-Asset | Active                     | Composite Index (40% Sonia+3% net of fees over rolling 3-year periods, 60% Consumer Price Inflation +4%) | BlackRock/Schroder  |
| Mobius Life LGIM Over 5 Year Index-Linked Gilts Index                                                                            | Passive                    | FTSE A Index-Linked (Over 5 Year) Index                                                                  | LGIM                |
| Mobius Life LGIM Active Corporate Bonds – All Stocks                                                                             | Active                     | Markit iBoxx £ Non-Gilt Index                                                                            | LGIM                |

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Moderate Lifestyle Strategy – Annuity Target

A summary of the Moderate Lifestyle Strategy – Annuity Target option is as follows:

|                     |                                                                                                                                         |                                                                                                                               |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
|                     | Growth Phase                                                                                                                            | Pre-Retirement Phase                                                                                                          |
| Objective           | To generate returns while taking acceptable level of risk. To reduce the negative impact of severe economic shocks.                     | To transition from growth to annuity matching assets and cash to reduce the probability of severe losses close to retirement. |
| Growth Phase        | Fund                                                                                                                                    | Allocation                                                                                                                    |
|                     | Global Equity                                                                                                                           | 50%                                                                                                                           |
|                     | Diversified Growth                                                                                                                      | 50%                                                                                                                           |
|                     | Total Charge*                                                                                                                           | 0.28%                                                                                                                         |
| Lifestyling         | The Lifestyle arrangement has been designed to automatically and progressively de-risk members' portfolios as they approach retirement. |                                                                                                                               |
| Switching Period    | 10 Years                                                                                                                                |                                                                                                                               |
| Consolidation Phase | Switch to:<br><br>Annuity Matching Lifecycle 75%<br><br>Cash 25%                                                                        |                                                                                                                               |

\*Total Charge includes Annual Management Charge, Additional Fund Manager Expenses, and Mobius Platform Fee. Source: Mobius as at 31 March 2024.

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| <b>Fund</b>                                                                                                                      | <b>Investment Approach</b> | <b>Benchmark</b>                                                                                         | <b>Fund Manager</b> |
|----------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------------|---------------------|
| Mobius Life Global Equity blend:<br>90% LGIM Global Equity 50:50 Index<br>10% LGIM World Emerging Market Equity Index            | Passive                    | Composite index (45% FTSE All-Share Index, 45% FTSE World Index overseas, 10% FTSE Emerging Index)       | LGIM                |
| Mobius Life Diversified Growth Blend:<br>40% BlackRock Dynamic Diversified Growth<br>60% Schroder Sustainable Future Multi-Asset | Active                     | Composite Index (40% SONIA+3% net of fees over rolling 3-year periods, 60% Consumer Price Inflation +4%) | BlackRock/Schroder  |
| Mobius Life Future World Annuity Aware Fund                                                                                      | Passive/Active             | FTSE Annuities Index                                                                                     | LGIM                |
| Mobius Life LGIM Cash Fund                                                                                                       | Active                     | SONIA                                                                                                    | LGIM                |

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Moderate Lifestyle Strategy – Lump Sum Target

A summary of the Moderate Lifestyle Strategy – Lump Sum Target option is as follows:

|                     | Growth Phase                                                                                                                           | Pre-Retirement Phase                                                                   |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Objective           | To generate returns while taking acceptable level of risk. To reduce the negative impact of sever economic shocks.                     | To transition from growth assets to cash to achieve a lump sum target upon retirement. |
| Growth Phase        | Fund                                                                                                                                   | Allocation                                                                             |
|                     | Global Equity                                                                                                                          | 50%                                                                                    |
|                     | Diversified Growth                                                                                                                     | 50%                                                                                    |
|                     | Total Charge                                                                                                                           | 0.28%                                                                                  |
| Lifestyling         | The Lifestyle arrangement has been designed to automatically and progressively de-risk members' portfolios as they approach retirement |                                                                                        |
| Switching Period    | 10 Years                                                                                                                               |                                                                                        |
| Consolidation Phase | Switch to:<br><br>Cash 100%                                                                                                            |                                                                                        |

\*Total Charge includes Annual Management Charge, Additional Fund Manager Expenses, and Mobius Platform Fee. Source: Mobius as at 31 March 2024.

| Fund                                                                                                                             | Investment Approach | Benchmark                                                                                               | Fund Manager       |
|----------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------------------------------------------------------------------------------------|--------------------|
| Mobius Life Global Equity blend:<br>90% LGIM Global Equity<br>50:50 Index<br>10% LGIM World Emerging Market Equity Index         | Passive             | Composite index (45% FTSE All-Share Index, 45% FTSE World Index overseas, 10% FTSE Emerging Index)      | LGIM               |
| Mobius Life Diversified Growth Blend:<br>40% BlackRock Dynamic Diversified Growth<br>60% Schroder Sustainable Future Multi-Asset | Active              | Composite Index (40% SONIA+3% net of fees over rolling 3-year periods, 60% Consumer Price Inflation +4% | BlackRock/Schroder |
| Mobius Life LGIM Cash Fund                                                                                                       | Active              | SONIA                                                                                                   | LGIM               |

Higher Risk Lifestyle Strategy – Flexible Target

A summary of the Higher Risk Lifestyle Strategy – Flexible Target option is as follows:

|                     |                                                                                                                                                |                                                                                                                                                        |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     | Growth Phase                                                                                                                                   | Pre-Retirement Phase                                                                                                                                   |
| Objective           | To generate returns while taking acceptable level of risk. To reduce the negative impact of sever economic shocks.                             | To transition from a portfolio of equities to a blended allocation of safer investments wile targeting greater flexibility for members are retirement. |
| Growth Phase        | Fund                                                                                                                                           | Allocation                                                                                                                                             |
|                     | Global Equity                                                                                                                                  | 100%                                                                                                                                                   |
|                     | Total Charge*                                                                                                                                  | 0.14%                                                                                                                                                  |
| Life styling        | The default Lifestyle arrangement has been designed to automatically and progressively de-risk members' portfolios as they approach retirement |                                                                                                                                                        |
| Switching Period    | 10 Years                                                                                                                                       |                                                                                                                                                        |
| Consolidation Phase | <b>Switch to:</b><br><br>Global Equity 20%<br><br>Diversified Growth 30%<br><br>Index-Linked Gilts 25%<br><br>Corporate Bonds 25%              |                                                                                                                                                        |

\*Total Charge includes Annual Management Charge, Additional Fund Manager Expenses, and Mobius Platform Fee. Source: Mobius as at 31 March 2024.

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| <b>Fund</b>                                                                                                                          | <b>Investment Approach</b> | <b>Benchmark</b>                                                                                         | <b>Fund Manager</b> |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------------|---------------------|
| Mobius Life Global Equity blend:<br>90% LGIM Global Equity 50:50 Index<br>10% LGIM World Emerging Market Equity Index                | Passive                    | Composite index (45% FTSE All-Share Index, 45% FTSE World Index overseas, 10% FTSE Emerging Index)       | LGIM                |
| Mobius Life Diversified Growth Blend:<br><br>40% BlackRock Dynamic Diversified Growth<br>60% Schroder Sustainable Future Multi-Asset | Active                     | Composite Index (40% SONIA+3% net of fees over rolling 3-year periods, 60% Consumer Price Inflation +4%) | BlackRock/Schroder  |
| Mobius Life LGIM Over 5 Year Index-Linked Gilts Index                                                                                | Passive                    | FTSE A Index-Linked (Over 5 Year) Index                                                                  | LGIM                |
| Mobius Life LGIM Active Corporate Bonds – All Stocks                                                                                 | Active                     | Markit iBoxx £ Non-Gilt Index                                                                            | LGIM                |

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Lower Risk Lifestyle Strategy – Flexible Target

A summary of the Lower Risk Lifestyle Strategy – Flexible Target option is as follows.

|                     |                                                                                                                                                |                                                                                                                                                                        |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     | Growth Phase                                                                                                                                   | Pre-Retirement Phase                                                                                                                                                   |
| Objective           | To generate returns while taking acceptable level of risk. To reduce the negative impact of sever economic shocks.                             | To transition from a portfolio of diversified growth funds to a blended allocation of safer investments wile targeting greater flexibility for members are retirement. |
| Growth Phase        | Fund                                                                                                                                           | Allocation                                                                                                                                                             |
|                     | Diversified Growth                                                                                                                             | 100%                                                                                                                                                                   |
|                     | Total Charge*                                                                                                                                  | 0.42%                                                                                                                                                                  |
| Life styling        | The default Lifestyle arrangement has been designed to automatically and progressively de-risk members’ portfolios as they approach retirement |                                                                                                                                                                        |
| Switching Period    | 10 Years                                                                                                                                       |                                                                                                                                                                        |
| Consolidation Phase | Switch to:<br><br>Global Equity 20%<br><br>Diversified Growth 30%<br><br>Index-Linked Gilts 25%<br><br>Corporate Bonds 25%                     |                                                                                                                                                                        |

\*Total Charge includes Annual Management Charge, Additional Fund Manager Expenses, and Mobius Platform Fee. Source: Mobius as at 31 March 2024.

## LONDON &amp; QUADRANT HOUSING TRUST STAFF BENEFITS PLAN

| <b>Fund</b>                                                                                                                   | <b>Investment Approach</b> | <b>Benchmark</b>                                                                                         | <b>Fund Manager</b> |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------------|---------------------|
| Mobius Life Global Equity blend:<br>90% LGIM Global Equity 50:50 Index<br>10% LGIM World Emerging Market Equity Index         | Passive                    | Composite index (45% FTSE All-Share Index, 45% FTSE World Index overseas, 10% FTSE Emerging Index)       | LGIM                |
| Mobius Life Diversified Growth Blend: 40% BlackRock Dynamic Diversified Growth<br>60% Schroder Sustainable Future Multi-Asset | Active                     | Composite Index (40% SONIA+3% net of fees over rolling 3-year periods, 60% Consumer Price Inflation +4%) | BlackRock/Schroder  |
| Mobius Life LGIM Over 5 Year Index-Linked Gilts Index                                                                         | Passive                    | FTSE A Index-Linked (Over 5 Year) Index                                                                  | LGIM                |
| Mobius Life LGIM Active Corporate Bonds – All Stocks                                                                          | Active                     | Markit iBoxx £ Non-Gilt Index                                                                            | LGIM                |

# Lifestyle Strategy Matrices

## Moderate Lifestyle Strategy – Flexible Target – Default Strategy

| Fund/Years to Retirement   | 10 or more    | 9             | 8             | 7             | 6             | 5             | 4             | 3             | 2             | 1             | 0             |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Global Equity              | 50.00%        | 47.00%        | 44.00%        | 41.00%        | 38.00%        | 35.00%        | 32.00%        | 29.00%        | 26.00%        | 23.00%        | 20.00%        |
| Diversified Growth         | 50.00%        | 48.00%        | 46.00%        | 44.00%        | 42.00%        | 40.00%        | 38.00%        | 36.00%        | 34.00%        | 32.00%        | 30.00%        |
| Index-Linked Gilts         | 0.00%         | 2.50%         | 5.00%         | 7.50%         | 10.00         | 12.50         | 15.00         | 17.50         | 20.00         | 22.50         | 25.00         |
| All Stocks Corporate Bonds | 0.00%         | 2.50%         | 5.00%         | 7.50%         | 10.00         | 12.50         | 15.00         | 17.50         | 20.00         | 22.50         | 25.00         |
| <b>Total</b>               | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

## Moderate Lifestyle Strategy – Annuity Target

| Fund/Years to Retirement   | 10 or more    | 9             | 8             | 7             | 6             | 5             | 4             | 3             | 2             | 1             | 0             |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Global Equity              | 50.00%        | 45.00%        | 40.00%        | 35.00%        | 30.00%        | 25.00%        | 20.00%        | 15.00%        | 10.00%        | 5.00%         | 0.00%         |
| Diversified Growth         | 50.00%        | 45.00%        | 40.00%        | 35.00%        | 30.00%        | 25.00%        | 20.00%        | 15.00%        | 10.00%        | 5.00%         | 0.00%         |
| Annuity Matching Lifecycle | 0.00%         | 7.50%         | 15.00%        | 22.50%        | 30.00%        | 37.50%        | 45.00%        | 52.50%        | 60.00%        | 67.50%        | 75.00%        |
| Cash                       | 0.00%         | 2.50%         | 5.00%         | 7.50%         | 10.00%        | 12.50%        | 15.00%        | 17.50%        | 20.00%        | 22.50%        | 25.00%        |
| <b>Total</b>               | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

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**Moderate Lifestyle Strategy – Lump Sum Target**

| Fund/Years to Retirement   | 10 or more    | 9             | 8             | 7             | 6             | 5             | 4             | 3             | 2             | 1             | 0             |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Global Equity              | 50.00%        | 47.00%        | 44.00%        | 41.00%        | 38.00%        | 35.00%        | 32.00%        | 29.00%        | 23.00%        | 15.00%        | 0.00%         |
| Diversified Growth         | 50.00%        | 48.00%        | 46.00%        | 44.00%        | 42.00%        | 40.00%        | 38.00%        | 36.00%        | 29.50%        | 20.00%        | 0.00%         |
| Index-Linked Gilts         | 0.00%         | 2.50%         | 5.00%         | 7.50%         | 10.00%        | 12.50%        | 15.00%        | 17.50%        | 16.25%        | 12.50%        | 0.00%         |
| All Stocks Corporate Bonds | 0.00%         | 2.50%         | 5.00%         | 7.50%         | 10.00%        | 12.50%        | 15.00%        | 17.50%        | 16.25%        | 12.50%        | 0.00%         |
| Cash                       | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 15.00%        | 40.50%        | 100.00%       |
| <b>Total</b>               | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

**Higher Risk Lifestyle – Flexible Target**

| Fund/Years to Retirement   | 10 or more    | 9             | 8             | 7             | 6             | 5             | 4             | 3             | 2             | 1             | 0             |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Global Equity              | 100.00%       | 92.00%        | 84.00%        | 76.00%        | 68.00%        | 60.00%        | 52.00%        | 44.00%        | 36.00%        | 28.00%        | 20.00%        |
| Diversified Growth         | 0.00%         | 3.00%         | 6.00%         | 9.00%         | 12.00%        | 15.00%        | 18.00%        | 21.00%        | 24.00%        | 27.00%        | 30.00%        |
| Index-Linked Gilts         | 0.00%         | 2.50%         | 5.00%         | 7.50%         | 10.00%        | 12.50%        | 15.00%        | 17.50%        | 20.00%        | 22.50%        | 25.00%        |
| All Stocks Corporate Bonds | 0.00%         | 2.50%         | 5.00%         | 7.50%         | 10.00%        | 12.50%        | 15.00%        | 17.50%        | 20.00%        | 22.50%        | 25.00%        |
| <b>Total</b>               | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

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**Lower Risk Lifestyle – Flexible Target**

| Fund/Years to Retirement   | 10 or more    | 9             | 8             | 7             | 6             | 5             | 4             | 3             | 2             | 1             | 0             |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Global Equity              | 0.00%         | 2.00%         | 4.00%         | 6.00%         | 8.00%         | 10.00%        | 12.00%        | 14.00%        | 16.00%        | 18.00%        | 20.00%        |
| Diversified Growth         | 100.00%       | 93.00%        | 86.00%        | 79.00%        | 72.00%        | 65.00%        | 58.00%        | 51.00%        | 44.00%        | 37.00%        | 30.00%        |
| Index-Linked Gilts         | 0.00%         | 2.50%         | 5.00%         | 7.50%         | 10.00%        | 12.50%        | 15.00%        | 17.50%        | 20.00%        | 22.50%        | 25.00%        |
| All Stocks Corporate Bonds | 0.00%         | 2.50%         | 5.00%         | 7.50%         | 10.00%        | 12.50%        | 15.00%        | 17.50%        | 20.00%        | 22.50%        | 25.00%        |
| <b>Total</b>               | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

## LONDON &amp; QUADRANT HOUSING TRUST STAFF BENEFITS PLAN

**Self-select fund range**

| <b>Asset class</b>   | <b>Fund Name</b>                                                                                          | <b>Benchmark</b>                                                                        | <b>Performance Target</b>                                                                                                                                                                      | <b>Fund Charge<br/>(%per annum)</b> |
|----------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| <b>Equities</b>      |                                                                                                           |                                                                                         |                                                                                                                                                                                                |                                     |
| <b>UK</b>            | LGIM UK Equity Index                                                                                      | FTSE All-Share Index                                                                    | The investment objective of the fund is to track the performance of the FTSE All-Share Index to within +/- 0.25% p.a. for two years out of three.                                              | 0.07%                               |
| <b>Global</b>        | Global Equity blend:<br>90% LGIM Global Equity 50:50 Index<br>10% LGIM World Emerging Market Equity Index | 45% FTSE All-Share Index,<br><br>45% FTSE World Index overseas, 10% FTSE Emerging Index | The investment objective of the Fund is to track the performance of the benchmark (less withholding tax if applicable) to within +/-0.5% p.a. for two years out of three.                      | 0.14%                               |
| <b>North America</b> | LGIM North American Equity Index                                                                          | FTSE World North America Index                                                          | The investment objective of the Fund is to track the performance of the FTSE World North America Index (less withholding tax if applicable) to within +/-0.5% p.a. for two years out of three. | 0.12%                               |
| <b>Europe</b>        | LGIM Europe (ex-UK) Equity Index                                                                          | FTSE Developed Europe ex UK Index                                                       | The investment objective of the Fund is to track the performance of the FTSE Developed Europe ex UK (less withholding tax if applicable) to within +/-0.5% p.a. for two years out of three.    | 0.12%                               |

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|                         |                                          |                                            |                                                                                                                                                                                                             |       |
|-------------------------|------------------------------------------|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| <b>Asia Pacific</b>     | LGIM Asia (ex-Japan) Equity Index        | FTSE Developed Asia Pacific ex Japan Index | The investment objective of the Fund is to track the performance of the FTSE Developed Asia Pacific ex Japan Index (less withholding tax if applicable) to within +/-0.75% p.a. for two years out of three. | 0.12% |
| <b>Japan</b>            | LGIM Japan Equity Index                  | FTSE Japan Index                           | The investment objective of the Fund is to track the performance of the FTSE Japan Index (less withholding tax if applicable) to within +/-0.5% p.a. for two years out of three.                            | 0.12% |
| <b>Emerging Markets</b> | LGIM World Emerging Markets Equity Index | FTSE Emerging Index                        | The investment objective of the Fund is to track the performance of the FTSE Emerging Index (less withholding tax if applicable) to within +/-1.5% p.a. for two years out of three.                         | 0.34% |
| <b>World (ex UK)</b>    | LGIM World (ex UK) Equity Index          | FTSE World (ex UK)                         | The investment objective of the Fund is to track the performance of the FTSE World (ex UK) Index (less withholding tax if applicable) to within +/-0.5% p.a. for two years out of three.                    | 0.12% |
| <b>Bonds</b>            |                                          |                                            |                                                                                                                                                                                                             |       |
| <b>Corporate Bonds</b>  | LGIM Active Corporate Bonds – All Stocks | Markit iBoxx £ Non-Gilt Index              | The Fund aims to exceed the benchmark by 0.75% p.a. (before fees) over a three-year rolling period.                                                                                                         | 0.24% |

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|                            |                                                                                                                                                                    |                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                            |       |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| <b>Index -Linked Gilts</b> | LGIM Over 5 Year Index – Linked Gilts Index                                                                                                                        | FTSE A Index-Linked (Over 5 Year) Index                                                                                                                                                                                                                      | The investment objective of the Fund is to track the performance of the FTSE A Index-Linked (Over 5 Year) Index to within +/- 0.25% p.a. for two years out of three.                                                                                                                       | 0.08% |
| <b>Multi Asset</b>         |                                                                                                                                                                    |                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                            |       |
| <b>Diversified Growth</b>  | DGF blend:<br>40% BlackRock Dynamic Diversified Growth<br>60% Schroder Sustainable Future Multi Asset                                                              | Composite Index (40% SONIA+3% net of fees over rolling 3-year periods, 60% Consumer Price Inflation +4%                                                                                                                                                      | To perform in line with the composite benchmark.                                                                                                                                                                                                                                           | 0.42% |
| <b>Multi Asset</b>         | LGIM Multi-Asset                                                                                                                                                   | The average Balanced Fund, excluding Property as published in the CAPS Polled Pension Fund Update – Balanced Section.                                                                                                                                        | The investment objective of the Fund is to provide diversified exposure to a range of securities excluding property. The Fund aims to maintain an asset distribution close to that of the average Balanced Fund, excluding property, as published in the CAPS Pooled Pensions Fund Update. | 0.19% |
| <b>Multi Asset</b>         | Flexible Pre-Retirement blend:<br>20% Global Equity Blend<br>30% DGF Blend<br>25% LGIM Over 5 Year Index-Linked Gilts<br>25% LGIM Active Corporate Bond All Stocks | 9% FTSE All-Share Index, 9% FTSE World Index overseas, 2% FTSE Emerging Index, 12% SONIA+3% net of fees over rolling 3-year periods, 18% Consumer Price Inflation +4%, 25% FTSE A Index-linked (Over 5 Year) Index, 25% Markit IBoxx Sterling Non-Gilt Index | To perform in line with the composite benchmark.                                                                                                                                                                                                                                           | 0.23% |

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|                            |                                                                                         |                                                         |                                                                                                                                                                                                                                                                                                |       |
|----------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| <b>Other</b>               |                                                                                         |                                                         |                                                                                                                                                                                                                                                                                                |       |
| <b>Money Market</b>        | LGIM Cash                                                                               | SONIA                                                   | The Fund aims to perform in line with SONIA without incurring excessive risk.                                                                                                                                                                                                                  | 0.09% |
| <b>Property</b>            | LGIM Managed Property                                                                   | AREF/IPD UK Quarterly All Balanced Property Funds Index | The Fund aims to outperform the AREF/IPD UK Quarterly All Balanced Property Funds Index over 3- and 5-year periods                                                                                                                                                                             | 1.40% |
| <b>Annuity Match Blend</b> | Annuity Matching blend:<br>75% L&G Future World Annuity Aware Fund<br>25% L&G Cash Fund | 75% FTSE Annuities Index,<br>25% SONIA                  | To perform in line with the composite benchmark.                                                                                                                                                                                                                                               | 0.10% |
| <b>Ethical</b>             |                                                                                         |                                                         |                                                                                                                                                                                                                                                                                                |       |
| <b>Equities</b>            | LGIM Ethical UK Equity Index                                                            | FTSE4Good UK Equity Index                               | The investment objective of the Fund is to track the performance of the FTSE4Good UK Equity Index to within +/-0.5% p.a. for two years out of three.                                                                                                                                           | 0.24% |
| <b>Shariah</b>             | HSBC Amanah Global Equity Index                                                         | DOW JONES ISLAMIC TITANS 100                            | The fund aims to track the performance of a world index, through investment in a diversified portfolio of securities as defined by the relevant index, which meets Islamic investment principles as interpreted and laid down by the Shariah committee and provided to the Board of Directors. | 0.34% |

## Appendix 2 - Table of funds and charges

### 2a Default arrangement

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year used in the default arrangement were:

| Fund name                                                          | ISIN         | Charges                       |                            | Underlying Fund                                 | Transaction Costs             |                            |
|--------------------------------------------------------------------|--------------|-------------------------------|----------------------------|-------------------------------------------------|-------------------------------|----------------------------|
|                                                                    |              | % p.a. of the amount invested | £ p.a. per £1,000 invested |                                                 | % p.a. of the amount invested | £ p.a. per £1,000 invested |
| L&Q Global Equity Blended Fund                                     | GB00B6V5TJ74 | 0.14                          | 1.42                       | LGIM Global Equity 50:50 Index (90%)            | 0.05                          | 0.50                       |
|                                                                    | GB00B6V5ZX37 |                               |                            | LGIM World Emerging Market Equity Index (10%)   |                               |                            |
| L&Q Diversified Growth Blended Fund                                | JE00B54ZWL01 | 0.41                          | 4.12                       | BlackRock Dynamic Diversified Growth Fund (40%) | 0.16                          | 1.65                       |
|                                                                    | GB00B433JR39 |                               |                            | Shroder Dynamic Multi Asset (40%)               |                               |                            |
| L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund | GB00B6V5RM63 | 0.04                          | 0.40                       |                                                 | 0.07                          | 0.68                       |
| L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund  | GB00B6V5V357 | 0.20                          | 2.00                       |                                                 | 0.25                          | 2.50                       |

Source: Mobius

**Other investment options****2b Self-select lifestyle options**

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year used in the Moderate Lifestyle Strategy – Annuity Target lifestyle option were:

| Fund name                                     | ISIN         | Charges                                |                                     | Underlying Fund                                 | Transaction Costs                      |                                     |
|-----------------------------------------------|--------------|----------------------------------------|-------------------------------------|-------------------------------------------------|----------------------------------------|-------------------------------------|
|                                               |              | % p.a.<br>of the<br>amount<br>invested | £ p.a.<br>per<br>£1,000<br>invested |                                                 | % p.a.<br>of the<br>amount<br>invested | £ p.a.<br>per<br>£1,000<br>invested |
| L&Q Global Equity Blended Fund                | GB00B6V5TJ74 | 0.14                                   | 1.42                                | LGIM Global Equity 50:50 Index (90%)            | 0.05                                   | 0.50                                |
|                                               | GB00B6V5ZX37 |                                        |                                     | LGIM World Emerging Market Equity Index (10%)   |                                        |                                     |
| L&Q Diversified Growth Blended Fund           | JE00B54ZWL01 | 0.41                                   | 4.12                                | BlackRock Dynamic Diversified Growth Fund (40%) | 0.16                                   | 1.60                                |
|                                               | GB00B433JR39 |                                        |                                     | Schroder Dynamic Multi Asset Fund (60%)         |                                        |                                     |
| L&Q Annuity Matching Blended Fund (Lifecycle) | GB00B6V5WQ54 | 0.10                                   | 1.00                                | L&G Future World Annuity Aware Fund (100%)      | -0.04                                  | -0.40                               |
| L&Q Housing Trust DC L&G Cash Fund            | GB00B6V5RJ35 | 0.05                                   | 0.50                                | L&G Cash Fund                                   | 0.13                                   | 1.30                                |

Source: Mobius

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year used in the Moderate Lifestyle Strategy – Lump Sum Target lifestyle option were:

| Fund name                                                          | ISIN         | Charges                                |                                  | Underlying Fund                                 | Transaction Costs                      |                                     |
|--------------------------------------------------------------------|--------------|----------------------------------------|----------------------------------|-------------------------------------------------|----------------------------------------|-------------------------------------|
|                                                                    |              | % p.a.<br>of the<br>amount<br>invested | £ p.a. per<br>£1,000<br>invested |                                                 | % p.a.<br>of the<br>amount<br>invested | £ p.a.<br>per<br>£1,000<br>invested |
| L&Q Global Equity Blended Fund                                     | GB00B6V5TJ74 | 0.14                                   | 1.42                             | LGIM Global Equity 50:50 Index (90%)            | 0.05                                   | 0.50                                |
|                                                                    | GB00B6V5ZX37 |                                        |                                  | LGIM World Emerging Market Equity Index (10%)   |                                        |                                     |
| L&Q Diversified Growth Blended Fund                                | JE00B54ZWL01 | 0.41                                   | 4.12                             | BlackRock Dynamic Diversified Growth Fund (40%) | 0.16                                   | 1.65                                |
|                                                                    | GB00B433JR39 |                                        |                                  | Schroder Dynamic Multi Asset (60%)              |                                        |                                     |
| L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund | GB00B6V5RM63 | 0.04                                   | 0.40                             | L&G Over 5 Year Index-Linked Gilts Index Fund   | 0.07                                   | 0.68                                |
| L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund  | GB00B6V5V357 | 0.20                                   | 2.00                             | L&G Active Corporate Bonds – All Stocks Fund    | 0.25                                   | 2.50                                |
| L&Q Housing Trust DC L&G Cash Fund                                 | GB00B6V5RJ35 | 0.05                                   | 0.50                             | L&G Cash Fund                                   | 0.13                                   | 1.27                                |

Source: Mobius

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year used in the Higher Risk Lifestyle – Flexible Target option were:

| Fund name                                                          | ISIN         | Charges                       |                            | Underlying Fund                                 | Transaction Costs             |                            |
|--------------------------------------------------------------------|--------------|-------------------------------|----------------------------|-------------------------------------------------|-------------------------------|----------------------------|
|                                                                    |              | % p.a. of the amount invested | £ p.a. per £1,000 invested |                                                 | % p.a. of the amount invested | £ p.a. per £1,000 invested |
| L&Q Global Equity Blended Fund                                     | GB00B6V5TJ74 | 0.14                          | 1.42                       | LGIM Global Equity 50:50 Index (90%)            | 0.05                          | 0.50                       |
|                                                                    | GB00B6V5ZX37 |                               |                            | LGIM World Emerging Market Equity Index (10%)   |                               |                            |
| L&Q Diversified Growth Blended Fund                                | JE00B54ZWL01 | 0.41                          | 4.12                       | BlackRock Dynamic Diversified Growth Fund (40%) | 0.16                          | 1.65                       |
|                                                                    | GB00B433JR39 |                               |                            | Schroder Dynamic Multi Asset (60%)              |                               |                            |
| L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund | GB00B6V5RM63 | 0.04                          | 0.40                       | L&G Over 5 Year Index-Linked Gilts Index Fund   | 0.07                          | 0.68                       |
| L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund  | GB00B6V5V357 | 0.20                          | 2.00                       | L&G Active Corporate Bonds – All Stocks Fund    | 0.25                          | 2.50                       |

Source: Mobius

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year used in the Lower Risk Lifestyle – Flexible Target option were:

| Fund name                                                          | ISIN         | Charges                       |                            | Underlying Fund                                                                       | Transaction Costs             |                            |
|--------------------------------------------------------------------|--------------|-------------------------------|----------------------------|---------------------------------------------------------------------------------------|-------------------------------|----------------------------|
|                                                                    |              | % p.a. of the amount invested | £ p.a. per £1,000 invested |                                                                                       | % p.a. of the amount invested | £ p.a. per £1,000 invested |
| L&Q Global Equity Blended Fund                                     | GB00B6V5TJ74 | 0.14                          | 1.42                       | LGIM Global Equity 50:50 Index (90%)<br>LGIM World Emerging Market Equity Index (10%) | 0.05                          | 0.50                       |
|                                                                    | GB00B6V5ZX37 |                               |                            |                                                                                       |                               |                            |
| L&Q Diversified Growth Blended Fund                                | JE00B54ZWL01 | 0.41                          | 4.12                       | BlackRock Dynamic Diversified Growth Fund (40%)<br>Schroder Dynamic Multi Asset (60%) | 0.16                          | 1.65                       |
|                                                                    | GB00B433JR39 |                               |                            |                                                                                       |                               |                            |
| L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund | GB00B6V5RM63 | 0.04                          | 0.40                       | L&G Over 5 Year Index-Linked Gilts Index Fund                                         | 0.07                          | 0.68                       |
| L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund  | GB00B6V5V357 | 0.20                          | 2.00                       | L&G Active Corporate Bonds – All Stocks Fund                                          | 0.25                          | 2.50                       |

Source: Mobius

## 2c Self-select funds

The funds' charges (as "Total Expense Ratios") and transaction costs in the last year for the self-select funds were:

| Fund name                                                             | Underlying Fund                                    | ISIN         | Charges                       |                            | Transaction Costs             |                            |
|-----------------------------------------------------------------------|----------------------------------------------------|--------------|-------------------------------|----------------------------|-------------------------------|----------------------------|
|                                                                       |                                                    |              | % p.a. of the amount invested | £ p.a. per £1,000 invested | % p.a. of the amount invested | £ p.a. per £1,000 invested |
| L&Q Housing Trust DC<br>L&Q UK Equity Index Fund                      | L&G UK Equity Index Fund                           | GB00B6V5PX39 | 0.03                          | 0.30                       | 0.01                          | 0.08                       |
| L&Q Global Equity Blended Fund                                        | LGIM Global Equity 50:50 Index Fund (90%)          | GB00B6V5TJ74 | 0.14                          | 1.42                       | 0.05                          | 0.50                       |
|                                                                       | LGIM World Emerging Market Equity Index Fund (10%) | GB00B6V5ZX37 |                               |                            |                               |                            |
| L&Q Housing Trust DC<br>L&G North America Equity Index Fund           | L&G North America Equity Index Fund                | GB00B6V5Q308 | 0.08                          | 0.80                       | -0.00                         | -0.01                      |
| L&Q Housing Trust DC<br>L&G Europe (ex-UK) Equity Index Fund          | L&G Europe (ex-UK) Equity Index Fund               | GB00B6V5Q639 | 0.08                          | 0.80                       | 0.11                          | 1.09                       |
| L&Q Housing Trust DC<br>L&G Asia Pacific (ex-Japan) Equity Index Fund | L&G Asia Pacific (ex-Japan) Equity Index Fund      | GB00B6V5Q969 | 0.08                          | 0.80                       | -0.00                         | -0.05                      |
| L&Q Housing Trust DC<br>L&G Japan Equity Index Fund                   | L&G Japan Equity Index Fund                        | GB00B6V5Q076 | 0.08                          | 0.80                       | 0.01                          | 0.08                       |
| L&Q Housing Trust DC<br>L&G World Emerging Markets Equity Index Fund  | L&G World Emerging Markets Equity Index Fund       | GB00B6V5Z357 | 0.30                          | 3.00                       | 0.10                          | 0.97                       |
| L&Q Housing Trust DC<br>L&G World (ex-UK) Equity Index Fund           | L&G World (ex-UK) Equity Index Fund                | GB00B6V5QX04 | 0.08                          | 0.80                       | 0.03                          | 0.27                       |
| L&Q Housing Trust DC<br>L&G Active Corporate Bonds – All Stocks Fund  | L&G Active Corporate Bonds – All Stocks Fund       | GB00B6V5V357 | 0.20                          | 2.00                       | 0.25                          | 2.50                       |
| L&Q Housing Trust DC<br>L&G Over 5 Year Index-Linked Gilts Index Fund | L&G Over 5 Year Index-Linked Gilts Index Fund      | GB00B6V5RM63 | 0.04                          | 0.40                       | 0.07                          | 0.68                       |

| Fund name                                                 | Underlying Fund                                                          | ISIN         | Charges                       |                            | Transaction Costs             |                            |
|-----------------------------------------------------------|--------------------------------------------------------------------------|--------------|-------------------------------|----------------------------|-------------------------------|----------------------------|
|                                                           |                                                                          |              | % p.a. of the amount invested | £ p.a. per £1,000 invested | % p.a. of the amount invested | £ p.a. per £1,000 invested |
| L&Q Diversified Growth Blended Fund                       | BlackRock Dynamic Diversified Growth Fund (40%)                          | JE00B54ZWL01 | 0.41                          | 4.12                       | 0.16                          | 1.65                       |
|                                                           | Schroder Dynamic Multi Asset Fund (60%)                                  | GB00B433JR39 |                               |                            |                               |                            |
| L&Q Housing Trust DC L&G Multi-Asset Fund                 | L&G Multi-Asset Fund                                                     | GB00B6V5PH70 | 0.15                          | 1.50                       | 0.02                          | 0.21                       |
| L&Q Flexible Pre-Retirement Blended Fund                  | L&Q Global Equity Blended Fund (20%)                                     | GB00B6V5RM63 | 0.23                          | 2.32                       | -0.04                         | -0.42                      |
|                                                           | L&Q Diversified Growth Blended Fund (30%)                                |              |                               |                            |                               |                            |
|                                                           | L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund (25%) | GB00B6V5V357 |                               |                            |                               |                            |
|                                                           | L&Q Housing Trust DC L&G Active Corporate Bonds – All stocks Fund (25%)  |              |                               |                            |                               |                            |
| L&Q Housing Trust DC L&G Cash Fund                        | L&G Cash Fund                                                            | GB00B6V5RJ35 | 0.05                          | 0.50                       | 0.13                          | 1.27                       |
| L&Q Housing Trust DC L&G Managed Property Fund            | L&G Managed Property Fund                                                | GB00B6V5QR44 | 0.63                          | 6.34                       | -0.04                         | -0.38                      |
| L&Q Annuity Match Blended Fund                            | LGIM Future World Annuity Aware Fund (75%)                               | GB00B6V5WQ54 | 0.10                          | 0.97                       | 0.00                          | 0.00                       |
|                                                           | L&G Cash Fund (25%)                                                      | GB00B6V5RJ35 |                               |                            |                               |                            |
| L&Q Housing Trust DC L&G Ethical UK Equity Index Fund     | L&G Ethical UK Equity Index Fund                                         | GB00B6V5VG81 | 0.20                          | 2.00                       | 0.02                          | 0.16                       |
| L&Q Housing Trust DC HSBC Amanah Global Equity Index Fund | HSBC Amanah Global Equity Index Fund                                     | LU1092475968 | 0.39                          | 3.90                       | 0.01                          | 0.07                       |

Source: Mobius

**2d Additional Voluntary Contributions**

The funds' charges (as "Total Expense Ratios") and transaction costs, which are both paid by members, in the last year for the legacy AVC funds are shown below:

| Fund name                   | Charges                       |                            | Transaction Costs             |                            |
|-----------------------------|-------------------------------|----------------------------|-------------------------------|----------------------------|
|                             | % p.a. of the amount invested | £ p.a. per £1,000 invested | % p.a. of the amount invested | £ p.a. per £1,000 invested |
| Utmost Multi Asset Cautious | 0.75                          | 7.50                       | 0.39%                         | 3.90                       |
| Utmost Multi Asset Moderate | 0.75                          | 7.50                       | 0.31%                         | 3.10                       |
| Utmost Money Market         | 0.50                          | 5.00                       | 0.01%                         | 0.10                       |

Source: Utmost

\*\* Charge = the funds' Total Expense Ratio ("TER"), which includes the funds' Annual Management Charge ("AMC") and Operating Costs and Expenses ("OCE").

## Appendix 3 - Tables illustrating the impact of charges and costs

The following tables show the potential impact of the costs and charges borne by a typical member of the Plan on projected values in today's money at several points up to retirement for a selection of funds and a range of contribution levels. Please note, as members do not pay investment charges, the following illustrations take into account transaction costs only. A typical member has been chosen based on analysis of membership data as at 31 March 2025 and is detailed below:

| Typical member characteristics |         |
|--------------------------------|---------|
| Age                            | 47      |
| NRA                            | 65      |
| Pot size                       | £51,000 |
| Salary                         | £56,000 |

### 3a For the default Arrangement

**For the typical member in the default arrangement, paying 3% employee contributions with 6% employer contributions**

| Years to retirement | Before costs & charges (£) | After all costs & charges (£) |
|---------------------|----------------------------|-------------------------------|
| 0                   | £201,080                   | £194,959                      |
| 1                   | £190,243                   | £184,663                      |
| 3                   | £169,618                   | £165,048                      |
| 5                   | £150,311                   | £146,656                      |
| 10                  | £107,239                   | £105,473                      |
| 15                  | £70,460                    | £69,968                       |
| 18                  | £51,000                    | £51,000                       |

Source: Hymans Robertson using Mobius costs and charges

**For the typical member in the default arrangement, paying 6% employee contributions with 12% employer contributions**

| Years to retirement | Before costs & charges (£) | After all costs & charges (£) |
|---------------------|----------------------------|-------------------------------|
| 0                   | £322,958                   | £314,157                      |
| 1                   | £303,269                   | £295,312                      |
| 3                   | £265,809                   | £259,410                      |
| 5                   | £230,760                   | £225,750                      |
| 10                  | £152,635                   | £150,387                      |
| 15                  | £86,096                    | £85,543                       |
| 18                  | £51,000                    | £51,000                       |

Source: Hymans Robertson using Mobius costs and charges

**For the typical young member in the default arrangement, paying 6% employee contributions with 12% employer contributions**

The following table shows the potential impact of the costs and charges borne by the youngest member in the Plan on projected values in today's money at several points up to retirement. The representative youngest member has been chosen based on analysis of membership data as at 31 March 2024 and is detailed below:

| Youngest member characteristics |         |
|---------------------------------|---------|
| Age                             | 20      |
| NRA                             | 65      |
| Pot size                        | £0      |
| Salary                          | £29,000 |

| Years to retirement | Before costs & charges (£) | After all costs & charges (£) |
|---------------------|----------------------------|-------------------------------|
| 0                   | £504,715                   | £488,644                      |
| 1                   | £484,261                   | £469,190                      |
| 3                   | £445,620                   | £432,408                      |
| 5                   | £409,141                   | £397,608                      |
| 10                  | £327,928                   | £319,908                      |
| 15                  | £257,581                   | £252,228                      |
| 18                  | £220,036                   | £215,943                      |
| 20                  | £196,788                   | £193,411                      |
| 30                  | £99,368                    | £98,363                       |
| 45                  | £0                         | £0                            |

### 3b For an alternative Lifestyle Strategy: Moderate Lifestyle Strategy - Annuity Target

For the typical member in the Moderate Lifestyle Strategy - Annuity Target, paying 6% employee contributions with 12% employer contributions

| Years to retirement | Before costs & charges (£) | After all costs & charges (£) |
|---------------------|----------------------------|-------------------------------|
| 0                   | £321,138                   | £317,581                      |
| 1                   | £301,890                   | £298,546                      |
| 3                   | £265,089                   | £262,214                      |
| 5                   | £230,455                   | £228,082                      |
| 10                  | £152,635                   | £151,507                      |
| 15                  | £86,096                    | £85,819                       |
| 18                  | £51,000                    | £51,000                       |

Source: Hymans Robertson using Mobius costs and charges

### 3c For a selection of the self-select funds

For the typical member in a range of self-select funds, paying 6% employee contributions with 12% employer contributions

| Years to retirement | L&Q Diversified Growth Blended Fund<br>(Fund with highest average transaction costs) |                               | L&Q Managed Property Fund<br>(Fund with lowest average transaction costs) |                               |
|---------------------|--------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------------------------------------|-------------------------------|
|                     | Before costs & charges (£)                                                           | After all costs & charges (£) | Before costs & charges (£)                                                | After all costs & charges (£) |
| 0                   | £288,130                                                                             | £269,398                      | £269,398                                                                  | £269,398                      |
| 1                   | £272,317                                                                             | £255,437                      | £255,437                                                                  | £255,437                      |
| 3                   | £241,705                                                                             | £228,204                      | £228,204                                                                  | £228,204                      |
| 5                   | £212,409                                                                             | £201,869                      | £201,869                                                                  | £201,869                      |
| 10                  | £144,625                                                                             | £139,805                      | £139,805                                                                  | £139,805                      |
| 15                  | £84,097                                                                              | £82,855                       | £82,855                                                                   | £82,855                       |
| 18                  | £51,000                                                                              | £51,000                       | £51,000                                                                   | £51,000                       |

Source: Hymans Robertson using Mobius costs and charges

### Assumptions

As each member has a different amount of savings within the Plan and the amount of any future investment returns and future costs and charges cannot be known in advance, the Trustees have had to make a number of assumptions about what these might be. The assumptions are explained below:

- The “before costs” figures represent the savings projection assuming an investment return with no deduction of member borne fees or transaction costs.
- The “after costs” figures represent the savings projection using the same assumed investment return but after deducting member borne fees and an allowance for transaction costs.
- The transaction cost figures used in the illustration are based on those provided by the managers over the past five years.
- The opening DC pot size is £51,000, which was the average pot size for members in the plan as at 31 March 2025
- A contribution in current day terms of either 6% employee and 12% employer or 3% employee and 6% employer. For a member with a salary of £56,000, which was the average salary for members at 31 March 2025, this is equivalent to contributions of £10,080 p.a. or £5,040 p.a. respectively.
- For a young member profile, the opening DC pot size is £0 and the salary is £29,000.
- The level of costs and charges are assumed to remain fixed throughout the illustration period;
- The gross investment return, TERs and average transaction costs for each fund were:

| Fund name                                                          | Gross investment return (p.a.) | Total Expense Ratio (% p.a.) | Transaction Costs (% p.a.) |
|--------------------------------------------------------------------|--------------------------------|------------------------------|----------------------------|
| L&Q Global Equity Blended Fund                                     | 6.00%                          | 0.00%                        | 0.04%                      |
| L&Q Diversified Growth Blended Fund                                | 4.00%                          | 0.00%                        | 0.23%                      |
| L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund | 7.00%                          | 0.00%                        | 0.07%                      |
| L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund  | 4.00%                          | 0.00%                        | 0.14%                      |
| L&Q Annuity Matching Blended Fund (Lifecycle)                      | 6.00%                          | 0.00%                        | 0.03%                      |
| L&Q Housing Trust DC L&G Cash Fund                                 | 2.00%                          | 0.00%                        | 0.05%                      |
| L&Q Housing Trust DC L&G Managed Property Fund                     | 4.00%                          | 0.00%                        | 0.00%                      |

Source: Mobius

- The rate of inflation was assumed to be 2.5% p.a.
- Real salary growth was assumed to be 1% p.a.
- The rate of increase of costs and charges was 0% p.a.
- The assumptions as used in the Statutory Money Purchase Illustrations included with members' benefit statements have otherwise been used.

Please note that:

- These illustrations take account of transaction costs only as these are the only member borne charges. The transaction cost figures used in the illustration are the average of those provided by the managers over the past five years.
- For funds where transaction costs over the reporting period were negative, the calculations assume no transaction costs for prudence.

Please also note that these illustrated values:

- Are shown in today's terms, and do not need to be reduced further for the effect of future inflation;
- Are estimates using assumed rates of future investment returns and inflation which may not be borne out in practice;
- The assumptions used may be differ in the future to reflect changes in regulatory requirements or investment conditions;
- Will be affected by future, and as yet unknown, changes to the Plan's investment options;
- Are not guaranteed;
- Depend upon how far members in the default lifestyle option are from retirement as the funds used change over time;
- May not prove to be a good indication of how your own savings might grow;
- Comply with the Technical Actuarial Standards (TAS) 100: Principles for Technical Actuarial Work

## Appendix 4 - Investment performance

This appendix shows the annual return, after the deduction of member borne charges and transaction costs, for all investment options that members are able, or were previously able, to select and in which members were invested during the Plan Year.

For the arrangements where returns vary with age, such as for the default strategy, returns are shown over various periods for a member aged 25, 45, 55 and 65 at the start of the period the returns are shown below.

### Self-select funds

The investment performance of the available self-select funds during periods up to 31 March 2025 net of all costs and charges expressed as an annual geometric compound percentage were:

| Fund name                                                          | 1 year |        | 3 years (p.a.) |        | 5 years (p.a.) |        |
|--------------------------------------------------------------------|--------|--------|----------------|--------|----------------|--------|
|                                                                    | Fund   | B/mark | Fund           | B/mark | Fund           | B/mark |
| L&Q Housing Trust DC L&G UK Equity Index Fund                      | 10.0%  | 10.5%  | 6.7%           | 7.2%   | 12.1%          | 12.1%  |
| L&Q Global Equity Blended Fund                                     | 6.0%   | 6.9%   | 6.4%           | 7.1%   | 12.3%          | 12.4%  |
| L&Q Housing Trust DC L&G North America Equity Index Fund           | 5.4%   | 6.3%   | 8.6%           | 9.5%   | 17.0%          | 17.5%  |
| L&Q Housing Trust DC L&G Europe (ex-UK) Equity Index Fund          | 0.3%   | 3.2%   | 6.8%           | 8.2%   | 12.0%          | 12.6%  |
| L&Q Housing Trust DC L&G Asia Pacific (ex-Japan) Equity Index Fund | -5.6%  | -5.7%  | -1.9%          | -1.8%  | 7.7%           | 7.8%   |
| L&Q Housing Trust DC L&G Japan Equity Index Fund                   | -3.1%  | -3.4%  | 6.3%           | 6.4%   | 8.3%           | 8.3%   |
| L&Q Housing Trust DC L&G World Emerging Markets Equity Index Fund  | 8.4%   | 10.2%  | 3.1%           | 3.7%   | 8.3%           | 8.6%   |
| L&Q Housing Trust DC L&G World (ex-UK) Equity Index Fund           | 3.5%   | 4.5%   | 7.5%           | 8.4%   | 15.0%          | 15.5%  |
| L&Q Housing Trust DC L&G Active Corporate Bonds – All Stocks Fund  | 3.4%   | 2.4%   | -0.1%          | -0.8%  | 1.0%           | -0.2%  |
| L&Q Housing Trust DC L&G Over 5 Year Index-Linked Gilts Index Fund | -9.3%  | -10.4% | -16.1%         | -16.6% | -9.6%          | -9.0%  |
| L&Q Diversified Growth Blended Fund                                | 5.9%   | 8.5%   | 2.9%           | 7.5%   | 6.0%           | 6.9%   |
| L&Q Housing Trust DC L&G Multi-Asset Fund                          | 3.7%   | 3.2%   | 2.2%           | 2.9%   | 6.2%           | 7.7%   |
| L&Q Flexible Pre-Retirement Blended Fund                           | 1.4%   | 1.7%   | -2.1%          | -0.8%  | 2.0%           | 2.3%   |
| L&Q Housing Trust DC L&G Cash Fund                                 | 5.1%   | 5.0%   | 4.1%           | 4.1%   | 2.5%           | 2.5%   |
| L&Q Housing Trust DC L&G Managed Property Fund                     | 7.2%   | 6.4%   | -0.1%          | -3.3%  | 4.5%           | 2.6%   |
| L&Q Annuity Match Blended Fund                                     | -0.6%  | -1.5%  | -3.9%          | -4.8%  | -2.9%          | -3.4%  |
| L&Q Housing Trust DC L&G Ethical UK Equity Index Fund              | 11.5%  | 12.0%  | 7.2%           | 7.5%   | 11.9%          | 11.8%  |
| L&Q Housing Trust DC HSBC Amanah Global Equity Index Fund          | 3.6%   | 3.0%   | 8.8%           | 10.1%  | 16.2%          | 17.2%  |

Source: Mobius

**AVC funds**

The investment performance of the legacy AVC funds during periods up to 31 March 2025 net of all costs and charges expressed as an annual geometric compound percentage were:

| Fund name                   | 1 year |        | 3 years (p.a.) |        | 5 years (p.a.) |        |
|-----------------------------|--------|--------|----------------|--------|----------------|--------|
|                             | Fund   | B/mark | Fund           | B/mark | Fund           | B/mark |
| Utmost Multi Asset Cautious | 3.7%   | 4.0%   | 0.4%           | 1.9%   | 2.5%           | 3.1%   |
| Utmost Multi Asset Moderate | 4.9%   | 4.7%   | 3.0%           | 3.6%   | 6.8%           | 6.1%   |
| Utmost Money Market         | 4.7%   | 4.4%   | 3.7%           | 3.3%   | 2.1%           | 2.1%   |

Source: Utmost